

# COVER SHEET

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S.E.C. Registration Number

B	A	N	K	O	F	T	H	E	P	H	I	L	I	P	P	I	N	E	I	S	L	A	N	D	S

(Company's Full Name)

A	Y	A	L	A	T	R	I	A	N	G	L	E	G	A	R	D	E	N	S	T	O	W	E	R	2
P	A	S	E	O	D	E	R	O	X	A	S	C	O	R.	M	A	K	A	T	I	A	V	E.	,	
B	E	L	-	A	I	R	,	M	A	K	A	T	I	C	I	T	Y								

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

ATTY. MARIA LOURDES P. GATMAYTAN
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Contact Person

8663-6525
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Company Telephone Number

1	2	3	1
Month	Day	Month	Day
Fiscal Year			

SEC FORM 20-IS
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FORM TYPE

0	4	2	0
Month	Day	Month	Day
Annual Meeting			

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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File Number

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Document I.D.

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STAMPS
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## 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/BPI2026ASM> on **Monday, April 20, 2026** at **9:00 A.M.**, with the following

### A G E N D A<sup>1</sup>

1. Call to Order
2. Certification of Notice and Quorum
3. Matters for Approval of Stockholders<sup>2</sup>
  - i. Approval of Minutes of the Annual Stockholders' Meeting on April 21, 2025
  - ii. Ratification of the Acts of the Board of Directors and Officers
  - iii. Election of Directors (including the Independent Directors)
  - iv. Approval of Board Compensation
  - v. Amendment of the Bank's Amended By-Laws
  - vi. Election of External Auditor and Fixing of its Remuneration
  - vii. 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 17, 2025, 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 **February 27, 2026** 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 10, 2026**. 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.<sup>3</sup>

Stockholders intending to participate by appointing a proxy should submit their duly accomplished proxy forms and voting instructions on or before **April 10, 2026** 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 13, 2026 at 2:00 P.M.

Stockholders of record as of February 27, 2026 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 11, 2026.<sup>4</sup>

All email communications should be sent to [bpi-asm@bpi.com.ph](mailto: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 20, 2026 to April 19, 2026.

Makati City, March 18, 2026.

FOR THE BOARD OF DIRECTORS

  
MARIA LOURDES P. GATMAYTAN  
Corporate Secretary

<sup>1</sup> See next page for the explanation for each agenda item. The items in the agenda may be subject to change with due notice to the stockholders.

<sup>2</sup> Proposed resolutions are provided below and will be included in the proxy form with voting instructions, and in the electronic ballot.

<sup>3</sup> 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 February 27, 2026.

<sup>4</sup> 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 February 27, 2026, 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/BPI2026ASM>, which may be accessed by the stockholders to register and vote *in absentia* on the matters for resolution at the meeting<sup>5</sup>. 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](mailto: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/BPI2026ASM> or by sending an email to [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph) on or before April 10, 2026, 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 majority of the issued and outstanding capital stock present at the meeting, except for the amendment of the Bank's Amended By-Laws, which shall require the affirmative vote of at least two-thirds of the issued and outstanding capital stock. 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 external 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 21, 2025

The minutes of the meeting held on April 21, 2025 are available on the Bank's website, [www.bpi.com.ph](http://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 21, 2025."*

#### 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 21, 2025 until April 20, 2026, 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 21, 2025 until April 20, 2026."*

<sup>5</sup>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 2, 2026. The Nomination Committee has determined that 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:*

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

*\*Nominated as Independent Director.*

iv. Approval of Board Compensation

The proposed Board Compensation will be submitted to the stockholders for approval. Directors who hold executive or management positions do not receive directors' fees or per diems.

*“RESOLVED, to approve the following amendments to the compensation of non-executive directors: (i) the annual retainer fee shall be increased by Php800,000.00; (ii) the per diem for Board meetings shall be increased by Php30,000.00; (iii) the per diem for Board Committee meetings shall be increased by Php70,000.00; and (iv) the per diem for unanimous consent resolutions shall be equivalent to half the amount of the per diem for a regular meeting.*

*RESOLVED, FURTHER, to authorize the President, an executive director not entitled to compensation as a director, to increase the non-executive directors' annual retainer fee and/or per diem by a maximum of ten percent (10%) in any succeeding year for inflationary or benchmarking adjustments; Provided, That in no case shall the total yearly compensation of non-executive directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year.”*

v. Amendment of the Bank's Amended By-Laws

The proposed amendments to Articles IV, V, VII, and VII-A of the Bank's Amended By-Laws, as approved by the Board of Directors at its meeting on March 18, 2026, shall be presented to the stockholders for approval. The proposed amendments are aimed to: 1) align with the practice of holding the annual stockholders' meeting in April; 2) align with SEC MC No. 7, S. of 2021, which grants shareholders holding at least ten percent (10%) of the outstanding capital stock of a publicly-listed company the right to call for a Special Stockholders' Meeting; 3) allow greater flexibility to adapt to evolving practices in the determination of the Order of Business of the annual stockholders' meeting; and 4) align with Section 29 of the Revised Corporation Code on compensation of directors. Below is the proposed resolution:

*“RESOLVED, to approve the amendment of the Bank's Amended By-Laws as follows:*

<b>Article</b>	<b>From</b>	<b>To</b>
Article IV	The annual meeting of stockholders shall be held in Metro Manila on the last Friday of March of each year or on such other date as may be determined by the Board of Directors. Special meeting of stockholders may be held at any time upon call by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon resolution of the Board of Directors. The holding of a special meeting, upon the proposal of a stockholder, shall be subject to the approval of the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon the resolution of the Board of Directors, in accordance with the provisions of the Corporation Law. (as amended on March 16, 2011)	The annual meeting of stockholders shall be held in Metro Manila <del>on the last Friday of March</del> <u>on any date after April 15</u> of each year or on such other date as may be determined by the Board of Directors. Special meetings of stockholders may be held at any time upon call by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon resolution of the Board of Directors. The holding of a special meeting, upon the proposal of a stockholder, shall be subject to the approval of the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon the resolution of the Board of Directors, in accordance with the provisions of the <u>Revised Corporation Code and applicable regulations</u> . (as amended on March 16, 2011 <u>and April 20, 2026.</u> )
Article IV	The order of business at the annual meeting of stockholders, shall be as follows: (a) Roll Call; (b) Presentation of proof of due notice of the meeting (c) Reading and disposition of any unapproved minutes; (d) Reading and approval of the annual report of the President and the Bank's Statement of	The order of business at the annual meeting of the stockholders, shall be <del>as follows:</del> <u>based on the agenda of the meeting, as indicated in the Notice of Meeting.</u> <del>(a) Roll Call;</del> <del>(b) Presentation of proof of due notice of the meeting</del> <del>(c) Reading and disposition of any unapproved minutes;</del> <del>(d) Reading and approval of the annual report of the</del>

	<p>Condition;</p> <p>(e) Election of the members of the Board of Directors;</p> <p>(f) Election of the external Auditors and fixing their remuneration;</p> <p>(g) Unfinished business;</p> <p>(h) Other business;</p> <p>(i) Adjournment</p>	<p><del>President and the Bank's Statement of Condition;</del></p> <p><del>(e) Election of the members of the Board of Directors;</del></p> <p><del>(f) Election of the external Auditors and fixing their remuneration;</del></p> <p><del>(g) Unfinished business;</del></p> <p><del>(h) Other business;</del></p> <p><del>(i) Adjournment</del></p> <p>(as amended on April 20, 2026.)</p>
Article V	<p>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. (as amended on March 16, 2011)</p> <p>The Personnel and Compensation Committee of the Board of Directors 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. (as amended on March 16, 2011)</p>	<p>Each <b>Non-executive</b> directors shall, <b>pursuant to a stockholder resolution</b>, be entitled to receive from the Bank, pursuant to a resolution of the Board of Directors, fees, <b>per diems</b> and other compensation for <b>their service as directors his services as director</b>. <b>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.</b> <b>Provided, That</b> in no case shall the total yearly compensation of <b>non-executive</b> directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year. (as amended on March 16, 2011 <b>and April 20, 2026.</b>)</p> <p><del>The Personnel and Compensation Committee of the Board of Directors 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.</del> <b>No Director shall be involved in deciding his own remuneration.</b> (as amended on March 16, 2011 <b>and April 20, 2026.</b>)</p>
Article VII	<p>For each attendance at any meeting of the Executive Committee, a member of the Committee, except the executive officers of the Bank, is entitled to a fee <b>as may be determined by the Board of Directors</b> which shall take the industry practice into consideration. (As amended on March 16, 2011).</p>	[Deleted.]
Article VII-A	<p>The (Personnel and Compensation) Committee shall have the following powers and duties: xxx (2) To review and <b>recommend to the Board of Directors</b> the fees and other compensation for directors. (As amended on March 16, 2011).</p>	[Deleted.]

vi. Election of External Auditor and Fixing of its Remuneration

As endorsed by the members of 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 2026 for an audit fee of Php31.566Mn."*

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

The audited financial statements (AFS) as of December 31, 2025 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, 2025."*

A copy of the Bank's AFS will be posted on the Bank's website.

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

The Chairman will take up agenda items received from stockholders, if any, in accordance with existing laws, rules and regulations of the Securities and Exchange Commission and the Company's internal guidelines.<sup>6</sup>

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 2025 and the outlook for 2026. 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](http://www.bpi.com.ph).

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

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.

**BANK OF THE PHILIPPINE ISLANDS**  
2026 Annual Stockholders Meeting  
April 20, 2026

**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 20, 2026 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 20, 2026 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 21, 2025.

Resolution No. ASM-2026-01 - RESOLVED, to approve the minutes of the Annual Stockholders' Meeting held on April 21, 2025.

For       Against       Abstain

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

Resolution No. ASM-2026-02 - 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 21, 2025 until April 20, 2026.

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

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Withhold authority to vote for all nominees listed above.

Resolution No. ASM-2026-03 - 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.

4. Approval of Board Compensation

Resolution No. ASM-2026-04 – RESOLVED, to approve the following amendments to the compensation of non-executive directors: (i) the annual retainer fee shall be increased by Php800,000.00; (ii) the per diem for Board meetings shall be increased by Php30,000.00; (iii) the per diem for Board Committee meetings shall be increased by Php70,000.00; and (iv) the per diem for unanimous consent resolutions shall be equivalent to half the amount of the per diem for a regular meeting.

RESOLVED, FURTHER, to authorize the President, an executive director not entitled to compensation as a director, to increase the non-executive directors' annual retainer fee and/or per diem by a maximum of ten percent (10%) in any succeeding year for inflationary or benchmarking adjustments; *Provided, That* in no case shall the total yearly compensation of non-executive directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year.

5. Amendment of the Bank's Amended By-Laws

Resolution No. ASM-2026-05 – RESOLVED, to approve the amendment of the Bank's Amended By-Laws as follows:

Article	From	To
Article IV	The annual meeting of stockholders shall be held in Metro Manila on the last Friday of March of each year or on such other date as may be determined by the Board of Directors. Special meeting of stockholders may be held at any time upon call by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon resolution of the Board of Directors. The holding of a special meeting, upon the proposal of a stockholder, shall be subject to the approval of the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon the resolution of the Board of Directors, in accordance with the provisions of the Corporation Law. (as amended on March 16, 2011)	The annual meeting of stockholders shall be held in Metro Manila <del>on the last Friday of March</del> <u>on any date after April 15</u> of each year or on such other date as may be determined by the Board of Directors. Special meetings of stockholders may be held at any time upon call by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon resolution of the Board of Directors. The holding of a special meeting, upon the proposal of a stockholder, shall be subject to the approval of the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon the resolution of the Board of Directors, in accordance with the provisions of the <u>Revised Corporation Code and applicable regulations</u> , (as amended on March 16, 2011 <u>and April 20, 2026.</u> )
Article IV	The order of business at the annual meeting of stockholders, shall be as follows: (a) Roll Call; (b) Presentation of proof of due notice of the meeting (c) Reading and disposition of any unapproved minutes; (d) Reading and approval of the annual report of the President and the Bank's Statement of Condition; (e) Election of the members of the Board of Directors; (f) Election of the external Auditors and fixing their remuneration; (g) Unfinished business; (h) Other business; (i) Adjournment	The order of business at the annual meeting of the stockholders, shall be <del>as follows:</del> <u>based on the agenda of the meeting, as indicated in the Notice of Meeting.</u> <del>(a) Roll Call;</del> <del>(b) Presentation of proof of due notice of the meeting</del> <del>(c) Reading and disposition of any unapproved minutes;</del> <del>(d) Reading and approval of the annual report of the President and the Bank's Statement of Condition;</del> <del>(e) Election of the members of the Board of Directors;</del> <del>(f) Election of the external Auditors and fixing their remuneration;</del> <del>(g) Unfinished business;</del> <del>(h) Other business;</del> <del>(i) Adjournment</del> (as amended on April 20, 2026.)
Article V	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. (as amended on March 16, 2011)  The Personnel and Compensation Committee of the Board of Directors 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. (as amended on March 16, 2011)	Each <u>Non-executive</u> directors shall, <u>pursuant to a stockholder resolution</u> , be entitled to receive from the Bank, <del>pursuant to a resolution of the Board of Directors</del> , fees, <u>per diems</u> and other compensation for <u>their service as directors</u> <del>his services as director</del> . <del>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.</del> <u>Provided, That</u> in no case shall the total yearly compensation of <u>non-executive</u> directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year. (as amended on March 16, 2011 <u>and April 20, 2026.</u> )  <del>The Personnel and Compensation Committee of the Board of Directors 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.</del> <u>No Director shall be involved in deciding his</u>

		<u>own remuneration.</u> (as amended on March 16, 2011 and April 20, 2026.)
Article VII	For each attendance at any meeting of the Executive Committee, a member of the Committee, except the executive officers of the Bank, is entitled to a fee <b>as may be determined by the Board of Directors</b> which shall take the industry practice into consideration. (As amended on March 16, 2011).	[Deleted.]
Article VII-A	The (Personnel and Compensation) Committee shall have the following powers and duties: xxx (2) To review and <b>recommend to the Board of Directors</b> the fees and other compensation for directors. (As amended on March 16, 2011).	[Deleted.]

6. Election of External Auditor and Fixing of its Remuneration

Resolution No. ASM-2026-06 – RESOLVED, to appoint Isla Lipana & Co. as the external auditor of BPI and its major subsidiaries and affiliates for the year 2026 for an audit fee of Php31.566Mn.

For       Against       Abstain

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

Resolution No. ASM-2026-07 - RESOLVED, to approve the audited financial statements of Bank of the Philippine Islands and Subsidiaries as of December 31, 2025.

For       Against       Abstain

8. 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](mailto:bpi-asm@bpi.com.ph) on or before **April 10, 2026**, 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 20, 2026. 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

\_\_\_\_\_  
WITNESS

\_\_\_\_\_  
NUMBER OF SHARES

\_\_\_\_\_  
DATE

\_\_\_\_\_  
WITNESS

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



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 20, 2026**

Time: **9:00 a.m.**

Place: **to be conducted virtually through <https://conveneagm.com/ph/BPI2026ASM>**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **March 23, 2026**

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, 2026)

**Common Shares**

**5,283,794,223**

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 20, 2026**  
Time : **9:00 a.m.**  
Place : **to be conducted virtually through**  
<https://conveneagm.com/ph/BPI2026ASM>
- (b) Approximate date on which the information statement is first to be sent or given to security holders: **March 23, 2026**

**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 stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- (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 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.

As of date, 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 and approval of board compensation.
- (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** Common Shares  
Number of Shares Outstanding as of January 31, 2026: 5,283,794,223  
Number of Votes Entitled: One (1) vote per share

- (b) **Record Date**

Stockholders of record as of February 27, 2026 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/BPI2026ASM>, 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 "A".

The deadline for submission of proxy forms is on April 10, 2026.

(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, 2026

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 <sup>1</sup> - Non-Filipino - Filipino 37F Tower 1, The Enterprise Center, 6766 Ayala Avenue, Makati City	PCD Participants acting for themselves or for their customers	Various Filipino	966,671,033	18.2950%
				882,227,455	16.6969%
				1,848,898,488	34.9919%
Common	Ayala Corporation <sup>2</sup> 37F to 39F, Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Avenue, Makati City (Stockholder)	Ayala Corporation <sup>3</sup>	Filipino	1,515,177,839	28.6759%
Common	Liontide Holdings, Inc. <sup>4</sup> 38F, Ayala Triangle Gardens Tower 2, Paseo de Roxas Cor. Makati Avenue, Brgy. Bel-Air, Makati City, (Stockholder)	Liontide Holdings, Inc. <sup>5</sup>	Filipino	823,218,041	15.5801%
Common	Roman Catholic Archbishop of Manila 121 Arzobispo St., Intramuros Manila (Stockholder)	Roman Catholic Archbishop of Manila <sup>6</sup>	Filipino	357,297,439	6.7621%
Common	Robinsons Retail Holdings, Inc. 43F Robinsons Equitable Tower, ADB Ave. Cor. Poveda St., Ortigas Center, Pasig City (Stockholder)	Robinsons Retail Holdings, Inc. <sup>7</sup>	Filipino	287,627,499	5.4436%

ii. Security Ownership of Directors and Management as of January 31, 2026

Title of Class	Name of Beneficial Owner	Position	No. of Shares	Nature of Ownership	Citizenship	% of Holdings
<i>Directors</i>						
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	189,975	Direct / Indirect	Filipino	0.004%
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	Restituto C. Cruz	Independent Director	10	Direct	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	Mario Antonio V. Paner	Independent Director	271,858	Direct / Indirect	Filipino	0.005%

<sup>1</sup> 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 1,848,898,488 common shares registered in the name of PCD, 577,353,599 shares (or 10.9269% of the total outstanding shares), and 368,647,967 shares (or 6.9770% of the total outstanding shares) are for the accounts of The Hongkong and Shanghai Banking Corporation, and Citibank, respectively.

<sup>2</sup> Mermac, Inc. owns 47.84% of common shares and 57.7874% of total voting shares, while Mitsubishi Corporation owns 4.4676% of common shares and 5.3899% of total voting shares, respectively, of the outstanding shares of Ayala Corporation (AC).

<sup>3</sup> The Board of Directors of AC has the power to decide how AC's shares in BPI are to be voted.

<sup>4</sup> AC owns 95.51% of the outstanding shares, and has 93.44% effective economic ownership, of Liontide Holdings, Inc. (Liontide).

<sup>5</sup> The Board of Directors of Liontide has the power to decide how Liontide's shares in BPI are to be voted.

<sup>6</sup> The Archbishop of Manila has the power to decide how the Roman Catholic Archbishop of Manila's shares in BPI are to be voted.

<sup>7</sup> JE Holdings, Inc. owns 46.10% of common shares, PCD Nominee Corporation (Filipino) owns 21.61% of common shares, PCD Nominee Corporation (Non-Filipino) owns 5.99% common shares, Lance Y. Gokongwei owns 8.63% of common shares, and Robina Gokongwei Pe owns 8.63% 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
Common	Cesar V. Purisima	Independent Director	10	Direct	Filipino	0.000%
Common	Jaime Z. Urquijo	Director	10	Direct	Filipino	0.000%
Common	Fernando Zobel de Ayala	Director	96,327	Direct / Indirect	Filipino	0.002%
Common	Mariana Beatriz E. Zobel de Ayala	Director	10	Direct	Filipino	0.000%
<i>CEO and most highly compensated officers</i>						
Common	Dino R. Gasmen	EVP	64,298	Indirect	Filipino	0.001%
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	Juan Carlos L. Syquia	EVP	42,130	Indirect	Filipino	0.001%
<i>Other executive officers</i>						
Common	Maria Virginia O. Eala	EVP	5,403	Indirect	Filipino	0.000%
Common	Eric Roberto M. Luchango	EVP	204,334	Indirect	Filipino	0.004%
<b>Aggregate Shareholdings of Directors &amp; Officers as a Group</b>			<b>4,387,237</b>			<b>0.083%</b>

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 2026: 970,510,704**

**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 2025 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	13/13	100%
René dG. Bañez	12/13	92%
Karl Kendrick T. Chua	11/13	85%
Wilfred T. Co	11/13	85%
Restituto C. Cruz**	10/10	100%
Emmanuel S. de Dios	13/13	100%
Rizalina G. Mantaring	12/13	92%
Aurelio R. Montinola III*	3/3	100%
Mario Antonio V. Paner	13/13	100%
Cesar V. Purisima	13/13	100%
Jaime Z. Urquijo	10/13	77%
Maria Dolores B. Yuvienco*	3/3	100%
Fernando Zobel de Ayala	13/13	100%

Name	No. of Meetings Attended/Held	Percent Present
Mariana Beatriz E. Zobel De Ayala**	10/10	100%

\* Board Member until 20 April 2025

\*\* Elected as Board Member effective 21 April 2025

#### (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 Transactions Committee	Personnel and Compensation Committee	Nomination Committee	Retirement/ Pension Committee
Jaime Augusto Zobel de Ayala	C					C	M	
Cezar P. Consing	VC					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								
Restituto C. Cruz (ID)		M			M			
Emmanuel S. de Dios (ID)				C			C	
Rizalina G. Mantaring (Lead ID)	M		C	M				M
Mario Antonio V. Paner (ID)		M	M			M		C
Cesar V. Purisima (ID)	M	C	M				M	
Jaime Z. Urquijo			M	M				
Fernando Zobel de Ayala	M					M		
Mariana Beatriz E. Zobel de Ayala						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 B".

The Board undergoes an internal, 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 are 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. An external performance assessment of the Board and the directors is also conducted by an independent third-party consultant every three (3) years. In 2023, Aon Solutions Singapore Pte. Ltd. conducted the Board evaluation that year. 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 17, 2025, which resolution was disclosed and reported to PSE and SEC, all nominations for election of Directors for the term 2026-2027 were required to be submitted to the Corporate Secretary not later than March 02, 2026. 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 dG. 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 2026 ASM)	Citizenship
1. Jaime Augusto Zobel de Ayala	67	Filipino
2. Cezar P. Consing	66	Filipino
3. Jose Teodoro K. Limcaoco	64	Filipino
4. Janet Guat Har Ang (Independent Director)	66	Singaporean
5. René dG. Bañez	70	Filipino
6. Karl Kendrick T. Chua	47	Filipino
7. Wilfred T. Co	61	Filipino
8. Restituto C. Cruz (Independent Director)	69	Filipino
9. Emmanuel S. de Dios (Independent Director)	71	Filipino
10. Rizalina G. Mantaring (Independent Director)	66	Filipino
11. Mario Antonio V. Paner (Independent Director)	67	Filipino
12. Cesar V. Purisima (Independent Director)	66	Filipino
13. Jaime Z. Urquijo	37	Filipino
14. Fernando Zobel de Ayala	66	Filipino
15. Mariana Beatriz E. Zobel de Ayala	37	Filipino

The following is the list of Key Officers of BPI as of 31 January 2026:

Name	Rank/Title	Age (As of 2026 ASM)	Citizenship
1. Jose Teodoro K. Limcaoco	President & CEO	64	Filipino
2. Maria Virginia O. Eala	EVP & CHRO	58	Filipino
3. Ma. Cristina L. Go	EVP	56	Filipino
4. Maria Theresa D. Marcial*	EVP	55	Filipino
5. Juan Carlos L. Syquia**	EVP	59	Filipino
6. Eric Roberto M. Luchangco	EVP & CFO	55	Filipino
7. Dino R. Gasmán	EVP & Treasurer	59	Filipino
8. Maria Lourdes P. Gatmaytan	Corporate Secretary	58	Filipino

\*Seconded to BPI Asset Management and Trust Corporation

\*\*Seconded to Ayala Corporation

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

Please refer to attached Annex "C" 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 2025, the directors of BPI joined online seminars on Corporate Governance, as follows:

Director	2025
Jaime Augusto Zobel de Ayala	<ul style="list-style-type: none"><li>• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors ***</li></ul>
Cezar P. Consing	
Janet Guat Har Ang	<ul style="list-style-type: none"><li>• 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors ****</li></ul>
Karl Kendrick T. Chua	
Cesar V. Purisima	<ul style="list-style-type: none"><li>• 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors ****</li></ul>
Maria Dolores B. Yuvienco*	
René dG. Bañez	
Emmanuel S. de Dios	
Rizalina G. Mantaring	
Aurelio R. Montinola III*	
Jaime Z. Urquijo	
Fernando Zobel de Ayala	<ul style="list-style-type: none"><li>• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors ***</li><li>• 2025 Annual Corporate Governance Training by Good Governance Advocates and Practitioners of the Philippines *****</li><li>• 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors ****</li></ul>
Jose Teodoro K. Limcaoco	
Wilfred T. Co	<ul style="list-style-type: none"><li>• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors ***</li><li>• 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors ****</li></ul>
Mario Antonio V. Paner	
Restituto C. Cruz**	<ul style="list-style-type: none"><li>• Corporate Governance Orientation Program by Institute of Corporate Directors *****</li><li>• 2025 BPI Future of Compliance Conference:</li></ul>

Director	2025
	Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors *** • 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors ****
Mariana Beatriz E. Zobel de Ayala**	• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors ***

\*Board member until 21 April 2025

\*\*Board member effective 21 April 2025

\*\*\*Held on 29 July 2025

\*\*\*\*Held on 4 November 2025

\*\*\*\*\*Held on 13 October 2025

\*\*\*\*\*Held on 29 April to 30 April 2025

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, the 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 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.

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.

Significant related party transactions and outstanding balances as at and for the year ended December 31, 2025 are summarized below:

#### Consolidated

	2025		
	Transactions for the year	Outstanding balances	Terms and conditions
			(In Millions of Pesos)
Loans and advances to:			
Associates	(330)	149	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.99% to 8.27% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	8,248	88,649	
Deposits from:			
Associates	1,116	1,836	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.12% - 0.17% Time - 4.82% to 5.46%
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	4,288	20,856	

A more detailed discussion on related party transactions can be found in Note 25 of the 2025 Audited Financial Statements.

None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2025, other than the transaction below:

Name of the Director	Nature of Transaction	Transaction Date
Jose Teodoro K. Limcaoco	Acquisition of 80,000 BPI common shares through the Philippine Stock Exchange	21 July 2025

(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 2025 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				
Dino Rudyardo F. Gasmen* Executive Vice President				
Maria Cristina L. Go Executive Vice President				
Maria Theresa D. Marcial 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 2024	₱188.15M	₱159.17M	₱0
	Actual 2025	₱202.71M	₱189.41M	₱0
	Projected 2026	₱226.20M	₱193.54M	₱0
All other officers *** as a group unnamed	Actual 2024	₱15,173.31M	₱2,511.51M	₱0
	Actual 2025	₱16,290.01M	₱3,132.71M	₱0
	Projected 2026	₱17,267.41M	₱3,309.63M	₱0

\* Starting from January 2026

\*\* Retired effective January 1, 2026

\*\*\* 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."

Amendments to the above-quoted provision of the Bank's Amended By-Laws will be submitted to the stockholders for approval in the upcoming 2026 Annual Stockholders' Meeting.

(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 Php4.2Mn 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 2025 for the members of the Board of Directors amounted to Php85,565,000.00<sup>8</sup>. The total compensation for 2025 for each non-executive and independent director is attached as Annex "D".

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.

A revised compensation structure of the directors will be submitted to the stockholders for approval in the upcoming 2026 Annual Stockholders' Meeting.

**Item 7. Independent Public Accountants**

- (a) The external auditor of the Bank for the fiscal year 2025 is the accounting firm of Isla Lipana & Co. The same accounting firm is being recommended for re-election at the Annual 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 Mr. Cesar V. Purisima (Independent Director), with the following members: Mr. Restituto C. Cruz (Independent Director) and Mr. Mario Antonio V. Paner (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, 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:

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<sup>8</sup> Includes Php26.765Mn for the year 2025 representing per diem of Directors at Php70,000 per Board meeting and Php30,000 per Committee meeting attended.

Fiscal Year	Audit Fees	Audit-related Fees (OPE+VAT)
2023 paid in 2024	₱21.584 Mn	₱4.103 Mn
All other services	3.664 Mn	0.621 Mn
2024 paid in 2025	₱26.522 Mn	₱4.980 Mn
All other services	8.226 Mn	0.374 Mn
Approved for 2025 (not yet paid)	₱30.843 Mn	-

**Audit Fees.** The audit fees cover audit and interim review of financial statements as well as approved non-audit services.

For 2025, the external auditor was engaged as buy-side due diligence advisor for Php2.751Mn.

Please also refer to page 134 of the 2025 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, 2025, are attached hereto as Annexes "E" and "F", respectively.

**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 21, 2025, containing:
  - (i) Approval of the 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 their Remuneration
  - (v) Approval of the Audited Financial Statements and Noting of the Annual Report

The minutes of the 2025 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 21, 2025, attached as Annex "G", 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 21, 2025 until April 20, 2026, 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 2026-2027 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 2026, 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, 2025, 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**

(a) Amendment of By-Laws

The proposal to amend the Bank’s Amended By-Laws will be submitted to the stockholders for approval.

The proposed amendments are aimed to: 1) align with the practice of holding the annual stockholders’ meeting in April; 2) align with SEC MC No. 7, S. of 2021, which grants shareholders holding at least ten percent (10%) of the outstanding capital stock of a publicly-listed company the right to call for a Special Stockholders’ Meeting; 3) allow greater flexibility to adapt to evolving practices in the determination of the Order of Business of the annual stockholders’ meeting; and 4) align with Section 29 of the Revised Corporation Code on compensation of directors.

The proposed amendments are as follows:

<b>Article</b>	<b>From</b>	<b>To</b>
Article IV	The annual meeting of stockholders shall be held in Metro Manila on the last Friday of March of each year or on such other date as may be determined by the Board of Directors. Special meeting of stockholders may be held at any time upon call by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon resolution of the Board of Directors. The holding of a special meeting, upon the proposal of a stockholder, shall be subject to the approval of the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon the resolution of the Board of Directors, in accordance with the provisions of the Corporation Law. (as amended on March 16, 2011)	The annual meeting of stockholders shall be held in Metro Manila <del>on the last Friday of March</del> <b>on any date after April 15</b> of each year or on such other date as may be determined by the Board of Directors. Special meetings of stockholders may be held at any time upon call by the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon resolution of the Board of Directors. The holding of a special meeting, upon the proposal of a stockholder, shall be subject to the approval of the Chairman of the Board of Directors, or in his absence, by the Vice Chairman, or upon the resolution of the Board of Directors, in accordance with the provisions of the <b>Revised Corporation Code and applicable regulations.</b> (as amended on March 16, 2011 <b>and April 20, 2026.</b> )
Article IV	The order of business at the annual meeting of stockholders, shall be as follows: <ol style="list-style-type: none"> <li>1. Roll Call;</li> <li>2. Presentation of proof of due notice of the meeting</li> <li>3. Reading and disposition of any unapproved minutes;</li> <li>4. Reading and approval of the annual report of the President and the Bank’s Statement of Condition;</li> <li>5. Election of the members of the Board of Directors;</li> <li>6. Election of the external Auditors and fixing their remuneration;</li> <li>7. Unfinished business;</li> <li>8. Other business;</li> </ol>	The order of business at the annual meeting of the stockholders, shall be <del>as follows:</del> <b>based on the agenda of the meeting, as indicated in the Notice of Meeting.</b> <ol style="list-style-type: none"> <li><del>1. Roll Call;</del></li> <li><del>2. Presentation of proof of due notice of the meeting</del></li> <li><del>3. Reading and disposition of any unapproved minutes;</del></li> <li><del>4. Reading and approval of the annual report of the President and the Bank’s Statement of Condition;</del></li> <li><del>5. Election of the members of the Board of Directors;</del></li> <li><del>6. Election of the external Auditors and fixing their remuneration;</del></li> <li><del>7. Unfinished business;</del></li> <li><del>8. Other business;</del></li> <li><del>9. Adjournment</del></li> </ol>

Article	From	To
Article V	<p data-bbox="507 185 715 219">9. Adjournment</p> <p data-bbox="459 226 879 741">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. (as amended on March 16, 2011)</p> <p data-bbox="459 775 879 1189">The Personnel and Compensation Committee of the Board of Directors 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 ensuing that compensation should fairly pay directors for work required in a company of the Bank's size and scope. (as amended on March 16, 2011)</p>	<p data-bbox="954 185 1337 219">(as amended on April 20, 2026.)</p> <p data-bbox="922 226 1490 674"><del>Each</del> <b>Non-executive</b> directors shall, <b>pursuant to a stockholder resolution</b>, be entitled to receive from the Bank, <del>pursuant to a resolution of the Board of Directors</del>, fees, <b>per diems</b> and other compensation for <b>their service as directors</b> <del>his services as director</del>. 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. <b>Provided, That</b> in no case shall the total yearly compensation of <b>non-executive</b> directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year. (as amended on March 16, 2011 <b>and April 20, 2026.</b>)</p> <p data-bbox="922 707 1490 1077"><del>The Personnel and Compensation Committee of the Board of Directors 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. No Director shall be involved in deciding his own remuneration.</del> (as amended on March 16, 2011 <b>and April 20, 2026.</b>)</p>
Article VII	For each attendance at any meeting of the Executive Committee, a member of the Committee, except the executive officers of the Bank, is entitled to a fee <b>as may be determined by the Board of Directors</b> which shall take the industry practice into consideration. (As amended on March 16, 2011).	<b>[Deleted.]</b>
Article VII-A	The (Personnel and Compensation) Committee shall have the following powers and duties: xxx (2) To review and <b>recommend to the Board of Directors</b> the fees and other compensation for directors. (As amended on March 16, 2011).	<b>[Deleted.]</b>

**Item 17. Other Proposed Action**

As of date, 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 majority of the issued and outstanding capital stock entitled to vote and represented at the meeting, except for the amendment of the Bank's Amended By-Laws, which shall require the affirmative vote at least two-thirds of the issued and outstanding capital stock.

(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 Committee of Inspectors of Proxies and Ballots and the results shall be validated by the Bank's external 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/BPI2026ASM>. 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 register in the designated voting platform or inform the Bank by email to [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph) on or before April 10, 2026, of their intention to participate 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](mailto: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 February 27, 2026 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 11, 2026.<sup>9</sup> No such proposal was received by the Bank.

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

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

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 18<sup>th</sup> day of March 2026.

BANK OF THE PHILIPPINE ISLANDS

by : MARIA LOURDES P. GATMAYTAN  
Corporate Secretary

<sup>9</sup> 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.

REPUBLIC OF THE PHILIPPINES )  
MAKATI CITY, METRO MANILA ) S.S.

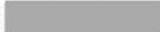
**CERTIFICATION**

I, Maria Lourdes P. Gatmaytan, of legal age, Filipino, and with office address at c/o Bank of the Philippine Islands (BPI), 28/F Ayala Triangle Gardens Tower 2, Paseo De Roxas cor. Makati Ave., Bel-Air, Makati City, Corporate Secretary of BPI, a universal banking corporation duly organized and existing under and in accordance with the laws of the Republic of the Philippines, with business address at the 22/F-28/F Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Ave., Bel-Air, Makati City, do hereby certify that, after reasonable inquiry and to the best of my knowledge and belief, the information set forth in this report is true, complete and correct.

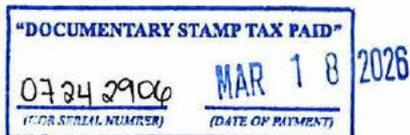
This Certification is being issued for any legal purpose it may serve.

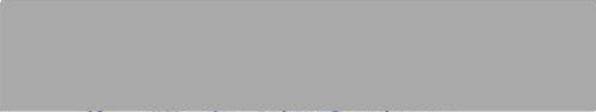
March 18, 2026.

  
MARIA LOURDES P. GATMAYTAN  
Corporate Secretary

SUBSCRIBED AND SWORN to before me in the City of Makati, on MAR 18 2026, affiant, Atty. Maria Lourdes P. Gatmaytan, who is personally known to me and to me known to be the same person who executed the foregoing instrument and who exhibited to me her Passport No.  issued at  on  valid until 

Doc. No. 437;  
Page No. 89;  
Book No. 1;  
Series of 2026.



  
ATTY. JOHN EDRICK R. SERRANO  
NOTARY PUBLIC FOR MAKATI  
APPT. NO. M-521 UNTIL DEC. 31, 2026  
ROLL OF ATTY NO. 81121  
MCLE COMPLIANCE NO VIII-0025503/03.31.2025  
VALID UNTIL APRIL 14, 2028  
IBP NO. 569114; MAKATI; 12.22.2025  
PTR NO. 10767279; MAKATI CITY; 01.06.2026  
28/F AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY

## ANNEX “A”

### 2026 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*<sup>1</sup> and participation by remote communication<sup>2</sup> shall be allowed only through complete registration and successful validation in ConveneAGM (the “Voting System”).

#### I. ELECTRONIC VOTING IN ABSENTIA

1. Stockholders as of February 27, 2026 (“Stockholders”) have the option to electronically vote *in absentia* on the matters in the Agenda subject to successful registration in the Voting System and validation. Only votes cast by duly registered and validated stockholders would be included in the 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 in the Voting System landing page.
3. 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. The deadline for registration to vote *in absentia* or via an absentee ballot is April 10, 2026. Stockholders may vote until the end of the meeting. The registration for the Voting System will be opened on March 23, 2026.
5. The following are the requirements 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;

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<sup>1</sup> Stockholder participation through the casting of votes in the Bank’s electronic voting platform.

<sup>2</sup> Stockholder participation solely through the real-time streaming of the 2026 ASM.

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.
- Additional documents may be requested by the Corporation as necessary for validation purposes.

6. 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 absentee 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 registered Stockholder's shares.

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. The Proxy and Voting Instruction is considered revoked if the stockholder registers and votes on the Voting System before or during the Annual Stockholders' Meeting of the Corporation on April 20, 2026.

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 an external auditor will validate the results. The voting results shall be completed and finalized after the meeting.

## II. PARTICIPATION BY REMOTE COMMUNICATION

1. Stockholders intending to participate by remote communication should register in the Voting System, or inform the Bank's Office of the Corporate Secretary by email to [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph) of his/her intent to participate, on or before 10 April 2026.
2. After successful validation, Stockholders will receive an email from ConveneAGM with instructions to sign up for the Meeting livestream. Stockholders who attended the meeting remotely shall be included for purposes of the determination of quorum, 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.
3. Stockholders may send their questions and/or remarks prior to or during the Meeting by e-mail to [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph). Other channels may be opened to address questions and comments.
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](mailto:bpi-asm@bpi.com.ph).

For any clarifications, please contact our Enterprise Operations through [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph).

## ANNEX “B”

### ATTENDANCE AT BOARD COMMITTEE MEETINGS IN 2025

Committee	Name	Attendance/ Meetings <sup>1</sup>
<b>Executive Committee</b>	Jaime Augusto Zobel de Ayala	35/40 <sup>4</sup>
	Cezar P. Consing	32/40 <sup>4</sup>
	Jose Teodoro K. Limcaoco	36/40 <sup>4</sup>
	Rene dG. Bañez	37/40 <sup>4</sup>
	Rizalina G. Mantaring <sup>2</sup>	23/30 <sup>4</sup>
	Aurelio R. Montinola III <sup>3</sup>	8/10 <sup>4</sup>
	Cesar V. Purisima	38/40 <sup>4</sup>
	Fernando Zobel de Ayala	33/40 <sup>4</sup>
<b>Audit Committee</b>	Cesar V. Purisima	16/16 <sup>5</sup>
	Maria Dolores B. Yuvenco <sup>3</sup>	6/6
	Restituto C. Cruz <sup>2</sup>	10/10 <sup>5</sup>
	Mario Antonio V. Paner	16/16 <sup>5</sup>
<b>Risk Management Committee</b>	Rizalina G. Mantaring	13/13 <sup>5</sup>
	Janet Guat Har Ang	11/13 <sup>5</sup>
	Cezar P. Consing <sup>3</sup>	4/4
	Mario Antonio V. Paner	13/13 <sup>5</sup>
	Cesar V. Purisima	12/13 <sup>5</sup>
	Jaime Z. Urquijo <sup>2</sup>	7/9 <sup>5</sup>
<b>Corporate Governance and Sustainability Committee</b>	Emmanuel S. de Dios	4/4
	Rizalina G. Mantaring	4/4
	Jaime Z. Urquijo	4/4
<b>Nomination Committee</b>	Emmanuel S. de Dios <sup>2</sup>	1/1
	Cezar P. Consing <sup>3</sup>	1/1
	Cesar V. Purisima	2/2
	Jaime Augusto Zobel de Ayala	1/2
<b>Personnel and Compensation Committee</b>	Jaime Augusto Zobel de Ayala	8/9 <sup>4</sup>
	Cezar P. Consing	8/9 <sup>4</sup>
	Aurelio R. Montinola III <sup>3</sup>	2/3 <sup>4</sup>
	Mario Antonio V. Paner <sup>2</sup>	5/6 <sup>4</sup>
	Maria Dolores B. Yuvenco <sup>3</sup>	3/3 <sup>4</sup>
	Fernando Zobel de Ayala	5/9 <sup>4</sup>
	Mariana Beatriz E. Zobel de Ayala <sup>2</sup>	6/6 <sup>4</sup>
<b>Related Party Transactions Committee</b>	Janet Guat Har Ang	12/12
	Rene dG. Bañez	11/12
	Restituto C. Cruz <sup>2</sup>	8/8
	Maria Dolores B. Yuvenco <sup>3</sup>	4/4
<b>Retirement / Pension Committee</b>	Mario Antonio V. Paner <sup>2</sup>	3/3
	Aurelio R. Montinola III <sup>3</sup>	1/1
	Rene dG. Bañez	4/4
	Karl Kendrick T. Chua	4/4
	Rizalina G. Mantaring	3/4

<sup>1</sup> For the period of 01 January to 31 December 2025

<sup>2</sup> Committee member effective 21 April 2025

<sup>3</sup> Committee member until 21 April 2025

<sup>4</sup> Includes Joint Executive Committee and Personnel & Compensation Committee

<sup>5</sup> Includes Special Joint Audit Committee and Risk Management Committee

## **ANNEX “C”**

### **JAIME AUGUSTO ZOBEL DE AYALA**

Chairman, Non-Executive Director

- BPI Director since March 1990 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Executive Committee (Chairman)
  - Personnel and Compensation Committee (Chairman)
  - Nomination Committee (Member)

Mr. Zobel de Ayala, Filipino, 67, has been 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 de Ayala likewise served as the Vice Chairman of the Bank from January 1995 to March 2004. He serves as Director and Chairman of Ayala Corporation, one of the largest business groups in the Philippines, with interests in real estate, banking, telecommunications, power, healthcare, logistics, industrial technologies, water, infrastructure, education, and technology investments. 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 Harvard Business School (HBS) Asia-Pacific Advisory Board. He is likewise the Chairman of Singapore Management University's International Advisory Council in the Philippines.

His other positions include Emeritus Member of the Asia Business Council, Director of Endeavor Philippines, Member of the Council for Inclusive Capitalism, Co-Vice Chairman of the Makati Business Club, and 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 was also the Philippine Representative to the Asia Pacific Economic Cooperation Business Advisory Council from 2010-2015, among others.

Mr. Zobel de Ayala 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 de Ayala graduated with B.A. in Economics (with honors) from Harvard University in 1981. He obtained an MBA from the Harvard Graduate School of Business Administration in 1987 and received an Honorary Doctorate in Management from the Asian Institute of Management in 2024.

### **DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE**

Other than BPI, Mr. Zobel de Ayala 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 21, 2025
- BPI Board Committee Membership:
  - Executive Committee (Vice-Chairman)
  - Personnel and Compensation Committee (Member)

Mr. Consing, Filipino, 66 years old, has been 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 Personnel and Compensation Committee.

Mr. Consing is the President & CEO of Ayala Corporation, a position he has held since 2022. He is Chairman of ACEN Corporation, and Vice Chairman of Ayala Land Inc. and Globe Telecom. He is also the Chairman or Vice Chairman of many of the Ayala Group's unlisted companies. Mr. Consing is likewise Chairman of the Philippine Dealing and Exchange Corporation. He is a non-executive director of the Private Infrastructure Development Group, an infrastructure development and finance organization owned by the governments of Australia, Germany, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom. He is a member of the Trilateral Commission, and a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines – Japan Economic Cooperation Committee, De La Salle University, and the Manila Golf Club Foundation.

## **SKILLS AND EXPERIENCE**

Mr. Consing served as President & CEO of Bank of the Philippine Islands from 2013-2021. He was a Partner & Co-Head for Asia of the Rohatyn Group, a global alternative asset manager with a focus on the emerging markets from 2004-2013. He was also 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 of Philippine Dealing System Holdings and the College of St. Benilde, Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He was 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, US-Philippines Society, Endeavor Philippines, and International Care Ministries, among others.

Mr. Consing received an A.B. Economics degree, Magna Cum Laude, 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**

Other than BPI, 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 21, 2025
- BPI Committee Membership:
  - Credit Committee (Chairman)
  - Executive Committee (Member)

Mr. Limcaoco, Filipino, 64 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 Chairman of the Board in the following entities: BPI Wealth – A Trust Corporation, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., Philippine Stock Index Fund Corporation, ALFM Global Multi-Asset Income Fund, Inc., ALFM Real Estate Income Fund, Inc., BPI/MS Insurance Corporation, and BPI Wealth Singapore Pte Ltd. He is likewise the Vice Chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Tokyo Century Rental Corporation. Furthermore, he serves as the President and Vice Chairman of The Bank of the Philippine Islands Foundation, Inc., and Director of BPI AIA Life Assurance Corporation and Global Payments Asia-Pacific Philippines Incorporated.

### **SKILLS AND EXPERIENCE**

Outside of the BPI group, he is Chairman of Philippine Payments Management Inc., and Director of AC Mobility Holdings, Incorporated. He was President of the Bankers Association of the Philippines from March 2023 to March 2026. He is also the Treasurer and 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**

Other than BPI, Mr. Limcaoco is not a director of any other publicly-listed company.

## **JANET GUAT HAR ANG**

Independent Director

- BPI Independent Director since May 2021 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Related Party Transactions Committee (Chairman)
  - Risk Management Committee (Member)
  - IT Steering Committee (Board Representative)

Ms. Ang, Singaporean, 66 years old, was elected as an Independent Director of BPI in May 2021. She is the Chairman of the Bank's Related Party Transactions Committee, member of the Bank's Risk Management Committee, and one of the Bank's Board Representatives in the IT Steering Committee. Ms. Ang also serves as an Independent Director of BPI Wealth Singapore Pte Ltd.

Ms. Ang is currently the Chairperson of National University of Singapore-Institute of Systems Science (NUS-ISS), Singapore Polytechnic, Public Transport Council, and Singapore Business Federation Foundation.

Ms. Ang is a Senior Advisor of the RGE Group and an Independent Director of various entities such as SISTIC Pte Ltd, Pte Ltd, 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 a recipient of Singapore's National Day Awards - The Public Service Star in 2025 and 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. She has also completed the INSEAD International Directors Program.

## **DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE**

Other than BPI, Ms. Ang is not a director of any other publicly-listed company.

## **RENÉ DG. BAÑEZ**

Non-Executive Director

- BPI Director since August 2021 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Executive Committee (Member)
  - Related Party Transactions Committee (Member)
  - Retirement/Pension Committee (Member)

Mr. Bañez, Filipino, 70 years old, was elected as director of BPI in August 2021. He is a member of the Bank's Executive, Related Party Transactions, 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 MIB Capital Corporation, 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**

Other than BPI, Mr. Bañez is not a director of any other publicly-listed company.

## **KARL KENDRICK T. CHUA**

Non-Executive Director

- BPI Director since April 2023 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Retirement/Pension Committee (Member)

Mr. Chua, Filipino, 47, 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 and is currently the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation. He is also a Director of AC Industrials Technology Holdings, Inc., AC Infrastructure Holdings, Corp., Brave Connective Holdings Inc., and an Independent Director of D&L Industries, Inc. and LH Paragon, Inc. Mr. Chua is likewise a Board Adviser for various LH Paragon Businesses. He previously served as a Director of Manila Water Company, Inc. and AC Ventures.

### **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), Republic of the Philippines. He has extensive experience in the areas of analytics, economic and fiscal policy, statistical development, national identification, labor and social protection policy, poverty analysis, and digital transformation, among others.

He was also an adviser for the World Bank's World Development Report and a 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 from 2016 to 2022. 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. As chair, he also oversaw the implementation of the national ID program and the national innovation strategy.

As Undersecretary in the DOF, he led the technical team in the passage of the Comprehensive Tax Reform Program covering income, consumption, transaction, and wealth taxes, and the passage of the Rice Tariffication Law, among other reforms in the government's 10-Point Socioeconomic Agenda.

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**

Other than BPI, 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 and last re-elected on April 21, 2025

Mr. Co, Filipino, 61 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**

Other than BPI, Mr. Co is not a director of any other publicly-listed company.

**RESTITUTO C. CRUZ**

Independent Director

- BPI Independent Director since April 21, 2025
- BPI Board Committee Membership:
  - Audit Committee (Member)
  - Related Party Transactions Committee (Member)

Mr. Cruz, Filipino, 69 years old, was elected as Independent Director of BPI in April 2025. He is a member of the Bank's Audit and Related Party Transactions Committee. Outside BPI, he has been an Independent Director of Guagua Rural Bank, Inc. since January 2024.

**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 previously served as an Independent Director of Philippine Payments Management, Inc. He also 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**

Other than BPI, Mr. Cruz is not a director of any other publicly-listed company.

## **EMMANUEL S. DE DIOS**

Independent Director

- BPI Independent Director since April 2022 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Corporate Governance and Sustainability Committee (Chairman)
  - Nomination Committee (Chairman)

Mr. de Dios, Filipino, 71 years old, was elected as Independent Director of BPI in April 2022 and is the Chairman of the Bank's Corporate Governance and Sustainability Committee and Nomination 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, ABS-CBN Corporation, and 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.

Mr. de Dios received his AB Economics degree from the Ateneo de Manila University (cum laude) in 1978 and his M.A. and 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**

Other than BPI, Mr. de Dios is an independent director of the following publicly-listed companies: Rockwell Land Corporation, ABS-CBN Corporation, and ABS-CBN Holdings Corporation.

## **RIZALINA G. MANTARING**

Lead Independent Director

- BPI Independent Director since April 2023 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Risk Management Committee (Chairman)
  - Executive Committee (Member)
  - Corporate Governance and Sustainability Committee (Member)
  - Retirement/Pension Committee (Member)
  - IT Steering Committee (Board Representative)

Ms. Mantaring, Filipino, 66, was elected as director of BPI in April 2023. She is a member of the Bank's Executive Committee, Corporate Governance and Sustainability Committee, Retirement/Pension Committee, and Chairman of the Risk Management Committee. Moreover, she is one of the Bank's Board Representatives 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 the BPI Group, Ms. Mantaring is an Independent Director of Ayala 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., Trustee of the Makati Business Club and Philippine Business for Education, and a Fellow of the Foundation for Economic Freedom.

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

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

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

### **DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE**

Other than BPI, Ms. Mantaring is a director of the following publicly-listed companies: Ayala Corporation, PHINMA Corporation, and Universal Robina Corporation.

## **MARIO ANTONIO V. PANER**

Independent Director

- BPI Independent Director since April 2024 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Retirement/Pension Committee (Chairman)
  - Risk Management Committee (Member)
  - Audit Committee (Member)
  - Personnel and Compensation Committee (Member)

Mr. Paner, Filipino, 67 years old, was elected as Independent Director of BPI in April 2024. He is currently a member of the Bank's Risk Management Committee, Audit Committee, Personnel and Compensation Committee, and Chairman of the Retirement/Pension 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**

Other than BPI, 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 21, 2025
- BPI Board Committee Membership:
  - Audit Committee (Chairman)
  - Executive Committee (Member)
  - Risk Management Committee (Member)
  - Nomination Committee (Member)

Mr. Purisima, Filipino, 66 years old, was elected as Independent Director of BPI in January 2021. He is the chairman of the Bank's Audit Committee, and member of the Executive, Risk Management and Nomination Committees. He also serves as an Independent Director of BPI Capital Corporation.

Outside the BPI Group, Mr. Purisima currently serves as an Independent Director of Ayala Land, Inc., Universal Robina Corporation, Jollibee Foods Corporation and Unistar Credit & Finance 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**

Other than BPI, Mr. Purisima is a director of the following publicly-listed companies: 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 21, 2025 (3 years)
- BPI Board Committee Membership:
  - Corporate Governance and Sustainability Committee (Member)
  - Risk Management Committee (Member)

Mr. Urquijo, Filipino, 37 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 and Risk Management Committee. He serves as a Director of ACEN Corporation, AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, ACEN International, Inc., AC Energy and Infrastructure 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 an Executive Director and the Chief Sustainability Officer and Chief 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. 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, and 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**

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

## **FERNANDO ZOBEL DE AYALA**

Non-Executive Director

- BPI Director since September 2023 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Executive Committee (Member)
  - Personnel and Compensation Committee (Member)

Mr. Zobel de Ayala, Filipino, 66 years old, has been a member of the board of directors of BPI since September 2023. He also serves as a member of the Bank's Executive Committee and Personnel and Compensation Committee.

Mr. Zobel de Ayala is the Vice Chairman and Director of Ayala Corporation. He likewise serves as a Director of Ayala Land, Inc., and 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 de Ayala is a member of several organizations including the Hispanic Society Museum & Library International Advisory Council, Chief Executives Organization, Young Presidents Organization, Habitat for Humanity International's Asia Pacific Development Council, Tate Museum London, Asia Philanthropy Circle, and The Metropolitan Museum International Council. In addition, he is a Trustee 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**

Other than BPI, Mr. Zobel de Ayala 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

- BPI Director since April 2025
- BPI Board Committee Membership:
  - Personnel and Compensation Committee (Member)

Ms. Zobel de Ayala, Filipino, 37 years old, has been a member of the board of directors of BPI since April 2025. She also serves as a member of the Bank's Personnel and Compensation Committee. She is a Managing Director of Ayala Corporation and concurrently a Senior Vice President of Ayala Land, where she oversees the Leasing and Hospitality Group, including Ayala Malls, Ayala Land Offices, Ayala Land Hospitality, and Ayala Land Leisure Estates.

### **SKILLS AND EXPERIENCE**

Ms. Zobel de Ayala is a board director of Ayala Land where she is a member of its Executive, Risk Oversight, and Sustainability Committees. Additionally, she is a Board Director of Ayala Land's listed REIT subsidiary, AREIT.

In her role as Senior Vice President of Ayala Land, she sits in the following positions: the Chairman and President of Ayalaland Malls, Inc. (formerly: ALI Commercial Center, Inc.); Vice Chairman of ALI Eton Property Development Corporation; Chairman and Director of Ayalaland Offices, Inc., Chairman of Ayalaland Hotels and Resorts Corp., and Director of Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Columbus Holdings, Inc., Berkshires Holdings, Inc., Emerging City Holdings, Inc., Altaraza Development Corporation, Ortigas Land Corporation, AKL Properties, and Makati Central Estate Association (MACEA). She also serves as Chairman and Director of Chirica Resorts Corporation, Ten Knots Development Corporation, Lio Resort Ventures Inc., Pangulasian Island Resort Corp., Ten Knots Phils., 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.

As Managing Director of Ayala Corporation, Mariana also serves on the Group Management Committee of Ayala Corporation and as a Board Director for A&CO Holdings Corporation, ACX Holdings Corporation, and ANKO JV Company, Inc.

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.

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 MBA from INSEAD.

### **DIRECTORSHIP IN COMPANIES LISTED IN THE PHILIPPINE STOCK EXCHANGE**

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

## **THE KEY EXECUTIVE OFFICERS OF BPI AS OF JANUARY 31, 2026**

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

President & Chief Executive Officer

### **MARIA VIRGINIA O. EALA**

Executive Vice President

Ms. Eala, Filipino, 58 years old, is the Chief Human Resources Officer of the Bank of the Philippine Islands (BPI). Since joining in 2019, she has led transformative HR initiatives that strengthened BPI's culture and employee experience.

### **SKILLS AND EXPERIENCE**

Under her leadership, BPI has been recognized as one of the Best Companies to Work for in Asia (2021), a Top Employer of the Year Finalist at the 2024 Asia CEO Awards, Company of the Year (Large Financials) at the 2025 International Business Awards, and certified as a Great Place to Work.

Gina was also honored with the Gold Stevie Awards for HR Executive of the Year and Most Innovative HR Executive of the Year for her role in driving BPI's cultural and digital HR transformation anchored on the BPI's NICE values, holistic wellness, digital HR innovation, and human-centered leadership.

Before BPI, she served as Regional VP for HR at CEMEX for 15 years, leading teams across Asia, the Middle East, and Africa. She holds degrees in Law and Psychology from UP Diliman and a Master of Laws from the University of Michigan.

**DINO R. GASMEN**

Executive Vice President, Treasurer

Filipino, 59 years old, Mr. Gasmen is the Bank's Treasurer and Head of Global Markets. He is responsible for optimizing the Bank's financial resources through management of interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution. He serves as the Chairman of BPI's Asset & Liability Committee and a Director of BPI (Europe) PLC. He is also a Member of the Asset & Liability Committee of BPI Wealth Hong Kong.

Mr. Gasmen is the Head of the Interest-Rate Sub Committee of the Bankers Association of the Philippines Open Market Committee. He is also a Member of the Finance Committee of the Ayala Multi-Purpose Cooperative.

**SKILLS AND EXPERIENCE**

Prior to joining BPI in 2014, Mr. Gasmen spent seventeen (17) years at HSBC Global Markets covering various roles, such as head of 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 has also served as the President of the Money Market Association of the Philippines (MART) in 2006, and ACI Financial Markets Association Philippines in 2018.

Mr. Gasmen holds a Bachelor's degree in Electrical Engineering and a Master's Degree in Business Administration from the University of the Philippines Diliman.

**MARIA CRISTINA L. GO**  
Executive Vice President

Filipino, 56 years old, Ms. Go leads the Consumer Banking Segment, serving over 18 million clients and overseeing more than 820 branches nationwide. She is responsible for managing retail digital platforms, core retail products—including deposits, auto loans, housing loans, motorcycle loans, as well as life and non-life bancassurance—and all related support services. Ms. Go has consistently championed a client-first “phygital” transformation strategy, emphasizing the delivery of a seamless omni-channel experience for the Bank’s diverse markets. This approach leverages BPI’s extensive physical presence to provide trusted advice through its team of over 11,000 expert banking professionals, complemented by best-in-class digital capabilities that enhance convenience and accessibility for clients.

Under Ms. Go’s leadership, 107 branches have been converted to the phygital format, redefining the in-branch customer experience and integrating digital education. A key aspect of this transformation is the shift of branch roles from transaction centers to advisory hubs, supported by ongoing manpower development. The Bank’s mobile app and online platforms continue to introduce innovations, such as an improved user interface for fund transfers and payments, the addition of over 600 new billers, buy-and-sell functionality for US dollars, cardless withdrawals at retail partner stores, expanded reach for mobile check deposits, virtual privilege cards, and more. The BPI app has received high ratings on both the App Store and Google Play Store. The Bank’s digital transformation has accelerated across all channels, with robust adoption of Salesforce, Talkdesk, and the GenAI-enabled BPI Express Assist Intelligence (BEAi), all supported by streamlined processes and continuous upskilling of personnel. These initiatives have strengthened customer engagement and enhanced productivity.

The Bank’s retail loan products—including housing, auto, and motorcycle loans—have achieved significant market share growth through data-driven lending programs that have simplified application processes and reduced turnaround times. New products in both life and non-life insurance, such as BPI AIA’s Prime USD life insurance and BPI MS’s Kaya Care, Safe Sakay, and Freelancer non-life insurance, have made notable impacts in the market.

Prior to leading Consumer Banking, Ms. Go served as President of BPI Family Savings Bank (BFSB), where she oversaw the successful merger and integration with BPI. She was previously Group Head of BFSB Retail Loans in 2015, following 11 years as Head of BPI’s Payments and Unsecured Lending Group. There, she introduced innovations such as the first EMV-compliant credit cards and the launch of Real Thrills, the Bank’s first instant rewards program. Her extensive experience in transformational initiatives—spanning manpower, processes, products, systems, and culture—has enabled the Bank to pursue market-creating growth opportunities and maintain a high-quality customer portfolio. With a client-first transformation strategy focused on elevating the customer experience, BPI has achieved the highest Net Promoter Score (NPS) among universal banks and fintechs in the country.

**SKILLS AND EXPERIENCE**

Before joining BPI, Ms. Go was Vice President at Citibank Philippines, overseeing Retail Bank Marketing, and later served in Citibank’s Credit Cards Cross Sell Division in New York. She also held leadership roles at Ayala Land, establishing and heading its Market Planning and Development Division, where she contributed to the company’s expansion into the middle-market segment. Ms. Go began her career at Procter & Gamble as Brand Assistant and was later promoted to Assistant Brand Manager, managing brands such as Mr. Clean, Perla, Star, and Dari Crème. She holds a Masters degree with honors from the Harvard Business School (1996) and graduated Magna Cum Laude with a BS in Business Administration and Accountancy from the University of the Philippines Diliman. She was recognized as one of the Ten Outstanding Students of the Philippines, placed first in the 1991 CPA licensure exam, and was named a Distinguished Alumna by the UP College of Business Administration in 2012. In 2016, she was honored by the Filipina Women’s Network as one of the 100 Most Influential Filipina Women in the World.

Ms. Go currently serves as Chairman of the Personnel Committee and Director of BPI MS Insurance Corporation. She is also a Director on the Boards of BPI Direct Banko and TransUnion Philippines, and a Trustee of Ayala Foundation. Additionally, she is a member of the Ayala Group's AI Governance and Steering Committee, the Management Association of the Philippines, the Harvard Global Club of the Philippines, the Harvard Business School Club of the Philippines, the Filipina Women's Network, the Filipina CEO Circle, and the NextGen Organization of Women Corporate Directors. Ms. Go actively mentors high-impact entrepreneurs through Endeavor Philippines and supports the development of current and future leaders within BPI and in various organizations with which she is affiliated.

In 2025, Ms. Go was named Retail Banker of the Year at the World Financial Innovation Series Philippines. Under her leadership, BPI was also recognized as the Best Retail Bank in the Philippines by FinanceAsia and The Asian Banker Global.

## **ERIC ROBERTO M. LUCHANGCO**

Executive 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)

Mr. Luchangco, Filipino, 55 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 serves as Treasurer of The Bank of the Philippine Islands Foundation, Inc. He likewise serves as director of the following entities: 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 with a Management Economics degree from Ateneo de Manila University and received his MBA degree from the Ross School of Business at the University of Michigan.

## **MARIA THERESA D. MARCIAL**

Executive Vice President

Ms. Marcial, Filipino, 55 years old, is the President and Chief Executive Officer of BPI Wealth – A Trust Corporation.

Ms. Marcial has 31 years of banking experience with expertise in asset management and trust, corporate banking, debt and equity capital markets, and strategic planning and finance. She currently serves as director of BPI AIA Life Assurance Corporation, BPI Europe PLC, BPI Wealth Hongkong Ltd, BPI Wealth Singapore Pte Ltd, BPI Wealth Builder Multi-Asset Mutual Fund, Inc, AREIT Inc, and independent director of Alternergy Holdings Corporation. 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 the Capital Markets Development Committee of FINEX, and alternate Governor of the Market Governance Board of the Philippine Dealing and Exchange Corporation.

Outside banking, Ms. Marcial dedicates her time to society and the environment. She is a trustee and treasurer of World Wide Fund for Nature (WWF) Philippines and a trustee of 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, Women of Power by the Philippine Daily Inquirer and Most Outstanding Alumnus of the University of the Philippines Los Baños.

Ms. Marcial obtained her Master's Degree in Economics from the University of the Philippines Diliman and BS Economics (cum laude) from the University of the Philippines Los Baños. She completed the Advanced Management Program at Harvard Business School and the Executive Program in Strategy and Organization at Stanford Graduate School of Business.

## **JUAN CARLOS L. SYQUIA**

Executive Vice President

Mr. Syquia, Filipino, 59 years old, is currently the Chief Finance Officer of Ayala Corporation (AC). Prior to his secondment to AC, he served as BPI's Head of Institutional Banking. Mr. Syquia's responsibilities included overseeing 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. His strategic oversight and client-centric approach played a pivotal role in strengthening the Bank's institutional relationships and financial performance.

He also served 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. Early in his career, he held key leadership roles at ING, where he served as Managing Director and Head of Corporate Finance in the Philippines. He also served as the Head of Strategy and Business Development for ING Asia Pacific Ltd., overseeing the firm's insurance and asset management operations across the region. He further broadened his banking experience in the Philippines as Head of Corporate and Institutional Banking at Standard Chartered, where he managed engagements for top-tier corporate clients and spearheaded strategic growth initiatives in the local market.

He has extensive experience in the fields of finance, mergers and acquisitions, cross-border transactions, and business transformation — making him a trusted advisor and strategic leader in the financial sector. He earned his Bachelor's Degree in Management Economics from the Ateneo de Manila University, and carries an MBA Degree in Finance and International Business from Fordham University in NY, where he graduated with honors.

**MARIA LOURDES P. GATMAYTAN**

Senior Vice President, Corporate Secretary

Atty. Gatmaytan, Filipino, 58 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 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, and to be awarded by In-House Community as In-House Legal Team of the Year 2025 for Banking.

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.

# COVER SHEET

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S.E.C. Registration Number

B	A	N	K	O	F	T	H	E	P	H	I	L	I	P	P	I	N	E	I	S	L	A	N	D	S		

(Company's Full Name)

A	Y	A	L	A	T	R	I	A	N	G	L	E	G	A	R	D	E	N	S	T	O	W	E	R	2		
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(Business Address: No. Street City/Town/Province)

ATTY. MARIA LOURDES P. GATMAYTAN
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Contact Person

8663-6525
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Company Telephone Number

1	2	3	1
Month		Day	
Fiscal Year			

Certificate of Independent Director
FORM TYPE

0	4	2	0	26
Month		Day		
Annual Meeting				

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Domestic	Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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File Number

\_\_\_\_\_

LCU

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Document I.D.

\_\_\_\_\_

Cashier

STAMPS
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## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **JANET GUAT HAR ANG**, Singaporean, of legal age, and a resident of [REDACTED], 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
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
Singapore Business Federation Foundation	Independent Director	2019 – Present
Singapore Business Federation Foundation	Chairman	2024 - Present
Singapore Institute of Directors	Fellow	2021 – Present
Tanoto Foundation	Independent Director	2022 – Present
Public Transport Council	Chairman / Independent Director	2022 – 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
President’s Challenge Council (Singapore)	Member	2024 – Present
SISTIC Pte Ltd	Independent Director	2025 - 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;
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 \_\_\_\_\_ 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 by the \_\_\_\_\_ on \_\_\_\_\_ valid until \_\_\_\_\_  
\_\_\_\_\_.

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2026.

Re: CGFD\_Bank of the Philippine Islands\_Request for Exemption from Notarization and Wet Signature\_20 February 2026

From cgfd\_cgd <cgfd\_cgd@sec.gov.ph>  
Date Mon 2/23/2026 2:41 PM  
To BPI Corporate Secretary <corporate.secretary@bpi.com.ph>  
Cc CGFD Account <cgfd@sec.gov.ph>; Ma. Lourdes P. Gatmaytan <[REDACTED]>; Shiena Angela D. Aquino <[REDACTED]>; Lean P. Batalla <[REDACTED]>; Marcelo A. Pando <[REDACTED]>; Virgilda Marie S. Aquino <[REDACTED]>

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear **BPI Corporate Secretary**,

This is to acknowledge receipt of your email. This will be forwarded to our handling specialist.

Rest assured, we will provide an update as soon as possible.

Thank you.

On **23 June 2023**, the Commission issued a NOTICE with the subject, "**SUBMISSION OF REPORTS THROUGH eFAST**", as a Guidance for the covered companies indicated therein. To view the complete Notice, please click this link - <https://www.sec.gov.ph/notices/submission-of-reports-through-efast/#gsc.tab=0>.

This will incorporate submission of the mentioned requirements/documents in SEC Memorandum Circular No. 18, Series of 2023 applicable for CGFD covered companies.

However, for submissions of **letters and other documents** not covered by our Notice dated 23 June 2023, the guidelines for submission should be according to the **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**. To view these guidelines, please click the link: [https://www.sec.gov.ph/forms\\_and\\_fees/list\\_of\\_documentary\\_requirements\\_and\\_mode-of-submission/#gsc.tab=0](https://www.sec.gov.ph/forms_and_fees/list_of_documentary_requirements_and_mode-of-submission/#gsc.tab=0).

Insofar as the covered companies enumerated therein are concerned (and with respect to reports and other documents falling within our Department's jurisdiction), only the submissions that are compliant with the requirements provided in the abovementioned Notices and SEC Memorandum Circular No. 18, Series of 2023 shall be considered as filed with the Commission.

We encourage you to regularly monitor the **SEC Website** ([www.sec.gov.ph](http://www.sec.gov.ph)) and/or the SEC's Facebook page for updates and announcements.

Thank you.

On Fri, Feb 20, 2026 at 5:33 PM BPI Corporate Secretary <[corporate.secretary@bpi.com.ph](mailto:corporate.secretary@bpi.com.ph)> wrote:

**Confidential**

Dear Director Gumtang-Remalante,

In relation to the upcoming submission of annual reports of publicly-listed companies, particularly of the Certificate of Independent Directors in the Definitive Information Statement, please be informed that one of the Bank's Independent Directors remains overseas.

In view of this, we respectfully submit the attached letter request for exemption from wet signature and notarization requirement for the said director in our SEC Form 20-IS.

Thank you very much and we look forward to your favorable response. Please do not hesitate to contact us should you have any question or clarification on the matter.

Best Regards,



OFFICE OF THE CORPORATE SECRETARY  
26F, AYALA TRIANGLE GARDENS TOWER 2,  
PASO DE ROXAS COR. MAKATI AVE., BEL-AIR  
8662-6516 / 6-5516

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## CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

02 March 2026

**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](mailto:corporate.secretary@bpi.com.ph)

**Re : REQUEST FOR EXEMPTION FROM NOTARIZATION AND WET SIGNATURE**

**Dear Atty. Gatmaytan:**

This refers to your letter dated 20 February 2026 requesting for exemption from notarization and wet signature for the Certificate of Independent Director (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 2026, 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", as modified by SEC Notice dated 5 March 2025 entitled "Submission of Secondary Reports through eFAST" 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.

□ 8<sup>th</sup> Floor, The SEC Headquarters, 7907 Makati Avenue  
Salcedo Village, Bel-air, Makati City

□ (+63 2) 8818-7264 | [imessage.sec.gov.ph](mailto:imessage.sec.gov.ph)

■ [www.sec.gov.ph](http://www.sec.gov.ph) | [cgfd@sec.gov.ph](mailto:cgfd@sec.gov.ph) | [cgfd\\_cgd@sec.gov.ph](mailto:cgfd_cgd@sec.gov.ph)

<https://linktr.ee/secphilippines>

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. 202603-029-OD

*/dlb*



## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RESTITUTO C. CRUZ**, Filipino, of legal age, and a resident of [REDACTED], 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 21 April 2025;
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

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 FEB 19 2026 at MAKATI CITY.

  
RESTITUTO C. CRUZ  
Affiant

SUBSCRIBED AND SWORN to before me this FEB 19 2026 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. 32 ;  
Page No. 8 ;  
Book No. 1 ;  
Series of 2026.

  
ATTY GIANCARLO KRISTOFFER D. GABRIEL  
NOTARY PUBLIC FOR MAKATI CITY  
APPT NO M-050 UNTIL DEC. 31, 2027  
ROLL OF ATTY NO. 77378  
MCLE EXEMPTION NO. VIII-PGS003919/10.21.2024  
VALID UNTIL APRIL 14, 2028  
IBF NO 567349; MAKATI; 12.18.2025  
PTR NO 10767263; MAKATI CITY; 01.08.2026  
28/F AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY

"DOCUMENTARY STAMP TAX PAID"  
23074032 FEB 19 2026  
(OFFICIAL NUMBER) (DATE OF PAYMENT)

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMMANUEL S. DE DIOS**, Filipino, of legal age, and a resident of [REDACTED] 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
Pulse Asia Research, Inc.	Trustee & Chairman	2013 – Present
Assisi Development Foundation, Inc.	Trustee	2016 – Present
ABS-CBN Holdings Corporation	Independent Director	2020 – Present
Peace and Equity Foundation, Inc.	Trustee	2020 – Present
Rockwell Land Corporation	Independent Director	2023 – Present
ABS-CBN Corporation	Independent Director	2025 – 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 FEB 19 2026 at MAKATI CITY.

EMMANUEL S. DE DIOS  
Affiant

SUBSCRIBED AND SWORN to before me this FEB 19 2026 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. 33 ;  
Page No. 8 ;  
Book No. I ;  
Series of 2026.



ATTY GIANCARLO KRISTOFFER D. GABRIEL  
NOTARY PUBLIC FOR MAKATI CITY  
APPT NO. M-050 UNTIL DEC. 31, 2027  
ROLL OF ATTY NO. 77378  
MCLE EXEMPTION NO. VIII-PGS003919/10.21.2024  
VALID UNTIL APRIL 14, 2028  
IBF NO 567349; MAKATI; 12.18.2025  
PTR NO 10767263; MAKATI CITY; 01.06.2026  
28/F AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY

## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **RIZALINA G. MANTARING**, Filipino, of legal age, and a resident of [REDACTED] 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
Sun Life Grepa Financial Inc.	Director	2011 – Present
Philippine Business for Education	Trustee	2017 – Present
Makati Business Club	Trustee	2017 – Present
East Asia Computer Center Inc.	Independent Director	2018 – Present
PHINMA Corporation	Independent Director	2019 – Present
Foundation for Economic Freedom	Fellow	2020 – Present
Ayala Corporation	Independent Director	2020 – Present
Universal Robina Corporation	Independent Director	2020 – Present
GoTYME Bank	Independent Director	2022 – Present
Maxicare Healthcare Corporation	Independent Director	2022 – 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 FEB 19 2026 at MAKATI CITY.

[Redacted Signature]

RIZALINA G. MANTARING  
Affiant

SUBSCRIBED AND SWORN to before me this FEB 19 2026 at MAKATI CITY; affiant RIZALINA G. MANTARING personally appeared before me and exhibited to me her Passport with No. [Redacted] issued at [Redacted] on [Redacted] valid until [Redacted].

Doc. No. 34 ;  
Page No. 8 ;  
Book No. I ;  
Series of 2026.

[Redacted Signature]

**ATTY GIANCARLO KRISTOFFER D. GABRIEL**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT NO M-050 UNTIL DEC. 31, 2027  
ROLL OF ATTY NO. 77378  
MCLE EXEMPTION NO. VIII-PGS003919/10.21.2024  
VALID UNTIL APRIL 14, 2028  
IBP NO 567349; MAKATI; 12.18.2025  
PTR NO 10767263; MAKATI CITY; 01.06.2026  
28/F AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY

**"DOCUMENTARY STAMP TAX PAID"**  
23074034 FEB 19 2026  
(FOR SERIAL NUMBER) (DATE OF PAYMENT)

**CERTIFICATION OF INDEPENDENT DIRECTOR**

I, **MARIO ANTONIO V. PANER**, Filipino, of legal age, and a resident of [REDACTED]  
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 FEB 19 2026 at MAKATI CITY.

[Redacted]  
MARIO ANTONIO V. PANER  
Affiant

SUBSCRIBED AND SWORN to before me this FEB 19 2026 at MAKATI CITY; affiant MARIO ANTONIO V. PANER personally appeared before me and exhibited to me his Passport No. [Redacted] issued at [Redacted] on [Redacted] valid until [Redacted].

Doc. No. 35 ;  
Page No. 8 ;  
Book No. I ;  
Series of 2026.

"DOCUMENTARY STAMP TAX PAID"  
23074035 FEB 19 2026  
(GDS SERIAL NUMBER) (DATE OF PAYMENT)

[Redacted]  
ATTY GIANCARLO KRISTOFFER D. GABRIEL  
NOTARY PUBLIC FOR MAKATI CITY  
APPT NO. M-050 UNTIL DEC. 31, 2027  
ROLL OF ATTY NO. 77378  
MCLE EXEMPTION NO. VIII-PGS003919/10.21.2024  
VALID UNTIL APRIL 14, 2028  
IBP NO 567349; MAKATI; 12.18.2025  
PTR NO 10767263; MAKATI CITY; 01.06.2026  
28/F AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY



## CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CESAR V. PURISIMA**, Filipino, of legal age, and a resident of [REDACTED] 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
Milken Institute	Asia Fellow	2016 - Present
Asian Institute of Management	Executive-in-Residence	2016 - Present
International School of Manila	Board Trustee	2017 - Present
Singapore Management University (Philippines)	Member of the International Advisory Council	2017 - Present
AIA Group Limited	Independent Director	2017 - Present
Ayala Land, Inc.	Independent Director	2018 - Present
Universal Robina Corporation	Independent Director	2018 - Present
Sumitomo Mitsui Banking Corporation	Member of the Global Advisory Council	2018 - Present
Ikhlas Capital Singapore Pte. Ltd	Founding Partner / Director	2019 - Present
Unistar Credit and Finance Corporation	Independent Non-Executive Director	2019 - Present
Jollibee Foods Corporation	Independent Director	2020 - Present
ABS-CBN Corporation	Member of the Board of Advisors	2020 - Present
BPI Capital Corporation	Independent Director	2021 - 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]*



## ANNEX "D"

### TOTAL COMPENSATION FOR EACH DIRECTOR FOR 2025

Director*	Total
Jaime Augusto Zobel De Ayala	6,450,000.00
Cezar P. Consing	6,525,000.00
Janet Guat Har Ang	6,075,000.00
René dG. Bañez	6,800,000.00
Karl Kendrick T. Chua	5,245,000.00
Wilfred T. Co	5,110,000.00
Restituto C. Cruz***	5,595,000.00
Emmanuel S. de Dios	5,400,000.00
Rizalina G. Mantaring	6,565,000.00
Aurelio R. Montinola III**	510,000.00
Mario Antonio V. Paner	6,390,000.00
Cesar V. Purisima	7,335,000.00
Jaime Z. Urquijo	5,370,000.00
María Dolores B. Yuvienco**	615,000.00
Fernando Zobel De Ayala	6,330,000.00
Mariana Beatriz E. Zobel De Ayala***	5,250,000.00

\* Directors for Year 2025

\*\* Board/Committee Member until 21 April 2025

\*\*\* Elected as Board/Committee Member effective 21 April 2025

## ANNEX “E”

### **MANAGEMENT REPORT**

#### **Description of Business**

The Bank of the Philippine Islands (BPI or the Bank), a member of the Ayala group of companies, is the first bank established in the Philippines and Southeast Asia. Founded in 1851, BPI is also among the earliest institutions listed on the Philippine Stock Exchange. Throughout its history, the Bank has consistently demonstrated financial strength, innovation, and a deep commitment to client trust. Its products and services have created sustainable value and contributed significantly to the daily lives of Filipinos and to the country's economic growth.

As a fully diversified universal bank, BPI—together with its subsidiaries and affiliates—offers a wide range of services, including consumer and corporate banking, wealth management, payments, insurance, investment banking, foreign exchange, leasing, and securities distribution. This breadth of offerings enables the Bank to serve diverse client segments and remain resilient across economic cycles.

BPI upholds the primacy of corporate governance, embedding integrity, values, and ethics into its operations. The Board of Directors and Senior Management ensure that profitability is anchored on sound banking practices, transparency, accountability, and sustainability, supporting inclusive growth and a more resilient society.

BPI maintains a nationwide presence comprising 1,318 Branches, 2,119 Automated Teller Machines (ATMs) and Cash Accept Machines (CAMs), and over 7,000 partner stores under its Agency Banking Business. The Bank serves 18.24 million clients through a workforce of 23,578 employees. Together with its subsidiaries and affiliates, BPI seeks to address the financial needs of all client segments, including corporate clients, consumers, and small, medium, and micro-entrepreneurs.

Principal Subsidiaries. The Bank's principal subsidiaries are:

- (1) BPI Capital Corp. (“BPI Cap”) is an investment house registered with the SEC in February 1976. It offers a comprehensive suite of corporate finance services covering debt and equity capital markets, financial advisory, project finance, loan syndication, and securities distribution. BPI Capital wholly owns BPI Securities Corporation, a stock brokerage and trading participant of the PSE.
- (2) BPI Securities Corporation is the full-service stock brokerage house of the Bank. It is a wholly owned subsidiary of BPI Capital Corporation and is primarily involved in the purchase and sale of shares of publicly listed companies on the PSE for its institutional and retail clients.
- (3) BPI Direct BanKo, Inc., A Savings Bank (or BanKo), is a wholly owned subsidiary and microfinance arm of the Bank of the Philippine Islands (BPI). 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. BanKo has achieved remarkable milestones, firmly establishing its commitment to sustainable growth and financial inclusion. Successfully reaching SEMEs, BanKo has emerged as a catalyst for economic development, creating sustainable employment opportunities and leaving a lasting impact on the lives of individuals and communities.
- (4) Legazpi Savings Bank, Inc. (“LSB”) is focused on providing financial assistance to teachers, including deposit-related financial services. LSB 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.
- (5) 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. It also holds (i) an Investment Company Adviser license and (ii) a Transfer Agency license, both issued by the Securities and Exchange Commission (SEC), authorizing BPI Wealth to act as fund manager, distributor, and transfer agent of mutual funds under the Investment Company Act, Securities Regulation Code, and their implementing rules and regulations.

- (6) BPI Investments Inc. (formerly BPI Investment Management Inc.) is a wholly owned subsidiary of the Bank and serves as the transfer agent of the ALFM & PAMI Mutual Funds – open-end investment companies registered with, and regulated by, the Securities and Exchange Commission (SEC).
- (7) BPI Wealth Hong Kong Limited (“BPI Wealth HK”), formerly BPI International Finance Limited (“BPI IFL”), is a wholly-owned subsidiary of the BPI, registered under the Hong Kong Companies Ordinance on August 16, 1974 and subsequently as a deposit-taking company on April 26, 1976. BPI Wealth HK is regulated by the Hong Kong Monetary Authority and is licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Its principal business activities are the provision of financial services and dealing in securities on behalf of customers. BPI IFL was renamed BPI Wealth Hong Kong Limited on August 26, 2024.
- (8) BPI Wealth Singapore Pte. Ltd is licensed by the Monetary Authority of Singapore under the Securities and Futures Act of 2001 (SFA) of Singapore as a Capital Markets Services Licensee to conduct fund management activities for Accredited and Institutional Investors as defined under the SFA. BPI Wealth Singapore commenced operations on 1 October 2025.
- (9) BPI Remittance Centre Hong Kong Ltd. (“BERC HK”) is a licensed money service operator in Hong Kong providing 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.
- (10) BPI (Europe) Plc (“BPI Europe”) is a UK-licensed bank authorized by the Prudential Regulation Authority (PRA), jointly regulated by the PRA and the Financial Conduct Authority (FCA). It has been in operation since 2007, and started off with paid-up capital of £20 million, subsequently increased to £100 million after equity infusions in 2020 and 2021. The bank offers retail deposit products and engages in the proprietary trading of fixed income securities, foreign exchange and syndicated loans.
- (11) BPI MS Insurance Corporation (“BPI MS”) is a non-life insurance company established in 2001 through a joint venture between the Bank of the Philippine Islands (BPI), which holds a 50.85% ownership stake, and Mitsui Sumitomo Insurance Company (MSI), which owns the remaining 49.15%.

### **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
Year Ended December 31, 2025					
	1st Quarter	P	138.00	P	116.20
	2nd Quarter		142.50		127.50
	3rd Quarter		130.40		102.30
	4th Quarter		120.50		99.00

The high and low prices of BPI at the Philippine Stock Exchange on February 24, 2026, were P119.80 and P117.90, respectively, with a closing price of P119.80.

## Dividends

The Bank declares cash dividends to its common stockholders on a regular basis, subject to the discretion of the Board of Directors. The Bank's dividend history reflects a consistent record of annual distributions. In May 2022, the Board of Directors approved a dividend policy anchored on a dividend payout ratio (DPO) of 35% to 50% of the preceding year's earnings. This policy supersedes the prior practice of declaring a fixed dividend of PHP0.90 per share every semester.

Cash dividends declared and paid during the years ending December 31, 2023, 2024, and 2025 are as follows:

Date Declared	Date of Payment	Amount of Dividends	
		Per Share	Total (in Php Mn)
May 17, 2023	June 22, 2023	1.68	7,626
Nov 15, 2023	Dec 22, 2023	1.68	8,308
May 15, 2024	June 28, 2024	1.98	10,439
Nov 20, 2024	Dec 20, 2024	1.98	10,439
May 21, 2025	June 30, 2025	2.08	10,990
Nov 19, 2025	Dec 18, 2025	2.28	12,047

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

Dividend declarations are the responsibility of BPI and rest with the authority of the BPI Board of Directors, which may declare dividends as it deems appropriate. Banks that satisfy the prescribed prequalification criteria, including capital adequacy requirements and compliance with applicable laws and regulations of the Bangko Sentral ng Pilipinas (BSP), may declare and pay dividends without the need for prior BSP verification.

Details of the dividend declaration are reflected in Note 18 of the 2025 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 (2022-2025) are shown below:

In Million Pesos	2022	2023	2024	2025	CAGR
Assets	2,603,961	2,888,372	3,318,813	3,651,488	11.9%
Loans (Net)	1,702,990	1,882,007	2,238,765	2,567,131	14.7%
Deposits	2,096,001	2,295,106	2,614,802	2,838,525	10.6%
Capital	317,722	357,204	430,469	476,553	14.5%

From 2022 to 2025, the Bank's assets recorded a compounded annual growth rate (CAGR) of 11.9%. Over the same period, loan growth outpaced deposit expansion, with three-year CAGRs of 14.7% and 10.6%, respectively.

Capital increased by 10.7%, reflecting annual profit generation net of cash dividends declared. In addition, the Bank continued to strengthen capital through retained earnings, registering a three-year CAGR of 14.5%.

### 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, were 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 agreements. **Other resources, net** at P19.92 billion, were 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 an 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 sales and maturities of debt securities. **Due from other banks**, P36.29 billion was also lower by P8.90 billion or 19.7% on lower working balances with correspondent banks. **Cash and other cash items** at P34.84 billion also went down by P4.77 billion or 12.0% on lower level of cash and payroll for the year.

## 2024

**Total resources** stood at P3.32 trillion, up P430.44 billion, or 14.9%, from last year's P2.89 trillion. **Total deposits** at P2.61 trillion went up by P319.70 billion or 13.9%, from increases in Time, Demand and Savings deposits by P205.08 billion or 27.1%, P47.71 billion or 12.6%, and P66.90 billion or 5.8%, to P962.56 billion, P426.79 billion, and P1.23 trillion, respectively. **Other borrowed funds**, at P163.18 billion, was up P26.08 billion or 19.0%, from repurchase agreements this year. **Deferred credits and other liabilities** at P56.22 billion, 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 were 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.

## 2025

**Total resources** stood at P3.65 trillion, an increase of P332.67 billion, or 10.0%, from last year's P3.32 trillion.

- **Total deposits** reached P2.84 trillion, up by P223.72 billion or 8.6%, driven by
  - Time Deposits rising P152.99 billion or 15.9%, to P1.12 trillion.
  - CASA deposits increasing P70.73 billion or 4.3%, to P1.72 trillion.
- **Other Borrowed Funds** amounted to P223.43 billion, higher by P60.25 billion or 36.9%, reflecting

increased bond issuances and repurchase agreements.

- **Accrued Taxes, Interest and Other Expenses** totaled P20.68 billion, up P3.35 billion or 19.3%, due to higher accrued interest on time certificates of deposit, income tax, bonds, taxes and licenses, and other expenses.
- **Liabilities Attributable to Insurance Operations** rose to P17.84 billion, an increase of P1.30 billion or 7.8%, on account of higher reserves and other balances of the Bank's non-life insurance affiliate.
- **Manager's Checks and Demand Drafts Outstanding** stood at P10.46 billion, up P519 million or 5.2%, reflecting higher remittances of foreign funds pending disposition to designated beneficiaries.
- These increases were partly offset by the decline in:
  - **Deferred credits and other liabilities** at P54.83 billion, down P1.39 billion or 2.5%, due to lower bills purchased.
  - **Derivative financial liabilities** at P3.70 billion, lower by P1.28 billion or 25.7%, attributable to favorable mark-to-market valuations from market movements.

**Capital funds** amounted to P476.55 billion, reflecting an increase of P46.08 billion or 10.7%, from the prior year's P430.47 billion.

- **Surplus** stood at P274.07 billion, up P37.74 billion or 16.0%, driven primarily by higher net income, partially offset by dividend distributions and appropriation of reserves.
- **Reserves** rose to P16.51 billion, up by P5.62 billion or 51.6%, attributable to additional provisions for General Loan Losses in line with BSP Circular 1011.
- **Accumulated other comprehensive loss** improved to P10.59 billion, a reduction of P2.05 billion or 16.2% from last year's P12.64 billion loss, due to lower unrealized losses on securities.

On the asset side,

- **Loans and advances, net**, amounted to P2.57 trillion, an increase of P328.37 billion or 14.7%, reflecting growth across all loan portfolios.
- **Financial assets at fair value through profit or loss stood** at P85.27 billion, higher by P37.97 billion or 80.3%, attributable to purchase of local currency-denominated government securities.
- **Interbank loans receivable and securities purchased under agreements to resell** reached P35.48 billion, up P18.77 billion or 112.3%, driven by higher lending to local and foreign banks.
- **Financial assets at fair value through other comprehensive income** totaled P285.37 billion, an increase of P17.16 billion or 6.4%, due to acquisitions of securities.
- **Assets held for sale, net** rose to P12.42 billion, up P4.01 billion or 47.6%, on higher acquired real and other properties.
- **Bank premises, furniture, fixtures and equipment, net** amounted to P25.09 billion, higher by P3.88 billion or 18.3%, reflecting construction, leasehold improvements, and computer equipment purchases.
- **Cash and other cash items** stood at P53.02 billion, an increase of P3.26 billion or 6.5%, due to higher cash on hand.
- **Investment in subsidiaries and associates, net** reached P13.05 billion, up P2.14 billion or 19.7%, largely from the Bank's share in the net income and market valuation gains of BPI AIA.
- **Assets attributable to insurance operations** amounted to P22.65 billion, higher by P1.65 billion or 7.9%, reflecting increased assets booked from the Bank's non-life insurance affiliate.
- **Deferred income tax assets, net** totaled P19.17 billion, an increase of P966 million or 5.3%, due to impairment losses recognized during the period.
- **Financial assets at amortized cost** stood at P353.14 billion, higher by P10.04 billion or 2.9%, on account of additional placements in peso-denominated government securities.
- Above increases were offset by declines in the following:
  - **Due from Bangko Sentral ng Pilipinas (BSP)** decreased to P106.34 billion, lower by P58.23 billion or 35.4%, due to higher inward checks presented by other banks for clearing.
  - **Due from Other Banks** declined to P38.21 billion, down P33.85 billion or 47.0%, reflecting reduced balances with foreign banks and with the franchise holder of Philippine Domestic Dollar Transfer System.
  - **Other resources, net** fell to P25.63 billion, lower by P3.45 billion or 11.9%, on lower deferred charges and higher allowance for probable losses.

### Asset Quality

The Bank's loan portfolio mix consisted of Institutional loans at 69.6% and Non-Institutional loans at 30.4%, compared with 72.3%, and 27.7%, respectively, in the prior year.

The allowance for Impairment increased to P17.75 billion, higher by P11.15 billion or 168.9%, from P6.60 billion in 2024. The NPL ratio rose slightly to 2.18% from 2.13% in the previous year, but remained below the industry average of 3.16%.

Further details on the loan portfolio and asset quality are provided in the 2025 Audited Financial Statements Note 10 and Note 26.1.3.1, respectively.

### Funding and Liquidity

Customer deposits comprised 93% of BPI's total funding, while the remaining 7% was sourced from other borrowings. The Bank's liquidity ratios Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained well above the regulatory minimum requirement of 100%, indicating a strong liquidity position.

The Bank's CASA Ratio stood at 60.7%, while the Loan-to-Deposit Ratio was 92.4%.

For further details on the Bank's deposits, borrowings, and liquidity, please refer to the 2025 Audited Financial Statements Notes 15, 16, and 26.3.1, respectively.

### **Results of Operations**

<b>In Million Pesos</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>CAGR</b>
Net Interest Income	85,065	104,350	127,586	148,028	20.3%
Non-Interest Income	33,459	33,971	42,553	47,249	12.2%
Impairment Losses	9,167	4,000	6,600	17,750	24.6%
Operating Expenses	57,989	69,110	83,796	92,106	16.7%
Net Income	39,605	51,687	62,049	66,615	18.9%

The Bank's net income from 2022 to 2025 recorded a compounded annual growth rate (CAGR) of 18.9%, driven by sustained increases in net interest income (20.3%) and non-interest income (12.2%), over the three-year period. The positive impact of these revenue improvements was partly offset by higher operating expenses and impairment losses, which rose at three-year CAGRs of 16.7% and 24.6%, respectively.

### **2023 vs. 2022**

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

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

**Net interest income** stood at P104.35 billion, up P19.28 billion, or 22.7%, as the average earning asset base grew 7.6% and NIM expanded 50 bps to 4.09%. Earning asset yield was up on higher loan yields coupled with higher volume and additional placements 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 the prior year's one-off gains from sale of property.

Netting of the prior 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 improved by P13 million from last year's P66 million loss, on lower 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 expanded 22 bps to 4.31%. 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 and higher yields. 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.

## **2025 vs. 2024**

In 2025, the Bank posted **net income** of P66.61 billion, up P4.57 billion, or 7.4%, from the P62.05 billion earned in 2024. This growth was driven by a P25.14 billion increase in revenues. This was partly offset by higher impairment losses, operating expenses, and income taxes, which rose by P11.15 billion, P8.31 billion, and P1.07 billion, respectively.

**Net interest income** rose to P148.03 billion, up P20.44 billion, or 16.0%, supported by an 8.9% expansion in average earning asset base and 28 bps improvement in NIM to 4.59%. Asset yield climbed 26 bps on stronger loan yields and higher placements in financial assets at fair value through OCI at higher rates, while the cost of funds eased by 2 bps due to lower deposit and borrowings cost.

- **Interest income** grew by P25.31 billion, or 13.3%, reaching P215.27 billion.
  - Interest income **on loans and advances** at P183.76 billion, up P24.16 billion or 15.1%, owing to higher average volume and yields.
  - Interest income **on financial assets at fair value through OCI** is also higher at P13.92 billion, up P2.36 billion or 20.4%, driven by higher yields and volume.
  - These gains were partly offset by decline in interest income **on deposits with BSP and other banks** by P1.08 billion or 34.8%, to P2.03 billion, due to reduced average volume.
- **Interest expense** rose to P67.24 billion, increased P4.87 billion, or 7.8%.
  - Interest expense **on bills payable and borrowings** of P11.67 billion, up P2.48 billion or 27.0% on higher volumes despite lower cost.
  - Interest expense **on deposits** of P55.57 billion, up P2.39 billion or 4.5%, also on higher volumes despite lower cost.

**Other income** amounted to P47.25 billion, up by P4.70 billion or 11.0%.

- **Trading gain on securities** totaled P5.66 billion, higher by P2.36 billion or 71.7%, primarily due to realized gains from sale of securities.
- **Other operating income** reached P19.77 billion, up P2.16 billion or 12.3%, driven by higher credit card income, trust fees and gains from sale of properties.
- **Income attributable to insurance operations** at P3.57 billion, rose by P562 million or 18.7%, reflecting higher investment income of the insurance subsidiaries.
- **Fees and commissions** increased by P515 million or 3.4% to P15.68 billion, supported by higher underwriting fees and domestic bank commissions.
- These gains were partially offset by a decline in **income from foreign exchange trading**, which

decreased by P903 million or 26%, due to narrower spreads.

**Other expenses** totaled P92.11 billion, an increase of P8.31 billion, or 9.9%.

- **Other operating expenses** amounted to P33.90 billion, up P4.18 billion or 14.1%, on higher marketing, operations and regulatory expenses.
- **Occupancy and equipment-related expenses** reached P27.92 billion, higher by P2.79 billion, or 11.1%, due to increased technology spending from ongoing digitalization initiatives, higher depreciation and amortization expenses from ongoing branch renovations, and higher utilities expense.
- **Compensation and fringe benefits** stood at P30.28 billion, up P1.34 billion or 4.6%, reflecting annual salary adjustments, higher headcount, and increased HMO premium rates.

**Impairment losses** amounted to P17.75 billion, an increase of P11.15 billion or 168.9%, primarily due to rising NPL levels.

**Provision for income tax** totaled P18.57 billion, higher by P1.07 billion or 6.1%, compared to the P17.50 billion from last year.

- **Current taxes** was P19.25 billion, higher by P2.49 billion or 14.9%, on higher net taxable interest and non-interest income.
- **Deferred taxes** at negative 676.17 million, lower by P1.42 billion or 190.7%, reflecting the impact of higher loss provisioning during the year.

**Income attributable to non-controlling interest** increased by P41 million or 21.7% to P232 million, due to higher income contribution from the Bank's non-life insurance affiliate.

### Comprehensive Income

**Total comprehensive income** amounted to P68.92 billion, higher by P8.17 billion or 13.5% compared to previous year. The increase was attributable to:

- Growth in **net income before minority interest** by P4.61 billion or 7.4%, to P66.85 billion.
- Higher **total other comprehensive income, net of tax effect** by P3.57 billion, or 239.2%, to P2.08 billion.
  - **Net change in fair value reserve on FVOCI securities, net of tax effect** at P2.77 billion, higher by P3.94 billion or 336.7%, from last year's loss of P1.17 billion, due to higher 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 P103 million was higher by P278 million or 158.9%, from last year's P175 million loss, due to higher accumulated fluctuation reserves of the Bank's insurance affiliate.
  - **Share in other comprehensive gain of associates (that will not be reclassified to profit or loss)** at P143 million, was also up P188 million or 415% from last year's P45 million loss, driven by higher market valuation of the life insurance affiliate's investments securities.
  - **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P86 million, was also higher by P63 million or 262%, due to stronger valuations of the insurance subsidiaries' investment funds.
  - **Currency translation differences** at P209 million was lower by P138 million or 39.7%, reflecting lower translation income from the Bank's foreign subsidiaries.
  - **Actuarial loss on defined benefit plan, net of tax effect** of P1.23 billion further deteriorated by P759 million or 160.2%, from last year's P474 million loss, on higher actuarial loss on defined benefit obligation.

**Comprehensive income attributable to non-controlling interest** at P255 million, increased by P43 million, or 20.1%, mainly from higher market valuation of the insurance's subsidiaries' investments.

## Key Performance Indicators

	2023	2024	2025
Return on Equity <sup>1</sup>	15.3%	15.1%	14.5%
Return on Assets <sup>1</sup>	1.9%	2.0%	2.0%
Net Interest Margin <sup>1</sup>	4.1%	4.3%	4.6%
Operating Efficiency Ratio	50.0%	49.3%	47.2%
Capital Adequacy Ratio <sup>2</sup>	16.2%	14.6%	14.7%

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

<sup>2</sup> Basel III Framework

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

**Return on equity (ROE)**, the ratio of net income to average equity, was lower at 14.5%, 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 slightly lower by 2 bps at 2.0%.

**Net interest margin (NIM)**, net interest income divided by average interest-bearing assets, was higher at 4.6% by 28 basis points than the 4.3% in 2024, on higher earning asset yields coupled with lower cost of funds.

**Operating efficiency (cost to income) ratio**, the ratio of operating expenses to income, was lower at 47.2% from 49.3% in 2024, 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 slightly up at 14.75% compared to last year's 14.63%, as the growth in qualifying capital outpaced the growth in total risk weighted assets. The CET 1 ratio at 13.94%, was higher than the 13.86% from the same period last year. Both of the Bank's capital ratios are above the BSP's minimum requirement.

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.

using simple average method	2024	2025
Return on Equity	15.7%	14.7%
Return on Assets	2.0%	1.9%
Net Interest Margin	4.3%	4.5%

Details of the basic quantitative indicators of financial performance are reflected in Note 30 of the 2025 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 have a material effect on the financial condition or results of operations.

## **Market Outlook**

The Philippine economy is expected to continue expanding over the medium term, supported by domestic fundamentals despite the headwinds. Household consumption has been the primary engine of growth, accounting for 60-70% of GDP expansion. This consumption-led model is closely tied to the structure of the economy, with services as the biggest sector on the supply side.

Sustained growth in consumption reflects favorable demographics, a productive labor force, and a manageable unemployment rate. In addition, remittances from overseas Filipinos have remained resilient, providing a stable source of income for households.

As a result, consumer lending in the Philippines continues to have considerable growth potential. Household debt as a percentage of GDP remains relatively low compared with peers in the ASEAN. This relatively low leverage reflects the resilience of household incomes, with many purchases still funded through equity rather than credit. Banks have substantial room to grow their loan portfolio given this context.

Inflation has been a major challenge for the economy in recent years, driven largely by oil prices and supply constraints especially in food. However, price pressures have become more manageable over the past year, with the slowdown in inflation largely attributable to declining rice prices as supply conditions improved given the increased supply from Vietnam and Thailand as well as the end of El Nino.

Looking ahead, inflation may climb in 2026 as favorable base effects from rice prices fade. Additional upside risks may also emerge if typhoons later in the year are more severe than usual. Even so, inflation may stay with the central bank's target, especially if current conditions remains unchanged. There is a risk of an oversupply in the global oil market amid higher production and weak demand from major economies especially China. This backdrop could prevent a spike in oil prices, unless geopolitical tensions intensify once again.

This environment could allow the Bangko Sentral ng Pilipinas to continue easing its monetary policy, which could provide support to economic activity.

The global environment is likely to remain challenging due to volatile trade policies and geopolitical tensions. However, the resilient domestic market may help cushion the economy against external shocks. Other challenges include the possibility of sustained slowdown in public sector spending, the effects of artificial

intelligence on the labor market, and disruptions to economic activity caused by climate change.

### *Implications on Business and Strategy*

Going into 2026, our strategic initiatives remain relevant given the aforementioned market outlook.

We will harness the momentum of our strong lending business where non-institutional lending remains the primary growth engine. This faster growth has driven a big shift in our loan mix. By 2025, non-institutional loans accounted for 30.4% of total loans, from only 21.1% in 2021. This achievement places us one year ahead of schedule in reaching our loan mix target of 30% non-institutional, which underscores the strength of our execution and the growing relevance of our consumer franchise. We foresee that we can surpass this even further supported by the outlook on sustained household consumption and a productive labor force.

On funding leadership, we delivered solid deposit growth despite more modest CASA expansion. Retail deposit acquisition continues to be a core strength in contrast to the challenge in growing corporate CASA. To address this, we continue to enhance our capabilities to become the main operating bank of our clients and to capture the full ecosystem of their transactions. This includes positioning BPI as the aggregator by enabling real time payments and notifications, multi-channel reporting, and innovative collection solutions. These initiatives aim to strengthen client engagement and accelerate CASA growth.

Our commitment to digital leadership is unwavering as we continue to scale our seven client engagement platforms, which are delivering steady growth in enrolled and active users. Transaction volumes continue to shift toward digital channels, supported by new partnerships, enhanced functionalities, and continuous platform improvements.

Despite our strong push toward digitalization initiatives, we continue to invest in our physical network by opening branches in targeted growth areas, even as we consolidate and co-locate branches to optimize our footprint. The remaining branches will be redesigned into Phygital, Prime Phygital and Flagship formats, depending on the target segments, customer experience and location. This approach allows us to deliver a differentiated customer experience by leveraging on both our physical stores and digital capabilities.

Closely linked to our branch rationalization initiative is growth in our Agency Banking which continues to strengthen the Bank's presence beyond branches.

We expanded the Agency Banking network to 32 Partners and over 7,000 Partner Stores, driven largely by partnerships with leading brands that strengthened our footprint, particularly in Visayas and Mindanao. What began as product onboarding partner stores has scaled rapidly – over 900 of these stores are now enabled for Deposit-Withdrawal transactions across 18 partner brands, thereby broadening our ability to serve customer segments nationwide. Looking ahead to 2026, we will accelerate the expansion of transaction-capable stores, and to elevate the customer experience, we will deploy dedicated Brand Ambassadors who will guide clients through product inquiries, applications, and cash transactions within Partner Stores.

Sustainability guides all our efforts to create meaningful impact. From green financing to financial inclusion initiatives, we integrate environmental, social, and governance principles into our operations, contributing to a more resilient and responsible future. As a trusted leader in sustainability among Philippine banks, we are fully focused on the two pillars of responsible banking and responsible operations.

The driving force behind all these strategic initiatives is and has always been our passion for the customer. Our culture of Customer Obsession inculcates in each and every Unibanker our N.I.C.E. (Nurturing, Integrity, Customer-Obsessed, Excellence) values and C.H.A.N.G.E. (Customer Obsession, High Performance, Aspiration, Nurturing Spirit, Growth Mindset, Excellence) competencies.

There were approximately 11,584 common shareholders of BPI as of January 31, 2026.

**Equity Ownership of Foreigners on Common Shares as of 31 January 2026**

<b>Nationality</b>	<b>Number of Stockholders</b>	<b>Number of Shares</b>	<b>Percent of Holdings</b>
AMERICAN	60	1,160,995	0.02%
AUSTRALIAN	4	27,816	0.00%
BRAZILIAN	1	2	0.00%
BRITISH	4	34,317	0.00%
CANADIAN	14	102,054	0.00%
CHINESE	79	1,318,560	0.02%
DANISH	1	1,089	0.00%
DUTCH	1	487,335	0.01%
FOREIGN	6	966,754,326	18.30%
GERMAN	3	2,230	0.00%
HONGKONG	1	261	0.00%
INDIAN	3	29,850	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	11	96,351	0.00%
<b>Total</b>	<b>205</b>	<b>970,510,704</b>	<b>18.35%</b>

**Top 20 Stockholders as of January 31, 2026**

	<b>Name of Stockholders</b>	<b>Number of Shares Held</b>	<b>Percent of Holdings</b>
1.	AYALA CORPORATION	1,515,177,839	28.6759%
2.	PCD NOMINEE CORPORATION (NON-FILIPINO)	966,671,033	18.2950%
3.	PCD NOMINEE CORPORATION (FILIPINO)	882,227,455	16.6969%
4.	LIONTIDE HOLDINGS INC.	823,218,041	15.5801%
5.	ROMAN CATHOLIC ARCHBISHOP OF MANILA	357,297,439	6.7621%
6.	ROBINSONS RETAIL HOLDINGS INC.	287,627,499	5.4436%
7.	JG SUMMIT CAPITAL SERVICES CORP.	188,399,564	3.5656%
8.	MICHIGAN HOLDINGS INC.	100,993,230	1.9114%
9.	BPI ESPP 2024	12,367,479	0.2341%
10.	BPI ESPP 2025	11,698,080	0.2214%
11.	MERCURY GRP. OF COMPANIES INC	8,339,940	0.1578%
12.	ESTATE OF VICENTE M. WARNS	8,160,037	0.1544%
13.	BPI - ESPP 2021	7,249,205	0.1372%
14.	BPI ESPP 2023	7,071,370	0.1338%
15.	BPI - ESPP 2022	6,730,528	0.1274%
16.	SOCIAL SECURITY SYSTEM	4,554,911	0.0862%
17.	BPI GROUP OF COMPANIES RETIREMENT FUND	4,548,420	0.0861%
18.	XAVIER P. LOINAZ AND/OR MA. TERESA J. LOINAZ	4,255,918	0.0805%

	<b>Name of Stockholders</b>	<b>Number of Shares Held</b>	<b>Percent of Holdings</b>
19.	HERMANN BARRETTO WARNS	3,135,572	0.0593%
20.	SAHARA MANAGEMENT AND DEVELOPMENT CORPORATION	2,952,394	0.0559%
	<b>Total</b>	<b>5,202,675,954</b>	<b>98.4647%</b>

## **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 2025, 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 2025 Annual Stockholders' Meeting, Mr. Restituto C. Cruz and Ms. Mariana Beatriz E. Zobel de Ayala 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 2025 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 2025 Annual Stockholders Meeting, 3 women, two of whom are independent and one a Non-Executive Director, were elected. In total, 6 independent directors were elected to the 2025 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 Mr. Mario Antonio V. Paner were re-elected as Independent Directors. Mr. Restituto C. Cruz was elected as new 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 2025, the Bank had eight board-level committees: Executive, Risk Management, Audit, Corporate Governance and Sustainability, Personnel and Compensation, Nominations, Retirement/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.

During the Organizational Meeting of the Board immediately after the 2025 ASM, Ms. Rizalina G. was appointed as a member of the Executive Committee. Mr. Restituto C. Cruz was appointed as an additional member of the Audit Committee, joining Mr. Cesar V. Purisima and Mr. Mario Antonio V. Paner. Mr. Cruz was likewise appointed as a member of the Related Party Transactions Committee.

Moreover, Mr. Jaime C. Urquijo was appointed as a member of the Risk Management Committee, vice Mr. Cesar P. Consing. Mr. Mario Antonio V. Paner, Independent Director and Mariana Beatriz

E. Zobel de Ayala, were appointed as members of the Personnel and Compensation Committee. Mr. Emmanuel S. de Dios, Independent Director, was appointed as Chairperson of the Nomination Committee. Mr. Mario Antonio V. Paner, Independent Director, was appointed as Chairperson 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, as it did in 2025 when it engaged the Institute of Corporate Directors for this purpose. 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 December 11, 2024, the Chairman, acting on the authority delegated by the Board of Directors approved that the ASM 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. Hence, at the April 21, 2025 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 tabulated all votes received and an independent third-party validated 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 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 onboarding/orientation session in 2025 for Mr. Restituto C. Cruz and Ms. Mariana Beatriz E. Zobel de Ayala. 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. Members of the Board and selected key officers of BPI attended the BPI Future of Compliance Conference and the Ayala Corporate

Governance, Risk Management and Sustainability Summit, both conducted in collaboration with the Institute of Corporate Directors, on July 29, 2025 and November 4, 2025, respectively.

- (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 2025 is disclosed in an Annex of the 2025 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 December 2025 to assess the 2025 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 competency 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 and Sustainability 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.7; Series of 2026. 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;
- 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 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 filings in accordance with relevant rules and issuances of SEC, BSP, etc. In addition, the Bank in compliance with the SEC Memo Cir. No. 10, s2019, considers related party transaction/s, that are either individually, or in aggregate amounting to ten percent (10%) or higher of the Banks total assets based on its latest audited financial statement as Material Related Party Transactions, subject to the rules set on the policy. The policy also ensures that all Material RPTs are entered and conducted in fair and at arm's length terms. The RPT Policy is disclosed on the company website and internal database.
- (x) **Insider Trading Policy.** This policy, in general, prohibits covered persons, i.e., directors, officers (SVP and up), and employees 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. In compliance with the SEC, all directors and officers 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 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. In 2025, the Bank amended its Anti-Bribery and Anti-Corruption (ABC) Policy, to reinforce its commitment to the

principles of the UN Global Compact as part of its Sustainability Roadmap, strengthen its efforts to improve policy implementation, monitoring, and compliance, and enhance due diligence requirements on business partners relative to bribery and corruption. Aligned with the Bank's commitment to act fairly and with integrity in all business dealings and relationships, the 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-Bribery and Anti-Corruption 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 Bank's Amended By-Laws allow for the holding of physical as well as fully virtual annual or special stockholders' meetings, subject to the applicable laws, rules and regulations of the Securities Exchange Commission, as may be amended from time to time. 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 2025, the BPI virtual ASM was successfully conducted via a livestream webcast at <https://conveneagm.com/ph/BPI2025ASM>. Shareholders intending to participate by remote communication were requested to notify the Bank by email to [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph).

**Notice of the ASM.** The Notice is sent to shareholders well before the meeting date to allow shareholders to review the meeting's agenda and provide shareholders with sufficient information regarding issues to be decided at the meeting; the Definitive Information Statement, or SEC Form 20-IS is issued in accordance with BPI's Amended By-Laws and SRC Rule 20. In 2025, the Notice, including the DIS, was sent out to stockholders of record by March 24, 2025, 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 on December 11, 2024, the Chairman, acting on the authority delegated by the Board of Directors approved that the ASM 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. Hence, at the April 21, 2025 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 an independent third-party 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 2025 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. The Bank also issues a separate Sustainability Report. In this regard, in recent years, the Bank has utilized an Integrated Report comprised of the Annual Report and the Sustainability Report. The Integrated Report, i.e., the Annual Report and Sustainability Report, is approved by the Board of Directors prior to release. The 2024 Integrated Report was approved by the Board on March 19, 2025. 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](http://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 2025, 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



**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, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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

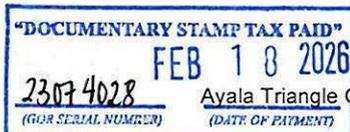


Eric Roberto M. Luchangco  
Executive Vice President  
and Chief Finance Officer

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this FEB 18 2026,  
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. 28 ;  
Page No. 7 ;  
Book No. I ;  
Series of 2026.



**ATTY GIANCARLO KRISTOFFER D. GABRIEL**  
NOTARY PUBLIC FOR MAKATI CITY  
APPT NO. M-050 UNTIL DEC. 31, 2027  
ROLL OF ATTY NO 77378  
MCLE EXEMPTION NO. VIII-PGS003919/10.21.2024  
VALID UNTIL APRIL 14, 2028  
IEP NO 567349; MAKATI; 12.18.2025  
PTR NO. 10767263; MAKATI CITY; 01.06.2026  
AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY

**BANK OF THE PHILIPPINE ISLANDS**  
Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City  
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## 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, 2025 and 2024, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2025 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, 2025 and 2024;
- the consolidated and parent statements of income for each of the three years in the period ended December 31, 2025
- the consolidated and parent statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated and parent statements of changes in capital funds for each of the three years in the period ended December 31, 2025;
- the consolidated and parent statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated and parent financial statements, comprising material accounting policy information and other explanatory information.

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### **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), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audits of the consolidated and parent financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

### **Our Audit Approach**

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

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

## Key audit matters

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Impairment losses on loans and advances</b></p> <p>We focused on this account because of the complexity involved in the estimation process, and the significant judgments that management makes in ascertaining the provision for loan impairment. The calculation of impairment losses is inherently subject to judgment for any bank. As at December 31, 2025, the total allowance for impairment for loans and advances amounted to PHP56,734 million for the BPI Group and PHP51,007 million for the Parent Bank while provision for loan losses recognized in profit or loss for the year then ended amounted to PHP16,951 million for the BPI Group and PHP12,106 million for the Parent Bank. Refer to Notes 10 and 26 of the financial statements for the details of the impairment losses on loans and advances.</p> <p>Provision for impairment losses on loans that are assessed to be individually credit impaired is determined in reference to the estimated future cash repayments and proceeds from the realization of collateral held by the BPI Group and the Parent Bank.</p>	<p>We assessed the design and tested the operating effectiveness of key controls over loan loss provisioning. These key controls included:</p> <ul style="list-style-type: none"> <li>• governance over the development, validation and approval of the BPI Group's ECL models to assess compliance with PFRS 9, including continuous re-assessment by the BPI Group that the impairment models are operating in a way which is appropriate for the credit risks in the BPI Group and the Parent Bank's loan portfolios;</li> <li>• review and approval of key judgments, assumptions and forward-looking information used in the ECL models;</li> <li>• review of data from source systems to the detailed ECL model analyses;</li> <li>• assessment of credit quality of loans and advances relative to the established internal credit risk rating system;</li> <li>• the review and approval process for the outputs of the impairment models; and</li> <li>• the review and approval process over the determination of credit risk rating, performance of credit reviews and calculation of required reserves for loans assessed as credit-impaired.</li> </ul>

Key Audit Matter	How our audit addressed the Key Audit Matter
<i>(cont'd.)</i>	
<p>For other loan accounts which are not individually credit impaired, these are included in a group of loans with similar risk characteristics and are collectively assessed on a portfolio basis using internal models developed by the BPI Group and the Parent Bank.</p> <p>Key elements in the impairment of loans and advances include:</p> <ul style="list-style-type: none"> <li>the application of appropriate impairment models for the collectively assessed accounts. This includes the use of key assumptions in the impairment models (i.e., staging of accounts, significant increase in credit risk, forward-looking information), the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD); and</li> <li>the identification of credit-impaired loans, and estimation of cash flows (including the expected realizable value of any collateral held) supporting the calculation of individually assessed provisions.</li> </ul> <p>The impairment losses include both quantitative and qualitative components. In calculating the loan loss provisioning, the BPI Group and the Parent Bank applied the expected credit loss (ECL) calculation and post-model adjustments as allowed by Philippine Financial Reporting Standard (PFRS) 9, <i>Financial instruments</i>, which is a complex process that takes into account forward-looking information reflecting the BPI Group and the Parent Bank's view on potential future economic events.</p>	<p>Our work over the impairment of loans and advances included:</p> <ul style="list-style-type: none"> <li>independent assessment of the methodology applied by the BPI Group and the Parent Bank in the development of the ECL models vis-a-vis the requirements of PFRS 9;</li> <li>independent testing of key assumptions in the ECL models such as PD, LGD, EAD built from historical data, including segmentation. Our assessment included the involvement of our internal specialist.</li> <li>assessment of the appropriateness of the BPI Group's and the Parent Bank's definition of significant increase in credit risk and staging of accounts through analysis of historical trends and past credit behavior of loan portfolios;</li> <li>independent comparison of economic information used within, and weightings applied to, forward-looking scenarios in the ECL calculation which includes assumptions used in the post-model adjustments, against available macro-economic data;</li> <li>testing of the accuracy and completeness of data inputs in the ECL models and in the ECL calculation by comparing them with the information obtained from source systems;</li> <li>testing the accuracy and reasonableness of the outputs of the ECL models through independent recalculation;</li> <li>for a sample of individually assessed loans identified as credit-impaired, examined relevant supporting documents such as the latest financial information of the borrower or valuation of collateral used as a basis in estimating the recoverable amount and measuring the loan loss allowance; and</li> <li>recalculation of the loan loss allowance for selected accounts and portfolios at reporting date using the ECL methodology adopted by the BPI Group and the Parent Bank.</li> </ul>

### **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 Integrated Report, but does not include the consolidated and parent financial statements and our auditor's report thereon, which 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 SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Integrated Report, 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 consolidated and parent 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 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 consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine the matter 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 the matter 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 8, 2026, Makati City  
SEC A.N (individual) as general auditors 88453-SEC, category A;  
valid to audit 2025 to 2029 financial statements  
SEC A.N. (firm) as general auditors 0142-SEC, Category A;  
valid to audit 2020 to 2025 financial statements  
TIN 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, 2028

Makati City  
February 18, 2026



Isla Lipana & Co.

## Statement 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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 18, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary Schedule on Financial Soundness Indicators including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the 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, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no exceptions were noted.

### Isla Lipana & Co.

Roderick M. Danao

Partner

CPA Cert. No. 88453

P.T.R. No. 0011280, issued on January 8, 2026, Makati City

SEC A.N (individual) as general auditors 88453-SEC, category A;

valid to audit 2025 to 2029 financial statements

SEC A.N. (firm) as general auditors 0142-SEC, Category A;

valid to audit 2020 to 2025 financial statements

TIN 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

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## Statement Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of  
**Bank of the Philippine Islands**  
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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, 2025, on which we have rendered the attached report dated February 18, 2026. 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, 2025, 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  
CPA Cert. No. 88453  
P.T.R. No. 0011280, issued on January 8, 2026, Makati City  
SEC A.N (individual) as general auditors 88453-SEC, category A;  
valid to audit 2025 to 2029 financial statements  
SEC A.N. (firm) as general auditors 0142-SEC, Category A;  
valid to audit 2020 to 2025 financial statements  
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Makati City  
February 18, 2026

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## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CONDITION December 31, 2025 and 2024 (In Millions of Pesos)

	Notes	Consolidated		Parent	
		2025	2024	2025	2024
<b>A S S E T S</b>					
CASH AND OTHER CASH ITEMS	4	<b>53,018</b>	49,762	<b>52,159</b>	49,136
DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)	4	<b>106,344</b>	164,571	<b>89,303</b>	161,247
DUE FROM OTHER BANKS	4	<b>38,211</b>	72,060	<b>34,007</b>	68,439
INTERBANK LOANS RECEIVABLE AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL, net	4,5	<b>35,480</b>	16,715	<b>34,909</b>	9,093
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,7	<b>85,274</b>	47,308	<b>77,245</b>	39,757
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	8	<b>285,367</b>	268,202	<b>279,354</b>	263,212
INVESTMENT SECURITIES AT AMORTIZED COST, net	9	<b>353,145</b>	343,108	<b>345,848</b>	336,233
LOANS AND ADVANCES, net	10	<b>2,567,131</b>	2,238,765	<b>2,500,475</b>	2,186,928
ASSETS HELD FOR SALE, net		<b>12,417</b>	8,411	<b>12,164</b>	8,154
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT, net	11	<b>25,088</b>	21,209	<b>23,494</b>	19,759
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, net	12	<b>13,047</b>	10,904	<b>19,822</b>	19,165
ASSETS ATTRIBUTABLE TO INSURANCE OPERATIONS	2	<b>22,649</b>	20,995	-	-
DEFERRED INCOME TAX ASSETS, net	13	<b>19,166</b>	18,201	<b>17,726</b>	17,183
OTHER ASSETS, net	14	<b>35,151</b>	38,602	<b>34,104</b>	38,772
<b>Total assets</b>		<b>3,651,488</b>	3,318,813	<b>3,520,610</b>	3,217,078

(forward)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CONDITION

December 31, 2025 and 2024

(In Millions of Pesos)

	Notes	Consolidated		Parent	
		2025	2024	2025	2024
<b>LIABILITIES AND CAPITAL FUNDS</b>					
DEPOSIT LIABILITIES	15	<b>2,838,525</b>	2,614,802	<b>2,766,496</b>	2,564,135
DUE TO BSP AND OTHER BANKS		<b>3,151</b>	3,135	<b>3,151</b>	3,135
DERIVATIVE FINANCIAL LIABILITIES	7	<b>3,698</b>	4,976	<b>3,667</b>	4,913
BILLS PAYABLE AND OTHER BORROWED FUNDS	16	<b>223,433</b>	163,182	<b>223,139</b>	163,083
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		<b>10,460</b>	9,941	<b>10,459</b>	9,935
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		<b>20,680</b>	17,327	<b>18,268</b>	15,061
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS	2	<b>17,837</b>	16,541	-	-
DEFERRED CREDITS AND OTHER LIABILITIES	17	<b>54,834</b>	56,219	<b>50,774</b>	53,050
Total liabilities		<b>3,172,618</b>	2,886,123	<b>3,075,954</b>	2,813,312
<b>CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI</b>					
Share capital	18	<b>52,747</b>	52,610	<b>52,747</b>	52,610
Share premium		<b>143,810</b>	143,278	<b>143,780</b>	143,248
Reserves		<b>16,511</b>	10,889	<b>48,837</b>	43,217
Accumulated other comprehensive loss		<b>(10,586)</b>	(12,640)	<b>(9,125)</b>	(10,722)
Surplus		<b>274,071</b>	236,332	<b>208,417</b>	175,413
		<b>476,553</b>	430,469	<b>444,656</b>	403,766
<b>NON-CONTROLLING INTERESTS</b>					
		<b>2,317</b>	2,221	-	-
Total capital funds		<b>478,870</b>	432,690	<b>444,656</b>	403,766
Total liabilities and capital funds		<b>3,651,488</b>	3,318,813	<b>3,520,610</b>	3,217,078

(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, 2025

(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2025	2024	2023	2025	2024	2023
<b>INTEREST INCOME</b>							
On loans and advances		<b>183,758</b>	159,594	120,900	<b>168,423</b>	148,062	114,050
On investment securities		<b>29,481</b>	27,251	21,737	<b>28,924</b>	26,834	21,466
On deposits with BSP and other banks		<b>2,027</b>	3,109	2,935	<b>1,285</b>	2,240	2,460
		<b>215,266</b>	189,954	145,572	<b>198,632</b>	177,136	137,976
<b>INTEREST EXPENSE</b>							
On deposits	15	<b>55,569</b>	53,181	36,027	<b>52,353</b>	50,659	34,934
On bills payable and other borrowed funds	16	<b>11,669</b>	9,187	5,195	<b>11,653</b>	9,045	4,956
		<b>67,238</b>	62,368	41,222	<b>64,006</b>	59,704	39,890
<b>NET INTEREST INCOME</b>		<b>148,028</b>	127,586	104,350	<b>134,626</b>	117,432	98,086
<b>PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>	26	<b>17,750</b>	6,600	4,000	<b>13,027</b>	3,428	2,202
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>		<b>130,278</b>	120,986	100,350	<b>121,599</b>	114,004	95,884
<b>OTHER INCOME</b>							
Fees and commissions	19	<b>15,677</b>	15,162	12,717	<b>13,973</b>	13,744	11,166
Securities trading gain		<b>5,833</b>	3,293	1,919	<b>5,444</b>	3,017	1,827
Income attributable to insurance operations	2	<b>3,573</b>	3,011	1,843	-	-	-
Income from foreign exchange trading, net		<b>2,571</b>	3,474	3,223	<b>2,514</b>	3,361	3,205
Net (loss) gain on disposals of investment securities at amortized cost	9	<b>(171)</b>	4	2	<b>(29)</b>	5	2
Other operating income	19	<b>19,766</b>	17,609	14,267	<b>17,565</b>	13,572	12,741
		<b>47,249</b>	42,553	33,971	<b>39,467</b>	33,699	28,941
<b>OTHER EXPENSES</b>							
Compensation and fringe benefits	21	<b>30,280</b>	28,939	23,221	<b>26,341</b>	25,214	20,310
Occupancy and equipment-related expenses	11,20,21	<b>27,924</b>	25,132	22,012	<b>25,020</b>	22,648	20,139
Other operating expenses	21	<b>33,901</b>	29,725	23,877	<b>31,143</b>	27,404	22,142
		<b>92,105</b>	83,796	69,110	<b>82,504</b>	75,266	62,591
<b>PROFIT BEFORE INCOME TAX</b>		<b>85,422</b>	79,743	65,211	<b>78,562</b>	72,437	62,234
<b>INCOME TAX EXPENSE</b>							
Current	22	<b>19,251</b>	16,757	13,934	<b>16,935</b>	14,993	12,600
Deferred	13	<b>(676)</b>	746	(635)	<b>(201)</b>	1,060	(419)
		<b>18,575</b>	17,503	13,299	<b>16,734</b>	16,053	12,181
<b>NET INCOME AFTER TAX</b>		<b>66,847</b>	62,240	51,912	<b>61,828</b>	56,384	50,053
Attributable to:							
Equity holders of BPI		<b>66,615</b>	62,049	51,687	<b>61,828</b>	56,384	50,053
Non-controlling interests		<b>232</b>	191	225	-	-	-
		<b>66,847</b>	62,240	51,912	<b>61,828</b>	56,384	50,053
Basic and diluted earnings per share attributable to the equity holders of BPI during the year							
	18	<b>12.62</b>	11.78	10.90	<b>11.71</b>	10.71	10.56

(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, 2025 (In Millions of Pesos)

	Note	Consolidated			Parent		
		2025	2024	2023	2025	2024	2023
<b>NET INCOME FOR THE YEAR</b>		<b>66,847</b>	62,240	51,912	<b>61,828</b>	56,384	50,053
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>	18						
Items that may be subsequently reclassified to profit or loss							
Share in other comprehensive income (loss) of associates		103	(175)	405	-	-	-
Net change in fair value reserve on investments in debt instruments measured at FVOCI, net of tax effect		1,563	(810)	556	1,575	(891)	546
Fair value reserve on investments of insurance subsidiaries, net of tax effect		86	24	90	-	-	-
Currency translation differences and others		202	349	(54)	-	-	-
Cash flow hedge, net of tax effect		8	(1)	-	8	(1)	-
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit obligation		(1,233)	(474)	(2,476)	(1,212)	(397)	(2,395)
Share in other comprehensive income (loss) of associates		143	(45)	49	-	-	-
Net change in fair value reserve on investments in equity instruments measured at FVOCI, net of tax effect		1,204	(360)	4,609	1,226	(357)	4,616
Total other comprehensive income (loss), net of tax effect		2,076	(1,492)	3,179	1,597	(1,646)	2,767
<b>Total comprehensive income for the year</b>		<b>68,923</b>	60,748	55,091	<b>63,425</b>	54,738	52,820
Attributable to:							
Equity holders of BPI		68,669	60,536	54,816	63,425	54,738	52,820
Non-controlling interests		254	212	275	-	-	-
		<b>68,923</b>	60,748	55,091	<b>63,425</b>	54,738	52,820

(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, 2025 (In Millions of Pesos)

Consolidated	Attributable to equity holders of BPI (Note 18)						Total	Non-controlling interests	Total capital funds
	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive income (loss)	Surplus			
<b>Balance, January 1, 2023</b>	49,193	104,123	(33,043)	644	(14,256)	211,061	317,722	2,082	319,804
Comprehensive income									
Net income for the year	-	-	-	-	-	51,687	51,687	225	51,912
Other comprehensive income for the year	-	-	-	-	3,129	-	3,129	50	3,179
<b>Total comprehensive income for the year</b>	-	-	-	-	3,129	51,687	54,816	275	55,091
Transactions with owners									
Executive stock plan exercise and amortization	114	342	-	(84)	-	-	372	-	372
Cash dividends	-	-	-	-	-	(15,934)	(15,934)	(191)	(16,125)
Dividends - treasury shares	-	8,949	33,043	-	-	(42,364)	(372)	-	(372)
<b>Total transaction with owners</b>	114	9,291	33,043	(84)	-	(58,298)	(15,934)	(191)	(16,125)
Other movements									
Transfer from surplus to reserves	-	-	-	13	-	(13)	-	-	-
Others	-	-	-	70	-	530	600	-	600
<b>Total other movements</b>	-	-	-	83	-	517	600	-	600
<b>Balance, December 31, 2023</b>	49,307	113,414	-	643	(11,127)	204,967	357,204	2,166	359,370
Comprehensive income									
Net income for the year	-	-	-	-	-	62,049	62,049	191	62,240
Other comprehensive (loss) income for the year	-	-	-	-	(1,513)	-	(1,513)	21	(1,492)
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,513)	62,049	60,536	212	60,748
Transactions with owners									
Issuance of shares as consideration of the merger	3,140	29,453	-	-	-	-	32,593	-	32,593
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)	(157)	(21,035)
<b>Total transaction with owners</b>	3,303	29,864	-	(32)	-	(20,878)	12,257	(157)	12,100
Other movements									
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-	-	-
Others	-	-	-	4	-	468	472	-	472
<b>Total other movements</b>	-	-	-	10,278	-	(9,806)	472	-	472
<b>Balance, December 31, 2024</b>	52,610	143,278	-	10,889	(12,640)	236,332	430,469	2,221	432,690
Comprehensive income									
Net income for the year	-	-	-	-	-	66,615	66,615	232	66,847
Other comprehensive income for the year	-	-	-	-	2,054	-	2,054	22	2,076
<b>Total comprehensive income for the year</b>	-	-	-	-	2,054	66,615	68,669	254	68,923
Transactions with owners									
Executive stock plan exercise and amortization	137	532	-	5	-	-	674	-	674
Cash dividends	-	-	-	-	-	(23,037)	(23,037)	(158)	(23,195)
<b>Total transaction with owners</b>	137	532	-	5	-	(23,037)	(22,363)	(158)	(22,521)
Other movements									
Transfer from surplus to reserves	-	-	-	5,616	-	(5,616)	-	-	-
Others	-	-	-	1	-	(223)	(222)	-	(222)
<b>Total other movements</b>	-	-	-	5,617	-	(5,839)	(222)	-	(222)
<b>Balance, December 31, 2025</b>	52,747	143,810	-	16,511	(10,586)	274,071	476,553	2,317	478,870

(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, 2025 (In Millions of Pesos)

Parent (Note 18)	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive income (loss)	Surplus	Total capital funds
<b>Balance, January 1, 2023</b>	49,193	104,123	(33,043)	33,055	(11,843)	157,544	299,029
Comprehensive income							
Net income for the year	-	-	-	-	-	50,053	50,053
Other comprehensive income for the year	-	-	-	-	2,767	-	2,767
<b>Total comprehensive income for the year</b>	-	-	-	-	2,767	50,053	52,820
Transactions with owners							
Executive stock plan exercise and amortization	114	342	-	(80)	-	-	376
Cash dividends	-	-	-	-	-	(15,934)	(15,934)
Dividends - treasury shares	-	8,918	33,043	-	-	(42,364)	(403)
<b>Total transactions with owners</b>	114	9,260	33,043	(80)	-	(58,298)	(15,961)
<b>Other movements</b>	-	-	-	-	-	415	415
<b>Balance, December 31, 2023</b>	49,307	113,383	-	32,975	(9,076)	149,714	336,303
Comprehensive income							
Net income for the year	-	-	-	-	-	56,384	56,384
Other comprehensive loss for the year	-	-	-	-	(1,646)	-	(1,646)
<b>Total comprehensive income for the year</b>	-	-	-	-	(1,646)	56,384	54,738
Transactions with owners							
Issuance of shares as consideration of the merger	3,140	29,454	-	-	-	-	32,594
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)
<b>Total transactions with owners</b>	3,303	29,865	-	(32)	-	(20,878)	12,258
Other movements							
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-
Others	-	-	-	-	-	467	467
<b>Total other movements</b>	-	-	-	10,274	-	(9,807)	467
<b>Balance, December 31, 2024</b>	52,610	143,248	-	43,217	(10,722)	175,413	403,766
Comprehensive income							
Net income for the year	-	-	-	-	-	61,828	61,828
Other comprehensive income for the year	-	-	-	-	1,597	-	1,597
<b>Total comprehensive income for the year</b>	-	-	-	-	1,597	61,828	63,425
Transactions with owners							
Executive stock plan exercise and amortization	137	532	-	4	-	-	673
Cash dividends	-	-	-	-	-	(23,037)	(23,037)
<b>Total transactions with owners</b>	137	532	-	4	-	(23,037)	(22,364)
Other movements							
Transfer from surplus to reserves	-	-	-	5,616	-	(5,616)	-
Others	-	-	-	-	-	(171)	(171)
<b>Total other movements</b>	-	-	-	5,616	-	(5,787)	(171)
<b>Balance, December 31, 2025</b>	52,747	143,780	-	48,837	(9,125)	208,417	444,656

(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, 2025

(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2025	2024	2023	2025	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Profit before income tax		<b>85,422</b>	79,743	65,211	<b>78,562</b>	72,437	62,234
Adjustments for:							
Impairment losses	26	<b>17,750</b>	6,600	4,000	<b>13,027</b>	3,428	2,202
Depreciation and amortization	11,14	<b>5,918</b>	5,257	6,615	<b>5,408</b>	4,786	6,195
Share in net income of associates	12	<b>(3,205)</b>	(2,738)	(1,372)	-	-	-
Dividend and other income	19	<b>(91)</b>	(93)	(100)	<b>(3,792)</b>	(1,505)	(3,066)
Share-based compensation	18	<b>5</b>	(32)	(84)	<b>4</b>	(32)	(80)
Profit from asset sold		<b>(257)</b>	(134)	(139)	<b>(256)</b>	(134)	(126)
Realized gain - investment securities		<b>(3,392)</b>	(2,314)	(949)	<b>(3,534)</b>	(2,317)	(949)
Interest income		<b>(215,266)</b>	(189,954)	(145,572)	<b>(198,632)</b>	(177,136)	(137,976)
Interest received		<b>213,554</b>	183,606	142,013	<b>197,457</b>	178,854	134,880
Interest expense		<b>67,697</b>	62,740	41,543	<b>64,382</b>	59,997	40,171
Interest paid		<b>(65,412)</b>	(61,381)	(38,341)	<b>(62,104)</b>	(59,082)	(37,459)
(Increase) decrease in:							
Interbank loans receivable and securities purchased under agreements to resell		<b>(18,401)</b>	5,651	4,117	<b>(18,399)</b>	5,395	4,058
Financial assets at fair value through profit or loss		<b>(37,930)</b>	(23,569)	(1,455)	<b>(37,454)</b>	(22,288)	(450)
Loans and advances, net		<b>(344,491)</b>	(244,187)	(181,412)	<b>(325,410)</b>	(230,778)	(170,155)
Assets held for sale		<b>(3,864)</b>	(1,678)	(761)	<b>(3,870)</b>	(1,706)	(773)
Assets attributable to insurance operations		<b>(715)</b>	(1,504)	254	-	-	-
Other assets		<b>1,733</b>	1,061	(5,752)	<b>2,901</b>	219	(6,564)
Increase (decrease) in:							
Deposit liabilities		<b>223,723</b>	173,533	199,096	<b>202,361</b>	157,817	181,540
Due to BSP and other banks		<b>186</b>	1,126	(1,151)	<b>186</b>	1,126	(1,075)
Manager's checks and demand drafts outstanding		<b>519</b>	358	1,708	<b>524</b>	383	1,680
Accrued taxes, interest and other expenses		<b>924</b>	(587)	798	<b>917</b>	(882)	730
Liabilities attributable to insurance operations		<b>1,256</b>	1,346	306	-	-	-
Derivative financial liabilities		<b>(1,278)</b>	2,155	(1,476)	<b>(1,246)</b>	2,139	(1,479)
Deferred credits and other liabilities		<b>(3,510)</b>	(694)	213	<b>(4,672)</b>	(1,477)	353
Net cash (absorbed by) from operations		<b>(79,125)</b>	(5,689)	87,310	<b>(93,640)</b>	(10,756)	73,891
Income taxes paid		<b>(18,747)</b>	(16,084)	(14,004)	<b>(16,582)</b>	(14,379)	(12,712)
Net cash (used in) from operating activities		<b>(97,872)</b>	(21,773)	73,306	<b>(110,222)</b>	(25,135)	61,179

(forward)

## BANK OF THE PHILIPPINE ISLANDS

### STATEMENTS OF CASH FLOWS

For each of the three years in the period ended December 31, 2025

(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2025	2024	2023	2025	2024	2023
<i>(forwarded)</i>							
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Acquisition of bank premises, furniture, fixtures and equipment		<b>(6,297)</b>	(3,416)	(4,778)	<b>(5,928)</b>	(3,267)	(4,578)
Disposal of bank premises, furniture, fixtures and equipment		<b>519</b>	849	2,144	<b>518</b>	835	2,127
Placements in investment securities		<b>(318,183)</b>	(201,348)	(248,565)	<b>(315,733)</b>	(200,635)	(247,299)
Proceeds from:							
Maturities/sales of investment securities		<b>298,047</b>	227,374	171,331	<b>297,231</b>	227,205	171,332
Decrease (increase) in:							
Investment in subsidiaries and associates, net		<b>1,317</b>	53	769	<b>(648)</b>	(2,182)	(120)
Assets attributable to insurance operations		<b>(642)</b>	(418)	(270)	-	-	-
Impact of merger		-	22,071	-	-	20,572	-
Dividends received		<b>91</b>	93	100	<b>3,792</b>	1,505	3,066
<b>Net cash (used in) from investing activities</b>		<b>(25,148)</b>	45,258	(79,269)	<b>(20,768)</b>	44,033	(75,472)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Cash dividends paid	18	<b>(23,195)</b>	(21,035)	(16,125)	<b>(23,037)</b>	(20,877)	(15,934)
Issuance cost of treasury shares as dividends		-	-	(372)	-	-	(403)
Proceeds from share issuance		<b>669</b>	573	456	<b>669</b>	573	456
Proceeds from bills payable and other borrowed funds	16	<b>278,737</b>	392,738	138,190	<b>256,316</b>	360,659	122,029
Maturities and repayments of bills payable and other borrowed funds	16	<b>(219,002)</b>	(382,090)	(98,931)	<b>(196,776)</b>	(346,732)	(81,647)
Payments for principal portion of lease liabilities		<b>(2,426)</b>	(2,066)	(1,893)	<b>(2,106)</b>	(1,803)	(1,652)
<b>Net cash from (used in) financing activities</b>		<b>34,783</b>	(11,880)	21,325	<b>35,066</b>	(8,180)	22,849
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(88,237)</b>	11,605	15,362	<b>(95,924)</b>	10,718	8,556
<b>CASH AND CASH EQUIVALENTS</b>							
January 1	4,5	300,087	288,482	273,120	284,723	274,005	265,449
December 31		<b>211,850</b>	300,087	288,482	<b>188,799</b>	284,723	274,005
<b>Non-cash financing and investing activities</b> 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, 2025 and 2024 and for each of the three years  
in the period ended December 31, 2025

### **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, 2025, the BPI Group has 23,036 employees (2024 - 22,062 employees) and operates 1,315 branches (2024 - 1,266 branches) and 1,750 automated teller machines (ATMs) and cash accept machines (CAMs) (2024 - 1,876), and in partnership with 7,032 partner stores (2024 - 6,434), 987 of which are offering deposit and withdrawal services (2024 - 122), 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. The merger took effect on January 1, 2024.

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

These financial statements have been approved and authorized for issuance by the BOD of the Parent Bank on February 18, 2026.

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

Subsidiaries	Country of incorporation	Principal activities	% of ownership	
			2025	2024
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	100	100
BPI Securities Corporation	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
Legazpi Savings Bank, Inc. (LSB)	Philippines	Banking	99.94	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
FEB Speed International*	Philippines	Remittance	-	100

\*FEB Speed International's cessation and dissolution was approved by the SEC in 2024. On May 5, 2025, the Bureau of Internal Revenue (BIR) issued a Certificate of No Outstanding Tax Liability, confirming the company's closure.

## 2 Assets and liabilities attributable to insurance operations

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

	Note	2025	2024
(In Millions of Pesos)			
<b>Assets</b>			
Cash and cash equivalents	4	375	175
Insurance balances receivable, net		7,822	7,137
Investment securities			
Financial assets at fair value through profit or loss		2,494	1,954
Financial assets at fair value through other comprehensive income		7,503	7,256
Financial assets at amortized cost		283	359
Investment in associates		167	167
Accounts receivable and other assets, net		3,887	3,856
Land, building and equipment		118	91
		<b>22,649</b>	<b>20,995</b>
(In Millions of Pesos)			
<b>Liabilities</b>			
Reserves and other balances		15,705	14,682
Accounts payable, accrued expenses and other payables		2,132	1,859
		<b>17,837</b>	<b>16,541</b>

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

	2025	2024	2023
(In Millions of Pesos)			
Premiums earned and related income	4,199	3,481	3,312
Investment and other income	3,357	3,019	1,675
	<b>7,556</b>	<b>6,500</b>	<b>4,987</b>
Benefits, claims and maturities	1,889	1,673	1,573
Decrease in actuarial reserve liabilities	(239)	(208)	(288)
Commissions	1,231	1,053	954
Management and general expenses	1,071	946	876
Other expenses	31	25	29
	<b>3,983</b>	<b>3,489</b>	<b>3,144</b>
Income before income tax and minority interest	<b>3,573</b>	<b>3,011</b>	<b>1,843</b>

## 3 Business segments

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

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

The BPI Group's main operating business segments follow:

- Consumer banking - this segment serves the individual and retail markets. Services cover deposit taking and servicing, consumer lending such as personal, home mortgages, auto loans and credit card finance as well as the remittance business. The segment also includes the entire transaction processing and service delivery infrastructure consisting of network of branches, ATMs and cash acceptance machines, as well as phone and internet-based banking platforms for individual customers. Furthermore, innovative business models such as Partnership and Agency banking are incorporated in this segment.
- Corporate banking - this segment caters both high-end corporations and middle market clients. Services offered include deposit taking and servicing, loan facilities, trade, cash management and internet-based banking platforms for corporate and institutional customers.
- Investment banking - this segment includes the various business groups operating in the investment markets and dealing in activities other than lending and deposit taking. These services cover corporate finance, securities distribution, asset management, trust and fiduciary services as well as proprietary trading and investment activities.

The performance of the Parent Bank is assessed as a single unit using financial information presented in the separate or Parent only financial statements. Likewise, the CEO assesses the performance of the insurance business as a standalone business segment separate from the banking and allied financial undertakings. 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 systematic basis. Inter-segment revenues, however, are deemed insignificant for financial reporting purposes, thus, not reported in segment analysis below.

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

Segment assets and liabilities comprise majority of operating assets and liabilities, measured in a manner consistent with that shown in the 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:

	2025			Total per management reporting
	Consumer banking	Corporate banking	Investment banking	
	(In Millions of Pesos)			
Net interest income	101,215	37,177	15,876	154,268
Provision for (reversal of) credit and impairment losses	19,106	(1,169)	(92)	17,845
Net interest income after provision for credit and impairment losses	82,109	38,346	15,968	136,423
Fees, commissions and other income, net	26,221	4,251	12,752	43,224
Total income	108,330	42,597	28,720	179,647
Compensation and fringe benefits	21,877	3,765	2,272	27,914
Occupancy and equipment-related expenses	9,719	572	1,346	11,637
Other operating expenses	34,608	5,458	2,420	42,486
Total other expenses	66,204	9,795	6,038	82,037
Operating profit	42,126	32,802	22,682	97,610
Income tax expense				18,575
Net income				66,847
Share in net income of associates				3,205
Total assets	995,884	1,816,740	773,948	3,586,572
Total liabilities	1,976,928	921,785	235,189	3,133,902

	2024			Total per management reporting
	Consumer banking	Corporate banking	Investment banking	
	(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			Total per management reporting
	Consumer banking	Corporate banking	Investment banking	
	(In Millions of Pesos)			
Net interest income	65,271	28,108	15,117	108,496
Provision for 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

Reconciliation of segment results to consolidated results of operations:

	2025		Total per consolidated financial statements
	Total per management reporting	Consolidation adjustments/ Others	
	(In Millions of Pesos)		
Net interest income	154,268	(6,240)	148,028
Provision for credit and impairment losses	17,845	(95)	17,750
Net interest income after provision for credit and impairment losses	136,423	(6,145)	130,278
Fees, commissions and other income, net	43,224	4,025	47,249
Total income	179,647	(2,120)	177,527
Compensation and fringe benefits	27,914	2,366	30,280
Occupancy and equipment-related expenses	11,637	16,287	27,924
Other operating expenses	42,486	(8,585)	33,901
Total other expenses	82,037	10,068	92,105
Operating profit	97,610	(12,188)	85,422
Income tax expense	18,575		18,575
Net income	66,847		66,847
Share in net income of associates	3,205		3,205
Total assets	3,586,572	64,916	3,651,488
Total liabilities	3,133,902	38,716	3,172,618

	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

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

#### 4 Cash and cash equivalents

The account at December 31 consists of:

	Notes	Consolidated		Parent	
		2025	2024	2025	2024
(In Millions of Pesos)					
Cash and other cash items		<b>53,018</b>	49,762	<b>52,159</b>	49,136
Due from Bangko Sentral ng Pilipinas (BSP)		<b>106,344</b>	164,571	<b>89,303</b>	161,247
Due from other banks		<b>38,211</b>	72,060	<b>34,007</b>	68,439
Interbank loans receivable and securities purchased under agreements to resell (SPAR)	5	<b>13,902</b>	13,519	<b>13,330</b>	5,901
Cash and cash equivalents attributable to insurance operations	2	<b>375</b>	175	-	-
		<b>211,850</b>	300,087	<b>188,799</b>	284,723

Interest income from BSP and Due from other banks account recognized in the statement of income for the year ended December 31, 2025 amounts to P989 million (2024 - P1,299 million; 2023 - P1,292 million) and P432 million (2024 - P687 million; 2023 - P936 million) for the BPI Group and the Parent Bank, respectively.

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

The account at December 31 consists of transactions with:

	Consolidated		Parent	
	2025	2024	2025	2024
(In Millions of Pesos)				
BSP	-	7,500	-	-
Other banks	<b>35,510</b>	9,227	<b>34,939</b>	9,111
	<b>35,510</b>	16,727	<b>34,939</b>	9,111
Accrued interest receivable	<b>11</b>	31	<b>11</b>	25
	<b>35,521</b>	16,758	<b>34,950</b>	9,136
Allowance for impairment	<b>(41)</b>	(43)	<b>(41)</b>	(43)
	<b>35,480</b>	16,715	<b>34,909</b>	9,093

As at December 31, 2025, interbank loans receivable and SPAR maturing within 90 days from the date of acquisition amounting to P13,902 million (2024 - P13,519 million) for the BPI Group and P13,330 million (2024 - P5,901 million) for the Parent Bank are classified as cash equivalents in the statements of cash flows (Note 4).

	Consolidated		Parent	
	2025	2024	2025	2024
(In Millions of Pesos)				
Current	<b>35,076</b>	15,005	<b>34,505</b>	7,383
Non-current	<b>404</b>	1,710	<b>404</b>	1,710
	<b>35,480</b>	16,715	<b>34,909</b>	9,093

In 2024, 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	
	2025	2024	2025	2024
Peso-denominated	<b>4.85 - 8.37</b>	4.95 - 8.37	<b>4.85 - 8.37</b>	4.95 - 8.37
Foreign currency-denominated	<b>0.10 - 3.55</b>	4.10 - 5.70	<b>0.10 - 0.47</b>	4.40 - 5.41

Interest income from interbank loan receivables and SPAR recognized in the statement of income for the year ended December 31, 2025 amounts to P1,038 million (2024 - P1,810 million; 2023 - P1,643 million) and P853 million (2024 - P1,553 million; 2023 - P1,524 million) for the BPI Group and the Parent Bank, respectively.

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

The account at December 31 consists of:

	Note	Consolidated		Parent	
		2025	2024	2025	2024
(In Millions of Pesos)					
Debt securities					
Government securities		<b>75,610</b>	35,942	<b>72,335</b>	33,548
Commercial papers of private companies		<b>4,946</b>	5,159	<b>429</b>	376
Listed equity securities		<b>219</b>	351	-	-
Derivative financial assets	7	<b>4,499</b>	5,856	<b>4,481</b>	5,833
		<b>85,274</b>	47,308	<b>77,245</b>	39,757

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.
- Foreign exchange option refers to the agreement between two parties that grants the option holder the right, but not the obligation, to buy or sell a predetermined notional amount of a specified underlying currency at an agreed-upon strike price on or before specified exercise date. In exchange for this right, the option holder pays an upfront premium. The option writer, in turn, is obligated to transact the underlying amount if the option holder elects to exercise the option. This structure allows the buyer to hedge against or speculate on future movements in foreign exchange rates while limiting their downside risk to the premium paid.

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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
<b><i>Held for trading</i></b>				
Foreign exchange derivatives				
Currency swaps	369	127	84	160
Currency forwards	3,349	3,967	3,203	3,743
Interest rate swaps	772	1,760	411	1,069
Interest rate options	2	-	-	-
Warrants	-	2	-	-
<b><i>Held for hedging</i></b>				
Interest rate swap	7	-	-	4
	<b>4,499</b>	<b>5,856</b>	<b>3,698</b>	<b>4,976</b>

Parent

	Assets		Liabilities	
	2025	2024	2025	2024
	(In Millions of Pesos)			
<b><i>Held for trading</i></b>				
Foreign exchange derivatives				
Currency swaps	369	127	84	160
Currency forwards	3,331	3,944	3,172	3,680
Interest rate swaps	772	1,760	411	1,069
Interest rate options	2	-	-	-
Warrants	-	2	-	-
<b><i>Held for hedging</i></b>				
Interest rate swap	7	-	-	4
	<b>4,481</b>	<b>5,833</b>	<b>3,667</b>	<b>4,913</b>

*Cash flow hedge of floating rate securities*

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

The Parent Bank aims to minimize or reduce the variability in cash flows arising from the floating rate securities through the float-for-fix interest rate swap (IRS) hedging instrument. Under the terms of the IRS, the Parent Bank agrees to receive a fixed rate in exchange of 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 at December 31, 2025 and 2024.

As at December 31, 2025, the Parent Bank's IRS hedging instrument notional amount is P596.72 million (2024 - P587.00 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Debt securities				
Government securities	228,174	231,908	224,197	229,754
Commercial papers of private companies	49,704	28,852	49,001	27,496
	277,878	260,760	273,198	257,250
Accrued interest receivable	4,358	3,598	4,332	3,584
	282,236	264,358	277,530	260,834
Equity securities				
Listed	1,687	2,293	1,509	2,094
Unlisted	1,444	1,551	315	284
	3,131	3,844	1,824	2,378
	285,367	268,202	279,354	263,212

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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Current (within 12 months)	17,059	55,200	14,050	83,578
Non-current (over 12 months)	265,177	209,158	263,480	177,256
	282,236	264,358	277,530	260,834

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

	Consolidated		Parent	
	2025	2024	2025	2024
Peso-denominated	2.33 - 8.57	2.25 - 8.57	2.33 - 8.57	2.25 - 8.57
Foreign currency-denominated	0.43 - 6.24	0.24 - 7.00	0.43 - 6.24	0.24 - 7.00

Interest income from debt instruments recognized in the statement of income for the year ended December 31, 2025 amounts to P13,921 million (2024 - P11,569 million; 2023 - P6,176 million) and P13,727 million (2024 - P11,394 million; 2023 - P6,060 million) for the BPI Group and Parent Bank, respectively.

As at December 31, 2024, government securities aggregating P4.80 billion are used as security for bills payable of the Parent Bank (Note 16). There are no securities used as security for bills payable of the Parent Bank as at December 31, 2025.

Dividend income from equity instruments recognized in the statement of income under other operating income for the year ended December 31, 2025 amounts to P91 million (2024 - P93 million; 2023 - P100 million) and P67 million (2024 - P65 million; 2023 - P66 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Government securities	<b>300,921</b>	285,396	<b>298,617</b>	284,620
Commercial papers of private companies	<b>48,468</b>	54,186	<b>43,557</b>	48,142
	<b>349,389</b>	339,582	<b>342,174</b>	332,762
Accrued interest receivable	<b>3,789</b>	3,642	<b>3,707</b>	3,554
	<b>353,178</b>	343,224	<b>345,881</b>	336,316
Allowance for impairment	<b>(33)</b>	(116)	<b>(33)</b>	(83)
	<b>353,145</b>	343,108	<b>345,848</b>	336,233

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

	Consolidated		Parent	
	2025	2024	2025	2024
Peso-denominated	<b>2.77 - 8.13</b>	2.48 - 8.13	<b>2.77 - 8.13</b>	2.48 - 8.13
Foreign currency-denominated	<b>1.10 - 5.92</b>	0.13 - 8.13	<b>1.10 - 5.92</b>	0.80 - 5.92

In 2025, the BPI Group and the Parent Bank recognized a net loss of P171 million and P29 million, respectively, from the sale of close-to-maturity investment securities and those with significant increase in credit risk. In 2024, the BPI Group and Parent Bank recognized a net gain of P4 million and P5 million, respectively, resulting from sale of investments 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.

As at December 31, 2025, government securities aggregating P45.43 billion (2024 - P30.37 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, 2025 amounts to P14,265 million (2024 - P14,444 million; 2023 - P14,678 million) and P14,056 million (2024 - P14,282 million; 2023 - P14,549 million) for the BPI Group and the Parent Bank, respectively.

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

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Current (within 12 months)	<b>64,847</b>	30,866	<b>63,279</b>	29,364
Non-current (over 12 months)	<b>288,298</b>	312,242	<b>282,569</b>	306,869
	<b>353,145</b>	343,108	<b>345,848</b>	336,233

As at December 31, 2025, the Parent Bank has P5,874 million (2024 - P5,593 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Corporate loans				
Large corporate customers	1,800,399	1,618,027	1,793,219	1,613,767
Small and medium enterprise	125,397	103,138	125,385	103,119
Retail loans				
Real estate mortgages	275,596	236,089	273,668	234,520
Credit cards	238,503	180,830	238,503	180,830
Auto loans	120,349	98,166	120,322	98,161
Others	63,022	50,797	1,687	2,459
	2,623,266	2,287,047	2,552,784	2,232,856
Accrued interest receivable	18,941	18,115	16,842	16,598
Unearned discount/income	(18,342)	(12,295)	(18,144)	(12,147)
	2,623,865	2,292,867	2,551,482	2,237,307
Allowance for impairment	(56,734)	(54,102)	(51,007)	(50,379)
	2,567,131	2,238,765	2,500,475	2,186,928

Others include personal loans, microfinance loans and bills purchased for the BPI Group and the Parent Bank as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Current (within 12 months)	926,911	798,681	906,080	781,931
Non-current (over 12 months)	1,696,954	1,494,186	1,645,402	1,455,376
	2,623,865	2,292,867	2,551,482	2,237,307

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

	Consolidated		Parent	
	2025	2024	2025	2024
Commercial loans				
Peso-denominated loans	6.32 - 6.44	6.24 - 6.44	6.32 - 6.44	6.24 - 6.44
Foreign currency-denominated loans	5.81 - 7.27	6.38 - 6.81	5.81 - 7.27	6.38 - 6.81
Real estate mortgages	7.25 - 8.44	7.17 - 8.23	7.25 - 8.44	7.17 - 8.23
Auto loans	10.23 - 38.14	11.03 - 39.40	10.23 - 38.14	11.08 - 39.40
Others	5.34 - 49.55	16.85 - 49.41	0.00 - 5.34	0.00 - 28.37

For credit cards, the Parent Bank is compliant with BSP Circular No. 1165 which allows banks to impose an interest or finance charge on all credit card transactions not to exceed an annual interest rate of 36% except credit card installment loans which shall be subject to monthly add-on rate not exceeding 1%.

Interest income from loans and advances recognized in the statement of income for the year ended December 31, 2025 amounts to P183,758 million (2024 - P159,594 million; 2023 - P120,900 million) and P168,423 million (2024 - P148,062 million; 2023 - P114,050 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	<b>406,920</b>	348,232	<b>404,960</b>	346,616
Project assets	<b>166,182</b>	162,641	<b>166,182</b>	162,641
Chattel mortgage	<b>117,501</b>	94,493	<b>117,474</b>	94,488
Others	<b>61,239</b>	48,507	<b>61,208</b>	48,482
	<b>751,842</b>	653,873	<b>749,824</b>	652,227
Unsecured loans	<b>1,853,082</b>	1,620,879	<b>1,784,816</b>	1,568,482
	<b>2,604,924</b>	2,274,752	<b>2,534,640</b>	2,220,709

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

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

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

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

#### Parent

	2025			Total
	Land	Buildings and leasehold improvements	Furniture and equipment	
(In Millions of Pesos)				
<b>Cost</b>				
January 1, 2025	2,977	34,424	16,129	<b>53,530</b>
Additions	67	5,800	2,424	<b>8,291</b>
Disposals	(1)	(5,687)	(815)	<b>(6,503)</b>
Transfers	-	(33)	26	<b>(7)</b>
Other changes	-	306	(46)	<b>260</b>
<b>December 31, 2025</b>	<b>3,043</b>	<b>34,810</b>	<b>17,718</b>	<b>55,571</b>
<b>Accumulated depreciation</b>				
January 1, 2025	-	19,519	14,252	<b>33,771</b>
Depreciation and amortization	-	2,921	1,332	<b>4,253</b>
Disposals	-	(5,338)	(554)	<b>(5,892)</b>
Transfers	-	(33)	26	<b>(7)</b>
Other changes	-	-	(48)	<b>(48)</b>
<b>December 31, 2025</b>	<b>-</b>	<b>17,069</b>	<b>15,008</b>	<b>32,077</b>
<b>Net book value, December 31, 2025</b>	<b>3,043</b>	<b>17,741</b>	<b>2,710</b>	<b>23,494</b>

	2024			Total
	Land	Buildings and leasehold improvements	Furniture and equipment	
(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

As at December 31, 2025, the BPI Group has recognized construction-in-progress amounting to P3.87 billion (2024 - P2.10 billion) in relation to the redevelopment of its main office, of which P1.99 billion relates to costs incurred in 2025 (2024 - P650.84 million).

In 2025, the Parent Bank entered into a memorandum of agreement with a related party to sell a portion of its main office. As at December 31, 2025, the Parent Bank is yet to receive regulatory approvals on the transaction. The expected amount of margin from the future sale is not material to the consolidated financial statements of the BPI Group.

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 statement of income.

In 2025, the Parent Bank realized a gain of P408 million (2024 - P216 million; 2023 - P420 million) (Note 19) from the disposal of various assets including certain bank premises, furniture, fixtures and equipment.

**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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Carrying value (net of impairment)				
Investments at equity method	13,047	10,904	-	-
Investments at cost method	-	-	19,822	19,165
	13,047	10,904	19,822	19,165

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

Name of entity	Place of business/ country of incorporation	Percentage of ownership interest		Acquisition cost	
		2025 (in %)	2024	2025 In Millions of Pesos)	2024
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	1,140
BPI AIA Life Assurance Corporation (formerly BPI-Philamlife Assurance Corporation)	Philippines	47.97	47.97	390	390
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	40.00	148	148
				3,410	3,410

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

	2025	2024
	(In Millions of Pesos)	
Acquisition cost		
At January 1	3,410	3,181
Impact of merger	-	148
Additions during the year	-	81
At December 31	3,410	3,410
Accumulated equity in net income		
At January 1	7,524	4,920
Share in net income for the year*	3,205	2,738
Dividends received	(1,317)	(134)
At December 31	9,412	7,524
Accumulated share in other comprehensive income		
At January 1	110	326
Share in other comprehensive income (loss) for the year	255	(216)
At December 31	365	110
Allowance for impairment	(140)	(140)
	13,047	10,904

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

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

	<b>2025</b>	2024
	(In Millions of Pesos)	
Total assets	<b>136,117</b>	137,610
Total liabilities	<b>108,857</b>	114,882
Total revenues	<b>28,991</b>	30,386
Total net income	<b>6,660</b>	5,556

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

	Acquisition cost		Allowance for impairment		Carrying value	
	<b>2025</b>	2024	<b>2025</b>	2024	<b>2025</b>	2024
	(In Millions of Pesos)					
Subsidiaries						
BPI Europe Plc.	<b>7,180</b>	7,180	-	-	<b>7,180</b>	7,180
BPI Direct Banko, Inc., A Savings Bank (Banko)	<b>2,509</b>	2,509	-	-	<b>2,509</b>	2,509
Legazpi Savings Bank, Inc. (LSB)	<b>2,800</b>	2,050	-	-	<b>2,800</b>	2,050
BPI Wealth	<b>1,512</b>	1,512	-	-	<b>1,512</b>	1,512
BPI Payments Holdings Inc.	<b>982</b>	892	<b>(871)</b>	(700)	<b>111</b>	192
BPI Wealth Singapore Pte. Ltd.	<b>878</b>	878	-	-	<b>878</b>	878
Ayala Plans, Inc.	<b>864</b>	864	-	-	<b>864</b>	864
BPI Capital Corporation	<b>623</b>	623	-	-	<b>623</b>	623
FGU Insurance Corporation	<b>303</b>	303	-	-	<b>303</b>	303
BPI Forex Corp.	<b>195</b>	195	-	-	<b>195</b>	195
BPI Wealth Hong Kong Ltd.	<b>143</b>	143	-	-	<b>143</b>	143
Santiago Land Development Corporation	<b>140</b>	140	-	-	<b>140</b>	140
BPI Remittance Centre (HK) Ltd.	<b>132</b>	132	-	-	<b>132</b>	132
First Far East Development Corporation	<b>91</b>	91	-	-	<b>91</b>	91
FEB Stock Brokers, Inc.	<b>25</b>	25	-	-	<b>25</b>	25
BPI Computer Systems Corp.	<b>23</b>	23	-	-	<b>23</b>	23
Others	<b>23</b>	35	-	-	<b>23</b>	35
Associates	<b>2,270</b>	2,270	-	-	<b>2,270</b>	2,270
	<b>20,693</b>	19,865	<b>(871)</b>	(700)	<b>19,822</b>	19,165

In 2025, the Parent Bank made additional capital infusion to LSB amounting to P750 million (2024 - P750 million), and BPHI amounting to P90 million (2024 - P80 million). In 2024, the Parent Bank made additional capital infusion to BPI Direct Banko, and BPI Wealth Singapore Pte. Ltd. amounting to 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.

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, 99.94% owned by the Parent Bank, is a thrift bank with teacher's loans as its main product offering.

In 2024, BPI Wealth Singapore Pte. Ltd. issued the SGD20 million ordinary shares to Parent Bank. In 2025, the entity obtained its Capital Markets Services (CMS) License from the Monetary Authority of Singapore (MAS) under the Securities and Futures Act of 2001 (SFA), authorizing it to conduct fund management activities for Accredited and Institutional Investors as defined under the SFA. The entity commenced operations on October 1, 2025 following the approval of the license.

### *BPI/MS Insurance Corporation*

BPI/MS Insurance Corporation was incorporated on September 4, 2006. As at December 31, 2025 and 2024, it is 50.85% owned by BPI. BPI/MS primarily carries on and engages in the business of insurance, reinsurance, bonding, fidelity and guaranty in any and all branches, and acts as agent of other insurance or surety companies, except life insurance.

The proportion of equity interest held by non-controlling interests is 49.15 for the years ended December 31, 2025 and 2024. Dividends paid to the non-controlling interest for the year ended December 31, 2025 amounted to P158.26 millions (2024 - P159.79 millions).

The summarized financial information of BPI/MS Insurance Corporation as at and for the years ended December 31, 2025 and 2024 are provided below. This information is based on amounts before inter-company eliminations.

	<b>December 31, 2025</b>	December 31, 2024
<b>Statement of financial position</b>		
Total assets	<b>20,661</b>	18,944
Total liabilities	<b>16,044</b>	14,520
Total equity	<b>4,617</b>	4,424
<b>For the years ended December 31</b>		
	<b>2025</b>	2024
<b>Statement of comprehensive income</b>		
Revenue	<b>4,594</b>	3,885
Net income	<b>470</b>	385
Total comprehensive income	<b>470</b>	394

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

#### *Critical accounting 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, 2025 and 2024 in its subsidiaries apart from BPHI.

In 2025, the Parent Bank recognized an impairment loss of P171 million in its investment in BPHI due to financial losses incurred by BPHI's associate, AFPI (2024 - P28 million).

For the 2025 and 2024 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Deferred income tax assets				
Allowance for credit and impairment losses	16,226	14,879	14,727	13,916
Pension liability	2,500	2,319	2,448	2,254
Provisions	825	832	757	767
Others	318	480	393	476
Total deferred income tax assets	19,869	18,510	18,325	17,413
Deferred income tax liabilities				
Unrealized gain on assets	(130)	(103)	(39)	(39)
Others	(573)	(206)	(560)	(191)
Total deferred income tax liabilities	(703)	(309)	(599)	(230)
Deferred income tax assets, net	19,166	18,201	17,726	17,183

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

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Beginning of the year	18,201	18,185	17,183	17,536
Impact of merger	-	860	-	782
Amounts recognized in statement of income	676	(746)	201	(1,060)
Amounts recognized in other comprehensive income	289	(98)	342	(75)
End of the year	19,166	18,201	17,726	17,183

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

	Consolidated			Parent		
	2025	2024	2023	2025	2024	2023
	(In Millions of Pesos)					
Allowance for impairment	(1,282)	1,286	99	(811)	1,580	280
Pension	(112)	155	(629)	(106)	144	(606)
Others	718	(695)	(105)	716	(664)	(93)
	(676)	746	(635)	(201)	1,060	(419)

#### 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Goodwill	<b>9,518</b>	9,518	<b>9,518</b>	9,518
Intangible assets	<b>8,008</b>	9,206	<b>7,435</b>	8,636
Accounts receivable	<b>4,788</b>	3,806	<b>6,304</b>	6,058
Prepaid expenses	<b>2,978</b>	2,926	<b>2,874</b>	2,842
Documentary stamp taxes	<b>2,349</b>	1,113	<b>2,272</b>	1,040
Advances to suppliers	<b>1,417</b>	762	<b>1,417</b>	762
Sundry debits	<b>1,094</b>	3,197	<b>1,007</b>	3,196
Accrued trust and other fees	<b>1,008</b>	857	<b>152</b>	134
Rental deposits	<b>945</b>	905	<b>888</b>	851
Creditable withholding tax	<b>617</b>	557	<b>390</b>	367
Investment properties	<b>54</b>	62	<b>44</b>	51
Miscellaneous assets	<b>4,815</b>	7,688	<b>4,175</b>	7,236
	<b>37,591</b>	40,597	<b>36,476</b>	40,691
Allowance for impairment	<b>(2,440)</b>	(1,995)	<b>(2,372)</b>	(1,919)
	<b>35,151</b>	38,602	<b>34,104</b>	38,772

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.

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 creditable withholding taxes, input value added tax, security deposits with partner stores, pension asset from benefits forfeited from separated employees and stationery and supplies.

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

	Note	Consolidated		Parent	
		2025	2024	2025	2024
(In Millions of Pesos)					
Beginning of the year		1,995	1,108	1,919	1,019
Provision for impairment losses	26	613	1,064	700	1,044
Transfer/reallocation		(12)	(38)	(100)	(5)
Write-off		(156)	(139)	(147)	(139)
End of the year		2,440	1,995	2,372	1,919

Other assets are expected to be realized as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
(In Millions of Pesos)				
Current (within 12 months)	19,805	21,581	19,386	22,340
Non-current (over 12 months)	17,786	19,016	17,090	18,351
	37,591	40,597	36,476	40,691

#### Critical accounting estimate - Useful lives of intangible assets

The BPI Group determines the estimated useful lives of its intangible assets with finite useful life based on the period over which the asset is expected to generate economic benefits. The BPI Group amortizes intangible assets with a finite useful life, using the straight-line method. Amortization begins when the asset is available for use and ends when it is derecognized or classified as held for sale.

For the year ended December 31, 2025, the BPI Group and the Parent Bank recognized amortization expense attributable to intangible assets amounting to P1,151 million (2024 - P1,047 million; 2023 - P2,708 million) and P1,145 million (2024 - P1,026 million; 2023 - P2,689 million), respectively.

The BPI Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the carrying values of intangible assets.

#### Critical accounting estimates - 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.

The Parent Bank performs assessment of goodwill impairment on an annual basis. For 2025, the recoverable amount of cash-generating unit (CGU) was determined based on value in use calculations which require the use of assumptions. The CGU is defined as the combined Parent Bank and RBC operations since the accounts migrated to the Parent Bank's systems are no longer identified separately and are co-mingled with other accounts. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The following are the key assumptions used in the goodwill impairment assessment:

Interest income volume (% annual growth rate)	10.57%
Other income volume (% annual growth rate)	13.17%
Budgeted gross margin (%)	11.55%
Growth rate	6.00%
Discount rate	11.00%

As at December 31, 2025 and 2024, management assessed that the goodwill is not impaired as the recoverable amount is higher than the carrying amount of the CGU.

## 15 Deposit liabilities

The account at December 31 consists of:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Demand	<b>431,962</b>	426,789	<b>437,014</b>	428,977
Savings	<b>1,291,009</b>	1,225,451	<b>1,262,039</b>	1,207,114
Time	<b>1,115,554</b>	962,562	<b>1,067,443</b>	928,044
	<b>2,838,525</b>	2,614,802	<b>2,766,496</b>	2,564,135

Deposit liabilities include amounts due to related parties (Note 24).

Deposit liabilities are expected to be settled as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Current (within 12 months)	<b>1,645,460</b>	1,465,575	<b>1,584,125</b>	1,425,359
Non-current (over 12 months)	<b>1,193,065</b>	1,149,227	<b>1,182,371</b>	1,138,776
	<b>2,838,525</b>	2,614,802	<b>2,766,496</b>	2,564,135

In 2025, the interest rate on demand and savings deposit ranges from 0.05% to 0.17% (2024 - 0.06% to 0.13%) and 0.05% to 0.08% (2024 - 0.06% to 0.09%) for the BPI Group and Parent Bank, respectively. The interest rate on time deposit ranges from 4.82% to 5.46% (2024 - 5.39% to 5.52%) and 4.79% to 5.44% (2024 - 5.34% to 5.50%) for the BPI Group and Parent Bank, respectively.

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 LTNCD paid interest on a quarterly basis at a rate of 4% per annum and carried a tenor of 5.5 years. These deposits matured on April 25, 2025.

Related interest expense on deposit liabilities is presented below:

	Consolidated			Parent		
	2025	2024	2023	2025	2024	2023
	(In Millions of Pesos)					
Demand	<b>260</b>	263	248	<b>260</b>	264	248
Savings	<b>2,269</b>	2,343	2,115	<b>1,528</b>	1,956	2,065
Time	<b>53,040</b>	50,575	33,664	<b>50,565</b>	48,439	32,621
	<b>55,569</b>	53,181	36,027	<b>52,353</b>	50,659	34,934

### *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 2025, the BSP approved the reduction in minimum reserve requirement against deposit and deposit substitute liabilities for universal and commercial banks to 5% from 7% and for thrift banks to 0% from 1% effective March 28, 2025 by virtue of BSP Circular No. 1211. These rates continue for the remaining period of 2025 from the date of effectivity.

Reserves must be set aside in deposits with the BSP. BSP Memorandum Circular No. M-2025-040 issued on December 12, 2025 mandates the reserve weeks of December 19 to 25, 2025 and December 26, 2025 to January 1, 2026 shall be considered as a single reserve week for the purpose of computing compliance with the reserve requirements. The BPI Group is in full compliance with the reserve requirement as at December 31, 2025 and 2024.

## 16 Bills payable and other borrowed funds

The account at December 31 consists of:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Bills payable				
Local banks	<b>15,298</b>	8,082	<b>15,004</b>	7,983
Foreign banks	<b>49,874</b>	47,614	<b>49,874</b>	47,614
Other borrowed funds	<b>158,261</b>	107,486	<b>158,261</b>	107,486
	<b>223,433</b>	163,182	<b>223,139</b>	163,083

### *Bills payable*

Bills payable include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group in accordance with the agreed financing programs. The payment terms of these bills payable ranges from 2 days to 5 years (2024 - 6 days to 5 years).

As a result of the merger with RBC, BPI assumed peso-denominated borrowings with the Development Bank of the Philippines. As at December 31, 2025, the carrying amount of the borrowings amounts to P4,990 million (2024 - 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 Dollars (USD) 300 million, with Philippine peso equivalent of P16,494 million. The three-year loan bears a floating interest payable on a quarterly basis commencing in November 2023 and was originally scheduled to mature on August 24, 2026. As at December 31, 2024, it has a carrying amount of P17,274 million. On August 29, 2025, the Parent Bank prepaid the loan in full ahead of its maturity. No pretermination fees were incurred upon full prepayment of the loan. The bills payable was presented under foreign banks.

In early 2025, the Parent Bank entered into bilateral loan agreements with three foreign banks, obtaining a total facility amount of USD 300 million with Philippine peso equivalent of P17,592 million. The facilities carry floating rates, with interest payable quarterly. Maturities of these bilateral loans range from two to three years.

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

	Consolidated		Parent	
	2025	2024	2025	2024
Private firms and local banks - Peso - denominated	<b>0.52 - 6.09</b>	5.94 - 7.00	<b>0.52 - 6.09</b>	5.94 - 7.00
Foreign banks - Foreign currency-denominated	<b>3.87 - 4.98</b>	4.40 - 7.23	<b>3.89 - 4.98</b>	4.40 - 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 May 18, 2022, the BOD of the Parent Bank approved a new P100 billion Bond Program to be issued in one or more tranches over a period of three years. On January 30, 2023, BPI issued the first tranche called BPI Reinforcing Inclusive Support for Micro, Small and Medium Enterprises (MSMEs) Bonds ("BPI RISE Bonds"). The net proceeds amounting to P20,123 million were used to finance or refinance the business requirements of eligible MSMEs, consistent with BPI's Sustainable Funding Framework. On November 13, 2023, BPI issued the second tranche of this Bond Program. The net proceeds amounting to P36,371 million were used for general corporate purposes. On August 9, 2024, BPI issued the third tranche called BPI Sustainable, Environmental and Equitable Development Bonds ("BPI SEED Bonds"). The net proceeds of P33,412 million were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

Details of the outstanding balances as at December 31, 2025 and December 31, 2024 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
(In Millions of Pesos)						
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	November 13, 2023	6.43%	May 13, 2025	36,661	-	36,586
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	August 9, 2024	6.20%	February 9, 2026	33,700	<b>33,678</b>	33,485

On October 16, 2024, the BOD of the Parent Bank approved the establishment of a P200 billion Bond Program to be issued in one or more tranches over a period of three years following the full utilization of the Bank's Bond Program established in 2022. On June 10, 2025, BPI issued the first tranche called BPI Supporting Inclusion, Nature and Growth Bonds ("BPI SINAG Bonds"). The net proceeds of P36,801 million were used for the financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework with outstanding balance as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
(In Millions of Pesos)						
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	June 10, 2025	5.85%	December 10, 2026	40,000	<b>39,783</b>	-

(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. Details of outstanding balances as at December 31, 2025 and December 31, 2024 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
(In Millions of Pesos)						
USD 400 million, 5-year senior unsecured fixed rate bonds	March 26, 2024	5.25%	March 26, 2029	23,516	<b>23,379</b>	22,967
USD 500 million, 5-year senior unsecured fixed rate bonds	April 7, 2025	5.00%	April 7, 2030	29,395	<b>29,177</b>	-
USD 300 million, 10-year senior unsecured fixed rate bonds	April 7, 2025	5.63%	April 7, 2035	17,637	<b>17,552</b>	-

(c) *Private Placement*

On August 25, 2023, the Parent Bank issued a green bond amounting to USD 250 million with the International Finance Corporation as the sole subscriber. The bond carries floating interest payable on a semi-annual basis. The bond is unconditional, unsecured and unsubordinated and is expected to mature on August 25, 2026. As at December 31, 2025, the carrying amount of the bond amounts to P14,692 million (2024 - P14,448 million).

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

	Consolidated			Parent		
	2025	2024	2023	2025	2024	2023
(In Millions of Pesos)						
Bills payable	<b>3,253</b>	2,727	1,050	<b>3,237</b>	2,585	811
Other borrowed funds	<b>8,416</b>	6,460	4,145	<b>8,416</b>	6,460	4,145
	<b>11,669</b>	9,187	5,195	<b>11,653</b>	9,045	4,956

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

	Consolidated		Parent	
	2025	2024	2025	2024
(In Millions of Pesos)				
At January 1	<b>163,182</b>	137,104	<b>163,083</b>	133,726
Impact of merger	-	14,952	-	14,952
Additions	<b>278,737</b>	392,738	<b>256,316</b>	360,659
Maturities/repayments	<b>(221,339)</b>	(384,648)	<b>(199,111)</b>	(349,140)
Amortization of discount	<b>516</b>	478	<b>516</b>	478
Exchange differences	<b>2,337</b>	2,558	<b>2,335</b>	2,408
At December 31	<b>223,433</b>	163,182	<b>223,139</b>	163,083

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

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Current (within 12 months)	<b>127,721</b>	70,025	<b>127,427</b>	69,926
Non-current (over 12 months)	<b>95,712</b>	93,157	<b>95,712</b>	93,157
	<b>223,433</b>	163,182	<b>223,139</b>	163,083

## 17 Deferred credits and other liabilities

The account at December 31 consists of the following:

	Notes	Consolidated		Parent	
		2025	2024	2025	2024
		(In Millions of Pesos)			
Accounts payable		<b>12,333</b>	8,180	<b>10,572</b>	7,229
Lease liabilities	20	<b>9,989</b>	9,824	<b>8,846</b>	8,641
			<b>7,654</b>	14,968	<b>7,654</b>
Bills purchased - contra					14,968
Pension and other employment benefits	23	<b>5,691</b>	4,516	<b>5,529</b>	4,295
Other deferred credits		<b>3,038</b>	3,215	<b>3,037</b>	3,215
Outstanding acceptances		<b>3,035</b>	3,238	<b>3,035</b>	3,238
Due to the Treasurer of the Philippines		<b>2,290</b>	1,552	<b>2,277</b>	1,541
Withholding tax payable		<b>2,058</b>	1,962	<b>1,965</b>	1,871
Miscellaneous liabilities		<b>8,746</b>	8,764	<b>7,859</b>	8,052
		<b>54,834</b>	56,219	<b>50,774</b>	53,050

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

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.

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.

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

Miscellaneous liabilities include 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Current (within 12 months)	<b>42,221</b>	46,481	<b>39,002</b>	42,908
Non-current (over 12 months)	<b>12,613</b>	9,738	<b>11,772</b>	10,142
	<b>54,834</b>	56,219	<b>50,774</b>	53,050

## 18 Capital funds

### (a) Share capital

Details of authorized share capital of the Parent Bank follow:

	2025	2024	2023
	(In Millions of Pesos, except par value per share)		
Authorized capital (at P10 par value per share)			
Common shares	54,000	54,000	54,000
Preferred A shares	600	600	600
	<b>54,600</b>	54,600	54,600

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

	2025	2024	2023
	(In absolute number of shares)		
Common shares			
At January 1	5,272,095,143	4,945,197,291	4,919,307,531
Subscription of shares during the year	11,699,080	12,893,860	25,889,760
Impact of merger	-	314,003,992	-
At December 31	<b>5,283,794,223</b>	5,272,095,143	4,945,197,291
	(In absolute amounts of Pesos)		
Subscription receivable	<b>90,517,927</b>	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, 2025, 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 P532 million (2024 - P411 million; 2023 - P342 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, 2025, 2024 and 2023, the Parent Bank has 11,594, 11,641 and 11,760 common shareholders, respectively. There are no preferred shares issued and outstanding at December 31, 2025, 2024 and 2023.

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*

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		
	2025	2024	2023	2025	2024	2023
	(In Millions of Pesos)					
General loan loss provision	<b>15,890</b>	10,274	-	<b>15,890</b>	10,274	-
Reserve for trust business	<b>400</b>	400	400	-	-	-
Executive stock option plan amortization	<b>21</b>	17	49	<b>8</b>	4	36
Reserve for trading participants	<b>73</b>	73	73	-	-	-
Reserve for self-insurance	<b>34</b>	34	34	<b>34</b>	34	34
Merger reserves	-	-	-	<b>32,905</b>	32,905	32,905
Others	<b>93</b>	91	87	-	-	-
	<b>16,511</b>	10,889	643	<b>48,837</b>	43,217	32,975

*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, 2025, the Parent Bank appropriated P15,890 million (2024 - P10,274 million) 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 and 2025.

*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 carrying value of the net assets acquired in respect of the acquisition of BPI Family Savings Bank, Inc. (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.

### 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:

	2025	2024	2023
At January 1	3,260,620	5,966,559	9,866,999
Granted	-	-	-
Exercised	(1,545,526)	(2,552,606)	(3,900,440)
Cancelled	(1)	(153,333)	-
At December 31	1,715,093	3,260,620	5,966,559
Exercisable	1,715,093	3,260,620	5,966,559

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.

The subscription price for 2025 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 2025 ESPP was granted on April 22, 2025 and subscriptions were received on May 10, 2025.

(c) Accumulated other comprehensive loss

Details of and movements in the account are as follows:

	Consolidated			Parent		
	2025	2024	2023	2025	2024	2023
	(In Millions of Pesos)					
Fair value reserve on financial assets at FVOCI						
At January 1	<b>(4,063)</b>	(2,893)	(8,058)	<b>(3,551)</b>	(2,303)	(7,465)
Unrealized fair value gain before tax	<b>6,519</b>	997	6,996	<b>6,547</b>	917	7,005
Amount recycled to profit or loss	<b>(3,563)</b>	(2,350)	(947)	<b>(3,563)</b>	(2,349)	(947)
Deferred income tax effect	<b>(189)</b>	183	(884)	<b>(183)</b>	184	(896)
At December 31	<b>(1,296)</b>	(4,063)	(2,893)	<b>(750)</b>	(3,551)	(2,303)
Share in other comprehensive gain (loss) of insurance subsidiaries						
At January 1	<b>(22)</b>	(30)	(80)	-	-	-
Share in other comprehensive income (loss) for the year	<b>55</b>	10	63	-	-	-
Deferred income tax effect	<b>(11)</b>	(2)	(13)	-	-	-
At December 31	<b>22</b>	(22)	(30)	-	-	-
Share in other comprehensive income (loss) of associates						
At January 1	<b>72</b>	292	(162)	-	-	-
Share in other comprehensive income (loss) for the year	<b>246</b>	(220)	454	-	-	-
At December 31	<b>318</b>	72	292	-	-	-
Translation adjustment on foreign operations						
At January 1	<b>(287)</b>	(636)	(582)	-	-	-
Translation differences and others	<b>202</b>	349	(54)	-	-	-
At December 31	<b>(85)</b>	(287)	(636)	-	-	-
Cash flow hedge reserves						
At January 1	<b>(1)</b>	-	-	<b>(1)</b>	-	-
Translation differences and others	<b>8</b>	(1)	-	<b>8</b>	(1)	-
At December 31	<b>7</b>	(1)	-	<b>7</b>	(1)	-
Remeasurements of defined benefit obligation, net						
At January 1	<b>(8,339)</b>	(7,860)	(5,374)	<b>(7,170)</b>	(6,773)	(4,378)
Actuarial (loss) gain for the year	<b>(1,547)</b>	(399)	(3,434)	<b>(1,562)</b>	(323)	(3,342)
Deferred income tax effect	<b>334</b>	(80)	948	<b>350</b>	(74)	947
At December 31	<b>(9,552)</b>	(8,339)	(7,860)	<b>(8,382)</b>	(7,170)	(6,773)
	<b>(10,586)</b>	(12,640)	(11,127)	<b>(9,125)</b>	(10,722)	(9,076)

(d) Dividend declarations

Cash dividends

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

Date declared	Amount of dividends	
	Per share	Total
(In Millions of Pesos)		
<i>For the year ended December 31, 2025</i>		
May 21, 2025	2.08	10,990
November 19, 2025	2.28	12,047
		23,037
<i>For the year ended December 31, 2024</i>		
May 15, 2024	1.98	10,439
November 20, 2024	1.98	10,439
		20,878
<i>For the year ended December 31, 2023</i>		
May 17, 2023	1.68	7,626
November 15, 2023	1.68	8,308
		15,934

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		
	2025	2024	2023	2025	2024	2023
(In Millions of Pesos, except earnings per share amounts)						
a) Net income attributable to equity holders of the Parent Bank	<b>66,615</b>	62,049	51,687	<b>61,828</b>	56,384	50,053
b) Weighted average number of common shares outstanding (in millions)	<b>5,280</b>	5,266	4,741	<b>5,280</b>	5,266	4,741
c) Basic EPS (a/b) based on net income	<b>12.62</b>	11.78	10.90	<b>11.71</b>	10.71	10.56

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		
	2025	2024	2023	2025	2024	2023
	(In Millions of Pesos)					
Service charges	11,734	11,812	9,673	11,074	11,055	9,000
Bank commissions	2,881	2,694	2,168	2,899	2,689	2,166
Underwriting fees	845	456	693	-	-	-
Stock brokerage fees	217	200	183	-	-	-
	<b>15,677</b>	15,162	12,717	<b>13,973</b>	13,744	11,166

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

Bank commissions include foreign and domestic commissions collected for services rendered.

### (b) Other operating income

Details of other operating income are as follows:

	Notes	Consolidated			Parent		
		2025	2024	2023	2025	2024	2023
		(In Millions of Pesos)					
Credit card income		9,515	8,089	6,209	9,518	8,089	6,209
Trust and asset management fees		5,365	4,983	4,211	-	-	2
Gain on sale of assets	11	417	247	407	408	216	420
Rental income		130	141	135	156	156	167
Dividend income	8	91	93	100	3,792	1,505	3,066
Miscellaneous income		4,248	4,056	3,205	3,691	3,606	2,877
		<b>19,766</b>	17,609	14,267	<b>17,565</b>	13,572	12,741

Dividend income recognized by the Parent Bank substantially pertains to dividend distributions of subsidiaries.

Miscellaneous income includes recoveries on charged-off assets, fees arising from service arrangements with customers and related parties and share in net income (loss) of associates.

## 20 Leases

The BPI Group (as lessee) has various lease agreements which mainly pertain to branch premises and equipment. Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes. The balances arising from the lease contracts are presented below:

### *Right-of-use assets and lease liabilities (PFRS 16)*

Details of right-of-use assets and lease liabilities as at December 31 are as follows:

	Notes	Consolidated		Parent	
		2025	2024	2025	2024
(In Millions of Pesos)					
<i>Right-of-use assets</i>					
Buildings and leasehold improvements	11	8,482	8,287	7,452	7,177
<i>Lease liabilities (included in "Deferred credits and other liabilities")</i>					
	17				
Current		3,090	2,964	2,642	2,665
Non-current		6,899	6,860	6,204	5,976
		9,989	9,824	8,846	8,641

Additions to the right-of-use assets in 2025 aggregated P2,670 million (2024 - P1,862 million) and P2,363 million (2024 - P1,469 million) for BPI Group and Parent bank, respectively. Total cash outflow for leases in 2025 amounted to P2,885 million (2024 - P2,438 million) and P2,482 million (2024 - P2,096 million) for BPI Group and Parent bank, respectively.

Lease contracts assumed from the merger with RBC mostly pertain to building and parking spaces with terms ranging from 2 to 10 years. The lease contracts are cancellable upon mutual agreement of the parties or renewable at the Parent Bank's option. Additions to the right-of-use asset due to the impact of merger amounted to P411 million (Note 11).

Amounts recognized in the statement of income relating to leases:

	Note	Consolidated		Parent	
		2025	2024	2025	2024
(In Millions of Pesos)					
<i>Depreciation expense</i>					
Buildings and leasehold improvements	11	2,455	2,278	2,093	1,965
Interest expense (included in "Occupancy and equipment-related expenses")		459	372	376	293
Expense relating to short-term leases (included in "Occupancy and equipment-related expenses")		326	450	321	449
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in "Occupancy and equipment-related expenses")		691	511	607	452
		3,931	3,611	3,397	3,159

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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Rent concession (included in "Other operating income")	-	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 4.39% to 6.61% (2024 - 4.08% to 6.84%). 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 are as follows:

	Note	Consolidated			Parent		
		2025	2024	2023	2025	2024	2023
		(In Millions of Pesos)					
Salaries and wages		<b>24,362</b>	23,423	18,600	<b>21,193</b>	20,562	16,320
Retirement expense	23	<b>1,598</b>	1,450	1,232	<b>1,500</b>	1,363	1,148
Other employee benefit expenses		<b>4,320</b>	4,066	3,389	<b>3,648</b>	3,289	2,842
		<b>30,280</b>	28,939	23,221	<b>26,341</b>	25,214	20,310

Other employee benefit expenses pertain to employee incentives, HMO coverage and SSS premiums.

(b) *Occupancy and equipment-related expenses*

The account primarily consists of depreciation and amortization of bank premises, furniture and equipment, interest expense on lease liability, expenses related to short-term leases and leases of low-value assets and technology-related expenses. For the year ended December 31, 2025, the technology-related expenses amounted to P18,796 million (2024 - P16,721 million; 2023 - P14,685 million) and P17,393 million (2024 - P15,607 million; 2023 - P13,850 million) for BPI Group and Parent Bank, respectively.

(c) *Other operating expenses*

Details of the account for the years ended December 31 are as follows:

	Consolidated			Parent		
	2025	2024	2023	2025	2024	2023
	(In Millions of Pesos)					
Fees and commissions	10,958	8,921	6,557	10,630	8,729	6,460
Insurance	6,723	6,371	5,204	6,581	6,256	5,140
Advertising	5,278	3,996	4,124	4,432	3,822	4,020
Travel and communication	1,502	1,685	1,575	1,259	1,484	1,414
Supervision and examination fees	1,143	999	963	854	774	783
Management and other professional fees	967	1,288	730	832	1,244	673
Litigation expenses	796	665	477	780	653	468
Taxes and licenses	720	634	224	613	554	165
Office supplies	611	579	428	527	502	363
Amortization expense	471	484	18	467	465	1
Others	4,732	4,103	3,577	4,168	2,921	2,655
	<b>33,901</b>	<b>29,725</b>	<b>23,877</b>	<b>31,143</b>	<b>27,404</b>	<b>22,142</b>

Fees and commissions consists primarily of service charges, expenses for outsourced services and fees related to membership licensing.

Insurance expense comprises 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 (Note 14).

Other expenses mainly include freight charges and other business expenses 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					
	2025		2024		2023	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	21,355	25.00	19,936	25.00	16,303	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	(1,471)	(1.72)	(1,598)	(2.00)	(392)	(0.60)
Tax-exempt income	(950)	(1.11)	(1,715)	(2.15)	(1,134)	(1.74)
Others, net	(359)	(0.43)	880	1.10	(1,478)	(2.27)
Effective income tax	<b>18,575</b>	<b>21.74</b>	<b>17,503</b>	<b>21.95</b>	<b>13,299</b>	<b>20.39</b>

	<b>Parent</b>					
	<b>2025</b>		<b>2024</b>		<b>2023</b>	
	<b>Amount</b>	<b>Rate (%)</b>	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	<b>19,641</b>	<b>25.00</b>	18,109	25.00	15,559	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	<b>(461)</b>	<b>(0.59)</b>	(579)	(0.80)	(446)	(0.72)
Tax-exempt income	<b>(1,629)</b>	<b>(2.07)</b>	(1,683)	(2.32)	(1,872)	(3.01)
Others, net	<b>(817)</b>	<b>(1.04)</b>	206	0.28	(1,060)	(1.70)
<b>Effective income tax</b>	<b>16,734</b>	<b>21.30</b>	16,053	22.16	12,181	19.57

### *Capital Markets Efficiency Promotion Act*

The Philippines' Republic Act No. 12214, also known as the *Capital Markets Efficiency Promotion Act* (CMEPA), was signed into law on May 29, 2025, to create a fairer and simpler tax system for passive income, encourage more savings and investments, support easier movement of capital, and attract more investment in stocks and debt securities. The law took effect on July 1, 2025.

The implementation of CMEPA did not have a material impact on the consolidated financial statements of the BPI Group as at and for the year ended December 31, 2025.

### *Base Erosion and Profit Shifting (BEPS) Pillar 2*

The BPI Group is within the scope of the OECD Pillar Two model rules. As at December 31, 2025, Pillar Two legislation is not yet enacted in the Philippines, the jurisdiction in which the Parent Bank is incorporated. The BPI Group is in the process of assessing the possible impact of the Pillar Two legislation.

## **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 non-life insurance subsidiaries, offshore subsidiaries 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. The normal retirement benefit consists of a lump sum benefit equivalent to 200% of the employee's basic monthly salary at the time of retirement for each year of service, if the employee has rendered at least 10 years of service, or 150% of the basic monthly salary if the employee has rendered less than 10 years of service, plus the cash equivalent of 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% for 25 or more years of service. The death or disability benefit shall be the highest amount among: (1) the benefit computed on the same basis as voluntary retirement; (2) an amount equivalent to 100% of the employee's basic monthly salary at the time of retirement for each year of service; and (3) the minimum amount required under the Labor Code.

The net defined benefit cost and contributions to be paid by the entities within the BPI Group are determined by an independent actuary.

With the merger of RBC with the Bank effective January 1, 2024, its retirement fund assets were also transferred to the BPI Group's retirement fund.

### Non-life insurance subsidiary

BPI/MS Insurance Corporation has a separate trustee defined benefit plan. Under the plan, the normal retirement age is 60 years. Normal retirement benefit consists of a lump-sum benefit equivalent to 175% of the employee's basic monthly salary at the time of retirement for each year of service, if the employee has rendered as least 10 years of service, or 150% of the basic monthly salary if the employee has rendered less than 10 years of service. The death or disability benefit for all employees of the non-life insurance subsidiary is determined on the same basis as the benefit applicable 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, 2025, the pension liability amounts to P3 million (2024 - 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:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(In Millions of Pesos)			
Present value of defined benefit obligation	<b>20,529</b>	19,860	<b>19,930</b>	19,304
Fair value of plan assets	<b>(15,026)</b>	(15,667)	<b>(14,401)</b>	(15,182)
	<b>5,503</b>	4,193	<b>5,529</b>	4,122
Effect of asset ceiling	<b>61</b>	33	-	-
	<b>5,564</b>	4,226	<b>5,529</b>	4,122

Pension liability is shown as part of Deferred credits and other liabilities in the statement of condition (Note 17).

The movements in plan assets are summarized as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(In Millions of Pesos)			
At January 1	<b>15,667</b>	14,103	<b>15,182</b>	13,722
Impact of merger	-	470	-	470
Contributions	<b>1,243</b>	1,213	<b>1,203</b>	1,165
Interest income	<b>866</b>	775	<b>839</b>	752
Benefit payments	<b>(2,539)</b>	(1,703)	<b>(2,481)</b>	(1,691)
Remeasurement (loss) gain - return on plan assets	<b>(211)</b>	1,539	<b>(342)</b>	1,494
Transfer from the plan	-	(730)	-	(730)
At December 31	<b>15,026</b>	15,667	<b>14,401</b>	15,182

The carrying values of the plan assets represent their fair value as at December 31, 2025 and 2024.

The plan assets comprised the following:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(In Millions of Pesos)			
Debt securities	<b>9,224</b>	10,130	<b>8,840</b>	9,817
Equity securities	<b>4,055</b>	4,341	<b>3,886</b>	4,207
Others	<b>1,747</b>	1,196	<b>1,675</b>	1,158
	<b>15,026</b>	15,667	<b>14,401</b>	15,182

The plan assets of the unified retirement plan include investment in BPI's common shares with aggregate fair value of P3,024 million at December 31, 2025 (2024 - P2,747 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
At January 1	19,860	18,632	19,304	18,098
Impact of merger	-	471	-	471
Current service cost	893	863	861	826
Interest cost	1,215	1,124	1,182	1,091
Remeasurement - changes in financial assumptions	26	(76)	25	(73)
Remeasurement - experience adjustment	1,074	1,279	1,033	1,267
Benefit payments	(2,539)	(1,703)	(2,481)	(1,691)
Transfer from the plan	-	(730)	6	(685)
At December 31	20,529	19,860	19,930	19,304

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		
	2025	2024	2023	2025	2024	2023
	(In Millions of Pesos)					
Current service cost	893	863	757	861	826	730
Net interest cost	349	349	229	343	339	228
	1,242	1,212	986	1,204	1,165	958

The principal assumptions used for the actuarial valuations of the unified plan are as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
Discount rate	6.09%	6.12%	6.09%	6.12%
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, 2026 for the BPI Group and the Parent Bank amount to P1,421 billion and P1,375 billion, respectively. The weighted average duration of the defined benefit obligation under the BPI unified retirement plan as at December 31, 2025 is 5.26 years (2024 - 5.64 years).

The projected maturity analysis of retirement benefit payments as at December 31 are as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	(In Millions of Pesos)			
Up to one year	<b>3,842</b>	3,845	<b>3,769</b>	3,754
More than 1 year to 5 years	<b>15,553</b>	14,575	<b>15,106</b>	14,163
More than 5 years to 10 years	<b>9,518</b>	9,837	<b>9,188</b>	9,545
More than 10 years to 15 years	<b>4,581</b>	4,569	<b>4,356</b>	4,340
More than 15 years to 20 years	<b>3,297</b>	3,319	<b>3,125</b>	3,139
Over 20 years	<b>2,883</b>	3,069	<b>2,695</b>	2,875

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

#### Consolidated

##### 2025

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	<b>Decrease by 4.6%</b>	<b>Increase by 5.0%</b>
Salary growth rate	1.00%	<b>Increase by 5.0%</b>	<b>Decrease by 4.6%</b>

##### 2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

#### Parent

##### 2025

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	<b>Decrease by 4.6%</b>	<b>Increase by 5.0%</b>
Salary growth rate	1.00%	<b>Increase by 5.0%</b>	<b>Decrease by 4.6%</b>

##### 2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%



The movements in the present value of the obligation under DC Plan follow:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
At January 1	3,911	595	3,443	531
Current service cost	148	62	125	54
Interest cost	239	36	210	33
Benefit payments	(329)	(186)	(291)	(157)
Remeasurement - changes in financial assumptions	(18)	3	(15)	3
Remeasurement - experience adjustment	542	2,671	419	2,262
Transfer to the plan	1	730	4	717
At December 31	4,494	3,911	3,895	3,443

The movements in the fair value of plan assets follow:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
At January 1	3,712	2,261	3,270	1,898
Contribution paid by employer	648	591	534	496
Interest income	224	133	197	111
Benefit payments	(329)	(186)	(291)	(156)
Remeasurement gain - return on plan assets	316	183	243	191
Transfer to the plan	-	730	-	730
At December 31	4,571	3,712	3,953	3,270

Total retirement expense for the year ended December 31, 2025 under the defined contribution plan for the BPI Group and Parent Bank amounts to P163 million (2024 - P68 million) and P139 million (2024 - P59 million), respectively.

The components of plan assets of the defined contribution as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Debt securities	1,638	705	1,417	621
Equity securities	3,025	2,248	2,616	1,980
Others	(92)	759	(80)	669
	4,571	3,712	3,953	3,270

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, 2026 for the BPI Group and the Parent Bank amount to P660 million and P583 million, respectively. The weighted average duration of the defined contribution retirement plan for the BPI Group and Parent Bank is 10.87 years (2024 - 10.45 years).

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

Consolidated

2025

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	<b>Decrease by 1.3%</b>	<b>Increase by 1.6%</b>
Salary growth rate	1.00%	<b>Increase by 1.6%</b>	<b>Decrease by 1.3%</b>

2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 1.70%	Increase by 1.20%
Salary growth rate	1.00%	Increase by 1.20%	Decrease by 1.70%

Parent

2025

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	<b>Decrease by 1.3%</b>	<b>Increase by 1.6%</b>
Salary growth rate	1.00%	<b>Increase by 1.6%</b>	<b>Decrease by 1.3%</b>

2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 1.70%	Increase by 1.10%
Salary growth rate	1.00%	Increase by 1.10%	Decrease by 1.70%

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, 2025 and 2024 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, 2025, the total trust and fund assets under management of the BPI Group through BPI Wealth amounts to P1,829 billion (2024 - P1,531 billion).

As required by the General Banking Act, BPI Wealth has deposited government securities with the BSP valued at P1,004 million (2024 - P989 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 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 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 exposures of the Parent Bank to each related party as well as the total amount of exposure to all related parties.

A summary of significant related party transactions and outstanding balances as at and for the years ended December 31 is shown below (transactions with subsidiaries have been eliminated in the consolidated financial statements):

### Consolidated

	<b>2025</b>		
	Transactions for the year	Outstanding balances	Terms and conditions
	(In Millions of Pesos)		
Loans and advances to:			
Associates	(330)	149	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.99% to 8.27% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	<b>8,248</b>	<b>88,649</b>	
Deposits from:			
Associates	1,116	1,836	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.12% - 0.17% Time - 4.82% to 5.46%
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	<b>4,288</b>	<b>20,856</b>	

2024			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances to:			
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	
	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 to:			
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	
	(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	

Parent

<b>2025</b>			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances to:			
Subsidiaries	103	178	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.49% to 7.79% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Associates	(330)	149	
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	<b>8,351</b>	<b>88,827</b>	
Deposits from:			
Subsidiaries	1,938	7,321	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.07% - 0.08% Time - 4.79% to 5.44%
Associates	1,116	1,836	
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	<b>6,226</b>	<b>28,177</b>	
<b>2024</b>			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances to:			
Subsidiaries	(12)	75	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.33% to 7.71% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Associates	366	479	
Ayala Group	18,335	79,902	
Key management personnel	20	20	
	<b>18,709</b>	<b>80,476</b>	
Deposits from:			
Subsidiaries	(982)	5,383	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.08% to 0.09% Time - 5.34% to 5.50%
Associates	(1,229)	720	
Ayala Group	14,729	15,416	
Key management personnel	(759)	432	
	<b>11,759</b>	<b>21,951</b>	

2023			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances to:			
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	

The aggregate amounts included in the determination of income before income tax (after elimination) that resulted from transactions with each class of related parties are as follows:

<b>Consolidated</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
(In Millions of Pesos)			
Interest income			
Associates	-	-	8
Ayala Group	<b>4,197</b>	3,162	2,297
Key management personnel	<b>1</b>	1	-
	<b>4,198</b>	3,163	2,305
Other income			
Associates	<b>2,375</b>	2,359	327
Ayala Group	<b>4,978</b>	1,543	935
	<b>7,353</b>	3,902	1,262
Interest expense			
Associates	<b>19</b>	17	18
Ayala Group	<b>38</b>	539	4
Key management personnel	-	9	14
	<b>57</b>	565	36
Other expenses			
Associates	<b>1,004</b>	216	191
Ayala Group	<b>2,672</b>	1,632	799
	<b>3,676</b>	1,848	990
Retirement benefits			
Key management personnel	<b>60</b>	61	50
Salaries, allowances and other short-term benefits			
Key management personnel	<b>1,758</b>	1,646	1,477
Directors' remuneration	<b>121</b>	125	113

<b>Parent</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
	(In Millions of Pesos)		
Interest income			
Subsidiaries	<b>10</b>	21	19
Associates	-	-	8
Ayala Group	<b>4,197</b>	3,162	2,297
Key management personnel	<b>1</b>	1	-
	<b>4,208</b>	3,184	2,324
Other income			
Subsidiaries	<b>3,053</b>	1,811	209
Associates	<b>2,375</b>	2,359	139
Ayala Group	<b>4,978</b>	1,543	935
	<b>10,406</b>	5,713	1,283
Interest expense			
Subsidiaries	<b>8</b>	21	19
Associates	<b>19</b>	17	18
Ayala Group	<b>38</b>	539	4
Key management personnel	-	9	14
	<b>65</b>	586	55
Other expenses			
Subsidiaries	<b>628</b>	48	127
Associates	<b>1,004</b>	216	-
Ayala Group	<b>2,672</b>	1,632	799
	<b>4,304</b>	1,896	926
Retirement benefits			
Key management personnel	<b>58</b>	60	48
Salaries, allowances and other short-term benefits			
Key management personnel	<b>1,713</b>	1,603	1,433
Directors' remuneration	<b>86</b>	91	88

Other income mainly consists of revenue from service arrangements with related parties in which the related outstanding balance is included under accounts receivable. Other expenses pertain to shared costs with related parties and the related outstanding balance is recognized as accounts payable.

Details of DOSRI loans are as follows:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
	(In Millions of Pesos)			
Outstanding DOSRI loans	<b>23,412</b>	31,588	23,412	31,588

As at December 31, 2025, allowance for credit losses amounting to P68 million (2024 - P140 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 changed during the reporting period and there has been no significant change in the overall quality of the collaterals held by the BPI Group since the prior period.

*(b) Market limits*

The BPI Group maintains market limits on net open derivative positions (i.e., the difference between purchase and sale contracts). Credit risk is limited to the net current fair value of instruments, which in relation to derivatives is only a portion of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments (except where the BPI Group requires margin deposits from counterparties).

*(c) Master netting arrangements*

The BPI Group further restricts its exposure to credit losses by entering master netting arrangements with certain counterparties with which it undertakes significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts (asset position) is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The BPI Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

*(d) Credit-related commitments*

Documentary and commercial letters of credit - which are written undertakings by the BPI Group on behalf of a customer authorizing a third party to draw drafts on the BPI Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods and therefore carry less risk than a direct loan.

### **26.1.2 Credit risk rating**

The BPI Group uses internal credit risk gradings that reflect its assessment of the PD of individual counterparties. The BPI Group uses its internal credit risk rating system, credit models (e.g. credit risk scorecards) or external ratings from reputable credit rating agencies. Specific data about the borrower and loan are collected at the time of application and credit evaluation (such as financial and business information, source of incomes/revenues, and level of collateral for retail exposures, and turnover and industry type for wholesale exposures) and are used in the internal credit scoring models. In addition, the internal models allow expert judgment from the Credit Risk Rating Committee and consideration of other data inputs not captured into the model in the determination of the final internal credit score for each borrower.

The BPI Group has adopted an internal credit classification system that is aligned with regulatory guidelines and aims to identify deteriorating credit exposures on a timely basis. Exposures are classified into each of the following categories:

- *Standard monitoring* - This category includes accounts which do not have a greater-than-normal risk and do not possess the characteristics of special monitoring and defaulted loans. The borrower or counterparty has the ability to satisfy the obligation in full and therefore minimal loss, if any, is anticipated.
- *Special monitoring* - This category includes accounts which need closer and frequent monitoring to prevent any further credit deterioration. The counterparty is assessed to be vulnerable to highly vulnerable and its capacity to meet its financial obligations is dependent upon favorable business, financial, and economic conditions.
- *Default* - This category includes accounts which exhibit probable to severe weaknesses wherein probability of non-repayment of loan obligation is ranging from high to extremely high.
  - i. *Corporate (including cross-border loans, contracts-to-sell/group plans with recourse, floorstock lines) and Small and Medium-sized Enterprise (SME) loans*

The BPI Group's internal credit risk rating system comprises a 22-scale rating with eighteen (18) 'pass' rating levels for large corporate accounts, a 14-scale rating system with ten (10) 'pass' rating grades for SME accounts, and a 23-scale rating with nineteen (19) 'pass' rating levels for cross-border accounts. For cross-border accounts, the BPI Group also uses available external/benchmark credit ratings issued by reputable rating agencies if there is no internal rating. The level of risk and associated PD are determined using either the internal credit risk ratings or external/benchmark credit ratings, as applicable, for corporate loans.

The BPI Group uses the following set of classifications:

<b>Classifications</b>	<b>Large corporate</b>	<b>SME</b>	<b>Cross-Border</b>
Standard monitoring	AAA to B-, unrated, and $\leq 30$ days past due (dpd)	AAA to B-, unrated, and $\leq 30$ dpd	AAA to B- with no significant increase in credit risk (SICR), and $\leq 30$ dpd
Special monitoring	CCC to C or based on prescribed dpd threshold	CCC to C or based on prescribed dpd threshold	Downgraded to lower than BB+ with SICR but not impaired, or based on prescribed dpd threshold
Default	Adversely classified accounts (ACA) or $>90$ dpd or Items in Litigation (IL)	ACA or $>90$ dpd or IL	Default/ACA with objective evidence of impairment, or $> 90$ dpd

*ii. Retail loans*

The BPI Group uses automated credit scoring models to assess the level of risk for retail accounts. Behavioral indicators are considered in conjunction with other forward-looking information (e.g., industry forecast) to assess the level of risk of a loan. After the date of initial recognition, the payment behavior of the borrower is monitored on a periodic basis to develop a behavioral score which is mapped to a PD.

<b>Classifications</b>	<b>Credit cards</b>	<b>Personal*, auto, housing and MAX 500**</b>	<b>SEME***</b>
Standard monitoring	$\leq 29$ dpd	$\leq 30$ dpd	$\leq 10$ dpd
Special monitoring	30 to 89 dpd	31 to 90 dpd or based on prescribed dpd threshold	Not applicable
Default	$>89$ dpd or IL	$>90$ dpd or IL	$>10$ dpd

\*Includes salary-based general purpose consumption loan

\*\* A product of BanKo, wholly-owned subsidiary of the Parent Bank, and classified as micro-enterprise loan

\*\*\* A product of BanKo and offered to self-employed micro-entrepreneurs

*iii. Treasury and other investment debt securities*

Investments in high grade securities and bills are viewed as a way to gain better credit quality mix and at the same time, maintain a readily available source to meet funding requirements. The level of credit risk for treasury and other investment debt securities and their associated PD are determined using either internal ratings or reputable external ratings and/or available and reliable qualitative and quantitative information. In the absence of both internal and external credit ratings, a comparable issuer or guarantor rating is used. Should there be a change in the credit rating of the chosen comparable, evaluation is made to ascertain whether the rating change is applicable to the security being assessed for impairment.

<b>Classifications</b>	<b>Applicable ratings</b>
Standard monitoring	AAA to B- with no SICR
Special monitoring	Downgraded to lower than BB+ with SICR but not impaired
Default	Default, with objective evidence of impairment

*iv. Other financial assets at amortized cost*

For other financial assets (non-credit receivables), the BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss methodology. These financial assets are grouped based on shared risk characteristics and aging profile. For some of these, impairment is assessed individually at a counterparty level.

## 26.1.3 Maximum exposure to credit risk

### 26.1.3.1 Loans and advances, net

Credit risk exposures relating to on-balance sheet loans and advances are as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Corporate and SME loans, net	<b>1,896,506</b>	1,685,197	<b>1,888,967</b>	1,680,654
Retail loans, net	<b>670,625</b>	553,568	<b>611,508</b>	506,274
	<b>2,567,131</b>	2,238,765	<b>2,500,475</b>	2,186,928

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

	2025				2024			
	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	1,563,975	128,597	-	<b>1,692,572</b>	1,419,122	92,448	-	1,511,570
Special monitoring	101,563	74,528	-	<b>176,091</b>	104,098	56,728	-	160,826
Default	-	-	54,834	<b>54,834</b>	-	-	44,378	44,378
Gross amount	1,665,538	203,125	54,834	<b>1,923,497</b>	1,523,220	149,176	44,378	1,716,774
Loss allowance	(1,548)	(3,229)	(22,214)	<b>(26,991)</b>	(5,721)	(2,159)	(23,697)	(31,577)
Carrying amount	1,663,990	199,896	32,620	<b>1,896,506</b>	1,517,499	147,017	20,681	1,685,197

##### Retail loans

	2025				2024			
	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	624,538	22,142	-	<b>646,680</b>	518,497	18,837	-	537,334
Special monitoring	628	18,525	-	<b>19,153</b>	723	12,412	-	13,135
Default	-	-	34,535	<b>34,535</b>	-	-	25,624	25,624
Gross amount	625,166	40,667	34,535	<b>700,368</b>	519,220	31,249	25,624	576,093
Loss allowance	(5,884)	(4,562)	(19,297)	<b>(29,743)</b>	(4,327)	(3,496)	(14,702)	(22,525)
Carrying amount	619,282	36,105	15,238	<b>670,625</b>	514,893	27,753	10,922	553,568

## Parent

### Corporate and SME loans

	2025			Total	2024			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	1,556,617	128,597	-	<b>1,685,214</b>	1,414,762	92,448	-	1,507,210
Special monitoring	101,563	74,523	-	<b>176,086</b>	104,098	56,727	-	160,825
Default	-	-	54,817	<b>54,817</b>	-	-	44,364	44,364
Gross amount	1,658,180	203,120	54,817	<b>1,916,117</b>	1,518,860	149,175	44,364	1,712,399
Loss allowance	(1,720)	(3,227)	(22,203)	<b>(27,150)</b>	(5,901)	(2,159)	(23,685)	(31,745)
Carrying amount	1,656,460	199,893	32,614	<b>1,888,967</b>	1,512,959	147,016	20,679	1,680,654

### Retail loans

	2025			Total	2024			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	566,949	22,116	-	<b>589,065</b>	472,088	18,810	-	490,898
Special monitoring	628	17,412	-	<b>18,040</b>	715	11,655	-	12,370
Default	-	-	28,260	<b>28,260</b>	-	-	21,640	21,640
Gross amount	567,577	39,528	28,260	<b>635,365</b>	472,803	30,465	21,640	524,908
Loss allowance	(4,751)	(4,538)	(14,568)	<b>(23,857)</b>	(3,393)	(3,478)	(11,763)	(18,634)
Carrying amount	562,826	34,990	13,692	<b>611,508</b>	469,410	26,987	9,877	506,274

The tables below present the gross amount of "Stage 2" loans and advances by age category.

### Consolidated

	2025			2024		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
	(In Millions of Pesos)					
Current	201,416	15,380	<b>216,796</b>	148,490	13,729	162,219
Past due up to 30 days	558	6,971	<b>7,529</b>	86	5,355	5,441
Past due 31 - 90 days	1,151	18,316	<b>19,467</b>	600	12,165	12,765
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	203,125	40,667	<b>243,792</b>	149,176	31,249	180,425

### Parent

	2025			2024		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
	(In Millions of Pesos)					
Current	201,416	15,361	<b>216,777</b>	148,490	13,708	162,198
Past due up to 30 days	558	6,953	<b>7,511</b>	85	5,343	5,428
Past due 31 - 90 days	1,146	17,214	<b>18,360</b>	600	11,414	12,014
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	203,120	39,528	<b>242,648</b>	149,175	30,465	179,640

### 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Due from BSP	106,344	164,571	89,303	161,247
Due from other banks	38,211	72,060	34,007	68,439
Interbank loans receivable and SPAR, net	35,480	16,715	34,909	9,093
Financial assets at FVTPL*	85,055	46,957	77,245	39,757
Financial assets at FVOCI*	282,236	264,358	277,530	260,834
Investment securities at amortized cost, net	353,145	343,108	345,848	336,233
	<b>900,471</b>	<b>907,769</b>	<b>858,842</b>	<b>875,603</b>

\*Excludes equity securities

### Credit quality of treasury and other investment securities, net

#### Consolidated

	2025				2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)							
<b>Credit grade</b>								
Standard monitoring								
Due from BSP	106,344	-	-	106,344	164,571	-	-	164,571
Due from other banks	38,211	-	-	38,211	72,060	-	-	72,060
Interbank loans receivable and SPAR	35,484	-	-	35,484	16,720	-	-	16,720
Financial assets at FVTPL*	85,055	-	-	85,055	46,957	-	-	46,957
Financial assets at FVOCI*	282,236	-	-	282,236	263,903	455	-	264,358
Investment securities at amortized cost	353,178	-	-	353,178	342,189	1,035	-	343,224
Default								
Interbank loans receivable and SPAR	-	-	37	37	-	-	38	38
<b>Gross carrying amount</b>	<b>900,508</b>	<b>-</b>	<b>37</b>	<b>900,545</b>	<b>906,400</b>	<b>1,490</b>	<b>38</b>	<b>907,928</b>
Loss allowance	(37)	-	(37)	(74)	(97)	(24)	(38)	(159)
<b>Carrying amount</b>	<b>900,471</b>	<b>-</b>	<b>-</b>	<b>900,471</b>	<b>906,303</b>	<b>1,466</b>	<b>-</b>	<b>907,769</b>

\*Excludes equity securities

#### Parent

	2025			2024				
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)							
<b>Credit grade</b>								
Standard monitoring								
Due from BSP	89,303	-	-	89,303	161,247	-	-	161,247
Due from other banks	34,007	-	-	34,007	68,439	-	-	68,439
Interbank loans receivable and SPAR	34,913	-	-	34,913	9,098	-	-	9,098
Financial assets at FVTPL*	77,245	-	-	77,245	39,757	-	-	39,757
Financial assets at FVOCI*	277,530	-	-	277,530	260,379	455	-	260,834
Investment securities at amortized cost	345,881	-	-	345,881	335,282	1,034	-	336,316
Default								
Interbank loans receivable and SPAR	-	-	37	37	-	-	38	38
<b>Gross carrying amount</b>	<b>858,879</b>	<b>-</b>	<b>37</b>	<b>858,916</b>	<b>874,202</b>	<b>1,489</b>	<b>38</b>	<b>875,729</b>
Loss allowance	(37)	-	(37)	(74)	(64)	(24)	(38)	(126)
<b>Carrying amount</b>	<b>858,842</b>	<b>-</b>	<b>-</b>	<b>858,842</b>	<b>874,138</b>	<b>1,465</b>	<b>-</b>	<b>875,603</b>

\*Excludes equity securities

### 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Accounts receivable, net	1,628	2,626	3,381	5,010
Rental deposits	945	905	888	851
Other accrued interest and fees receivable	74	98	24	5
Others, net	825	341	816	320
	<b>3,472</b>	<b>3,970</b>	<b>5,109</b>	<b>6,186</b>

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

	2025				2024			
	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	883,659	2,862	-	886,521	704,278	1,609	-	705,887
Special monitoring	20,368	26	-	20,394	21,421	19	-	21,440
Default	-	-	590	590	-	-	339	339
Gross amount	904,027	2,888	590	907,505	725,699	1,628	339	727,666
Loss allowance*	(1,454)	(187)	(28)	(1,669)	(1,130)	(112)	(25)	(1,267)
Carrying amount	902,573	2,701	562	905,836	724,569	1,516	314	726,399

\*Included in "Miscellaneous liabilities" in Note 17

#### Parent

	2025				2024			
	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	883,659	2,862	-	886,521	704,278	1,609	-	705,887
Special monitoring	20,368	26	-	20,394	21,421	19	-	21,440
Default	-	-	590	590	-	-	339	339
Gross amount	904,027	2,888	590	907,505	725,699	1,628	339	727,666
Loss allowance*	(1,454)	(187)	(28)	(1,669)	(1,130)	(112)	(25)	(1,267)
Carrying amount	902,573	2,701	562	905,836	724,569	1,516	314	726,399

\*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

	2025			2024		
	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	54,834	22,214	32,620	44,378	23,697	20,681
Retail loans	34,535	19,297	15,238	25,624	14,702	10,922
<b>Total credit-impaired assets</b>	<b>89,369</b>	<b>41,511</b>	<b>47,858</b>	<b>70,002</b>	<b>38,399</b>	<b>31,603</b>
Fair value of collateral	<b>37,199</b>			31,611		

#### Parent

	2025			2024		
	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	54,817	22,203	32,614	44,364	23,685	20,679
Retail loans	28,260	14,568	13,692	21,640	11,763	9,877
<b>Total credit-impaired assets</b>	<b>83,077</b>	<b>36,771</b>	<b>46,306</b>	<b>66,004</b>	<b>35,448</b>	<b>30,556</b>
Fair value of collateral	<b>37,160</b>			31,570		

The BPI Group acquires assets by taking possession of collaterals held as security for loans and advances.

As at December 31, 2025, the foreclosed collaterals of BPI Group and Parent Bank have carrying amount of P12,417 million (2024 - P8,411 million) and P12,164 million (2024 - P8,154 million), respectively. The related foreclosed collaterals of BPI Group and Parent Bank have aggregate fair value of P31,222 million (2024 - P25,956 million) and P30,735 million (2024 - P25,470 million), respectively. Foreclosed collaterals include real estate (land, building, and improvements) and chattel. Repossessed properties are sold as soon as practicable and are classified as Assets held for sale in the statement of condition. In 2025, the BPI Group realized a total loss of P570 million (2024 - P205 million loss) with book value of P3,258 million (2024 - P3,030 million) while the Parent Bank realized a loss of P561 million (2024 - P237 million loss) from disposals of foreclosed collaterals with book value of P3,244 million (2024 - P2,997 million).

### 26.1.5 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) in credit risk or becoming credit-impaired in the period, and the consequent transfer between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the year and releases for financial instruments derecognized during the year;
- Write-offs of allowances related to assets that were written off during the year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs during the year;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange translations for assets denominated in foreign currencies and other movements.

The following tables summarize the changes in the loss allowance for loans and advances between the beginning and the end of the annual period. No movement analysis of allowance for impairment is presented for treasury and other investment debt securities and other financial assets subject to impairment as the related loss allowance is deemed insignificant for financial reporting purposes.

### Consolidated

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2025	5,721	2,159	23,697	<b>31,577</b>
Impact of merger	-	-	-	-
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,787)	2,209	3,845	<b>3,267</b>
Transfer from Stage 2	9	(283)	246	<b>(28)</b>
Transfer from Stage 3	1	1	(76)	<b>(74)</b>
New financial assets originated	3,840	-	-	<b>3,840</b>
Financial assets derecognized during the year	(1,219)	(526)	(3,314)	<b>(5,059)</b>
Changes in assumptions and other movements in provision	(3,484)	(334)	(103)	<b>(3,921)</b>
	<b>(3,640)</b>	<b>1,067</b>	<b>598</b>	<b>(1,975)</b>
Write-offs and other movements	(533)	3	(2,081)	<b>(2,611)</b>
Loss allowance, at December 31, 2025	<b>1,548</b>	<b>3,229</b>	<b>22,214</b>	<b>26,991</b>

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2025	4,327	3,496	14,702	<b>22,525</b>
Impact of merger	-	-	-	-
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(3,644)	3,318	10,267	<b>9,941</b>
Transfer from Stage 2	136	(1,967)	3,516	<b>1,685</b>
Transfer from Stage 3	4	32	(235)	<b>(199)</b>
New financial assets originated	4,613	-	-	<b>4,613</b>
Financial assets derecognized during the year	(543)	(174)	(1,186)	<b>(1,903)</b>
Changes in assumptions and other movements in provision	1,439	(109)	3,459	<b>4,789</b>
	<b>2,005</b>	<b>1,100</b>	<b>15,821</b>	<b>18,926</b>
Write-offs and other movements	(448)	(34)	(11,226)	<b>(11,708)</b>
Loss allowance, at December 31, 2025	<b>5,884</b>	<b>4,562</b>	<b>19,297</b>	<b>29,743</b>

### Parent

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2025	5,901	2,159	23,685	<b>31,745</b>
Impact of merger	-	-	-	-
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,786)	2,209	3,844	<b>3,267</b>
Transfer from Stage 2	9	(283)	247	<b>(27)</b>
Transfer from Stage 3	1	1	(76)	<b>(74)</b>
New financial assets originated	3,838	-	-	<b>3,838</b>
Financial assets derecognized during the year	(1,219)	(527)	(3,314)	<b>(5,060)</b>
Changes in assumptions and other movements in provision	(3,415)	(335)	(98)	<b>(3,848)</b>
	<b>(3,572)</b>	<b>1,065</b>	<b>603</b>	<b>(1,904)</b>
Write-offs and other movements	(609)	3	(2,085)	<b>(2,691)</b>
Loss allowance, at December 31, 2025	<b>1,720</b>	<b>3,227</b>	<b>22,203</b>	<b>27,150</b>

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2025	3,393	3,478	11,763	<b>18,634</b>
Impact of merger	-	-	-	-
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,773)	3,296	6,733	<b>8,256</b>
Transfer from Stage 2	136	(1,673)	3,050	<b>1,513</b>
Transfer from Stage 3	4	32	(213)	<b>(177)</b>
New financial assets originated	2,591	-	-	<b>2,591</b>
Financial assets derecognized during the year	(158)	(172)	(1,025)	<b>(1,355)</b>
Changes in assumptions and other movements in provision	961	(394)	2,615	<b>3,182</b>
	1,761	1,089	11,160	<b>14,010</b>
Write-offs and other movements	(403)	(29)	(8,355)	<b>(8,787)</b>
Loss allowance, at December 31, 2025	<b>4,751</b>	<b>4,538</b>	<b>14,568</b>	<b>23,857</b>

### Consolidated

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	10,596	3,483	25,167	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

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	4,890	3,242	10,096	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

## Parent

Corporate and SME loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	10,767	3,483	25,164	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

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	4,135	3,229	8,271	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

### Critical accounting estimate - 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 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 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 assumptions used for the ECL estimate are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

#### At December 31, 2025

	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 (%)	4.4	5.9	6.1	6.6	1.8	3.1
Inflation rate (%)	3.0	3.1	2.6	2.4	8.0	8.2
BVAL 5Y (%)	6.0	5.8	5.1	4.9	11.3	11.1
US federal funds rate	3.7	3.0	2.6	2.0	10.1	9.5
Exchange rate	59.540	63.660	59.060	61.073	65.070	80.788

#### 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

### 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 P591 million as at December 31, 2025 from the baseline scenario (2024 - P1,036 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 P3,191 million as at December 31, 2025 (2024 - P1,664 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, 2025)

	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	106,344	38,211	35,521	4,675	22,871	12,557	260,209	-	480,388
Real estate activities	-	-	-	51	3,128	6,051	586,577	-	595,807
Manufacturing	-	-	-	-	7,723	4,038	290,069	-	301,830
Consumer	-	-	-	585	2,131	411	391,727	-	394,854
Transportation, storage and communications	-	-	-	-	4,372	9,331	78,380	-	92,083
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	6,741	14,016	322,363	-	343,120
Electricity, gas, steam and air-conditioning supply	-	-	-	-	392	2,527	262,261	-	265,180
Others*	-	-	-	79,744	234,878	304,247	432,279	5,411	1,056,559
Allowance	-	-	(41)	-	-	(33)	(56,734)	(1,939)	(58,747)
<b>At December 31, 2025</b>	<b>106,344</b>	<b>38,211</b>	<b>35,480</b>	<b>85,055</b>	<b>282,236</b>	<b>353,145</b>	<b>2,567,131</b>	<b>3,472</b>	<b>3,471,074</b>

\*Others include government, information and communication, construction, utilities and mining and quarrying.

#### 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)
<b>At December 31, 2024</b>	<b>164,571</b>	<b>72,060</b>	<b>16,715</b>	<b>46,957</b>	<b>264,358</b>	<b>343,108</b>	<b>2,238,765</b>	<b>3,970</b>	<b>3,150,504</b>

\*Others include government, information and communication, construction, utilities and mining and quarrying.

## Parent Bank (December 31, 2025)

	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	89,303	34,007	34,950	370	22,480	11,674	260,201	-	<b>452,985</b>
Real estate activities	-	-	-	51	3,128	6,051	584,555	-	<b>593,785</b>
Manufacturing	-	-	-	-	7,723	2,802	287,108	-	<b>297,633</b>
Consumer	-	-	-	585	2,131	291	345,900	-	<b>348,907</b>
Transportation, storage and communications	-	-	-	-	4,372	7,563	78,001	-	<b>89,936</b>
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	6,741	12,976	309,616	-	<b>329,333</b>
Electricity, gas, steam and air-conditioning supply	-	-	-	-	392	2,527	262,176	-	<b>265,095</b>
Others*	-	-	-	76,239	230,563	301,997	423,925	6,979	<b>1,039,703</b>
Allowance	-	-	(41)	-	-	(33)	(51,007)	(1,870)	<b>(52,951)</b>
<b>At December 31, 2025</b>	<b>89,303</b>	<b>34,007</b>	<b>34,909</b>	<b>77,245</b>	<b>277,530</b>	<b>345,848</b>	<b>2,500,475</b>	<b>5,109</b>	<b>3,364,426</b>

\*Others include government, information and communication, construction, utilities and mining and quarrying.

## 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	204,314	284,219	206,189	7,545	719,398
Allowance	-	-	(43)	-	-	(83)	(50,379)	(1,359)	(51,864)
<b>At December 31, 2024</b>	<b>161,247</b>	<b>68,439</b>	<b>9,093</b>	<b>39,757</b>	<b>260,834</b>	<b>336,233</b>	<b>2,186,928</b>	<b>6,186</b>	<b>3,068,717</b>

\*Others include government, information and communication, construction, utilities and mining and quarrying.

### 26.1.7 Provision for (reversal of) credit and impairment losses

The BPI Group's provision for (reversal of) credit and impairment losses are attributable to the following accounts:

	Notes	Consolidated		Parent	
		2025	2024	2023	2023
(In Millions of Pesos)					
Loans and advances	10	16,951	4,693	3,940	2,164
Assets held for sale		(142)	837	(222)	(223)
Interbank loans receivable and SPAR	5	-	7	3	3
Investment securities at amortized cost	9	(74)	56	20	20
Undrawn loan commitments		402	(57)	198	198
Impairment on equity investment	12	-	-	-	-
Accounts receivable	14	810	689	34	12
Other assets	14	(197)	375	27	28
		<b>17,750</b>	<b>6,600</b>	<b>4,000</b>	<b>2,202</b>

## 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Local fixed-income	73	66	65	62
Foreign fixed-income	234	182	206	167
Foreign exchange	294	186	185	107
Derivatives	79	46	79	46
Equity securities	21	24	-	-
Mutual fund	13	20	-	-
	<b>714</b>	<b>524</b>	<b>535</b>	<b>382</b>

### 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

	2025			2024		
	USD	Others*	Total	USD	Others*	Total
	(In Millions of Pesos)					
Financial assets						
Cash and other cash items	3,303	440	<b>3,743</b>	3,363	246	3,609
Due from other banks	19,832	9,993	<b>29,825</b>	36,067	25,860	61,927
Interbank loans receivable and SPAR	245	32,219	<b>32,464</b>	20	5,957	5,977
Financial assets at FVTPL	22,745	2,957	<b>25,702</b>	8,278	2,461	10,739
Financial assets at FVOCI - debt securities	79,578	5,467	<b>85,045</b>	67,176	1,164	68,340
Investment securities at amortized cost	119,619	1,156	<b>120,775</b>	119,096	1,347	120,443
Loans and advances, net	173,358	12,994	<b>186,352</b>	130,881	11,561	142,442
Other financial assets	6	13	<b>19</b>	302	1	303
<b>Total financial assets</b>	<b>418,686</b>	<b>65,239</b>	<b>483,925</b>	<b>365,183</b>	<b>48,597</b>	<b>413,780</b>
Financial liabilities						
Deposit liabilities	281,831	60,696	<b>342,527</b>	283,061	42,803	325,864
Due to BSP and other banks	2,547	-	<b>2,547</b>	2,225	-	2,225
Derivative financial liabilities	493	1,612	<b>2,105</b>	1,127	1,865	2,992
Bills payable and other borrowed funds	132,902	2,065	<b>134,967</b>	85,128	-	85,128
Manager's checks and demand drafts outstanding	149	3	<b>152</b>	200	-	200
Accounts payable	(359)	16	<b>(343)</b>	404	3	407
Other financial liabilities	309	-	<b>309</b>	1,208	183	1,391
<b>Total financial liabilities</b>	<b>417,872</b>	<b>64,392</b>	<b>482,264</b>	<b>373,353</b>	<b>44,854</b>	<b>418,207</b>
<b>Net on-balance sheet position</b>	<b>814</b>	<b>847</b>	<b>1,661</b>	<b>(8,170)</b>	<b>3,743</b>	<b>(4,427)</b>

\*Others category includes financial instruments denominated in JPY, EUR and GBP.

Parent Bank

	2025			2024		
	USD	Others*	Total	USD	Others*	Total
	(In Millions of Pesos)					
Financial assets						
Cash and other cash items	3,303	440	<b>3,743</b>	3,363	246	3,609
Due from other banks	19,518	9,988	<b>29,506</b>	35,601	25,851	61,452
Interbank loans receivable and SPAR	-	31,891	<b>31,891</b>	-	5,859	5,859
Financial assets at FVTPL	20,678	2,088	<b>22,766</b>	6,811	1,930	8,741
Financial assets at FVOCI - debt securities	78,921	5,467	<b>84,388</b>	66,489	1,164	67,653
Investment securities at amortized cost	114,807	-	<b>114,807</b>	113,563	-	113,563
Loans and advances, net	166,524	12,641	<b>179,165</b>	127,212	10,974	138,186
Other financial assets	6	12	<b>18</b>	302	-	302
<b>Total financial assets</b>	<b>403,757</b>	<b>62,527</b>	<b>466,284</b>	<b>353,341</b>	<b>46,024</b>	<b>399,365</b>
Financial liabilities						
Deposit liabilities	280,101	52,236	<b>332,337</b>	281,433	38,304	319,737
Due to BSP and other banks	2,547	-	<b>2,547</b>	2,225	-	2,225
Derivative financial liabilities	465	1,612	<b>2,077</b>	1,066	1,866	2,932
Bills payable and other borrowed funds	132,608	2,065	<b>134,673</b>	85,028	-	85,028
Manager's checks and demand drafts outstanding	149	3	<b>152</b>	200	-	200
Accounts payable	(372)	16	<b>(356)</b>	401	3	404
Other financial liabilities	309	-	<b>309</b>	1,186	168	1,354
<b>Total financial liabilities</b>	<b>415,807</b>	<b>55,932</b>	<b>471,739</b>	<b>371,539</b>	<b>40,341</b>	<b>411,880</b>
<b>Net on-balance sheet position</b>	<b>(12,050)</b>	<b>6,595</b>	<b>(5,455)</b>	<b>(18,198)</b>	<b>5,683</b>	<b>(12,515)</b>

\*Others category includes financial instruments denominated in JPY, EUR and GBP.

Presented below is a sensitivity analysis demonstrating the impact on pre-tax income of reasonably possible change in the exchange rate between US Dollar and Philippine Peso. The fluctuation rate is based on the historical movement of US Dollar against the Philippine Peso year on year.

Year	Change in currency	Effect on pre-tax income	
		Consolidated	Parent
		(In millions of Pesos)	
2025	+/- 1.78%	+/- 14	-/+ 214
2024	+/- 1.99%	-/+ 163	-/+ 362

## 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, 2025, the net interest income impact of movement in interest rates will result in an increase of P5,385 million (2024 - P2,695 million) for the whole BPI Group and an increase of P5,438 million (2024 - P2,812 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 will result in an increase of P24,307 million (2024 - P15,062 million) for the whole BPI Group and an increase of P24,204 million (2024 - P15,212 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, 2025, the average monthly BSVaR for the banking book stood at P12,824 million (2024 - P12,966 million) for the whole BPI Group and P12,374 million (2024 - P12,290 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, 2025)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2025					
Financial Assets					
Cash and other cash items	-	-	-	53,018	<b>53,018</b>
Due from BSP	-	-	-	106,344	<b>106,344</b>
Due from other banks	-	-	-	38,211	<b>38,211</b>
Interbank loans receivable and SPAR	-	-	-	35,480	<b>35,480</b>
Financial assets at FVTPL	145	184	452	84,274	<b>85,055</b>
Financial assets at FVOCI	-	-	-	282,236	<b>282,236</b>
Investment securities at amortized cost	-	-	-	353,145	<b>353,145</b>
Loans and advances, net	1,568,287	292,751	316,301	389,792	<b>2,567,131</b>
Other financial assets	-	-	-	3,472	<b>3,472</b>
<b>Total financial assets</b>	<b>1,568,432</b>	<b>292,935</b>	<b>316,753</b>	<b>1,345,972</b>	<b>3,524,092</b>
Financial Liabilities					
Deposit liabilities	1,645,460	497,064	696,001	-	<b>2,838,525</b>
Due to BSP and other banks	-	-	-	3,151	<b>3,151</b>
Derivative financial liabilities	26	140	245	3,287	<b>3,698</b>
Bills payable and other borrowed funds	-	17,592	-	205,841	<b>223,433</b>
Manager's checks and demand drafts outstanding	-	-	-	10,460	<b>10,460</b>
Lease liabilities	-	-	-	9,989	<b>9,989</b>
Other financial liabilities	-	-	-	14,773	<b>14,773</b>
<b>Total financial liabilities</b>	<b>1,645,486</b>	<b>514,796</b>	<b>696,246</b>	<b>247,501</b>	<b>3,104,029</b>
<b>Total interest gap</b>	<b>(77,054)</b>	<b>(221,861)</b>	<b>(379,493)</b>	<b>1,098,471</b>	<b>420,063</b>

Consolidated (December 31, 2024)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,762	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	45,197	46,957
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
<b>Total financial assets</b>	<b>1,332,569</b>	<b>292,389</b>	<b>314,803</b>	<b>1,260,505</b>	<b>3,200,266</b>
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
Lease liabilities	-	-	-	9,824	9,824
Other financial liabilities	-	-	-	9,865	9,865
<b>Total financial liabilities</b>	<b>1,465,740</b>	<b>459,163</b>	<b>690,972</b>	<b>199,850</b>	<b>2,815,725</b>
<b>Total interest gap</b>	<b>(133,171)</b>	<b>(166,774)</b>	<b>(376,169)</b>	<b>1,060,655</b>	<b>384,541</b>

Parent Bank (December 31, 2025)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2025					
Financial Assets					
Cash and other cash items	-	-	-	52,159	<b>52,159</b>
Due from BSP	-	-	-	89,303	<b>89,303</b>
Due from other banks	-	-	-	34,007	<b>34,007</b>
Interbank loans receivable and SPAR	-	-	-	34,909	<b>34,909</b>
Financial assets at FVTPL	145	184	452	76,464	<b>77,245</b>
Financial assets at FVOCI	-	-	-	277,530	<b>277,530</b>
Investment securities at amortized cost	-	-	-	345,848	<b>345,848</b>
Loans and advances, net	1,560,500	292,372	315,296	332,307	<b>2,500,475</b>
Other financial assets	-	-	-	5,109	<b>5,109</b>
<b>Total financial assets</b>	<b>1,560,645</b>	<b>292,556</b>	<b>315,748</b>	<b>1,247,636</b>	<b>3,416,585</b>
Financial Liabilities					
Deposit liabilities	1,584,125	492,777	689,594	-	<b>2,766,496</b>
Due to BSP and other banks	-	-	-	3,151	<b>3,151</b>
Derivative financial liabilities	26	140	245	3,256	<b>3,667</b>
Bills payable and other borrowed funds	-	17,592	-	205,547	<b>223,139</b>
Manager's checks and demand drafts outstanding	-	-	-	10,459	<b>10,459</b>
Lease liabilities	-	-	-	8,846	<b>8,846</b>
Other financial liabilities	-	-	-	12,999	<b>12,999</b>
<b>Total financial liabilities</b>	<b>1,584,151</b>	<b>510,509</b>	<b>689,839</b>	<b>244,258</b>	<b>3,028,757</b>
<b>Total interest gap</b>	<b>(23,506)</b>	<b>(217,953)</b>	<b>(374,091)</b>	<b>1,003,378</b>	<b>387,828</b>

Parent Bank (December 31, 2024)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,136	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
<b>Total financial assets</b>	<b>1,327,739</b>	<b>292,068</b>	<b>314,086</b>	<b>1,183,960</b>	<b>3,117,853</b>
Financial Liabilities					
Deposit liabilities	1,425,359	455,237	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
Lease liabilities	-	-	-	8,641	8,641
Other financial liabilities	-	-	-	8,903	8,903
<b>Total financial liabilities</b>	<b>1,425,524</b>	<b>455,575</b>	<b>684,109</b>	<b>197,537</b>	<b>2,762,745</b>
<b>Total interest gap</b>	<b>(97,785)</b>	<b>(163,507)</b>	<b>(370,023)</b>	<b>986,423</b>	<b>355,108</b>

## 26.3 Liquidity risk

Liquidity risk is the risk that the BPI Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The BPI Group's liquidity profile is observed and monitored through its metric, the Minimum Cumulative Liquidity Gap (MCLG). The MCLG is the smallest net cumulative cash inflow (if positive) or the largest net cumulative cash outflow (if negative) over the next three (3) months. The MCLG indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the BPI Group. A red flag is immediately raised and reported to management and the RMC when the MCLG level projected over the next 3 months is about to breach the RMC-prescribed MCLG limit.

### 26.3.1 Liquidity risk management process

The BPI Group's liquidity management process, as carried out within the BPI Group and monitored by the RMC includes:

- day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or as borrowed by customers;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring liquidity gaps and ratios against internal and regulatory requirements;
- managing the concentration and profile of debt maturities; and
- performing periodic liquidity stress testing on the BPI Group's liquidity position by assuming a faster rate of withdrawals in its deposit base.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities (Note 26.3.2) and the expected collection date of the financial assets. Sources of liquidity are regularly reviewed by the BPI Group to maintain a wide diversification by currency, geography, counterparty, product and term.

The BPI Group also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit.

#### *Liquidity Coverage Ratio (LCR)*

Pursuant to BSP Circular No. 905 issued in 2016, the Parent Bank is required to hold and maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30 calendar-day period of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis. It is designed to promote short-term resilience of the BPI Group's liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days. HQLA represents the Parent Bank's stock of liquid assets that qualify for inclusion in the LCR which consists mainly of cash, regulatory reserves and unencumbered high-quality liquid securities. This serves as defense against potential stress events.

The main drivers of the Parent Bank's LCR comprise the changes in the total stock of HQLA as well as changes in net cash outflows related to deposits, unsecured borrowings, committed and/or uncommitted facilities, derivatives cash flows and cash inflows from maturing corporate, business and retail loans, among others. Significant portion of funding comes from retail and wholesale deposits, and unsecured wholesale funding. The Parent Bank has derivatives exposures in foreign exchange derivatives and interest rate swaps. Cash outflows from the derivatives contracts are effectively offset by the derivatives cash inflows. These two are accorded 100% outflow and inflow factors, respectively. The exposures coming from derivatives and potential counterparty collateral calls are not significant to impact the LCR, with Parent Bank's Peso and USD LCR both well above the minimum regulatory limit of 100%. There is also no significant currency mismatch noted in the LCR.

The Parent Bank manages its liquidity position through line of business and asset-liability management activities. A centralized approach to funding and liquidity management enhances the Parent Bank's ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

#### *Net Stable Funding Ratio (NSFR)*

On January 1, 2019, the Parent Bank adopted BSP Circular No. 1007 issued in 2018 regarding the NSFR requirement. The NSFR is aimed at strengthening the Parent Bank's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items as well as to limit the maturity transformation risk of the BPI Group. The NSFR is expressed as the ratio of Available Stable Funding (ASF) and the Required Stable Funding (RSF) and complements the LCR as it takes a longer view of the BPI Group's liquidity risk profile. The BPI Group's capital, retail deposits and long-term debt are considered as stable funding sources whereas the BPI Group's assets including, but not limited to, performing and non-performing loans and receivables, HQLA and non-HQLA securities as well as off-balance items form part of the required stable funding. The Parent Bank's solo and consolidated NSFRs are well-above the regulatory minimum of 100%.

The Parent Bank maintains a well-diversified funding base and has a substantial amount of core deposits, thereby avoiding undue concentrations by counterparty, maturity, and currency. The Parent Bank manages its liquidity position through asset-liability management activities supported by a well-developed funds management practice as well as a sound risk management system. As part of risk oversight, the Parent Bank monitors its liquidity risk on a daily basis, in terms of single currency and significant currencies, to ensure it is operating within the risk appetite set by the BOD and to assess ongoing compliance with the minimum requirement of the liquidity ratios. Furthermore, the Parent Bank has a set of policies and escalation procedures in place that govern its day-to-day risk monitoring and reporting processes.

The table below shows the actual liquidity metrics of the BPI Group and the Parent Bank:

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2025</b>	2024	<b>2025</b>	2024
Liquidity coverage ratio - Single currency	<b>147.89%</b>	159.07%	<b>144.05%</b>	156.25%
Net stable funding ratio	<b>133.77%</b>	145.70%	<b>132.27%</b>	138.97%
Leverage ratio	<b>11.02%</b>	10.75%	<b>10.50%</b>	10.15%
Total exposure measure	<b>3,650,628</b>	3,403,607	<b>3,521,534</b>	3,315,223

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 18% (2024 - 27%) of the total stock of HQLA for the year ended December 31, 2025. 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, 2025)

	Up to 1 year	Over 1 up to 3		Total
		years	Over 3 years	
(In Millions of Pesos)				
As at December 31, 2025				
Financial Assets				
Cash and other cash items	53,018	-	-	<b>53,018</b>
Due from BSP	106,344	-	-	<b>106,344</b>
Due from other banks	38,211	-	-	<b>38,211</b>
Interbank loans receivable and SPAR	35,271	48	426	<b>35,745</b>
Financial assets at FVTPL	60,092	7,335	15,546	<b>82,973</b>
Financial assets at FVOCI	39,167	48,577	313,184	<b>400,928</b>
Investment securities at amortized cost	83,134	176,690	148,416	<b>408,240</b>
Loans and advances	929,575	927,347	1,277,087	<b>3,134,009</b>
Other financial assets	3,472	-	-	<b>3,472</b>
<b>Total financial assets</b>	<b>1,348,284</b>	<b>1,159,997</b>	<b>1,754,659</b>	<b>4,262,940</b>
Financial Liabilities				
Deposit liabilities	1,684,752	504,641	697,668	<b>2,887,061</b>
Due to BSP and other banks	3,151	-	-	<b>3,151</b>
Bills payable and other borrowed funds	127,720	25,605	70,108	<b>223,433</b>
Manager's checks and demand drafts outstanding	10,460	-	-	<b>10,460</b>
Lease liabilities	2,760	4,066	4,226	<b>11,052</b>
Other financial liabilities	14,773	-	-	<b>14,773</b>
<b>Total financial liabilities</b>	<b>1,843,616</b>	<b>534,312</b>	<b>772,002</b>	<b>3,149,930</b>
<b>Total maturity gap</b>	<b>(495,332)</b>	<b>625,685</b>	<b>982,657</b>	<b>1,113,010</b>

#### Consolidated (December 31, 2024)

	Up to 1 year	Over 1 up to 3		Total
		years	Over 3 years	
(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
<b>Total financial assets</b>	<b>1,552,124</b>	<b>961,157</b>	<b>917,912</b>	<b>3,431,193</b>
Financial Liabilities				
Deposit liabilities	1,465,575	458,825	690,402	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
<b>Total financial liabilities</b>	<b>1,561,000</b>	<b>532,946</b>	<b>717,603</b>	<b>2,811,549</b>
<b>Total maturity gap</b>	<b>(8,876)</b>	<b>428,211</b>	<b>200,309</b>	<b>619,644</b>

Parent Bank (December 31, 2025)

	Up to 1 year	Over 1 up to 3		Total
		years	Over 3 years	
(In Millions of Pesos)				
As at December 31, 2025				
Financial Assets				
Cash and other cash items	52,159	-	-	<b>52,159</b>
Due from BSP	89,303	-	-	<b>89,303</b>
Due from other banks	34,007	-	-	<b>34,007</b>
Interbank loans receivable and SPAR	34,700	48	426	<b>35,174</b>
Financial assets at FVTPL	57,328	6,703	13,378	<b>77,409</b>
Financial assets at FVOCI	34,635	47,032	312,951	<b>394,618</b>
Investment securities at amortized cost	81,122	175,161	143,501	<b>399,784</b>
Loans and advances	908,244	881,230	1,246,410	<b>3,035,884</b>
Other financial assets	5,109	-	-	<b>5,109</b>
<b>Total financial assets</b>	<b>1,296,607</b>	<b>1,110,174</b>	<b>1,716,666</b>	<b>4,123,447</b>
Financial Liabilities				
Deposit liabilities	1,620,688	500,357	691,301	<b>2,812,346</b>
Due to BSP and other banks	3,151	-	-	<b>3,151</b>
Bills payable and other borrowed funds	127,426	25,605	70,108	<b>223,139</b>
Manager's checks and demand drafts outstanding	10,459	-	-	<b>10,459</b>
Lease liabilities	2,350	3,429	3,985	<b>9,764</b>
Other financial liabilities	12,999	-	-	<b>12,999</b>
<b>Total financial liabilities</b>	<b>1,777,073</b>	<b>529,391</b>	<b>765,394</b>	<b>3,071,858</b>
<b>Total maturity gap</b>	<b>(480,466)</b>	<b>580,783</b>	<b>951,272</b>	<b>1,051,589</b>

Parent Bank (December 31, 2024)

	Up to 1 year	Over 1 up to 3		Total
		years	Over 3 years	
(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
<b>Total financial assets</b>	<b>1,519,667</b>	<b>926,459</b>	<b>870,465</b>	<b>3,316,591</b>
Financial Liabilities				
Deposit liabilities	1,462,979	463,771	688,044	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
<b>Total financial liabilities</b>	<b>1,557,027</b>	<b>537,309</b>	<b>714,786</b>	<b>2,809,122</b>
<b>Total maturity gap</b>	<b>(37,360)</b>	<b>389,150</b>	<b>155,679</b>	<b>507,469</b>

### 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, interest rate options, 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
2025	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	144	178	450	772
- Outflow	(26)	(140)	(245)	(411)
- Net inflow	118	38	205	361
Interest rate swap contracts - held for hedging				
- Inflow	-	-	7	7
- Outflow	-	-	-	-
- Net outflow	-	-	7	7
Interest rate options				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net outflow	-	-	2	2
Non-deliverable forwards and swaps - held for trading				
- Inflow	157	-	-	157
- Outflow	(37)	-	-	(37)
- Net outflow	120	-	-	120

#### Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	144	178	450	772
- Outflow	(26)	(140)	(245)	(411)
- Net inflow	118	38	205	361
Interest rate swap contracts - held for hedging				
- Inflow	-	-	7	7
- Outflow	-	-	-	-
- Net outflow	-	-	7	7
Interest rate options				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net outflow	-	-	2	2
Non-deliverable forwards and swaps - held for trading				
- Inflow	157	-	-	157
- Outflow	(34)	-	-	(34)
- Net outflow	123	-	-	123

## 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)
Interest rate options				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
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)
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(485)	-	-	(485)
- Net outflow	(422)	-	-	(422)

- *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
2025	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	3,247	174	140	3,561
- Outflow	(3,142)	(25)	(83)	(3,250)
- Net inflow	105	149	57	311
Warrants				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net inflow	-	-	-	-
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

## Parent Bank

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	3,228	174	141	3,543
- Outflow	(3,114)	(25)	(83)	(3,222)
- Net inflow	114	149	58	321
Warrants				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net inflow	-	-	-	-
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

## 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, 2025)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<i>Recurring measurements:</i> (In Millions of Pesos)					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	4,499	-	4,499	-	<b>4,499</b>
Trading assets					
- Debt securities	80,556	80,556	-	-	<b>80,556</b>
- Equity securities	219	63	156	-	<b>219</b>
Financial assets at FVOCI					
- Debt securities	282,236	282,236	-	-	<b>282,236</b>
- Equity securities	3,131	1,687	323	1,121	<b>3,131</b>
	<b>370,641</b>	<b>364,542</b>	<b>4,978</b>	<b>1,121</b>	<b>370,641</b>
Financial liabilities					
Derivative financial liabilities	3,698	-	3,698	-	<b>3,698</b>
<i>Non-recurring measurements</i>					
Assets held for sale, net	12,417	-	31,222	-	<b>31,222</b>

Consolidated (December 31, 2024)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<i>Recurring measurements:</i> (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
	<b>315,510</b>	<b>308,103</b>	<b>6,255</b>	<b>1,152</b>	<b>315,510</b>
Financial liabilities					
Derivative financial liabilities	4,976	-	4,976	-	4,976
<i>Non-recurring measurements</i>					
Assets held for sale, net	8,411	-	25,956	-	25,956

Parent Bank (December 31, 2025)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	4,481	-	4,481	-	4,481
Trading assets					
- Debt securities	72,764	72,764	-	-	72,764
- Equity securities	-	-	-	-	-
Financial assets at FVOCI					
- Debt securities	277,530	277,530	-	-	277,530
- Equity securities	1,824	1,509	315	-	1,824
	<b>356,599</b>	<b>351,803</b>	<b>4,796</b>	-	<b>356,599</b>
Financial liabilities					
Derivative financial liabilities	3,667	-	3,667	-	3,667
<i>Non-recurring measurements</i>					
Assets held for sale, net	12,164	-	30,735	-	30,735

Parent Bank (December 31, 2024)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,833	-	5,833	-	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
<i>Non-recurring measurements</i>					
Assets held for sale, net	8,154	-	25,470	-	25,470

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	
			2025	2024
Unlisted equity securities	Net asset value; investment multiple	Net asset value; investment multiple	1,121	1,162

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, 2025, 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, 2025 would have been P8.41 million (2024 - P8.71 million) higher/lower.

There were no transfers between the fair value hierarchy levels during the years ended December 31, 2025 and 2024.

## 26.4.2 Fair value disclosures of assets and liabilities not measured at fair value

Consolidated (December 31, 2025)

	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
Financial assets					
Cash and other cash items	53,018	-	53,018	-	<b>53,018</b>
Due from BSP	106,344	-	106,344	-	<b>106,344</b>
Due from other banks	38,211	-	38,211	-	<b>38,211</b>
Interbank loans receivable and SPAR, net	35,480	-	35,480	-	<b>35,480</b>
Investment securities at amortized cost, net	353,145	350,530	-	-	<b>350,530</b>
Loans and advances, net	2,567,131	-	-	3,269,285	<b>3,269,285</b>
Other financial assets	3,472	-	-	3,472	<b>3,472</b>
Financial liabilities					
Deposit liabilities	2,838,525	-	-	2,824,519	<b>2,824,519</b>
Due to BSP and other banks	3,151	-	3,151	-	<b>3,151</b>
Bills payable and other borrowed funds	223,433	158,261	294	64,878	<b>223,433</b>
Manager's checks and demand drafts outstanding	10,460	-	10,460	-	<b>10,460</b>
Lease liabilities	9,989	-	-	9,989	<b>9,989</b>
Other financial liabilities	14,773	-	-	14,773	<b>14,773</b>
Non-financial assets					
Investment properties	54	-	603	-	<b>603</b>

Consolidated (December 31, 2024)

	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(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	107,486	99	55,597	163,182
Manager's checks and demand drafts outstanding	9,941	-	9,941	-	9,941
Lease liabilities	9,824	-	-	9,824	9,824
Other financial liabilities	9,865	-	-	9,865	9,865
Non-financial assets					
Investment properties	62	-	472	-	472

Parent Bank (December 31, 2025)

	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<b>Financial assets</b>					
Cash and other cash items	52,159	-	52,159	-	<b>52,159</b>
Due from BSP	89,303	-	89,303	-	<b>89,303</b>
Due from other banks	34,007	-	34,007	-	<b>34,007</b>
Interbank loans receivable and SPAR, net	34,909	-	34,909	-	<b>34,909</b>
Investment securities at amortized cost, net	345,848	344,692	-	-	<b>344,692</b>
Loans and advances, net	2,500,475	-	-	3,192,682	<b>3,192,682</b>
Other financial assets	5,109	-	-	5,109	<b>5,109</b>
<b>Financial liabilities</b>					
Deposit liabilities	2,766,496	-	-	2,753,138	<b>2,753,138</b>
Due to BSP and other banks	3,151	-	3,151	-	<b>3,151</b>
Bills payable and other borrowed funds	223,139	158,261	-	64,878	<b>223,139</b>
Manager's checks and demand drafts outstanding	10,459	-	10,459	-	<b>10,459</b>
Lease liabilities	8,846	-	-	8,846	<b>8,846</b>
Other financial liabilities	12,999	-	-	12,999	<b>12,999</b>
<b>Non-financial assets</b>					
Investment properties	44	-	603	-	<b>603</b>

Parent Bank (December 31, 2024)

	Carrying amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<b>Financial assets</b>					
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
<b>Financial liabilities</b>					
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	107,486	-	55,597	163,083
Manager's checks and demand drafts outstanding	9,935	-	9,935	-	9,935
Lease liabilities	8,641	-	-	8,641	8,641
Other financial liabilities	8,903	-	-	8,903	8,903
<b>Non-financial assets</b>					
Investment properties	62	-	472	-	472

The fair value of the above financial assets classified within the Level 2 hierarchy is determined using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The primary source of input parameters like yield curve or counterparty credit risk is Bloomberg.

The fair value of the above financial assets classified within the Level 3 hierarchy is determined using valuation techniques that incorporate significant unobservable inputs. The estimated fair values are determined based on the discounted amount of estimated future cash flows expected to be received or paid.

## 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 sustainable positive returns to shareholders. 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
CET1	<b>457,741</b>	418,664	<b>457,051</b>	417,974
Less: Regulatory adjustments to CET1 capital	<b>55,445</b>	52,619	<b>87,290</b>	81,427
Tier 1 capital	<b>402,296</b>	366,045	<b>369,761</b>	336,547
Tier 2 capital	<b>23,473</b>	20,480	<b>22,345</b>	19,553
Total qualifying capital	<b>425,769</b>	386,525	<b>392,106</b>	356,100
Risk weighted assets	<b>2,886,738</b>	2,641,674	<b>2,779,205</b>	2,560,487
CAR (%)	<b>14.75%</b>	14.63%	<b>14.11%</b>	13.91%
CET1 (%)	<b>13.94%</b>	13.86%	<b>13.30%</b>	13.14%

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.

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

## **29 Subsequent events**

### *Planned merger of BPI Direct BanKo, Inc., a Savings Bank and Legazpi Savings Bank*

On December 17, 2025, the BOD of the Parent Bank authorized Management to pursue plans to merge BPI Direct BanKo, Inc., A Savings Bank (BanKo) and Legazpi Savings Bank, Inc. (LSB), with BanKo as the surviving entity, subject to the consideration and approval of their respective BOD and stockholders. On January 22, 2026, the BOD of both BanKo and LSB approved the Plan for Merger, subject to shareholder and regulatory approvals.

The merger is subject to conditions precedent including obtaining corporate and regulatory approvals.

### *Pricing and listing of BPI SIGLA Bonds*

BPI priced its P5 Billion Peso-denominated fixed-rate BPI Supporting Individuals Grow, Lead, and Achieve Bonds due 2028 (the "BPI SIGLA Bonds"), with option to upsize, marking the second tranche under BPI's P200 Billion Bond and Commercial Paper Program, approved by its Board of Directors on October 16, 2024 (the "Offer"). The BPI SIGLA Bonds were issued at par value and bear an interest rate of 5.405% per annum, gross of applicable tax, to be paid quarterly. The public offer period ran from January 26, 2026, until February 4, 2026.

The BPI SIGLA Bonds were issued and listed with the Philippine Dealing & Exchange Corp. on February 13, 2026. The BPI SIGLA Bonds have a tenor of two (2) years and carry the "ASEAN Social Bond" label, as affirmed by the Securities and Exchange Commission on December 18, 2025. The net proceeds of the Offer will be used for the financing or refinancing of eligible social projects under BPI's Sustainable Funding Framework, consistent with the ASEAN Social Bond Standards.

### 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 goodwill (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)
- 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, 2025 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 standards are not mandatory for December 31, 2025 reporting period and have 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.

Through IC-CL 2020-62, FSRSC Pronouncement dated December 21, 2021, and BOA Resolution No. 1, s. 2022, the adoption of PFRS 17 was deferred from January 1, 2023 to January 1, 2025.

On March 10, 2025, the IC issued IC-CL 2025-04 further deferring the application of PFRS 17 effective January 1, 2027, due to gaps in the insurance industry's preparation for PFRS 17 and the need for additional time to ensure smooth transition while maintaining regulatory stability.

PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period.

The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9, "Financial instruments." An optional, simplified premium allocation approach (PAA) is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

BPI/MS, the Bank's non-life insurance subsidiary, has substantially completed its implementation plan and will apply the full retrospective approach. BPI/MS assessed that it is eligible to apply PAA. The measurement differences between PFRS 4 and PFRS 17 lead to an upside impact on net worth as at transition date which is mainly a result of the deferral of other directly attributable insurance acquisition cost, as allowed by the Standard, and the impact of discounting to the liability for incurred claims. The adoption of this standard is not expected to have a material impact to the financial statements of the BPI Group as a whole.

- *PFRS 18, 'Presentation and Disclosure in Financial Statements'*

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in PFRS 18 relate to:

- The structure of the statement of profit or loss with defined subtotals;
- Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- *PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'*

This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

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

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

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

The adoption of PFRS 18, PFRS 19 and amendments to PFRS 9 and PFRS 7 are not expected to have a material financial effect to the financial statements of the BPI Group.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2026 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, 2025 and December 31, 2024.

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 26.1.5.

### *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, 2025 and 2024 (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, 2025 and 2024.

### **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 statements 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 statements 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 statements 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, like goodwill, 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, 2025 and 2024. 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 statement 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 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 the 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 reserves 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 by 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 carrying value of the net assets 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	
	2025	2024	2025	2024
Return on average equity				
- Daily average <sup>1</sup>	<b>14.54</b>	15.07	<b>14.35</b>	14.45
- Simple average <sup>2</sup>	<b>14.69</b>	15.67	<b>14.57</b>	15.24
Return on average assets				
- Daily average <sup>3</sup>	<b>1.96</b>	1.98	<b>1.88</b>	1.86
- Simple average <sup>4</sup>	<b>1.91</b>	2.00	<b>1.84</b>	1.87
Net interest margin				
- Daily average <sup>5</sup>	<b>4.59</b>	4.31	<b>4.31</b>	4.08
- Simple average <sup>6</sup>	<b>4.47</b>	4.31	<b>4.19</b>	4.07

<sup>1</sup>Net income divided by average total equity for the period indicated. Average equity is based on the daily average balance of equity for the years ended December 31, 2025 and 2024.

<sup>2</sup>Net income divided by average total equity for the period indicated. Average total equity is based on the year-on-year balance of equity for the years ended December 31, 2025 and 2024.

<sup>3</sup>Net income divided by average total assets as at period indicated. Average total assets are based on the daily average balance of total assets as at December 31, 2025 and 2024.

<sup>4</sup>Net income divided by average total assets as at period indicated. Average total assets are based on the year-on-year balance of total assets as at December 31, 2025 and 2024.

<sup>5</sup>Net interest income divided by average interest-earning assets. Average interest earning assets is based on the daily average balance of interest earning assets as at December 31, 2025 and 2024.

<sup>6</sup>Net interest income divided by average interest-earning assets. Average interest earning assets is based on the year-on-year balance of interest earning assets as at December 31, 2025 and 2024.

#### a. 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, 2025 and 2024.

#### 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	
	2025	2024	2025	2024
Real estate, renting and other related activities	<b>22.36</b>	22.74	<b>22.91</b>	23.24
Consumer	<b>14.93</b>	13.32	<b>13.56</b>	12.09
Wholesale and retail trade	<b>12.29</b>	11.07	<b>12.13</b>	10.85
Manufacturing	<b>11.06</b>	14.17	<b>11.25</b>	14.44
Electricity, gas, steam and air-conditioning supply	<b>10.00</b>	8.16	<b>10.28</b>	8.36
Financial institutions	<b>9.92</b>	10.53	<b>10.20</b>	10.80
Transportation, storage and communications	<b>2.99</b>	10.80	<b>3.06</b>	11.01
Agriculture and forestry	<b>1.91</b>	1.57	<b>1.94</b>	1.59
Others	<b>14.54</b>	7.64	<b>14.67</b>	7.62
	<b>100.00</b>	100.00	<b>100.00</b>	100.00

Details of the loans and advances portfolio as to concentration per industry/economic sector over Tier 1 Capital (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
Real estate, renting and other related activities	<b>145.81</b>	142.47	<b>158.64</b>	154.47
Manufacturing	<b>72.10</b>	88.77	<b>78.45</b>	95.99
Consumer	<b>97.37</b>	83.40	<b>105.94</b>	80.40
Transportation, storage and communications	<b>19.48</b>	67.65	<b>21.20</b>	73.17
Wholesale and retail trade	<b>80.13</b>	69.34	<b>87.18</b>	72.15
Financial institutions	<b>64.68</b>	65.99	<b>70.37</b>	71.77
Electricity, gas, steam and air-conditioning supply	<b>65.19</b>	51.12	<b>70.93</b>	55.57
Agriculture and forestry	<b>12.49</b>	9.84	<b>13.58</b>	10.54
Others	<b>94.97</b>	47.81	<b>103.32</b>	50.72

### 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	<b>406,920</b>	348,232	<b>404,960</b>	346,616
Project assets	<b>166,182</b>	162,641	<b>166,182</b>	162,641
Chattel mortgage	<b>117,501</b>	94,493	<b>117,474</b>	94,488
Others	<b>61,239</b>	48,507	<b>61,208</b>	48,482
	<b>751,842</b>	653,873	<b>749,824</b>	652,227
Unsecured loans	<b>1,853,082</b>	1,620,879	<b>1,784,816</b>	1,568,482
	<b>2,604,924</b>	2,274,752	<b>2,534,640</b>	2,220,709

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

	2025			2024		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	<b>1,779,580</b>	<b>21,243</b>	<b>1,800,823</b>	1,663,158	22,391	1,685,549
Credit cards	<b>211,603</b>	<b>10,386</b>	<b>221,989</b>	161,855	7,265	169,120
Other retail loans	<b>542,658</b>	<b>25,237</b>	<b>567,895</b>	401,387	18,708	420,095
	<b>2,533,841</b>	<b>56,866</b>	<b>2,590,707</b>	2,226,400	48,364	2,274,764
Allowance for probable losses	<b>(12,989)</b>	<b>(33,592)</b>	<b>(46,581)</b>	(11,229)	(29,940)	(41,169)
Net carrying amount	<b>2,520,852</b>	<b>23,274</b>	<b>2,544,126</b>	2,215,171	18,424	2,233,595

\*Amounts exclude accrued interest receivables and GLLP per financial reporting package

## Parent

	2025			2024		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	1,775,273	20,846	1,796,119	1,658,994	22,235	1,681,229
Credit cards	211,603	10,386	221,989	161,855	7,265	169,120
Other retail loans	489,174	20,294	509,468	354,903	15,462	370,365
	<b>2,476,050</b>	<b>51,526</b>	<b>2,527,576</b>	2,175,752	44,962	2,220,714
Allowance for probable losses	(12,978)	(29,741)	(42,719)	(11,409)	(27,583)	(38,992)
Net carrying amount	<b>2,463,072</b>	<b>21,785</b>	<b>2,484,857</b>	2,164,343	17,379	2,181,722

\*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.

### (ii) 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Loans and advances to:				
Subsidiaries	-	-	178	75
Associates	149	479	149	479
Ayala Group	88,490	79,902	88,490	79,902
Key management personnel	10	20	10	20
Other related parties	-	-	-	-

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	88,649	80,401	88,827	80,476
% to total outstanding related party loans				
Subsidiaries	-	-	0.20	0.09
Associates	0.17	0.60	0.17	0.60
Ayala Group	99.82	99.38	99.62	99.29
Key management personnel	0.01	0.02	0.01	0.02
Other related parties	-	-	-	-

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	<b>88,649</b>	80,401	<b>88,827</b>	80,476
% to total outstanding related party loans				
Unsecured related party loans	<b>60.50</b>	47.85	<b>60.58</b>	47.88
Past due related party loans	-	-	-	-
Non-performing related party loans	-	-	-	-

Details of DOSRI loans are as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Outstanding DOSRI loans	<b>23,412</b>	31,588	<b>23,412</b>	31,588

	Consolidated		Parent	
	2025	2024	2025	2024
	(In percentages)			
% to total outstanding loans and advances	<b>0.90</b>	1.39	<b>0.92</b>	1.42
% to total outstanding DOSRI loans				
Unsecured DOSRI loans	<b>4.16</b>	1.61	<b>4.16</b>	1.61
Past due DOSRI loans	<b>0.01</b>	0.02	<b>0.01</b>	0.02
Non-performing DOSRI loans	<b>0.04</b>	0.03	<b>0.04</b>	0.03

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at December 31, 2025 and 2024.

*(iii) 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, 2025 and 2024, 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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Trust accounts	<b>1,829,881</b>	1,530,708	-	-
Derivatives	<b>596,237</b>	496,116	<b>582,771</b>	489,149
Commitments	<b>396,986</b>	245,341	<b>396,986</b>	245,341
Financial standby letters of credit - foreign	<b>34,428</b>	36,103	<b>34,428</b>	36,103
Bills for collection	<b>29,256</b>	35,060	<b>29,256</b>	35,060
Spot foreign exchange contracts	<b>20,272</b>	24,679	<b>20,272</b>	24,679
Performance standby letters of credit - foreign	<b>10,239</b>	11,228	<b>10,239</b>	11,228
Commercial letters of credit	<b>10,672</b>	10,242	<b>10,672</b>	10,242
Guarantees issued	<b>6,876</b>	3,555	<b>6,876</b>	3,555
Trade related guarantees	<b>1,152</b>	2,758	<b>1,152</b>	2,758
Other contingent accounts	<b>134,952</b>	40,285	<b>52,649</b>	39,545
	<b>3,070,951</b>	2,436,075	<b>1,145,301</b>	897,660

Derivatives refers to the notional amount of derivatives contracts of the BPI Group and the Parent Bank as defined under BSP Manual of Accounts – Asset Accounts Item (5.c).

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	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Undrawn loan commitments	842,980	663,659	842,980	663,659
Unused letters of credit	64,525	64,007	64,525	64,007
Gross carrying amount	907,505	727,666	907,505	727,666
Loss allowance	(1,669)	(1,267)	(1,669)	(1,267)
Carrying amount	905,836	726,399	905,836	726,399

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, 2025 consist of:

	Amount (In Millions of Pesos)
Deposit and loan documents	13,921
Trade finance documents	712
Mortgage documents	770
Shares of stocks	1
Others	8
	<b>15,412</b>

*(ii) Withholding taxes*

Withholding taxes paid/accrued and/or withheld for the year ended December 31, 2025 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Final income taxes withheld on interest on deposits and yield on deposit substitutes	8,939	714	<b>9,653</b>
Income taxes withheld on compensation	3,803	360	<b>4,163</b>
Creditable income taxes withheld (expanded)	1,291	169	<b>1,460</b>
Final income taxes withheld on income payment	1,090	616	<b>1,706</b>
Fringe benefit tax	127	30	<b>157</b>
Withholding value-added tax	424	105	<b>529</b>
Withholding tax on withdrawal from decedent's account	112	1	<b>113</b>
	<b>15,786</b>	<b>1,995</b>	<b>17,781</b>

*(iii) All other local and national taxes*

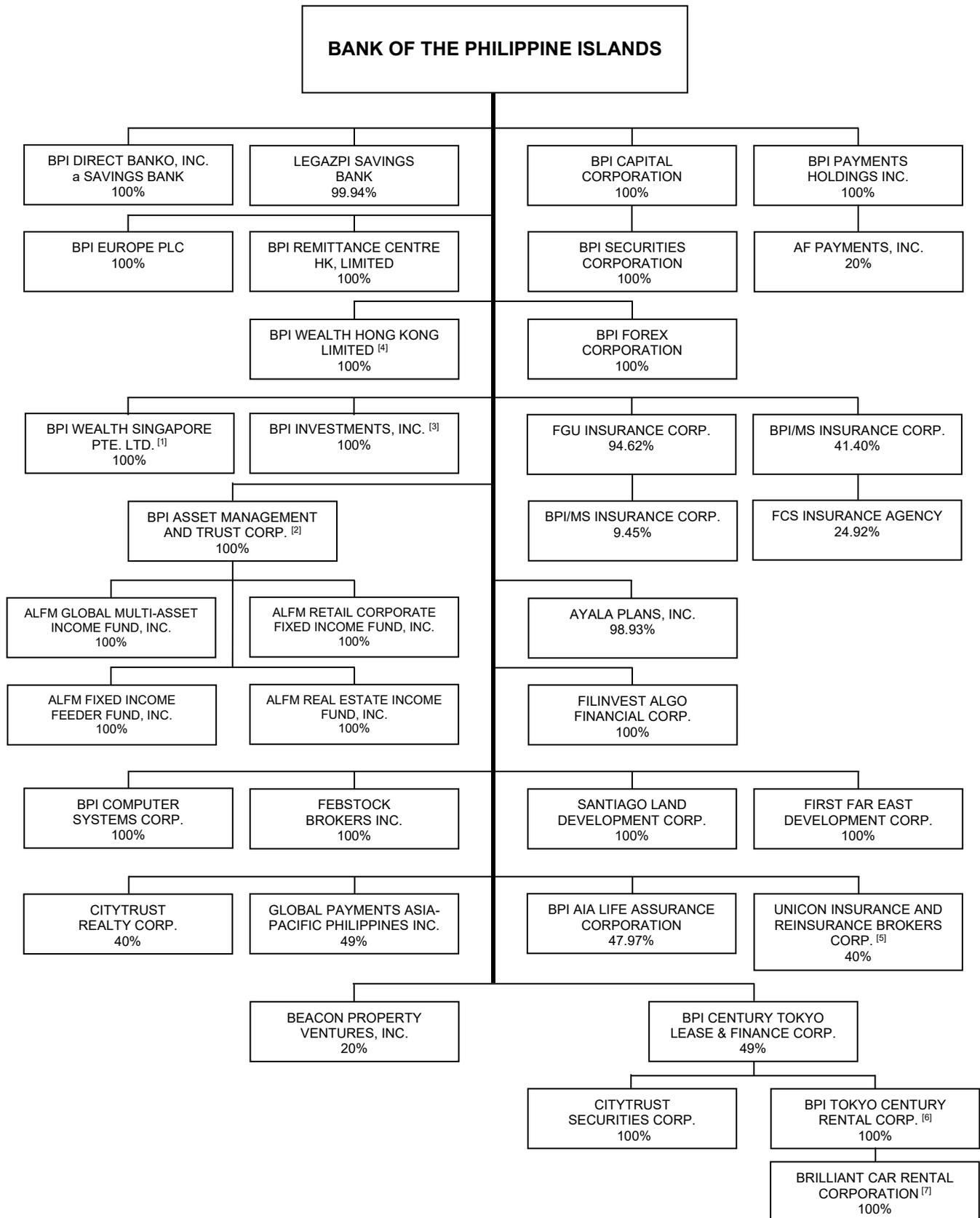
All other local and national taxes paid/accrued for the year ended December 31, 2025 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Gross receipts tax	9,518	820	<b>10,338</b>
Municipal taxes	600	-	<b>600</b>
Real property tax	123	-	<b>123</b>
Others	8	-	<b>8</b>
	<b>10,249</b>	<b>820</b>	<b>11,069</b>

Municipal and other taxes imposed by the government which are incurred under the normal courses of business are part of "Taxes and licenses" within Other operating expenses (Note 21).

*(iv) Tax cases and assessments*

As at reporting date, the Parent Bank has various claims of tax refund pending with tax authorities. There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.



**Notes:**

<sup>[1]</sup> Incorporated on June 20, 2023 with the Accounting and Corporate Regulatory Authority of Singapore and with Capital Markets Services license issued last July 17, 2025 by the Monetary Authority of Singapore under the Securities and Futures Act of 2001.

<sup>[2]</sup> Doing business under the trade name and style of BPI Wealth – A Trust Corporation

<sup>[3]</sup> Formerly BPI Investment Management, Inc.

<sup>[4]</sup> Formerly BPI International Finance Limited

<sup>[5]</sup> Formerly Unicon Insurance Brokers Corp.

<sup>[6]</sup> Formerly BPI Century Tokyo Rental Corp.

<sup>[7]</sup> Wholly owned subsidiary of BPI Tokyo Century Rental Corp. Acquisition was completed on May 23, 2024.

**BANK OF THE PHILIPPINE ISLANDS**

**Supplementary Schedule of External Auditor Fee-Related Information  
December 31, 2025 and 2024**

	<b>2025</b>	2024
<b>Total audit fees*</b>	<b>32,143,000</b>	26,522,200
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	8,334,000	8,225,600
<b>Total non-audit fees</b>	<b>8,334,000</b>	8,225,600
<b>Total audit and non-audit fees</b>	<b>40,477,000</b>	34,747,800

**Audit and non-audit fees of other related entities**

	<b>2025</b>	2024
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
<b>Total audit and non-audit fees of other related entities</b>	<b>-</b>	-

*\*Includes fee related to the issuance of September 30, 2025 audited financial statements of BPI Direct BanKo, Inc., A Savings Bank (BPI BanKo) and Legazpi Savings Bank Inc. (LSB) for purposes of the application for merger.*

**BANK OF THE PHILIPPINE ISLANDS**  
**Financial Indicators**  
**As at December 31, 2025 and 2024**

Ratio	Formula (in Millions of Pesos, except ratios)	Current Year	Prior Year
		in percentage	
Liquidity ratio	Total current assets divided by total current liabilities		
	Total current assets including future interest in the 12 next months	1,348,284	
	Divided by: Total deposits	2,838,525	
	Liquidity ratio	0.4750	
		47.50	59.36
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity		
	Total liabilities (Bills payable and Bonds payable)	223,433	
	Divided by: Total equity	476,553	
	Debt-to-equity ratio	0.4689	
		46.89	37.91
Asset-to-equity ratio	Total assets divided by total equity		
	Total assets	3,651,488	
	Divided by: Total equity	476,553	
	Asset-to-equity ratio	7.6623	
		766.23	770.98
Interest rate coverage ratio	Earning before interest expense, income taxes, depreciation, and amortization		
	EBITDA	158,578	
	Divided by: Total interest expense	67,238	
	Interest rate coverage ratio	2.3585	
		235.85	236.29
Return on average equity	Net income divided by average equity		
	Net income	66,615	
	Divided by: Daily average equity	458,030	
	Return on equity	0.1454	
		14.54	15.07
Return on average assets	Net income divided by average assets		
	Net income	66,615	
	Divided by: Daily average assets	3,398,885	
	Return on assets	0.0196	
		1.96	1.98

Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by daily average net interest bearing assets		
	Net interest income	148,028	4.59
	Divided by: Daily average Net Interest Bearing Assets	3,223,510	4.31
	NIM	0.0459	
Other ratios:			
Average assets to average equity	Average assets divided by average equity		
	Average assets	3,398,885	742.07
	Divided by: Daily average equity	458,030	760.80
	Average asset to average equity	7.4207	
Net interest to average assets (NRFF)	Net interest income divided by average assets		
	Net interest income	148,028	4.36
	Divided by: Daily average assets	3,398,885	4.07
	NRFF	0.0436	
Cost to income ratio	Total operating expense divided by total income (Net interest income and Other income)		
	Total operating expense	92,105	47.17
	Divided by: Total income (Net Interest income and Other income)	195,277	49.25
	Cost to income ratio	0.4717	
Cost to asset ratio	Total operating expense divided by average asset		
	Total operating expense	92,105	2.71
	Divided by: Daily average assets	3,398,885	2.67
	Cost to asset ratio	0.0271	
Capital to assets ratio	Total equity divided by total assets		
	Total equity	476,553	13.05
	Divided by: Total assets	3,651,488	12.97
	Capital to assets ratio	0.1305	

**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, 2025  
(in Millions of Pesos)

<b>Unappropriated retained earnings, beginning of the year</b>		<b>173,685</b>
Add: Category A: Items that are directly credited to		
Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	-
Less: Category B: Items that are directly debited to		
Unappropriated retained earnings		
Dividend declaration during the reporting period	23,037	
Retained earnings appropriated during the reporting period	5,616	
Effect of restatements or prior-period adjustments	-	
Others (Realized Loss on Sale of FVOCI equity securities)	171	<b>28,824</b>
<b>Unappropriated retained earnings, as adjusted</b>		<b>144,861</b>
Add/Less: Net Income (loss) for the current year		<b>61,828</b>
Less: Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	1,324	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	997	
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)	-	<b>2,321</b>
		<b>59,507</b>

(continued)

**Bank of the Philippine Islands****Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2025

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<hr/>	
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)	-
<hr/>	
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	1,658
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	70
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)	-
<hr/>	
Adjusted net income/loss	<b>61,235</b>
<hr/>	
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)	
Depreciation on revaluation increment (after tax)	-
<hr/>	
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)	-
<hr/>	
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*(continued)*

**Bank of the Philippine Islands**

**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2025

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Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP – gain (loss)	-
Others	-
<b>Total retained earnings, end of the year available for dividend declaration</b>	<b>206,096</b>

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**BANK OF THE PHILIPPINE ISLANDS**  
December 31, 2025

**Schedule A – Financial Assets**

	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (in millions of Pesos)	Income received and accrued (in millions of Pesos)
Due from Bangko Sentral ng Pilipinas		106,344	
Due from other banks		38,211	
Interbank loans receivable and securities purchased under agreements to resell		35,480	
Subtotal		180,035	2,027
Financial assets at fair value through profit or loss- Trading securities (*)		80,775	1,295
Financial assets at fair value through profit or loss- Derivative financial assets		4,499	
Subtotal		85,274	
Financial assets at fair value through other comprehensive income (FVOCI) (*)		285,367	13,921
Investment securities at amortized cost (*)		353,145	14,265
Loans and advances, net		2,567,131	183,758
Others		3,472	
<b>TOTAL</b>		<b>3,474,424</b>	<b>215,266</b>

(\*) Please refer to succeeding pages for the detailed information on these financial assets.

**BANK OF THE PHILIPPINE ISLANDS**

**December 31, 2025**

**Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)**

<b>Name and Designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amount collected</b>	<b>Amount written off</b>	<b>Current</b>	<b>Non-current</b>	<b>Balance at end of period</b>
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Nothing to report. Transactions with these parties are made under the normal course of business.

**BANK OF THE PHILIPPINE ISLANDS****December 31, 2025**

(In Millions of Pesos)

**Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements**

<b>Name and designation of debtor</b>	<b>Balance at beginning of period</b>	<b>Additions</b>	<b>Amount collected</b>	<b>Amount written off</b>	<b>Current</b>	<b>Non-current</b>	<b>Balance at end of period</b>
BPI DIRECT BANKO, INC., A SAVINGS BANK	2,677	-	588	-	2,089	-	2,089
BPI CAPITAL CORPORATION	10	3	-	-	13	-	13
BPI INVESTMENTS, INC.	8	-	7	-	1	-	1
BPI SECURITIES CORPORATION	137	-	37	-	100	-	100
BPI ASSET MANAGEMENT AND TRUST CORPORATION	48	104	-	-	152	-	152
BPI/MS INSURANCE CORPORATION	11	5	-	-	16	-	16
	<b>2,891</b>	<b>112</b>	<b>632</b>	<b>-</b>	<b>2,371</b>	<b>-</b>	<b>2,371</b>

**BANK OF THE PHILIPPINE ISLANDS**

**December 31, 2025**

**(In Millions)**

**Schedule D - Long-term Debt**

<b>Title of issue and type of obligation</b>	<b>Amount authorized by indenture (Original currency)</b>	<b>Amount shown under caption "Current portion of long-term debt" in related balance sheet (in PHP)</b>	<b>Amount shown under caption "Long-term debt" in related balance sheet (in PHP)</b>	<b>Terms of long-term debts</b>
<b>Parent Bank</b>				
BONDS PAYABLE - INTERNATIONAL FINANCE CORPORATION	USD 250	14,692	-	Int Rate: 6.21% Frequency of Payment: Semi-annual Maturity Date: 08/25/2026 Face Value: USD 250,000,000
BONDS PAYABLE – UBS AG	USD 400	-	23,379	Int Rate: 5.25% Frequency of Payment: Semi-annual Maturity Date: 03/26/2029 Face Value: USD 400,000,000
BONDS PAYABLE – UBS AG	USD 300	-	17,552	Int Rate: 5.63% Frequency of Payment: Semi-annual Maturity Date: 04/07/2035 Face Value: USD 300,000,000
BONDS PAYABLE – UBS AG	USD 500	-	29,177	Int Rate: 5.00% Frequency of Payment: Semi-annual Maturity Date: 04/07/2030 Face Value: USD 500,000,000
BONDS PAYABLE - BPI SEED 2026	PHP 33,700	33,678	-	Int Rate: 6.20% Frequency of Payment: Quarterly Maturity Date: 02/09/2026 Face Value: Php 33,700,000,000
BONDS PAYABLE - BPI SINAG 2026	PHP 40,000	39,783	-	Int Rate: 5.85% Frequency of Payment: Quarterly Maturity Date: 12/10/2026 Face Value: Php 40,000,000,000
BILLS PAYABLE - ANZ SG	USD 100	-	5,862	Int Rate: 4.62792% Frequency of Payment: Quarterly Maturity Date: 05/19/2028 Face Value: USD 100,000,000
BILLS PAYABLE - UOB	USD 100	-	5,868	Int Rate: 4.67792% Frequency of Payment: Quarterly Maturity Date: 05/19/2028 Face Value: USD 100,000,000
BILLS PAYABLE - HSBC SG	USD 100	-	5,862	Int Rate: 4.40627% Frequency of Payment: Quarterly Maturity Date: 06/16/2028 Face Value: USD 100,000,000
REPO BILLS PAYABLE - HSBC HK	USD 25	-	1,484	Int Rate: 3.890% Frequency of Payment: Quarterly Maturity Date: 11/24/2027 Face Value: USD 25,000,000
REPO BILLS PAYABLE - HSBC HK	USD 25	-	1,538	Int Rate: 3.890% Frequency of Payment: Quarterly Maturity Date: 11/24/2027 Face Value: USD 25,000,000
PROMISSORY NOTE - DBP	PHP 5,000	-	4,990	Int Rate : 6.09% Frequency of Payment: Quarterly Maturity Date : 04/08/2027 Face Value : Php 5,000,000,000
<b>TOTAL</b>		<b>88,153</b>	<b>95,712</b>	<b>183,865</b>

**BANK OF THE PHILIPPINE ISLANDS**  
December 31, 2025

**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, 2025**

**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, 2025

**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	5,283,794,223	1,715,093	2,338,395,880	83,859,690	2,861,538,653
Preferred A Shares	60,000,000	-	-	-	-	-

\* Shares granted but not yet exercised

## ANNEX "G"

### DRAFT – Subject to approval at the 2026 Annual Stockholders' Meeting

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS  
**BANK OF THE PHILIPPINE ISLANDS**  
Conducted virtually via <https://conveneagm.com/ph/BPI2025ASM>  
April 21, 2025

<b>(a) Total Number of Outstanding Shares</b>	5,272,095,143
<b>(b) Total Number of Shares Present or Represented at the Meeting</b>	4,411,726,209
<b>Percentage of (b) to (a)</b>	83.6807%

List of shareholders present or represented at the meeting is attached as Annex A.

#### **Directors Present:**

Jaime Augusto Zobel de Ayala	-	Director and Chairman
Cezar P. Consing	-	Director and Vice-Chairman
Jose Teodoro K. Limcaoco	-	Director, President, and Chief Executive Officer
René dG. Bañez	-	Director
Karl Kendrick T. Chua	-	Director
Wilfred T. Co	-	Director
Aurelio R. Montinola III <sup>1</sup>	-	Director
Jaime Z. Urquijo	-	Director
Fernando Zobel de Ayala	-	Director
Mariana Beatriz E. Zobel de Ayala	-	Director
Rizalina G. Mantaring	-	Lead Independent Director
Janet Guat Har Ang	-	Independent Director
Restituto C. Cruz	-	Independent Director
Emmanuel S. de Dios	-	Independent Director
Mario Antonio V. Paner	-	Independent Director
Cesar V. Purisima	-	Independent Director
Maria Dolores B. Yuvienco <sup>1</sup>	-	Independent Director

#### **Officers Present:**

Maria Theresa D. Marcial, President, BPI Wealth  
Ma. Cristina L. Go, Executive Vice-President  
Elfren Antonio S. Sarte, Jr., Executive Vice-President  
Dino R. Gasmen, Executive Vice-President and Treasurer  
Eric Roberto M. Luchangco, Senior Vice-President and Chief Financial Officer  
Ma. Cristina F. Asis, Senior Vice-President and Chief Risk Officer  
Maria Virginia O. Eala, Senior Vice-President and Chief Human Resources Officer  
Maria Lourdes P. Gatmaytan, Senior Vice-President and Corporate Secretary  
Luis E. Cruz, Senior Vice-President  
Jose Raul E. Jereza, Senior Vice-President

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<sup>1</sup> Outgoing Director

Jenelyn Z. Lacerna, Senior Vice-President  
Maria Consuelo A. Lukban, Senior Vice-President  
Dominique R. Ocliasa, Senior Vice-President  
Ricardo D. Pena, Senior Vice-President  
Mary Catherine Elizabeth P. Santamaria, Senior Vice-President  
Alexander G. Seminiano, Senior Vice-President  
Hermenegildo Z. Narvaez, Vice-President  
Alice G. Realuyo, Assistant Corporate Secretary  
Shiena Angela D. Aquino, Assistant Corporate Secretary

The Annual Meeting of Stockholders of the Bank of the Philippine Islands (“BPI” or the “Bank”) was conducted virtually via <https://conveneagm.com/ph/BPI2025ASM> on April 21, 2025 at 9:00 in the morning. The Board of Directors and key officers convened at, and broadcast live from, Fairmont Makati, 1 Raffles Drive, Makati Avenue, Makati City.

## **1. 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 Chairman welcomed the stockholders joining the live webcast of the proceedings. He stated that, complying with all the applicable rules and after the stockholders were given the opportunity to propose a physical meeting in the Bank’s notice dated February 6, 2025, the annual stockholders’ meeting is being held virtually. The Bank, nonetheless, continues to ensure stockholders’ participation in the meeting through the ConveneAGM voting system and through questions sent to the designated email address [bpi-asm@bpi.com.ph](mailto:bpi-asm@bpi.com.ph).

The Chairman then introduced each of the presenters: Mr. Jose Teodoro K. Limcaoco (President and CEO), Mr. Cesar V. Purisima (Chairperson of the Nomination Committee), Ms. Maria Dolores B. Yuvienco (Chairperson 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 Mr. Cezar P. Consing (Vice Chairman of the Board of Directors), the other members of the Board, namely, Fernando Zobel de Ayala, Mr. Aurelio R. Montinola III, Ms. Janet Guat Har Ang, Mr. Rene dG. Bañez, Mr. Karl Kendrick T. Chua, Mr. Wilfred T. Co, Mr. Emmanuel S. de Dios, Ms. Rizalina G. Mantaring, Mr. Mario Antonio V. Paner and Mr. Jaime Z. Urquijo, incoming directors, Mr. Restituto C. Cruz and Ms. Mariana Beatriz E. Zobel de Ayala, 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 explained that the meeting will have two parts. 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 the Chairman’s and the President’s reports, followed by an open forum.

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## Part I

### 2. Certification of Notice of Meeting and Determination of Quorum

The Corporate Secretary confirmed to the Chairman and the stockholders that the meeting was duly convened and that the Bank complied with the requirements under its By-Laws and the applicable rules of the Securities and Exchange Commission. First, the stockholders were duly notified of the meeting. The Notice of the Annual Stockholders' Meeting was sent on March 25, 2025 to stockholders of record as of March 03, 2025 by email, by posting on the Bank's website, and by disclosure to the Philippine Stock Exchange. The Notice was also published on March 30 and 31, 2025 in print and online formats of the Manila Bulletin and Philippine Daily Inquirer. Second, adequate information was provided to the stockholders on matters submitted for their approval, the voting procedures, tabulation procedures<sup>2</sup>, and other matters that the Bank is required to provide information on under the Securities Regulation Code and the Revised Corporation Code. Finally, the Corporate Secretary certified that there was a quorum for the meeting, with stockholders owning at least 4,039,305,577 shares, or 76.62% of total outstanding shares. Based on final tabulation, present at the meeting, by proxy or voting *in absentia*, were stockholders owning 4,411,689,926 shares representing 83.68% of the 5,272,095,143 total outstanding shares.

Stockholders representing an additional 36,283 shares joined by remote communication, bringing up represented shares to a total of 4,411,726,209 shares or 83.6807% of BPI's total outstanding shares. The mode of attendance of the stockholders deemed present and their respective percentages of the outstanding shares are as follows:

Mode of Attendance	No. of Shares	% of Total Shares Outstanding
Appointment of the Chairman of the Meeting as proxy	4,411,688,317	83.68%
Voting <i>in absentia</i>	1,609	0.00003%
Remote communication	36,283	0.0007%

Additionally, there were 267 viewers of the live webcast of the meeting.

### 3. Matters Requiring Approval of Stockholders

The Chairman then 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 for stockholder approval and explained that a resolution was proposed for each of said matters, as indicated in the Notice for the meeting. The stockholders voted on the proposed resolutions either by appointing a proxy, pursuant to the voting instructions of stockholders, or by voting *in absentia* via the ConveneAGM voting system. The Corporate Secretary mentioned that registered stockholders could cast their votes beginning March 25, 2025 and could continue to do so until the end of the meeting through electronic voting via the ConveneAGM voting system.

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<sup>2</sup> 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 (independent third party firm) will validate the results. (As indicated in the Notice of Annual Stockholders' Meeting dated 10 March 2025)

The Corporate Secretary reported that the votes cast were tabulated as of April 14, 2025, after the end of the proxy validation and preliminary tabulation process, and that she would be referring to the preliminary tabulation results in presenting the voting results during the meeting. The votes tabulated through preliminary process were from stockholders owning 4,039,305,577 voting shares, representing 76.62% of the total outstanding shares. However, the results of the final tabulation of votes, with full details of the affirmative and negative votes and abstentions, are reflected in the voting results indicated in these minutes of meeting.

**(a) Approval of Minutes of the Annual Stockholders' Meeting on April 23, 2024**

The Corporate Secretary then presented the first matter for voting by the stockholders was the approval of the minutes of the Annual Stockholders' Meeting held on April 23, 2024. The electronic copy of the minutes was made available on the Bank's website.

As tabulated by the Committee of Inspectors of Proxies and Ballots and validated by an independent third party auditor, Sycip Gorres Velayo & Co. ("SGV"), the final voting results on this item are as follows:

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,406,196,714	-	-
% of Voting Shares Present	99.87%	0.00%	0.00%

Therefore, the following shareholder resolution was approved and adopted:

**RESOLUTION NO. ASM-2025-01**

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

**(b) Ratification of the Acts of the Board of Directors and Officers**

The Corporate Secretary proceeded to the second matter for voting by the stockholders i.e. the ratification of all the acts and resolutions of the Board, the Executive Committee, and other Board Committees, which were adopted from April 23, 2024 until April 21, 2025. 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 23, 2024 to April 21, 2025, to implement the resolutions of the Board or its Committees, or made in the general conduct of business.

The final voting results on this matter are as follows:

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,401,831,873	3,611,844	752,997
% of Voting Shares Present	99.78%	0.08%	0.02%

Therefore, the following shareholder resolution was approved and adopted:

**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.

**(c) Election of Directors (including the Independent Directors)**

At the request of the Chairman, Mr. Cesar Purisima, Chairperson 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 2025-2026:

- (1) Jaime Augusto Zobel de Ayala
- (2) Cezar P. Consing
- (3) Janet Guat Har Ang
- (4) René dG. Bañez
- (5) Karl Kendrick T. Chua
- (6) Wilfred T. Co
- (7) Restituto C. Cruz
- (8) Emmanuel S. de Dios
- (9) Jose Teodoro K. Limcaoco
- (10) Rizalina G. Mantaring
- (11) Mario Antonio V. Paner
- (12) Cesar V. Purisima
- (13) Jaime Z. Urquijo
- (14) Fernando Zobel de Ayala
- (15) Mariana Beatriz E. Zobel de Ayala

The Corporate Secretary then reported the results of the election. Each of the fifteen (15) nominees for directors garnered at least 87.92% votes, receiving enough votes for election to the Board.

Therefore, the following shareholder resolution was approved and adopted:

**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  
 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  
 Fernando Zobel de Ayala  
 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.

Based on final tabulation, the votes received by each of the nominees are as follows:

Director	Voted in Favor	Voted Against	Abstained
Jaime Augusto Zobel de Ayala	4,127,247,846	49,360,399	229,589,974
Cezar P. Consing	4,148,458,902	50,568,529	207,169,768
Janet Guat Har Ang	4,401,211,146	2,069,644	2,915,509
René dG. Bañez	4,348,572,732	22,542,886	35,080,681
Karl Kendrick T. Chua	3,909,994,099	24,376,685	471,113,635
Wilfred T. Co	4,348,572,732	22,542,886	35,080,681
Restituto C. Cruz	4,403,280,790	-	2,915,509
Emmanuel S. de Dios	4,395,131,459	4,257,115	6,807,725
Jose Teodoro K. Limcaoco	4,386,441,441	18,823,111	931,747
Rizalina G. Mantaring	4,353,214,108	22,684,335	30,297,856
Mario Antonio V. Paner	4,399,216,270	4,064,515	2,915,509
Cesar V. Purisima	4,199,075,425	32,141,823	174,979,956
Jaime Z. Urquijo	4,312,633,478	27,131,552	66,431,269
Fernando Zobel de Ayala	3,878,693,863	24,538,257	502,253,199
Mariana Beatriz E. Zobel de Ayala	4,327,909,533	25,976,651	52,311,010

The Chairman welcomed Restituto Cruz and Mariana Beatriz Zobel de Ayala to the Board, and thanked them for their willingness to serve as directors of the Bank.

**(d) Election of External Auditor and Fixing of its Remuneration**

The Chairman requested Ms. Maria Dolores B. Yuvienco, Chairperson 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

2025 for an audit fee of Thirty Million Eight Hundred Forty Three Thousand Pesos (PHP30,843,000.00).

The final voting results on this matter are as follows:

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,372,581,678	33,615,036	--
% of Voting Shares Present	99.11%	0.76%	0.00%

Therefore, the following shareholder resolution was approved and adopted:

**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.

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,372,581,678	33,615,036	--
% of Voting Shares Present	99.11%	0.76%	0.00%

**(e) Approval of the Audited Financial Statements and Noting of the Annual Report**

The Corporate Secretary presented the fifth and final matter for voting by the stockholders, i.e. the approval of the Bank's audited financial statements as of December 31, 2024, as audited by its external auditor, Isla Lipana & Co., and noting of the Annual Report, titled *Integrated Report*. The financial statements were part of the Definitive Information Statement, and the Annual Report was accessible on the Bank's website.

The final voting results on this matter are as follows:

	Voted in Favor	Voted Against	Abstained
Number of Voted Shares	4,400,544,348	4,353,426	1,298,940
% of Voting Shares Present	99.75%	0.10%	0.03%

Therefore, the following shareholder resolution was approved and adopted:

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.

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

After presenting all the matters for stockholders' approval, the Corporate Secretary confirmed that there were no other matters for consideration by the stockholders. Stockholders were notified that they may submit proposals for agenda items but none were received by the Bank.

**Part II**

**5. Presentation of Management and Open Forum**

The Chairman proceeded to the second part of the meeting, consisting of the presentation of the pre-recorded message of the Chairman, an audio-visual presentation and pre-recorded report of the President.

**(a) Message of the Chairman**

The Chairman delivered his message, with the following highlights:

- In 2024, the global economy remained resilient amidst elevated uncertainties. Inflation was successfully contained and major economies are now transitioning toward a more accommodative monetary policy. While the year was challenging for the Philippines, the nation was able to effectively manage headwinds and achieved a steady gross domestic product growth of 5.6%, anchored on strong domestic demand, sustained public investments in infrastructure and growing private investments, thereby putting the Philippines among the fastest growing economies in the ASEAN region and outpacing many of its neighbors.
- Despite the many challenges, 2024 proved to be another good year for BPI, leading to strong performance, both in absolute terms and relative to the industry. More importantly, BPI helped its clients make real financial progress, which has always been a core value of the Bank – championing inclusion as a catalyst for change.
- In 2024, BPI welcomed over five million new clients, bringing its client base to 16 million, double the client count in 2021, a testament not only to the continued trust and confidence of its clients, but also of the reach and scope of its digital platforms.
- As the Bank acquires customers, it leverages on its digital capabilities to benefit from the network effect of its unique combination of products, platforms and people.
- The Bank ended 2024 with about 7 million enrollees and 4.2 million active users in its BPI mobile app. Over 115 partners were signed up with more than 17,000 brands amongst them, nearly three times the number of brands from previous year.

- The Bank's expanding customer base and relentless pursuit of customer satisfaction will allow the Bank to deliver sustained growth in volumes, revenues and market share moving forward. NPS Prism's Global Benchmarking Report showed that BPI retained the top spot as a full-scale bank in Net Promoter Score for the second year in a row while the BPI Customer Delight Program won Gold for Best Customer Experience at the 2024 CX Asia Excellence Awards.
- Digitalization and data are two pillars that BPI continues to harness to expand its various business lines. Coupled with advanced analytics, these have helped the Bank broaden its client base. Geographic analytics helped optimize the location of the nearly 6,000 partner stores of Agency Banking, identify potential sites for Private Wealth offices, and manage risks for potential geo-hazards that may impact the Bank's operations and assets.
- BPI wants to maintain its position as a data-informed and data-driven institution. The Bank has been upskilling employees in requisite data skills, such as data analytics, data visualization, and data software, through a bank-wide data literacy program.
- As part of its financial inclusion initiatives, the Bank launched Agency Banking in 2022. To date, BPI has over 20 partners and over 6,000 partner doors where one can apply for BPI deposits, loans and insurance and, effective August 2024, "cash-in" and "cash out" transactions are done in select partner stores.
- Despite the Bank's strong orientation towards digitalization initiatives, it continues to believe in the value of physical branches. The Bank continues to open branches in areas where it does not have a presence, even while consolidating and co-locating existing branches in areas with sufficient coverage.
- BPI also reached out to other underserved markets in need of financial services through BPI Foundation, BanKo and Legazpi Savings Bank. In 2024, BanKo extended Php21.7Bn in new loans, growing 45.4% from the previous year, while its BanKo mobile app recorded a surge in new registered users to 500,000, thereby strengthening BanKo's success in bringing formal financial services to underserved Filipinos through hyperlocal, tech-enabled financial solutions.
- BPI also believes in the importance of sustainability. In 2024, the Bank raised Php33.7Bn through Sustainable, Environmental, and Equitable Development (SEED) Bonds to support projects that drive positive environmental and social impact, established a Board-approved Exclusion List which guides the Bank's financing activities and enumerates excluded sectors, and continued to offer free technical evaluation from IFC-trained and accredited consultants as part of the Sustainable Development Finance Program. BPI Capital Corporation had several ESG-themes deals while the Bank continued to establish IFC EDGE-certified bank branches, bringing the pool to 22 branches.

In closing, the Chairman thanked all Unibankers for their commitment, passion and dedication to BPI's mission and thanked all the shareholders for their unwavering support, as BPI builds a better and thriving future for the Philippines, one family, one community at a time.

The Chairman also gave special thanks to outgoing directors, Mr. Aurelio R. Montinola III and Ms. Ma. Dolores B. Yuvienco, for their many years of leadership and dedicated service to the Bank.

### **(b) The Report of the President**

Following a brief audio-visual presentation, the President, Mr. Jose Teodoro K. Limcaoco, delivered his report, with the following highlights:

- The country's economic expansion led to strong job creation and, with inflation returning to the Bangko Sentral's target range of 2% to 4%, facilitated monetary policy easing, with the BSP reducing the policy rate 75 basis points and the reserve requirement ratio for universal banks by 250 basis points. Monetary easing supported liquidity and lowered borrowing costs, aligning with global trends and contributing to improved financial conditions.
- Against this backdrop, the President was pleased to report another year of solid performance for the Bank, with record net income for the third year in a row, as well as record volumes and market share gains in several of its businesses. In 2024, the Bank generated net income of Php62.05Bn, reflecting a 20% growth from previous year, and delivered return on equity of 15.07% and return on asset of 2.0%.
- 2024 marked three successive years of increasing cash dividends; In 2024, BPI paid cash dividends of Php3.96 per share, approximately 17.9% higher than 2023 and 120% higher than fixed cash dividend payments in place until 2021.
- The Bank's revenue soared 23.0% to Php170.14Bn, supported by loans growth, margin expansion, securities trading gains and growth across all businesses. Net interest income grew to Php127.6Bn, up 22.3% from a year ago; trading income soared 32% to Php6.9Bn, while fee income increased 24% to Php35.7Bn, reflecting the strong underlying performance of the Bank's businesses and particularly robust performance in Cards, Wealth Management and Bancassurance.
- All these were achieved while constantly investing in people, products and technology, which helped accelerate growth, improve customer experience and increase operational efficiency, leading to a cost-to-income ratio that is one of the lowest amongst banks.
- Total assets reached Php3.3Tn, reflecting a 14.9% growth. Loans outstanding grew 18.2% to Php2.3Tn, inclusive of the portfolio acquired from the merger with Robinsons Bank Corporation, effective at the start of the year. Excluding this, organic loan growth remained strong at 13.0%.
- Institutional loans grew 11.1% while non-institutional loans increased 42.2%, led by loans to small and medium enterprises under Business Banking.
- The tremendous growth in non-institutional loans led to a sustained shift in the loan mix towards non-institutional loans which, as of end of 2024, stood at 27.7% from only 21.1% in 2021.

- Deposits increased 13.9% to Php2.6Tn, with a high percentage of retail deposits at 68.9%. Consistent with the industry, CASA ratio declined to 63.2% during the year. Loan-to-deposit ratio climbed to 87.5%.
- Capital position remained strong and well-above regulatory requirements. CET1 ratio stood at 13.79% and CAR at 14.49%, despite the record dividend payment to shareholders and industry-leading loans growth.
- BPI holds 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. Moody's Investors Service at Baa2 and Fitch Ratings at BBB– also reaffirmed BPI's investment grade credit ratings. These affirmations are a testament to BPI's diversified business model, strong balance sheets and prudent risk management.
- From onboarding to retirement, initiatives were introduced to enhance the Unibanker journey. Recognizing that a healthy workforce drives productivity, the BPI Well program was expanded, covering physical, mental, financial, social and emotional well-being.

Beyond the numbers, the President acknowledged that what truly sets the Bank apart is the shared commitment to its purpose and values. The President recalled that it has been three and a half years since unveiling the Bank's bold mission to deliver banking excellence anchored on trust and the best digital offers, and the benefits of the implementation and execution of the Bank's strategy are being seen. Recognizing that the employees are the Bank's greatest asset, the President reaffirmed the commitment to continue elevating the employee experience. He emphasized that, with the N.I.C.E. core values – being Nurturing, acting with Integrity, being Customer Obsessed, and pursuing Excellence, guiding and unifying Unibankers, and with this value system ingrained in the Bank's culture, the Bank meets challenges and embraces opportunities with unwavering determination.

In closing, the President encouraged the team of over 22,000 Unibankers to “take on 2025 with enthusiasm and confidence, knowing that our best days are still ahead of us.”

### **(c) Question and Answer/ Open Forum**

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 Ernesto Panugao Jr. who noted that the tariffs announced by President Trump were harsher than expected. Although noting the 90-day pause, Mr. Panugao asked the impact of Trump's tariff on the Bank's business. The Chairman replied that, on the surface, the Philippines should be least affected in the region given relatively lower tariff compared to its neighbors and to other countries with similar exports. He added that the economy is primarily a service economy and is consumption driven, making the country better positioned to weather the negative impacts of the new

trade restrictions. A significant “export” is services and inward remittances, while technically not an export, play a large role in the economy.

That said, the Chairman noted some concern on potential secondary effects on countries where the Philippines exports to. Their economies may hurt and, thus, dampen demand for exports (e.g. China, Japan, Korea). A potential positive on the import side is the possibility that dampened US demand may lead to lower import prices. The Chairman further stated that more significant is the possibility that some manufacturers may turn to the Philippines where it might, because of lower US tariffs, become cost competitive. He noted that this will, however, take some time and require some belief that the tariff structure may hold for some time. For example, would it be possible for garment exports to return to the Philippines as it could be more competitive against Vietnam.

The Chairman further explained that Philippine banks should continue to do well as domestic inflation remains well under control, thanks to food prices. Rice prices, in particular, have come lower as global prices have fallen. This, combined with lower rice tariffs domestically has pushed food inflation lower. The Bank remains watchful on the domestic real estate market and some sectors on consumption lending. Otherwise, rates are still expected to trend lower, although the magnitude has been reduced as there seems to be concern on the US Fed's future actions. He added that the weak dollar will allow the BSP to cut rates ahead of the Fed which was seen actually happened in April 10.

Ms. Lukban read the next question sent by Felicia Aquino, who requested an update on the merger between BPI and Robinsons Bank now that a year has passed. Mr. Limcaoco replied that the merger took effect on January 1, 2024, when the Bank welcomed about 2,200 new Unibankers. The Bank worked to onboard everyone, provided them the orientation and training they needed, and where possible, they were absorbed in their equivalent units in BPI. Mr. Limcaoco stated that the Bank is done with employee integration, and was quite successful with that based on the relatively low attrition rate. This year, the Bank will focus on integration of the branches, which will be done in three (3) tranches, the first of which was concluded last April 17. The Bank targets to complete the consolidation of the remaining 76 branches and the renovation of 68 to BPI branch formats by the end of the year. Mr. Limcaoco further stated that last year, BPI secured a license to sell teachers loans, a product of Legaspi Savings Bank, a Robinsons Bank subsidiary. The Teacher's loans portfolio posted a 46% growth to Php8.72Bn last year by leveraging on the combined branch network of BPI and BanKo. With motorcycle loans, another product of RBC, the Bank saw 19% growth, while it continues to work on the transaction banking services to serve the principals, suppliers and employees of the companies in the Gokongwei ecosystem.

Ms. Lukban proceeded with the final question, sent by Madonna Samson, who congratulated the Bank on the great results for 2024. Ms. Samson asked what the Bank's priorities are for sustaining growth this year. Mr. Limcaoco shared that the Bank will continue to focus on expanding its client base and increasing client engagement through the use of data and technology. He stated that the Bank closed the year with 16 million clients, with a record 5 million onboarded last year, more than half of them through the Bank's digital channels. Mr. Limcaoco further stated that the use of data has become an integral part of the Bank's digitalization initiative, and the Bank will continue to use data to acquire customers, like in the case of credit cards and personal loans; grow its share of wallet, like in the case of BPI Wealth; the Bank will use data for hyper-personalization and customized product recommendations, as in the case of the BPI app. The Bank will use data as well in

choosing areas for client acquisition and physical expansion programs, as what it did in Agency Banking and BPI Wealth.

Mr. Limcaoco also explained that the Bank will further increase the number of Agency Banking partner doors and expand the product offerings to include investments, insurance, motorcycle loans and small business loans, and enable most of the partner doors to do cash in/cash out transactions for free. The Bank will continue to grow the mix of non-institutional loans – consumer, microfinance and business banking loans or SMEs, in the Bank's loan book, to support its margins; and rationalize the branch footprint as the Bank integrates the RBC branches, without giving up territories. All these the Bank will deliver with the same great customer experience that earned it the top NPS score amongst banks for two (2) years in a row, which the Bank aims to maintain this year.

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 again acknowledged the directors who stepped down from the Board after many years of dedicated service – Aurelio R. Montinola III and Maria Dolores B. Yuvienco.

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

<b>"ANNEX A"</b>				
<b>Attendance of Stockholders</b>				
	<b>Stockholder</b>	<b>Type of Shares</b>	<b>No. of Shares</b>	<b>Appointee/ Beneficial Owner</b>
1	RONALDO VERGARA CARILLO	Common	580	Chairman of the Meeting
2	VICTOR H. BOCALING / VICTOR HERNANDEZ BOCALING AND/OR MARIA FILIPINAS AQUINO BOCALING	Common	649,579	Chairman of the Meeting
3	JANET GUAT HAR ANG	Common	10	Chairman of the Meeting
4	LUZ LUPISAN PANGANIBAN	Common	633	Chairman of the Meeting
5	AURELIO R. MONTINOLA III	Common	53,514	Chairman of the Meeting
6	JOSE TEODORO K. LIMCAOCO	Common	10	Chairman of the Meeting
7	JAIME AUGUSTO ZOBEL DE AYALA	Common	129	Chairman of the Meeting
8	FERNANDO ZOBEL DE AYALA	Common	129	Chairman of the Meeting
9	ROBINSONS RETAIL HOLDINGS INC.	Common	162,028,250	Chairman of the Meeting
10	KIMBERLY ONG KHOO / KIMBERLY O. KHOO	Common	7,457	Chairman of the Meeting
11	ALICE VERGARA GARROBO	Common	55	Chairman of the Meeting
12	GRACE PACITA ALIGA SAULOG	Common	12,580	Chairman of the Meeting
13	CATHERINE L. CULAJARA	Common	10	Chairman of the Meeting
14	TRINI ANNE G. NIEVA	Common	1,808	Chairman of the Meeting
15	JERI ALANZ A. BANTA	Common	894	Chairman of the Meeting
16	KARL KENDRICK TIU CHUA	Common	10	Chairman of the Meeting
17	MARK LAUNCEL P. PANIZALES	Common	1,758	Chairman of the Meeting
18	MARY ANN JOY L. ROSAS	Common	10	Chairman of the Meeting
19	MARIZA V. PRIMICIAS	Common	269	Chairman of the Meeting
20	BPI - ESPP 2013	Common	26,310	Chairman of the Meeting
21	BPI - ESPP 2014	Common	31,350	Chairman of the Meeting
22	BPI - ESPP 2015	Common	32,519	Chairman of the Meeting
23	BPI - ESPP 2016	Common	15,900	Chairman of the Meeting
24	BPI - ESPP 2017	Common	7,950	Chairman of the Meeting

<b>"ANNEX A"</b>				
<b>Attendance of Stockholders</b>				
	<b>Stockholder</b>	<b>Type of Shares</b>	<b>No. of Shares</b>	<b>Appointee/ Beneficial Owner</b>
25	BPI - ESPP 2018	Common	26,160	Chairman of the Meeting
26	BPI - ESPP 2019	Common	27,250	Chairman of the Meeting
27	BPI - ESPP 2021	Common	8,165,361	Chairman of the Meeting
28	BPI - ESPP 2022	Common	7,338,109	Chairman of the Meeting
29	BPI ESPP 2023	Common	7,464,070	Chairman of the Meeting
30	BPI ESPP 2024	Common	12,798,860	Chairman of the Meeting
31	KATHERINE L. SOTO-JACINTO	Common	1,758	Chairman of the Meeting
32	IRENE LIMPIN CANO	Common	289	Chairman of the Meeting
33	RESTITUTO CRUZ CRUZ	Common	10	Chairman of the Meeting
34	JOSEFINA AZARCON DE LA CRUZ	Common	1,592	Chairman of the Meeting
35	MARIANA BEATRIZ EDER ZOBEL DE AYALA	Common	10	Chairman of the Meeting
36	CESAR BERNARD R. COLOMA	Common	810	Chairman of the Meeting
37	ANNA CHRISTINA U. DEL FIERRO	Common	4,032	Chairman of the Meeting
38	MARY JANE YOUNG LAQUINDANUM	Common	8,386	Chairman of the Meeting
39	MARIA RAMONA ISABELLE L. ROLDAN / MARIA RAMONA ISABELLE LOMOTAN ROLDAN	Common	484	Chairman of the Meeting
40	INTER ISLANDS INVESTMENTS INC.	Common	423,541	Chairman of the Meeting
41	CONGREGACION DE SAN PEDRO	Common	153,300	Chairman of the Meeting
42	ROMAN CATHOLIC ARCHBISHOP OF MLA (ST. PAUL`S HOSPITAL)	Common	1,931,296	Chairman of the Meeting
43	ROMAN CATHOLIC ARCHBISHOP OF MLA (MAYORDOMIA DELA CATEDRAL)	Common	2,903,089	Chairman of the Meeting
44	ROMAN CATHOLIC ARCHBISHOP OF MANILA (HOSPITAL DE SAN JUAN DE DIOS)	Common	24,050,722	Chairman of the Meeting
45	ROMAN CATHOLIC ARCHBISHOP OF MLA (HOSP DE SA JUAN DE DIOS)	Common	4,669,728	Chairman of the Meeting
46	ROMAN CATHOLIC ARCHBISHOP OF MLA (REAL	Common	45,120,711	Chairman of the Meeting

<b>"ANNEX A"</b>				
<b>Attendance of Stockholders</b>				
	<b>Stockholder</b>	<b>Type of Shares</b>	<b>No. of Shares</b>	<b>Appointee/ Beneficial Owner</b>
	CASA DE MISERICORDIA)			
47	ROMAN CATHOLIC ARCHBISHOP OF MLA (HOSPICIO DE SAN JOSE)	Common	6,555,951	Chairman of the Meeting
48	ROMAN CATHOLIC ARCHBISHOP OF MANILA	Common	272,065,942	Chairman of the Meeting
49	CESAR V. PURISIMA	Common	10	Chairman of the Meeting
50	JOHN CHRISTOPHER V. CLAVESILLAS	Common	237	Chairman of the Meeting
51	JAIME ZOBEL DE AYALA URQUIJO	Common	10	Chairman of the Meeting
52	BPI GROUP OF COMPANIES RETIREMENT FUND	Common	4,548,420	Chairman of the Meeting
53	RIZALINA G. MANTARING	Common	10	Chairman of the Meeting
54	CARMEN TOLOZA GUINTO	Common	6,327	Chairman of the Meeting
55	AYALA CORPORATION	Common	1,515,177,839	Chairman of the Meeting
56	MICHIGAN HOLDINGS INC.	Common	100,993,230	Chairman of the Meeting
57	LIONTIDE HOLDINGS INC.	Common	823,218,041	Chairman of the Meeting
58	JG SUMMIT CAPITAL SERVICES CORP.	Common	188,399,564	Chairman of the Meeting
59	RENE DE GUZMAN BAÑEZ	Common	10	Chairman of the Meeting
60	DOLORES B YUVIENCO / MARIA DOLORES BORDADOR YUVIENCO	Common	117	Chairman of the Meeting
61	ANTONIO V. PANER	Common	10	Chairman of the Meeting
62	BPI ASSET MANAGEMENT AND TRUST CORPORATION	Common	9,946,182	Chairman of the Meeting
63	SCB OBO SCBLSGID-PPLA-PH000317400088	Common	21,300	Chairman of the Meeting
64	SCB OBO CN CSAM FOR ACGF	Common	284,000	Chairman of the Meeting
65	SCB OBO SCBHK A/C PRU HK LTD	Common	690,580	Chairman of the Meeting
66	SCBK1000000 VARIOUS NON-RESIDENT FOREIGN CORPORATION	Common	51,900,599	Chairman of the Meeting
67	SCB OBO DBS BANK A/C PVT BKG CLT	Common	70,616	Chairman of the Meeting
68	SCB OBO SLGINDEX	Common	3,543,332	Chairman of the Meeting
69	SCB OBO SLGLGCYP	Common	2,580	Chairman of the Meeting
70	SCB OBO SLGOPTRC	Common	87,093	Chairman of the

<b>"ANNEX A"</b>				
<b>Attendance of Stockholders</b>				
	<b>Stockholder</b>	<b>Type of Shares</b>	<b>No. of Shares</b>	<b>Appointee/ Beneficial Owner</b>
				Meeting
71	SCB OBO SLGMF50	Common	29,983	Chairman of the Meeting
72	SCB OBO SLGEQTY	Common	925,562	Chairman of the Meeting
73	SCB OBO SLGOBPHP	Common	287,527	Chairman of the Meeting
74	SCB OBO SLGNBPHP	Common	110,138	Chairman of the Meeting
75	SCB OBO SLGMF40	Common	51,517	Chairman of the Meeting
76	SCB OBO SLGMF30	Common	40,415	Chairman of the Meeting
77	SCB OBO SLGOPP	Common	966,438	Chairman of the Meeting
78	SCB OBO SLGMF35	Common	35,619	Chairman of the Meeting
79	SCB OBO SLGDYN	Common	404,642	Chairman of the Meeting
80	SCB OBO SLGGROW	Common	658,742	Chairman of the Meeting
81	SCB OBO SLGBAL	Common	548,276	Chairman of the Meeting
82	SCB OBO SLGMF25	Common	15,869	Chairman of the Meeting
83	SCB OBO SLGMF55	Common	30,445	Chairman of the Meeting
84	SCB OBO SLGCAPT	Common	280,568	Chairman of the Meeting
85	SCB OBO SLGMF45	Common	29,823	Chairman of the Meeting
86	SCB OBO SLGGROWP	Common	3,946,702	Chairman of the Meeting
87	EMMANUEL SORIANO DE DIOS	Common	10	Chairman of the Meeting
88	HSBC - MNL CNC NOM 25/0439	Common	416,510,377	Chairman of the Meeting
89	HSBC - MNL CNC NOM 25/0440	Common	42,965,220	Chairman of the Meeting
90	DEUTSCHE BANK AG MANILA BRANCH	Common	207,989,715	Chairman of the Meeting
91	CITIOMNIFOR	Common	133,737,574	Chairman of the Meeting
92	CITIOMNILOC	Common	86,503,052	Chairman of the Meeting
93	CITIFAOSUNLIFE	Common	82,753,742	Chairman of the Meeting
94	CITIFAOPHILAM	Common	43,167,988	Chairman of the Meeting
95	WILFRED TAN CO	Common	10	Chairman of the Meeting

<b>"ANNEX A"</b>				
<b>Attendance of Stockholders</b>				
	<b>Stockholder</b>	<b>Type of Shares</b>	<b>No. of Shares</b>	<b>Appointee/ Beneficial Owner</b>
96	BPI SECURITIES CORPORATION	Common	134,225,081	Chairman of the Meeting
	<b>Sub-Total (Proxy)</b>		<b>4,411,688,317</b>	
97	ANNA RHEA FEGALQUIN (COL Financial)	Common	444	
98	CEARLCHY LASTICA	Common	10	
99	GERALD MUNARRIZ DOLINA (BPI Trade)	Common	1,068	
100	JAMES ERWIN VILLARIN	Common	53	
101	JEFFREY LIM SY	Common	3	
102	JULIUS J. SANVICTORES	Common	31	
	<b>Sub-Total (Voting System)</b>		<b>1,609</b>	
103	SHEENA RICARTE (BPI Trade)	Common	14	
104	ROEL GLORIOSO (BPI Trade)	Common	200	
105	MA. LOURDES DIMACALI (COL Financial)	Common	10	
106	ADELAIDA ZITA REYES CARLOS (BPI Trade)	Common	850	
107	ANNE MARY JULETTE PELINGON PARRENO (BPI Trade)	Common	50	
108	ANTHONY PAUL GOLAMCO AND / OR ELIZABETH GOLAMCO AND / OR STEPHANIE GOLAMCO (BPI Trade)	Common	35,159	
	<b>Sub-Total (Remote Communication)</b>		<b>36,283</b>	
	<b>Total</b>		<b>4,411,726,209</b>	