



Isla Lipana & Co.

# Bank of the Philippine Islands and Subsidiaries

**Unaudited Condensed Consolidated Interim  
Financial Statements**

**As at and for the nine-month period ended September 30, 2025  
(With comparative figures and notes as at December 31, 2024 and  
for the nine-month period ended September 30, 2024)**





**Isla Lipana & Co.**

## Report on the Review of Interim Financial Statements

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

### **Introduction**

We have reviewed the accompanying unaudited condensed consolidated interim statement of condition of the Bank of the Philippine Islands and Subsidiaries (the “BPI Group”) as at September 30, 2025 and the related unaudited condensed consolidated interim statements of income, total comprehensive income, changes in capital funds and cash flows for the nine-month periods ended September 30, 2025 and 2024 and the notes, comprising material accounting policy information and explanatory notes. Management is responsible for the preparation and fair presentation of this unaudited condensed consolidated interim financial statements in accordance with Philippine Accounting Standard 34, ‘Interim Financial Reporting’ as issued by the Financial and Sustainability Reporting Standards Council. Our responsibility is to express a conclusion on these unaudited condensed consolidated interim financial statements based on our review.

### **Scope of Review**

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

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To the Board of Directors and Shareholders of  
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## **Conclusion**

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

## **Isla Lipana & Co.**



Imelda Dela Vega-Mangundaya  
Partner

CPA Cert. No. 0090670

PTR No. 0024586, issued on January 3, 2025, Makati City

SEC A.N (individual) as general auditors 90670-SEC, Category A; valid to audit 2019  
to 2025 financial statements

SEC A.N (firm) as general auditors 0142-SEC, Category A; valid to audit 2020  
to 2025 financial statements

T.I.N. 152-015-124

BIR A.N. 08-000745-047-2024, issued on October 30, 2024; effective until October 29, 2027

BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City  
December 17, 2025

**BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES**

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CONDITION

September 30, 2025

(With Comparative Audited Consolidated December 31, 2024 Figures)

(In Millions of Pesos)

	Notes	<b>September 30, 2025</b>	December 31, 2024
<b>A S S E T S</b>			
CASH AND OTHER CASH ITEMS	3	<b>39,023</b>	49,762
DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)	3	<b>149,912</b>	164,571
DUE FROM OTHER BANKS	3	<b>48,185</b>	72,060
INTERBANK LOANS RECEIVABLE AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL, net	3	<b>55,294</b>	16,715
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	4	<b>102,753</b>	47,308
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	5	<b>268,031</b>	268,202
INVESTMENT SECURITIES AT AMORTIZED COST, net	6	<b>328,665</b>	343,108
LOANS AND ADVANCES, net	7	<b>2,360,094</b>	2,238,765
ASSETS HELD FOR SALE, net		<b>11,232</b>	8,411
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT, net	8	<b>23,224</b>	21,209
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, net		<b>12,518</b>	10,904
ASSETS ATTRIBUTABLE TO INSURANCE OPERATIONS		<b>20,985</b>	20,995
DEFERRED INCOME TAX ASSETS, net		<b>18,452</b>	18,201
OTHER ASSETS, net		<b>34,454</b>	38,602
<b>Total assets</b>		<b>3,472,822</b>	3,318,813

(forward)

**BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES**

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENT OF CONDITION  
September 30, 2025  
(With Comparative Audited Consolidated December 31, 2024 Figures)  
(In Millions of Pesos)

	Notes	<b>September 30, 2025</b>	December 31, 2024
<b>LIABILITIES AND CAPITAL FUNDS</b>			
DEPOSIT LIABILITIES	9	<b>2,677,386</b>	2,614,802
DUE TO BSP AND OTHER BANKS		<b>3,295</b>	3,135
DERIVATIVE FINANCIAL LIABILITIES		<b>4,179</b>	4,976
BILLS PAYABLE AND OTHER BORROWED FUNDS	10	<b>212,097</b>	163,182
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		<b>11,633</b>	9,941
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		<b>20,913</b>	17,327
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS		<b>16,936</b>	16,541
DEFERRED CREDITS AND OTHER LIABILITIES		<b>49,318</b>	56,219
<b>Total liabilities</b>		<b>2,995,757</b>	2,886,123
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI	11		
Share capital		<b>52,735</b>	52,610
Share premium		<b>143,587</b>	143,278
Reserves		<b>14,806</b>	10,889
Accumulated other comprehensive loss		<b>(8,111)</b>	(12,640)
Surplus		<b>271,735</b>	236,332
		<b>474,752</b>	430,469
<b>NON-CONTROLLING INTERESTS</b>		<b>2,313</b>	2,221
<b>Total capital funds</b>		<b>477,065</b>	432,690
<b>Total liabilities and capital funds</b>		<b>3,472,822</b>	3,318,813

(The notes on pages 1 to 20 are an integral part of these unaudited condensed consolidated interim financial statements.)

## BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

### UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME

For the nine-month periods ended September 30, 2025 and 2024

(In Millions of Pesos, Except Per Share Amounts)

	Notes	2025	2024
<b>INTEREST INCOME</b>			
On loans and advances		<b>135,177</b>	117,161
On investment securities		<b>21,875</b>	20,307
On deposits with BSP and other banks		<b>1,513</b>	2,211
		<b>158,565</b>	139,679
<b>INTEREST EXPENSE</b>			
On deposits		<b>40,924</b>	39,156
On bills payable and other borrowings		<b>8,579</b>	6,678
		<b>49,503</b>	45,834
<b>NET INTEREST INCOME</b>		<b>109,062</b>	93,845
<b>PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>	7	<b>11,750</b>	4,800
<b>NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES</b>		<b>97,312</b>	89,045
<b>OTHER INCOME</b>			
Fees and commissions		<b>11,217</b>	11,178
Income from foreign exchange trading		<b>1,761</b>	2,495
Securities trading gain		<b>3,386</b>	2,977
Income attributable to insurance operations		<b>2,637</b>	2,571
Net (loss) gain on disposals of investment securities at amortized cost		<b>(5)</b>	1
Other operating income	7,8	<b>14,270</b>	12,688
		<b>33,266</b>	31,910
<b>OTHER EXPENSES</b>			
Compensation and fringe benefits		<b>23,141</b>	21,496
Occupancy and equipment-related expenses		<b>19,618</b>	17,665
Other operating expenses		<b>22,740</b>	20,196
		<b>65,499</b>	59,357
<b>PROFIT BEFORE INCOME TAX</b>		<b>65,079</b>	61,598
<b>INCOME TAX EXPENSE</b>			
Current		<b>14,645</b>	12,935
Deferred		<b>(285)</b>	456
		<b>14,360</b>	13,391
<b>NET INCOME AFTER TAX</b>		<b>50,719</b>	48,207
Attributable to			
Equity holders of BPI		<b>50,484</b>	47,985
Non-controlling interests		<b>235</b>	222
		<b>50,719</b>	48,207
<b>Basic and diluted earnings per share attributable to the equity holders of BPI</b>			
		<b>9.55</b>	9.10
<b>Dividends declared per share attributable to the equity holders of BPI</b>			
		<b>2.08</b>	1.98

(The notes on pages 1 to 20 are an integral part of these unaudited condensed consolidated interim financial statements.)

**BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES**

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME  
For the nine-month periods ended September 30, 2025 and 2024  
(In Millions of Pesos)

	<b>2025</b>	2024
<b>NET INCOME FOR THE PERIOD</b>	<b>50,719</b>	48,207
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Items that may be subsequently reclassified to profit or loss		
Net change in fair value reserve on investments in debt instruments measured at FVOCI, net of tax effect	<b>3,921</b>	4,633
Share in other comprehensive income of associates	<b>68</b>	199
Fair value reserve on investments of insurance subsidiaries, net of tax effect	<b>70</b>	91
Currency translation differences and others	<b>100</b>	106
Cashflow hedge, net of tax effect	<b>8</b>	11
Items that will not be reclassified to profit or loss		
Actuarial (loss) gain on defined benefit plan, net of tax effect	<b>(28)</b>	15
Share in other comprehensive income of associates	<b>46</b>	35
Net change in fair value reserve on investments in equity instruments measured at FVOCI, net of tax effect	<b>359</b>	207
Total other comprehensive gain, net of tax effect	<b>4,544</b>	5,297
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>55,263</b>	53,504
Attributable to:		
Equity holders of BPI	<b>55,013</b>	53,234
Non-controlling interests	<b>250</b>	270
	<b>55,263</b>	53,504

(The notes on pages 1 to 20 are an integral part of these unaudited condensed consolidated interim financial statements.)

## BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

### UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN CAPITAL FUNDS

For the nine-month periods ended September 30, 2025 and 2024

(In Millions of Pesos)

	Attributable to equity of BPI (Note 11)						Non-controlling interests	Total capital funds
	Share capital	Share premium	Reserves	Accumulated other comprehensive loss	Surplus	Total		
<b>Balance, January 1, 2024</b>	49,307	113,414	643	(11,127)	204,967	357,204	2,166	359,370
Comprehensive income								
Net income for the period	-	-	-	-	47,985	47,985	222	48,207
Other comprehensive income for the period	-	-	-	5,249	-	5,249	48	5,297
Total comprehensive income for the period	-	-	-	5,249	47,985	53,234	270	53,504
Transactions with owners								
Issuance of shares in relation to merger	3,140	29,453	-	-	-	32,593	-	32,593
Executive stock plan exercise and amortization	135	168	(24)	-	-	279	-	279
Dividends declared	-	-	-	-	(10,439)	(10,439)	(157)	(10,596)
Total transactions with owners	3,275	29,621	(24)	-	(10,439)	22,433	(157)	22,276
Other movements								
Transfer from surplus to reserves	-	-	4,520	-	(4,520)	-	-	-
Others	-	-	1	-	469	470	-	470
Total other movements	-	-	4,521	-	(4,051)	470	-	470
<b>Balance, September 30, 2024</b>	52,582	143,035	5,140	(5,878)	238,462	433,341	2,279	435,620
<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 period	-	-	-	-	50,484	50,484	235	50,719
Other comprehensive income for the period	-	-	-	4,529	-	4,529	15	4,544
Total comprehensive income for the period	-	-	-	4,529	50,484	55,013	250	55,263
Transactions with owners								
Executive stock plan amortization	125	309	(1)	-	-	433	-	433
Dividends declared	-	-	-	-	(10,990)	(10,990)	(158)	(11,148)
Total transactions with owners	125	309	(1)	-	(10,990)	(10,557)	(158)	(10,715)
Other movements								
Transfer from surplus to reserves	-	-	3,918	-	(3,918)	-	-	-
Others	-	-	-	-	(173)	(173)	-	(173)
Total other movements	-	-	3,918	-	(4,091)	(173)	-	(173)
<b>Balance, September 30, 2025</b>	52,735	143,587	14,806	(8,111)	271,735	474,752	2,313	477,065

(The notes on pages 1 to 20 are an integral part of these unaudited condensed consolidated interim financial statements.)

## BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES

### UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the nine-month periods ended September 30, 2025 and 2024

(In Millions of Pesos)

	Notes	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		<b>65,079</b>	61,598
Adjustments for:			
Provision for credit and impairment losses	7	<b>11,750</b>	4,800
Depreciation and amortization		<b>4,130</b>	3,889
Share in net income of associates	2	<b>(2,157)</b>	(1,999)
Dividend income		<b>(48)</b>	(57)
Share-based compensation		<b>(1)</b>	(24)
Profit from assets sold		<b>(228)</b>	(128)
Realized gain - investment securities		<b>(1,816)</b>	(1,575)
Interest income		<b>(158,565)</b>	(139,679)
Interest received		<b>161,254</b>	137,861
Interest expense		<b>49,834</b>	46,077
Interest paid		<b>(48,825)</b>	(46,525)
(Increase) decrease in:			
Interbank loans and receivable and securities purchased under agreements to resell		<b>(5,843)</b>	5,996
Financial assets at fair value through profit or loss		<b>(55,309)</b>	(39,884)
Loans and advances		<b>(135,350)</b>	(88,694)
Assets held for sale		<b>(2,790)</b>	(1,387)
Assets attributable to insurance operations		<b>22</b>	770
Other assets		<b>3,138</b>	9,123
Increase (decrease) in:			
Deposit liabilities		<b>62,588</b>	44,345
Due to BSP and other banks		<b>160</b>	(649)
Manager's checks and demand drafts outstanding		<b>1,692</b>	(1,146)
Accrued taxes, interest and other expenses		<b>848</b>	(439)
Liabilities attributable to insurance operations		<b>355</b>	(919)
Derivative financial instruments		<b>(797)</b>	1,900
Deferred credits and other liabilities		<b>(7,019)</b>	(3,454)
Net cash used in operations		<b>(57,898)</b>	(10,200)
Income taxes paid		<b>(12,883)</b>	(11,789)
Net cash used in operating activities		<b>(70,781)</b>	(21,989)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of bank premises, furniture, fixtures and Equipment		<b>(3,666)</b>	(2,237)
Disposal of bank premises, furniture, fixtures and equipment		<b>430</b>	334
Dividends received		<b>48</b>	57
Placements in investment securities		<b>(166,381)</b>	(134,946)
Proceeds from maturities/sales of investment securities		<b>186,710</b>	183,024
Decrease (increase) in:			
Investment in subsidiaries and associates, net		<b>658</b>	50
Assets attributable to insurance operations		<b>339</b>	(376)
Impact of merger	17	<b>-</b>	22,071
Net cash from investing activities		<b>18,138</b>	67,977

(forward)

**BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES**

UNAUDITED CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS  
For the nine-month periods ended September 31, 2025 and 2024  
(In Millions of Pesos)

	Note	2025	2024
<i>(forwarded)</i>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash dividends and dividends issuance cost paid		<b>(11,148)</b>	(10,596)
Proceeds from share issuance		<b>433</b>	302
Increase in bills payable and other borrowed funds		<b>48,915</b>	6,202
Payments for principal portion of lease liabilities		<b>(1,789)</b>	(1,409)
Net cash from (used in) financing activities		<b>36,411</b>	(5,501)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		<b>(16,232)</b>	40,487
CASH AND CASH EQUIVALENTS	3		
Beginning of period		<b>300,087</b>	288,481
End of period		<b>283,855</b>	328,968

(The notes on pages 1 to 20 are an integral part of these unaudited condensed consolidated interim financial statements.)

## **BANK OF THE PHILIPPINE ISLANDS AND SUBSIDIARIES**

Notes to unaudited condensed consolidated interim financial statements

As at and for the nine-month period ended September 30, 2025

(With comparative figures and notes as at December 31, 2024 and for the nine-month period ended September 30, 2024)

(In Millions of Pesos, unless otherwise stated)

### **1 General information**

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

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

BPI and its subsidiaries (collectively referred to as the “BPI Group”) offer a whole breadth of financial services that include corporate banking, consumer banking, investment banking, asset management, corporate finance, securities distribution, and insurance services. At September 30, 2025, the BPI Group has 22,671 employees (December 31, 2024 - 22,062 employees) and operates 1,292 branches and 1,776 automated teller machines (ATMs) and cash accept machines (CAMs) (December 31, 2024 - 1,266 branches and 1,876 ATMs and CAMs) to support its delivery of services. The BPI Group also serves its customers through alternative electronic banking channels such as telephone, mobile phone and the internet.

The Parent Bank is considered a public company under Rule 3.1 of Implementing Rules and Regulations of the Securities Regulation Code (SRC), which, among others, defines a public company as any corporation with a class of equity securities listed on an exchange, or with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities. As at September 30, 2025, the Parent Bank has 11,608 common shareholders (December 31, 2024 - 11,641).

On September 30, 2022, the Board of Directors (BOD) of BPI approved the execution of an agreement between the Parent Bank and Robinsons Bank Corporation (“RBC”) and Robinsons Retail Holdings, Inc. and JG Summit Capital Services Corporation, as RBC shareholders, for the merger of BPI and RBC, with BPI as the surviving entity. As at December 31, 2023, all corporate and regulatory approvals have been obtained, and the Parent Bank and RBC merged, effective January 1, 2024 (Note 17).

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

The condensed consolidated interim financial statements have been approved by the BOD of the Parent Bank on December 17, 2025.

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

## 2 Segment information

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

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

The BPI Group's main operating business segments follow:

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

The CEO assesses the performance of the insurance business as a standalone business segment separate from the banking and allied financial undertakings.

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

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

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

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis. Inter-segment revenues are appropriately eliminated for the purposes of unaudited condensed consolidated interim statements of income.

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

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

The segment assets and liabilities as at September 30, 2025 and December 31, 2024 and the results of the operations of the reportable segments of the BPI Group for the nine-month periods ended September 30, 2025 and September 30, 2024 follow:

	September 30, 2025			Total per management reporting
	Consumer banking	Corporate banking	Investment banking	
Net interest income	73,471	28,413	11,868	113,752
Provision for (reversal of) credit and impairment losses	12,955	(1,061)	(48)	11,846
Net interest income after provision for (reversal of) credit and impairment losses	60,516	29,474	11,916	101,906
Fees, commissions and other income, net	19,116	2,928	8,346	30,390
Total income	79,632	32,402	20,262	132,296
Compensation and fringe benefits	16,807	2,870	1,722	21,399
Occupancy and equipment-related expenses	6,761	375	869	8,005
Other operating expenses	23,793	3,300	1,614	28,707
Total operating expenses	47,361	6,545	4,205	58,111
Operating profit	32,271	25,857	16,057	74,185
Income tax expense				14,360
Net income				50,719
Share in net income of associates				2,157
Total assets	894,018	1,642,297	878,815	3,415,130
Total liabilities	1,867,765	866,517	224,594	2,958,876

  

	September 30, 2024			Total per management reporting
	Consumer banking	Corporate banking	Investment banking	
Net interest income	60,814	24,755	12,455	98,024
Provision for (reversal of) credit and impairment losses	7,743	(2,925)	9	4,827
Net interest income after provision for (reversal of) credit and impairment losses	53,071	27,680	12,446	93,197
Fees, commissions and other income, net	18,077	2,467	8,395	28,939
Total income	71,148	30,147	20,841	122,136
Compensation and fringe benefits	15,251	2,632	1,566	19,449
Occupancy and equipment-related expenses	6,490	362	730	7,582
Other operating expenses	22,009	3,131	1,541	26,681
Total operating expenses	43,750	6,125	3,837	53,712
Operating profit	27,398	24,022	17,004	68,424
Income tax expense				13,391
Net income				48,207
Share in net income of associates				1,999
Total assets	783,542	1,589,039	742,560	3,115,141
Total liabilities	1,824,154	718,618	167,242	2,710,014

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

	September 30, 2025		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
Net interest income	113,752	(4,690)	<b>109,062</b>
Provision for credit and impairment losses	11,846	(96)	<b>11,750</b>
Net interest income after provision for credit and impairment losses	101,906	(4,594)	<b>97,312</b>
Fees, commissions and other income, net	30,390	2,876	<b>33,266</b>
Total income	132,296	(1,718)	<b>130,578</b>
Compensation and fringe benefits	21,399	1,742	<b>23,141</b>
Occupancy and equipment- related expenses	8,005	11,613	<b>19,618</b>
Other operating expenses	28,707	(5,967)	<b>22,740</b>
Total operating expenses	58,111	7,388	<b>65,499</b>
Operating profit	74,185	(9,106)	<b>65,079</b>
Income tax expense	14,360		<b>14,360</b>
Net income	50,719		<b>50,719</b>
Share in net income of associates	2,157		<b>2,157</b>
Total assets	3,415,130	57,692	<b>3,472,822</b>
Total liabilities	2,958,876	36,881	<b>2,955,757</b>

	September 30, 2024		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
Net interest income	98,024	(4,179)	93,845
Provision for credit and impairment losses	4,827	(27)	4,800
Net interest income after provision for credit and impairment losses	93,197	(4,152)	89,045
Fees, commissions and other income, net	28,939	2,971	31,910
Total income	122,136	(1,181)	120,955
Compensation and fringe benefits	19,449	2,047	21,496
Occupancy and equipment- related expenses	7,582	10,083	17,665
Other operating expenses	26,681	(6,485)	20,196
Total operating expenses	53,712	5,645	59,357
Operating profit	68,424	(6,826)	61,598
Income tax expense	13,391		13,391
Net income	48,207		48,207
Share in net income of associates	1,999		1,999
Total assets	3,115,141	62,233	3,177,374
Total liabilities	2,710,014	31,739	2,741,753

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

### 3 Cash and cash equivalents

Cash and cash equivalents consist of:

	September 30, 2025	December 31, 2024
Cash and other cash items	39,023	49,762
Due from BSP	149,912	164,571
Due from other banks	48,185	72,060
Interbank loans receivable and securities purchased under agreement to resell (SPAR)	46,278	13,519
Cash and cash equivalents attributable to insurance Operations	457	175
	<b>283,855</b>	<b>300,087</b>

Due from BSP and other banks decreased mainly due to the redeployment of excess funds following the reduction in the required reserve ratio from 7% to 5% effective March 2025.

As at September 30, 2025, interbank loans receivable and SPAR amounts to P55,294 million (December 31, 2024 - P16,715 million), of which P46,278 million (December 31, 2024 - P13,519 million) are expected to mature within 90 days from the date of acquisition and are classified as cash equivalents in the unaudited condensed consolidated interim statement of cash flows. Interbank loans receivable and SPAR increased primarily due to inflows from matured government securities.

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

The account consists of:

	September 30, 2025	December 31, 2024
Debt securities		
Government securities	92,198	35,942
Commercial papers of private companies	4,790	5,159
Equity securities		
Listed	279	351
Derivative financial assets	5,486	5,856
	<b>102,753</b>	<b>47,308</b>

The increase in the account is a result of the BPI Group's strategy of focusing on short-term and immediate-term highly-liquid FVTPL securities such as government securities.

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

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

The account consists of:

	September 30, 2025	December 31, 2024
Debt securities		
Government securities	221,288	231,908
Commercial papers of private companies	39,826	28,852
	261,114	260,760
Accrued interest receivable	3,818	3,598
	264,932	264,358
Equity securities		
Listed	1,671	2,293
Unlisted	1,428	1,551
	3,099	3,844
	268,031	268,202

## 6 Investment securities at amortized cost, net

The account consists of:

	September 30, 2025	December 31, 2024
Government securities	276,117	285,396
Commercial papers of private companies	49,379	54,186
	325,496	339,582
Accrued interest receivable	3,208	3,642
	328,704	343,224
Allowance for credit losses	(39)	(116)
	328,665	343,108

The decrease in the account is mainly attributable to maturities during the period. The BPI Group has favored government securities over commercial papers of private companies in the composition of the account due to the abundant supply and preference for liquidity.

## 7 Loans and advances, net

The account consists of:

	September 30, 2025	December 31, 2024
Corporate loans		
Large corporate customers	1,654,130	1,618,027
Small and medium enterprise	106,197	103,138
Retail loans		
Real estate mortgages	264,401	236,089
Credit cards	217,495	180,830
Auto loans	115,757	98,166
Others	59,470	50,797
	2,417,450	2,287,047
Accrued interest receivable	15,552	18,115
Unearned discount/income	(17,330)	(12,295)
	2,415,672	2,292,867
Allowance for impairment	(55,578)	(54,102)
	2,360,094	2,238,765

At September 30, 2025 and December 31, 2024, the BPI Group has no outstanding loans and advances used as security for bills payable (Note 10).

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

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

For the nine-month period ended September 30, 2025, the increase in the volume of credit card transactions and number of cardholders resulted in higher credit card income such as membership fees, interchange fees and service charges amounting to P7,682 million (September 30, 2024 - P6,413 million). This is presented as part of Other operating income in the unaudited condensed consolidated interim statement of income.

The movements in allowance for credit losses are summarized below:

	<b>September 30, 2025</b>	December 31, 2024
Beginning balance	<b>54,102</b>	60,647
Provision for impairment losses	<b>11,142</b>	5,104
Transfers/reallocation	<b>(1,244)</b>	(3,241)
Write-off/disposal	<b>(8,415)</b>	(8,401)
Accretion/unwinding of discount	<b>(7)</b>	(7)
Ending balance	<b>55,578</b>	54,102

*Provision for credit and impairment losses*

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

	<b>2025</b>	2024
Loans and advances	<b>11,142</b>	4,536
Assets held for sale	<b>(31)</b>	157
Interbank loans receivable and SPAR	<b>2</b>	(1)
Investment securities and amortized cost, net	<b>(68)</b>	11
Undrawn loan commitments	<b>303</b>	(90)
Accounts receivable	<b>618</b>	138
Other assets	<b>(216)</b>	49
	<b>11,750</b>	4,800

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

The movement in provision for credit and impairment losses recognized during the nine-month period ended September 30, 2025 is attributable to higher level of non-performing loans.

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

The details and movements in the account are summarized below:

	<b>September 30, 2025</b>			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
<b>Cost</b>				
January 1, 2025	2,986	38,122	16,940	<b>58,048</b>
Additions	67	4,083	1,605	<b>5,755</b>
Disposals	-	(3,700)	(491)	<b>(4,191)</b>
Transfers	7	(29)	(11)	<b>(33)</b>
Other changes	-	(75)	-	<b>(75)</b>
September 30, 2025	3,060	38,401	18,043	<b>59,504</b>
<b>Accumulated depreciation</b>				
January 1, 2025	-	21,909	14,930	<b>36,839</b>
Depreciation and amortization	-	2,512	942	<b>3,454</b>
Disposals	-	(3,666)	(292)	<b>(3,958)</b>
Transfers	-	(15)	(5)	<b>(20)</b>
Other changes	-	(35)	-	<b>(35)</b>
September 30, 2025	-	20,705	15,575	<b>36,280</b>
<b>Net book value, September 30, 2025</b>	<b>3,060</b>	<b>17,696</b>	<b>2,468</b>	<b>23,224</b>

	<b>December 31, 2024</b>			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
<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
December 31, 2024	2,986	38,122	16,940	58,048
<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
December 31, 2024	-	21,909	14,930	36,839
<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 Legazpi Savings Bank. This is presented as part of Investments in subsidiaries and associates, net, under net assets acquired disclosed in Note 17.

The BPI Group has recognized construction-in-progress in relation to the redevelopment of its main office. As at September 30, 2025, the construction-in-progress amounts to P2.86 billion (December 31, 2024 - P2.10 billion), of which P974.22 million is recognized during the nine-month period (December 31, 2024 - P650.84 million). Construction-in-progress is initially recognized at cost and will be depreciated once completed and available for use. The cost of construction in-progress includes the cost of materials and direct labor, 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. However, the construction-in-progress is internally funded by the Parent Bank, hence, no borrowing costs were capitalized. The construction-in-progress is recorded as part of Buildings and leasehold improvements in the table above.

In 2025, the Parent Bank entered into an agreement with a related party to sell a portion of its main office. As at September 30, 2025, the Parent Bank is yet to receive regulatory approvals on the transaction.

For the nine-month period ended September 30, 2025, the BPI Group realized a profit of P211.47 million (September 30, 2024 - P109.92 million) from the disposal of certain bank premises, furniture, fixtures, and equipment.

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

## 9 Deposit liabilities

The account consists of:

	September 30, 2025	December 31, 2024
Demand	415,990	426,789
Savings	1,216,050	1,225,451
Time	1,045,346	962,562
	<b>2,677,386</b>	<b>2,614,802</b>

## 10 Bills payable and other borrowed funds

The account consists of:

	September 30, 2025	December 31, 2024
Bills payable		
Local banks	9,822	8,082
Foreign banks	44,995	47,614
Other borrowed funds	157,280	107,486
	<b>212,097</b>	<b>163,182</b>

### *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 September 30, 2025, the carrying amount of the borrowings amounts to P4,989 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 USD 300 million. The three-year loan which was drawn down on August 24, 2023 bears a floating interest payable on a quarterly basis commencing in November 2023. On August 29, 2025, the Parent Bank prepaid the unsecured syndicated term loan ahead of its maturity on August 24, 2026. As at December 31, 2024, it has a carrying amount of P17,274 million. The bills payable is 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 Dollar (USD) 300 million. The facilities carry floating rates, with interest payable quarterly. Maturities of these bilateral loans range from two to three years.

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

	Consolidated	
	September 30, 2025	December 31, 2024
Private firms and local banks - Peso - denominated	0.52 - 6.09	5.94 - 7.00
Foreign banks - Foreign currency-denominated	4.10 - 5.55	4.40 - 7.23

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

As at September 30, 2025 and December 31, 2024, drawdowns outstanding are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Carrying amount		
				Face amount	September 30, 2025	December 31, 2024
(In Millions of Pesos)						
Fixed rate bond, unconditional, unsecured and unsubordinated	November 13, 2023	6.43%	May 13, 2025	36,661	-	36,586
Fixed rate bond, unconditional, unsecured and unsubordinated	August 9, 2024	6.20%	February 9, 2026	33,700	33,632	33,485

On October 16, 2024, the BOD of the Parent Bank approved the establishment of a P200 billion Bond Program following the full utilization of the Bank's Bond Program established in 2022. 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 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	Carrying amount		
				Face amount	September 30, 2025	December 31, 2024
(In Millions of Pesos)						
Fixed rate bond, unconditional, unsecured and unsubordinated	June 10, 2025	5.85%	December 10, 2026	40,000	39,729	-

(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 US\$2,000 million. On December 13, 2023, the BOD approved the increase in size of this program to US\$3,000 million with outstanding drawdowns as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Carrying amount		
				Face amount	September 30, 2025	December 31, 2024
(In Millions of Pesos)						
US\$ 400 million, 5-year senior unsecured fixed rate Bonds	March 26, 2024	5.25%	March 26, 2029	23,278	23,134	22,967
US\$ 500 million, 5-year senior unsecured fixed rate bonds	April 7, 2025	5.00%	April 7, 2030	29,098	28,871	-
US\$ 300 million, 5-year senior unsecured fixed rate bonds	April 7, 2025	5.63%	April 5, 2035	23,278	17,373	-

(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 September 30, 2025, the carrying amount of the bond amounts to P14,541 million (2024 - P14,448 million).

## 11 Capital funds

a) *Share capital, share premium and treasury shares*

	September 30, 2025	December 31, 2024
Authorized capital (at P10 par value per share)		
Common shares	54,000	54,000
Preferred A shares	600	600
	<b>54,600</b>	<b>54,600</b>

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

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

	September 30, 2025	December 31, 2024
(In absolute number of shares)		
Common shares		
At January 1	5,272,095,143	4,945,197,291
Subscription of shares during the period	11,699,080	12,893,860
Impact of merger (Note 17)	-	314,003,992
	<b>5,283,794,223</b>	<b>5,272,095,143</b>
(In absolute amount)		
Subscription receivable	<b>102,894,424</b>	111,000,871

There are no preferred shares issued and outstanding as at September 30, 2025 and December 31, 2024.

*(b) Reserves*

The account consists of:

	<b>September 30, 2025</b>	December 31, 2024
General loan loss provision	<b>14,192</b>	10,274
Reserve for trust business	<b>400</b>	400
Reserve for trading participants	<b>73</b>	73
Reserve for self-insurance	<b>34</b>	34
Executive stock option plan amortization	<b>16</b>	17
Others	<b>91</b>	91
	<b>14,806</b>	10,889

The appropriation for general loan loss provision (GLLP) is recognized to comply with BSP Circular 1011 (the "Circular"). Under the Circular, banks are required to set up GLLP equal to 1% of all outstanding Stage 1 on-balance sheet loans, except for accounts considered as credit risk-free under existing regulations. Further, the Circular states that if the PFRS 9 loan loss provision is lower than the required GLLP, the deficiency shall be recognized as an appropriation of retained earnings or surplus. As at September 30, 2025, the BPI Group appropriated P14,192 million (December 31, 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.

In compliance with existing BSP regulations, 10% of income from trust business of BPI Asset Management and Trust Corporation's (BPI Wealth), a wholly-owned subsidiary of the Parent Bank, should be appropriated to surplus reserve. This appropriation is required until the surplus reserve for trust business reaches 20% of BPI Wealth's regulatory net worth. As at December 31, 2023, the appropriated reserve is already equivalent to 20% of its authorized capital, hence, no additional appropriation required for 2024 and 2025.

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

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

*Share-based compensation plan*

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

On April 17, 2024, the BOD of the Parent Bank approved the 2024 ESPP to qualified beneficiaries/participants. On May 15, 2024 grant date, a total of 12,893,860 shares were subscribed.

*(c) Dividend declarations*

Details of cash dividends declared by the Parent Bank follow:

Date declared	Amount of dividends	
	Per Share	Total
(In millions of Pesos, except for dividend per share)		
<i>For the period ended September 30, 2025</i>		
May 21, 2025	2.08	10,990
<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

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

On November 20, 2024, the BOD approved the declaration of regular cash dividends amounting to P10,439 million equivalent to P1.98 per share, for the second semester of 2024. The dividends were paid on December 20, 2024 to shareholders of record as of December 4, 2024, covering a total of 5,272,095,143 outstanding common shares.

On May 15, 2024, the BOD approved the declaration of regular cash dividends amounting to P10,439 million equivalent to P1.98 per share, for the first semester of 2024. The dividends were paid on June 28, 2024 to shareholders of record as of June 7, 2024, covering a total of 5,259,201,283 outstanding common shares.

## **12 Commitments and contingencies**

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

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

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

### *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 Bureau of Internal Revenue (BIR) issued the following Revenue Regulations (RR) to implement the provisions of CMEPA:

- RR No. 18-2025 – Removal of pick-ups on the list of tax-exempt automobiles
- RR No. 19-2025 – Documentary stamp tax rate adjustments and amendments to exempt documents
- RR No. 20-2025 – Amendments on stock transaction tax rules
- RR No. 21-2025 – Implementing various amendments in the CMEPA

The implementation of CMEPA did not have a material impact to the unaudited condensed consolidated interim financial statements of the BPI Group for the period ended September 30, 2025.

### *OECD Pillar Two model*

The BPI Group is within the scope of the OECD Pillar Two model rules. As at September 30, 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 its exposure to the Pillar Two legislation. Further, as an associate of Ayala Corporation, the compliance on Pillar Two requirements will also be assessed at Ayala Group level.

### 13 Related party transactions

In the normal course of business, the Parent Bank transacts with related parties consisting of its DOSRI (Directors, Officers, Stockholders, and Related Interests), Subsidiaries and Affiliates including Other Related Parties. 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 credit exposures of the Parent Bank to each related party as well as the total amount of credit exposure to all related parties.

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

	September 30, 2025	December 31, 2024
Outstanding DOSRI loans	23,467	31,588
	In percentage (%)	
% to total outstanding loans and advances	0.98	1.39
% to total outstanding DOSRI loans		
Unsecured DOSRI loans	3.57	1.61
Past due DOSRI loans	0.01	0.02
Non-performing DOSRI loans	0.05	0.03

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at September 30, 2025 and December 31, 2024.

### 14 Subsequent events

#### *Declaration of cash dividends*

On November 19, 2025, the BOD approved the declaration of cash dividends amounting to P2.28 per common share distributable to all eligible stockholders of BPI as of record date of December 3, 2025. The total cash dividends amounting to P12,047 million will be settled on December 18, 2025.

#### *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 Boards of Directors and stockholders.

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

## 15 Critical accounting estimates and judgments

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

In preparing the unaudited condensed consolidated interim financial statements, the significant accounting estimates and judgments made by management in applying the BPI Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended December 31, 2024.

## 16 Fair value measurements of financial instruments

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

### (a) Fair value hierarchy

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

A subsidiary of the Parent Bank has investments in non-marketable equity securities classified under Level 3 as at September 30, 2025 and December 31, 2024.

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

The following tables present the carrying value and fair value hierarchy of the BPI Group's assets and liabilities measured at fair value as at September 30, 2025 and December 31, 2024:

September 30, 2025	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Recurring measurements</b>					
<b>Financial assets</b>					
Financial assets at FVTPL					
Derivative financial assets	5,486	-	5,486	-	<b>5,486</b>
Trading assets					
- Debt securities	96,988	96,988	-	-	<b>96,988</b>
- Equity securities	279	279	-	-	<b>279</b>
Financial assets at FVOCI					
- Debt securities	264,932	264,932	-	-	<b>264,932</b>
- Equity securities	3,099	1,671	311	1,117	<b>3,099</b>
	<b>370,784</b>	<b>363,870</b>	<b>5,797</b>	<b>1,117</b>	<b>370,784</b>
<b>Financial liabilities</b>					
Derivative financial liabilities	4,179	-	4,179	-	<b>4,179</b>
<b>Non-recurring measurements</b>					
Assets held for sale, net	11,232	-	29,162	-	<b>29,162</b>

December 31, 2024	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Recurring measurements</b>					
<b>Financial assets</b>					
Financial assets at FVTPL					
Derivative financial assets	5,856	-	5,856	-	5,856
Trading assets					
- Debt securities	41,101	41,101	-	-	41,101
- Equity securities	351	351	-	-	351
Financial assets at FVOCI					
- Debt securities	264,358	264,358	-	-	264,358
- Equity securities	3,844	2,293	399	1,152	3,844
	315,510	308,103	6,255	1,152	315,510
<b>Financial liabilities</b>					
Derivative financial liabilities	4,976	-	4,976	-	4,976
<b>Non-recurring measurements</b>					
Assets held for sale, net	8,411	-	25,956	-	25,956

There were no transfers between fair value hierarchy levels during the periods ended September 30, 2025 and December 31, 2024.

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

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

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

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

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

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

The table below shows the valuation techniques and applicable unobservable inputs used to measure the BPI Group's Level 3 financial instruments (equities classified at FVOCI) as at September 30, 2025 and December 31, 2024:

Description	Valuation technique	Unobservable inputs	Amount	
			2025	2024
Unlisted equity securities	Net asset value; investments multiple	Net asset value; investments multiple	1,117	1,152

The investment valuation sensitivity of the underlying portfolio investee company is mainly impacted by the movement in net asset value and investment multiple. At September 30, 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 period ended September 30, 2025 would have been P8.34 million (December 31, 2024 - P6.82 million) higher/lower.

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

The BPI Group also holds financial instruments that are not measured at fair value in the unaudited condensed consolidated interim statement of condition. For the majority of these instruments, the fair values are not materially different to their carrying amounts, since their interest rate is either close to current market level or the instruments are short-term in nature. Significant differences were identified for the following instruments as at September 30, 2025 and December 31, 2024:

	September 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Investment securities at amortized cost, net	<b>328,665</b>	<b>323,352</b>	343,108	328,793
Loans and advances, net	<b>2,360,094</b>	<b>2,566,124</b>	2,238,765	2,710,915
<b>Financial liabilities</b>				
Deposit liabilities	<b>2,677,386</b>	<b>2,664,843</b>	2,614,802	2,593,439

## 17 BPI and RBC Merger

On January 17, 2023, the shareholders of BPI approved the merger of BPI and RBC, with BPI as the surviving bank. The Philippine Competition Commission approved the merger on March 9, 2023 as contained in the decision released on September 13, 2023. On December 14, 2023, the BSP, through Monetary Board Resolution No. 1633 approved the merger. The SEC issued the Certificate of Filing of the Articles and Plan of Merger on December 29, 2023.

The merger became effective on the first day of the calendar quarter following the completion of the regulatory approval on January 1, 2024.

The merger with RBC will unlock various synergies across several products and service platforms and expand the customer and deposit base of both banks through the merged entity, and, at the same time, by capitalizing on BPI's expertise and network, enhance the overall banking experience of RBC customers. BPI will be able to expand its client base, accelerate growth, and ultimately increase shareholder value through partnerships with the Gokongwei Group.

### *Purchase consideration*

On merger date, the Parent Bank issued common shares to RBC shareholders as consideration of the merger. The fair value of the 314,003,992 shares to be issued is based on the share price on December 31, 2023 of P103.80 per share.

### Net assets acquired

Details of RBC assets and liabilities as at acquisition date (January 1, 2024) determined by management are as follows:

	Consolidated*	Parent Bank
	(In Thousands of Pesos)	
Assets acquired		
Cash and other cash items	6,541,273	6,456,997
Due from BSP	13,716,830	12,406,617
Due from other banks	1,812,949	1,707,917
Interbank loans receivable and SPAR	5,741,486	5,491,857
Financial assets at FVTPL	24,198	24,198
Financial assets at FVOCI	6,561,094	6,561,094
Investment securities at amortized cost, net	26,797,264	26,797,264
Loans and advances, net	112,127,516	109,374,170
Investments in subsidiary and associates, net	148,050	1,447,667
Bank premises, furniture, fixtures and equipment, net	1,049,099	952,730
Assets held for sale	2,826,332	2,639,814
Deferred tax assets, net	859,984	782,290
Other assets, net	12,392,767	11,757,954
	190,598,842	186,400,569
Liabilities assumed		
Deposit liabilities		
Demand	27,906,058	27,624,578
Savings	37,813,202	34,370,971
Time	80,423,287	80,168,814
Bills payable	14,951,900	14,951,900
Manager's checks	1,120,725	1,120,725
Accrued taxes, interest and other expenses	1,487,510	1,423,251
Other liabilities	3,820,132	3,664,302
	167,522,814	163,324,541
<b>Net assets</b>	<b>23,076,028</b>	<b>23,076,028</b>

\*Presented only for the purposes of disclosing impact of merger at consolidated level. Note that the merger was transacted at Parent Bank level.

Other assets, net includes intangible assets such as core deposits, customer relationship and trust business. The trust business was transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

Deferred tax assets, net includes the deferred tax assets and liabilities assumed from RBC and the resulting deferred taxes on fair value adjustments.

The above assets and liabilities were acquired through a tax-free exchange as evidenced by the Plan of Merger.

### Goodwill

The difference between the fair value of the net assets acquired, including intangible assets, and the purchase consideration shall be recognized as goodwill and presented as part of Other assets in the unaudited condensed consolidated interim statement of condition as follows:

	Amount
	(In Thousands of Pesos)
Purchase price	32,593,614
Fair value of net assets acquired	23,076,028
<b>Goodwill</b>	<b>9,517,586</b>

The goodwill is attributable to the workforce and the synergies from combining the operations of RBC with BPI.

The amount of goodwill will not be deductible for tax purposes.

As at September 30, 2025 and December 31, 2024, management assessed that the goodwill is not impaired as there are no significant events or changes in circumstances from January 1, 2024 that affects the expected benefit coming out of the merger.

*i. Contingencies and commitments acquired*

As a result of the merger, the Parent Bank acquired certain off-balance sheet items as follows:

	Amount
	(In Thousands of Pesos)
Trust accounts*	37,630,184
Derivatives	10,606,025
Commitments	8,143,887
Spot foreign exchange contracts	3,884,410
Performance standby letters of credit	568,597
Financial standby letters of credit	77,065
Guarantees issued	42,424
Commercial letters of credit	36,612
Others	1,805,396
<b>Carrying amount</b>	<b>62,794,600</b>

\*The trust accounts were transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

*ii. Acquired receivables*

The details of the loans and advances, net, acquired as a result of the business combination and its related fair value are as follows:

	Amount
	(In Thousands of Pesos)
Corporate loans	63,208,006
Retail loans	
Credit cards	1,810,046
Real estate mortgages	36,473,778
Auto loans	6,786,068
Others	4,230,601
	112,508,499
Accrued interest receivable	950,242
Unearned discount/ income	(70,408)
	113,388,333
Allowance for impairment	(3,063,536)
<b>Net carrying amount</b>	<b>110,324,797</b>
<b>Fair value</b>	<b>109,374,170</b>

*iii. Revenue and profit contribution*

Management deemed it impracticable to disclose the revenue and profit contribution of RBC for the nine-month period ended September 30, 2024 that is included in the unaudited condensed consolidated interim statements of income and total comprehensive income. Upon migration of RBC's accounts to BPI's systems, these are no longer identified separately and are co-mingled with other accounts owned by the Bank prior to the merger. Given the volume of these accounts and transactions using such, the contribution to revenue and profit is not determinable without undue cost.

iv. *Cash flows as a result of the merger*

Cash and cash equivalents acquired as a result of the business combination shall form part of the net cash inflows from investing activities in the unaudited condensed consolidated interim statement of cash flows for the period beginning January 1, 2024. The breakdown of cash and cash equivalents acquired at Parent Bank level are as follows:

	Amount
	(In Thousands of Pesos)
Cash and other cash items	6,456,997
Due from BSP	12,406,617
Due from other banks	1,707,917
	<u>20,571,531</u>

v. *Acquisition-related costs*

Acquisition-related costs of P563 million that were not directly attributable to the issuance of shares are included in other operating expenses in the unaudited condensed consolidated interim statement of income and in operating cash flows in the unaudited condensed consolidated interim statement of cash flows for the nine-month period ended September 30, 2024.

## 18 **Basis of preparation**

These unaudited condensed consolidated interim financial statements as at September 30, 2025 and for the nine-month period ended September 30, 2025 and 2024 have been prepared in accordance with PAS 34, 'Interim Financial Reporting'. These unaudited condensed consolidated interim financial statements do not include all the notes normally included in an annual financial report. Accordingly, these unaudited condensed consolidated interim financial statements are to be read in conjunction with the annual audited consolidated financial statements of the BPI Group as at and for the year ended December 31, 2024, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

(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 standard and amendments to existing standards not yet adopted*

The following new accounting standard and amendment to existing standard below are not mandatory for the December 31, 2024 reporting period and have not been early adopted by the BPI Group in its annual audited consolidated financial statements as at and for the year then ended:

- PFRS 17, 'Insurance Contracts' (effective for annual periods beginning on or after January 1, 2027)
- PFRS 18, 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after January 1, 2027)
- PFRS 19, 'Subsidiaries without Public Accountability: Disclosures' (effective for annual periods beginning on or after January 1, 2027)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7 (effective for annual periods beginning on or after January 1, 2026)

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

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2025 that are considered relevant or expected to have a material effect on the financial statement of the BPI Group.