

COVER SHEET

				P	W	-	1	2	1

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										

Atty. Maria Lourdes P. Gatmaytan

Contact Person

(632) 8663-6525

Company Telephone Number

1	2	3	1

Month Day
Fiscal Year

1	7	-	A	

FORM TYPE

0	4	2	1	² ₅

Month Day
Annual Meeting

N/A

Secondary License Type, If Applicable

C	F	D

Dept. Requiring this Doc.

Amended Articles Number/Section

11,641

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

**STANDARD DOCUMENT COVER SHEET
FOR SEC FILINGS**

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

SEC Identification Number PW-121
File Number **

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

AMENDMENT DESIGNATION

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

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

* SEC will assign SEC No. to new companies.

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

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

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	5,272,095,143
11. Are any or all of these securities listed on a Stock Exchange?
Yes [**X**] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange **Common**
12. Check whether the issuer:
 - (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [**X**] No []
 - (b) Has been subject to such filing requirements for the past ninety (90) days.

Yes [☒]No [☐]

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

**Shares Held by Non-Affiliates
as of 04/03/25**

5,272,095,143

**Market Value per share
as of 04/03/25**

P133.90

Total Market Value

P 705,933,539,647.70

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

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

Yes [☒]No [☐]

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) Any annual report to security holders;

(b) Any information statement filed pursuant to SRC Rule 20 and 17.1(b);

(c) Any prospectus filed pursuant to SRC Rule 8.1-1.

PART 1 - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Description of business

(1) Business Development

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Business Milestones (2022-2024).

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

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

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

Principal Subsidiaries. The Bank’s principal subsidiaries are:

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

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

(2) Business of Issuer

Principal Products & Services

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

Foreign Offices Contribution

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

Distribution Network

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

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

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

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

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

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

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

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

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

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

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

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

Competition

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

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

Patents, Trademarks, Licenses, Franchises, etc.

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

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

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

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

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

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

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

Related Parties

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

Government Regulations (2022-2024)

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

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

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

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

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

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

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

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

MC No. 02-2024	1 February 2024		Filing of Annual Financial Statements and General Information Sheet

¹ The Circular took effect 15 calendar days following its publication in the Official Gazette or in a newspaper of general circulation

² Subsequently, BPI also complied with all pertinent BIR revenue regulations implementing it.

Research and Development Activities

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

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

Employees

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

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

Manpower complement includes headcount of BPI/MS Insurance Corporation.

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

Enterprise Risk Management

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

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

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

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

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

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

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

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

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

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

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

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

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

Compliance

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

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

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

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

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

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

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

Financial Consumer Protection

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Enterprise Information Security Management & Data Privacy

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

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

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

Item 2. Properties

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

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

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

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

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

Item 3. Legal Proceedings

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

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

None

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

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

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

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

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

Holders of Common Equity

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

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

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

Dividends

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

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

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

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

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

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

Recent Sales of Unregistered or Exempt Securities

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

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

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

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

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

2022

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

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

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

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

2023

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

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

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

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

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

2024

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

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

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

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

Asset Quality

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

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

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

Funding and Liquidity

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

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

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

Results of Operations

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

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

2022 vs. 2021

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

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

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

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

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

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

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

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

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

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

Comprehensive Income

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

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

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

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

2023 vs. 2022

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

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

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

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

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

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

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

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

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

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

Comprehensive Income

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

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

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

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

2024 vs. 2023

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

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

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

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

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

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

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

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

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

Comprehensive Income

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

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

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

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

Key Performance Indicators

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

¹ Using daily average method

² Basel III Framework

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

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

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

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

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

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

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

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

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

Economic Outlook

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

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

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

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

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

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

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

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

Implications on Business and Strategy

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

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

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

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

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

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

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

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

Item 7. Financial Statements

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

Audit and Audit-Related Fees

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

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

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

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

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

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

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

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

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

1. JAIME AUGUSTO ZOBEL DE AYALA

Position: Chairman

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

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

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

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

2. CEZAR P. CONSING

Position: Vice-Chairman, Non-Executive Director

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

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

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

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

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

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

3. **JOSE TEODORO K. LIMCAOCO**

Position: President and CEO, Executive Director

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

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

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

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

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

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

4. JANET GUAT HAR ANG

Position: Independent Director

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

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

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

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

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

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

5. RENÉ G. BAÑEZ

Position: Non-Executive Director

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

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

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

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

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

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

6. KARL KENDRICK T. CHUA

Position: Non-Executive Director

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

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

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

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

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

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

7. WILFRED T. CO

Position: Non-Executive Director

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

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

8. EMMANUEL S. DE DIOS

Position: Independent Director

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

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

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

9. RIZALINA G. MANTARING

Position: Lead Independent Director

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

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

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

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

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

10. AURELIO R. MONTINOLA III

Position: Non-Executive Director

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

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

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

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

11. MARIO ANTONIO V. PANER

Position: Independent Director

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

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

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

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

12. **CESAR V. PURISIMA**

Position: Independent Director

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

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

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

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

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

13. **JAIME Z. URQUIJO**

Position: Non-Executive Director

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

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

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

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

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

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

14. **MARIA DOLORES B. YUVIENCO**

Position: Independent Director

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

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

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

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

15. **FERNANDO ZOBEL DE AYALA**

Position: Non-Executive Director

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

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

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

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

The Executive Officers

Officers of BPI as of December 31, 2024

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

[Please see above.]

**Member of the Board of Directors of BPI*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. EUGENIO P. MERCADO

Executive Vice President & Head of Enterprise Operations

retired effective January 1, 2025

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

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

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

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

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

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

5. MARIE JOSEPHINE M. OCAMPO

Executive Vice President and Head of Mass Retail Products

retired effective October 1, 2024

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. JENELYN Z. LACERNA**Senior Vice President and Head of Mass Retail Products**

effective October 1, 2024

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

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

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

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

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

15. ERIC ROBERTO M. LUCHANGCO**Senior Vice President, Chief Finance Officer, Chief Sustainability Officer and Head of Strategy and Finance**

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

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

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

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

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

16. DOMINIQUE R. OCLIASA**Senior Vice President and Head of Business Banking**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Promoted to Senior Vice President effective January 1, 2025

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

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

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

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

List of Other Executive Officers as of December 31, 2024

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

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

A-2. Significant Employees

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

A-3. Family Relationships

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

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

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

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

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

A-4. Involvement in Legal Proceedings

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

A-5 Resignation of Directors

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

Item 10. Executive Compensation

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

*Retired effective October 1, 2024

**Starting from January 2024

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

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

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

Compensation of Directors

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

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

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

Standard Arrangement

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

The total compensation for 2024 for the members of the Board of Directors amounted to Php85,340,000.00¹.

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.

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

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

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

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

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

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

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

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

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

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

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

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

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

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

1. Voting Trust Holders of 5% or More

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

2. Minimum Public Ownership

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

Item 12. Certain Relationships and Related Party Transactions

In the normal course of business, the Parent Bank transacts with related parties consisting of its DOSRI (Directors, Officers, Stockholders, and Related Interests), Subsidiaries and Affiliates, including Other Related Parties. Likewise, BPI Group has transactions with Ayala Corporation (AC) and its subsidiaries and affiliates (Ayala Group), on an arm's length basis. AC is a significant stockholder of BPI as at reporting date.

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

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

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

Consolidated

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

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

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

I. Corporate Governance Framework

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

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

II. **Board Governance**

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

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

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

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

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

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

- Governance – Ensuring that corporate responsibility and ethical standards underpin the conduct of BPI's business; developing succession plans for the Board and CEO; establishing the general framework of corporate governance for the Bank;
 - Strategy - Reviewing BPI's strategic and business plans; growing the business sensibly and building resilience into the franchise;
 - Risk management – Ensuring that effective risk management, compliance and assurance processes undergird our business;
 - Financial performance – Monitoring management performance; achieving goals and targets;
 - Sustainability - Considering sustainability issues (including environmental and social factors) and including these as part of the Bank's strategy.
- c) **Board Committees.** To heighten the efficiency of board operations, the Board has established Committees that assist in exercising its authority for oversight of internal control, risk management, and performance monitoring of the Bank. In 2024, the Bank had eight board-level committees: Executive, Risk Management, Audit, Corporate Governance and Sustainability, Personnel and Compensation, Nominations, Retirement and Pension, and Related Party Transactions Committees. Board-level committee memberships were also evaluated and calibrated to improve on the committees' focused oversight and high-level engagement with management. Their respective charters stating committee purpose, membership, structure, operations, reporting processes and other information, are disclosed in regulatory reports and posted on the company website as well as are reviewed annually. Annual performance reviews are conducted by all board-level committees. The Board approved the reconstitution of the Corporate Governance Committee as Corporate Governance and Sustainability Committee in April 2024.
- During the Organizational Meeting of the Board immediately after the 2024 ASM, Mr. Mario Antonio V. Paner was appointed as new member of the Audit Committee. Mr. Paner was likewise appointed as a member of the Risk Management Committee. Mr. Fernando Zobel de Ayala was appointed as new member of the Personnel and Compensation Committee vice Mr. Romeo L. Bernardo. Ms. Janet Guat Har Ang, Independent Director, was appointed as new Chairperson of the Related Party Transactions Committee. Mr. Karl Kendrick T. Chua was appointed member of the Retirement/Pension Committee.
- d) **Corporate Secretary.** The Board is assisted in its duties by a Corporate Secretary who is not a member of the Board of Directors and is a senior, strategic-level corporate officer who plays a leading role in the Bank's corporate governance, serving as an adviser to the directors on their responsibilities and obligations. The Board has separate and independent access to the Corporate Secretary. All directors and board committees also have unrestricted access to company records and information in addition to receipt of regular detailed financial and operational reports from senior management. Our Corporate Secretary is suitably trained and experienced in legal, accountancy or company secretarial practices and is professionally qualified for these responsibilities. Our Corporate Secretary also possesses the legal skills of a chief legal officer whose training is complemented by business, organizational, human relations and administrative work skills. Our Corporate Secretary is also Corporate Secretary of various BPI subsidiaries and affiliates.
- e) **External Advice.** Considering the increasing complexity of market transactions and rapid rate of change in the regulatory sphere, the Board, if so requested by the Chairman or other directors, can call on external specialists or consultants for advice, briefings or assistance on specialized areas of focus such as accounting standards, related party transactions, capital, tax, listing, mergers and acquisitions, valuation, etc. Management can arrange for the external auditor, management services company or consultants to present to the Board and the Bank.

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

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

- i) **Interlocking Directorships.** The Bank has a Policy on Directors and Officers Interlocking Positions which: (1) adopts the rules as provided by BSP Circular No. 1129 for determining allowable and prohibited interlocking positions; (2) establishes internal guidelines, procedures and processes for proper management of directors' and officers' interlocking positions, and; (3) sets out the minimum requirements from the circular for monitoring, compliance and regulatory reporting of director and officer interlocking positions in the BPI Group to the BSP.

- j) **Meetings and Attendance.** The BPI Board meets regularly for the effective discharge of its obligations. Regular board meetings are convened monthly. Board of Directors meetings are scheduled at the beginning of the year to cover the full term of the newly elected or re-elected members of the Board, reckoned from the date of the current year's Annual Stockholders Meeting to that of the following year. Special meetings may be called for as needed. Items placed on the board agenda are those that have the most fundamental importance and broad policy implications for the Bank. Directors are free to suggest items for inclusion in the agenda, and are free to raise at any board meeting subjects that are not on the agenda for that meeting. At the Chairman's discretion, any agenda items may also be referred for discussion in the respective committees. The Chairman presides over meetings of the Board. The Vice Chairman presides in the absence of the Chairman. Board and committee meetings are conducted consistent with the Bank's Amended By-Laws. Discussions during the board meetings are open and independent views are given due consideration. The minimum quorum requirement for board decisions is set at a two-thirds (2/3) of Board members as provided by the Bank's Amended By-Laws. In November 2019, the Board approved the amendment of the company By-Laws to, among others, raise the minimum quorum at any meeting for the transaction of corporate business from a majority to two-thirds (2/3) of the members of the Board of Directors. When necessary, the Board holds executive sessions to discuss highly sensitive matters. Board reference materials are made available to the directors at least five days in advance of the scheduled meeting. As an innovation to board governance, all materials for Board and Board committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Board members to ensure immediate receipt and quick access. Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management. In 2024, average attendance of re-elected and newly-elected members at the Board of Director's 13 meetings was 96%. When exigencies prevent a Director from physically attending a Board or Board committee meeting, facilities for telephone conferencing are made available. In those instances when a Director is unable to attend meetings even through teleconferencing due to prior commitments or unavoidable events, said Director provides input to the chairman so that his views can be known and considered. The Bank's Non-Executive Directors conducted a separate meeting on November 18, 2024 to discuss ongoing initiatives and semestral performance of the risk management, internal audit and compliance units of the Bank. The meeting was chaired by the Bank's appointed lead Independent Director. Aside from the NEDs present, the meeting was also attended by the BPI control heads – Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer. The external auditor was also in attendance.

- k) **Continuing Education.** The Bank ensures that it has in place a formal board and director development program. For new directors, there is a deliberate, systematic and rapid familiarization with the organization and the operations of the board, Articles of Incorporation and Amended By-Laws, Manual of Corporate Governance, Board Charter as well as the Code of Conduct, standards of Conflict of interest and policies such as Insider Trading, Whistleblowing, Data Privacy and Related Party Transactions. The Bank, through its various units, also provides continuing director education in relation to current developments; these include regulatory initiatives with respect to Data Privacy, Cyber Risk and Cyber Security, the Anti-Money Laundering and Terrorist Financing Prevention Program, Foreign Account Tax Compliance Act, Securities Regulations Code, Sustainability Issues and ESG Reporting, SEC memorandum circulars, and BSP regulations, among others. All of the Bank's directors undergo the requisite corporate governance seminar provided by an SEC or Bangko Sentral-accredited institution. On November 05, 2024, members of the Board, including

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

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

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

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

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

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

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

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

IV. Corporate Governance Policies and Practices

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

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

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

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

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

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

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

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

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

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

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

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

V. Investor Relations, Continuous Disclosure and Transparency

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

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

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

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

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

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

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

VI. Sustainability, Stakeholder Engagement and ESG Reporting

a) Sustainability and Stakeholder Engagement

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

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

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

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

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

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

b) Environmental, Social and Governance Reporting

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

VII. Corporate Governance Awards and Recognition

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

VIII. Reports on SEC 17-C

Items reported under SEC Form 17-C in 2024:

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

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

Subsequent Events

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

Material Event/s and Uncertainties:

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

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

PART V – EXHIBITS AND SCHEDULES**Item 14. Exhibits and Reports on SEC Form 17-C****a. Exhibits****Securities Regulation Code Forms**

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

SIGNATURES

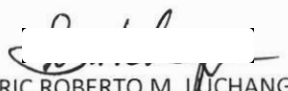
Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly notarized, in the City of Makati on _____, 2025.

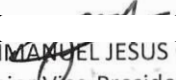
APR 11 2025

BANK OF THE PHILIPPINE ISLANDS
Issuer

By:


JOSE TEODORO K. LIMCAOCO
President & Chief Executive Officer


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


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


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

APR 11 2025

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

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

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Page No. 29
Book No. VII
Series 2024


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

EXHIBIT A
(Audited Financial Statements)



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

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

Proceed to Payment

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

					P	W	-	1	2	1

Company Name

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

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

2	2	/	F	-	2	8	/	F		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		1	2	2	6				

Form Type

A	A	F	S

Department requiring the report

S	E	C	

Secondary License Type, if applicable

	N	A	

COMPANY INFORMATION

Company's Email Address

corporate.secretary@bpi.com.ph

Company's Telephone Number(s)

8663-6525

Mobile Number

+639958726360

No. of Stockholders

11,641

Annual Meeting (Month/Day)

04/21

Fiscal Year (Month/Day)

December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Eric Roberto M. Luchangco

Email Address

emluchangco@bpi.com.ph

Telephone Number(s)

8663-6740

Mobile Number

N/A

Contact Person's Address

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

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

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



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Bank of the Philippine Islands (the "Bank") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

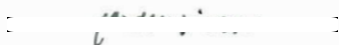
In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Bank in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


Jaime Augusto Zobel de Ayala
Chairman of the Board


Jose Teodoro K. Limcaoco
President and Chief Executive Officer


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

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

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

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


ATTY. CESAR VERANO

NOTARY PUBLIC MAKATI CITY
APPOINTMENT NO.: M-029
VALID UNTIL DECEMBER 31, 2025
ISSUED ON: DECEMBER 15, 2023
PTR NO.: MKT 10465510 / 01-02-2025 / MAKATI CITY
IBP NO.: 484720 ROLL NO. 29024
MCLE COMPLIANCE NO.: VII-0023845
VALID UNTIL DECEMBER 31, 2025
BANK OF THE PHILIPPINE ISLANDS
Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226
Phone Banking: +632 889-10000
1226 Poblacion Makati City



Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Our Opinion

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

What we have audited

The financial statements comprise:

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

Basis for Opinion

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

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

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

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.



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

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

Our Audit Approach

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

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

Key audit matters

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

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



Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment losses on loans and advances We focused on this account because of the complexity involved in the estimation process, and the significant judgments that management makes in ascertaining the provision for loan impairment. The calculation of impairment losses is inherently judgmental for any bank. As at December 31, 2024, the total allowance for impairment for loans and advances amounted to PHP54,102 million for the BPI Group and PHP50,379 million for the Parent Bank while provision for loan losses recognized in profit or loss for the year then ended amounted to PHP4,693 million for the BPI Group and PHP1,513 million for the Parent Bank. Refer to Notes 10 and 26 of the financial statements for the details of the impairment losses on loans and advances. Provision for impairment losses on loans that are assessed to be individually credit impaired is determined in reference to the estimated future cash repayments and proceeds from the realization of collateral held by the BPI Group and the Parent Bank. For other loan accounts which are not individually credit impaired, these are included in a group of loans with similar risk characteristics and are collectively assessed on a portfolio basis using internal models developed by the BPI Group and the Parent Bank.	We assessed the design and tested the operating effectiveness of key controls over loan loss provisioning. These key controls included: • governance over the development, validation and approval of the BPI Group's ECL models to assess compliance with PFRS 9, including continuous re-assessment by the BPI Group that the impairment models are operating in a way which is appropriate for the credit risks in the BPI Group and the Parent Bank's loan portfolios; • review and approval of key judgments, assumptions and forward-looking information used in the ECL models; • review of data from source systems to the detailed ECL model analyses; • assessment of credit quality of loans and advances relative to the established internal credit risk rating system; • the review and approval process for the outputs of the impairment models; and • the review and approval process over the determination of credit risk rating, performance of credit reviews and calculation of required reserves for loans assessed as credit-impaired. Our work over the impairment of loans and advances included: • independent assessment of the methodology applied by the BPI Group and the Parent Bank in the development of the ECL models vis-a-vis the requirements of PFRS 9;



Key Audit Matter	How our audit addressed the Key Audit Matter
(cont'd.) Key elements in the impairment of loans and advances include: - the application of appropriate impairment models for the collectively assessed accounts. This includes the use of key assumptions in the impairment models (i.e., staging of accounts, significant increase in credit risk, forward-looking information), the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD); and - the identification of credit-impaired loans, and estimation of cash flows (including the expected realizable value of any collateral held) supporting the calculation of individually assessed provisions. The impairment losses include both quantitative and qualitative components. In calculating the loan loss provisioning, the BPI Group and the Parent Bank applied the expected credit loss (ECL) calculation and post-model adjustments as allowed by Philippine Financial Reporting Standard (PFRS) 9, <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.	- independent testing of key assumptions in the ECL models such as PD, LGD, EAD built from historical data, including segmentation. Our assessment included the involvement of our internal specialist. - assessment of the appropriateness of the BPI Group's and the Parent Bank's definition of significant increase in credit risk and staging of accounts through analysis of historical trends and past credit behavior of loan portfolios; - independent comparison of economic information used within, and weightings applied to, forward-looking scenarios in the ECL calculation which includes assumptions used in the post-model adjustments, against available macro-economic data; - testing of the accuracy and completeness of data inputs in the ECL models and in the ECL calculation by comparing them with the information obtained from source systems; - testing the accuracy and reasonableness of the outputs of the ECL models through independent recalculation; - for a sample of individually assessed loans identified as credit-impaired, examined relevant supporting documents such as the latest financial information of the borrower or valuation of collateral used as a basis in estimating the recoverable amount and measuring the loan loss allowance; and - recalculation of the loan loss allowance for selected accounts and portfolios at reporting date using the ECL methodology adopted by the BPI Group and the Parent Bank.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Bank of the Philippine Islands
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Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the consolidated and parent financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated and parent financial statements in accordance with PFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent financial statements, management is responsible for assessing the ability of each entity within the BPI Group and of the Parent Bank to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BPI Group and the Parent Bank or to cease operations, or has no realistic alternative but to do so.

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



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

Our objectives are to obtain reasonable assurance about whether the consolidated and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BPI Group's and of the Parent Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BPI Group and the Parent Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the BPI Group and the Parent Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent financial statements, including the disclosures, and whether the consolidated and parent financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Bank of the Philippine Islands
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- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent financial statements of the current period and is therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 in Note 31 and Bureau of Internal Revenue (BIR) Revenue Regulations No. 15-2010 in Note 32 to the financial statements is presented for the purposes of filing with the BSP and the BIR, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management of the BPI Group and the Parent Bank. The supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "R. Danao", with a long horizontal stroke extending to the right.

Roderick M. Danao
Partner

CPA Cert. No. 88453

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

T.I.N. 152-015-078

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

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 19, 2025

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CONDITION

December 31, 2024 and 2023

(In Millions of Pesos)

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

(forward)

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CONDITION

December 31, 2024 and 2023

(In Millions of Pesos)

		Consolidated		Parent	
	Notes	2024	2023	2024	2023
LIABILITIES AND CAPITAL FUNDS					
DEPOSIT LIABILITIES	15	2,614,802	2,295,106	2,564,135	2,264,133
DUE TO BSP AND OTHER BANKS		3,135	1,881	3,135	1,881
DERIVATIVE FINANCIAL LIABILITIES	7	4,976	2,821	4,913	2,774
BILLS PAYABLE AND OTHER BORROWED FUNDS	16	163,182	137,104	163,083	133,726
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		9,941	8,463	9,935	8,431
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		17,327	14,973	15,061	13,543
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS	2	16,541	15,202	-	-
DEFERRED CREDITS AND OTHER LIABILITIES	17	56,219	53,452	53,050	51,031
Total liabilities		2,886,123	2,529,002	2,813,312	2,475,519
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS					
OF BPI	18				
Share capital		52,610	49,307	52,610	49,307
Share premium		143,278	113,414	143,248	113,383
Treasury shares		-	-	-	-
Reserves		10,889	643	43,217	32,975
Accumulated other comprehensive loss		(12,640)	(11,127)	(10,722)	(9,076)
Surplus		236,332	204,967	175,413	149,714
		430,469	357,204	403,766	336,303
NON-CONTROLLING INTERESTS					
		2,221	2,166	-	-
Total capital funds		432,690	359,370	403,766	336,303
Total liabilities and capital funds		3,318,813	2,888,372	3,217,078	2,811,822

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF INCOME

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

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

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

BANK OF THE PHILIPPINE ISLANDS

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

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

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

BANK OF THE PHILIPPINE ISLANDS

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

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

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CHANGES IN CAPITAL FUNDS

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

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

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CASH FLOWS

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

(In Millions of Pesos)

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CASH FLOWS

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

		Consolidated			Parent		
	Notes	2024	2023	2022	2024	2023	2022
(forwarded)							
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of bank premises, furniture, fixtures and equipment		(3,416)	(4,778)	(1,657)	(3,267)	(4,578)	(1,580)
Disposal of bank premises, furniture, fixtures and equipment		849	2,144	1,200	835	2,127	1,191
Placements in investment securities		(201,348)	(248,565)	(95,218)	(200,635)	(247,299)	(94,789)
Proceeds from:							
Maturities/sales of investment securities		227,374	171,331	49,008	227,205	171,332	49,008
Sale of investment properties		-	-	4,721	-	-	4,721
Decrease (increase) in:							
Investment in subsidiaries and associates, net		53	769	694	(2,182)	(120)	-
Assets attributable to insurance operations		(418)	(270)	474	-	-	-
Impact of merger	29	22,071	-	-	20,572	-	78,200
Dividends received		93	100	60	1,505	3,066	880
Net cash from (used in) investing activities		45,258	(79,269)	(40,718)	44,033	(75,472)	37,631
CASH FLOWS FROM FINANCING ACTIVITIES							
Cash dividends paid	17,18	(21,034)	(16,125)	(9,745)	(20,877)	(15,934)	(9,568)
Issuance cost of treasury shares as dividends	18	-	(372)	-	-	(403)	-
Proceeds from share issuance	18	573	456	208	573	456	208
Increase in bills payable and other borrowed funds	16,29	11,127	39,601	2,464	14,405	40,724	868
Payments for principal portion of lease liabilities		(2,066)	(1,893)	(1,624)	(1,803)	(1,652)	(1,417)
Net cash (used in) from financing activities		(11,400)	21,667	(8,697)	(7,702)	23,191	(9,909)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		11,605	15,362	(92,833)	10,718	8,556	(19,880)
CASH AND CASH EQUIVALENTS							
January 1	4,5	288,482	273,120	365,953	274,005	265,449	285,329
December 31		300,087	288,482	273,120	284,723	274,005	265,449
Non-cash financing and investing activities 11.16.18							

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

BANK OF THE PHILIPPINE ISLANDS

Notes to the Financial Statements

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

1 General information

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

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

BPI and its subsidiaries (collectively referred to as the “BPI Group”) offer a whole breadth of financial services that include corporate banking, consumer banking, investment banking, asset management, corporate finance, securities distribution and insurance services. At December 31, 2024, the BPI Group has 22,062 employees (2023 - 18,982 employees) and operates 1,266 branches (2023 - 1,187 branches) and 1,876 automated teller machines (ATMs) and cash accept machines (CAMs) (2023 - 1,530) to support its delivery of services. The BPI Group also serves its customers through alternative electronic banking channels such as telephone, mobile phone and the internet.

The Parent Bank is a public company under Rule 3.1 of Implementing Rules and Regulations of the Securities Regulation Code (SRC), which, among others, defines a public company as any corporation with a class of equity securities listed on an exchange, or with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities.

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

Approval and authorization for issuance of financial statements

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

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

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

2 Assets and liabilities attributable to insurance operations

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

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

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

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

3 Business segments

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

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

The BPI Group's main operating business segments follow:

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

The performance of the Parent Bank is assessed as a single unit using financial information presented in the separate or Parent only financial statements. Likewise, the CEO assesses the performance of the insurance business as a standalone business segment separate from the banking and allied financial undertakings. Information on the assets, liabilities and results of operations of the insurance business is fully disclosed in Note 2.

The BPI Group and the Parent Bank mainly derive revenue within the Philippines; accordingly, no geographical segment is presented.

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

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

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis. Inter-segment revenues, however, are deemed insignificant for financial reporting purposes, thus, not reported in segment analysis below.

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

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

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

	2024			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 (reversal of) credit and impairment losses	7,711	(3,837)	140	4,014
Net interest income after provision for credit and impairment losses	57,560	31,945	14,977	104,482
Fees, commissions and other income, net	20,328	2,932	8,749	32,009
Total income	77,888	34,877	23,726	136,491
Compensation and fringe benefits	19,375	3,314	1,786	24,475
Occupancy and equipment-related expenses	10,144	1,089	865	12,098
Other operating expenses	26,485	4,082	3,221	33,788
Total other expenses	56,004	8,485	5,872	70,361
Operating profit	21,884	26,392	17,854	66,130
Income tax expense				13,299
Net income				51,912
Share in net income of associates				1,372
Total assets	644,092	1,505,254	717,734	2,867,080
Total liabilities	1,670,879	687,265	163,858	2,522,002

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

Reconciliation of segment results to consolidated results of operations:

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

	2023		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	108,496	(4,146)	104,350
Provision for credit and impairment losses	4,014	(14)	4,000
Net interest income after provision for credit and impairment losses	104,482	(4,132)	100,350
Fees, commissions and other income, net	32,009	1,962	33,971
Total income	136,491	(2,170)	134,321
Compensation and fringe benefits	24,475	(1,254)	23,221
Occupancy and equipment-related expenses	12,098	9,914	22,012
Other operating expenses	33,788	(9,911)	23,877
Total other expenses	70,361	(1,251)	69,110
Operating profit	66,130	(919)	65,211
Income tax expense	13,299		13,299
Net income	51,912		51,912
Share in net income of associates	1,372		1,372
Total assets	2,867,080	21,292	2,888,372
Total liabilities	2,522,002	7,000	2,529,002

	2022		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	88,641	(3,575)	85,066
Provision for credit and impairment losses	9,159	8	9,167
Net interest income after provision for credit and impairment losses	79,482	(3,583)	75,899
Fees, commissions and other income, net	26,928	6,531	33,459
Total income	106,410	2,948	109,358
Compensation and fringe benefits	18,319	1,209	19,528
Occupancy and equipment-related expenses	6,232	12,529	18,761
Other operating expenses	29,910	(10,209)	19,701
Total other expenses	54,461	3,529	57,990
Operating profit	51,949	(581)	51,368
Income tax expense	11,532		11,532
Net income	39,836		39,836
Share in net income of associates	1,056		1,056
Total assets	2,629,557	(25,596)	2,603,961
Total liabilities	2,294,715	(10,558)	2,284,157

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

4 Cash and cash equivalents

The account at December 31 consists of:

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

5 Interbank loans receivable and SPAR, net

The account at December 31 consists of transactions with:

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

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

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

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

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

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

The account at December 31 consists of:

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

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

7 Derivative financial instruments

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

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

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

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

Consolidated

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

Parent

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

Cash flow hedge of floating rate securities

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

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

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

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

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

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

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

Details of the account at December 31 are as follows:

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

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

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

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

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

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

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

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

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

9 Investment securities at amortized cost, net

Details of the account at December 31 are as follows:

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

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

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

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

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

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

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

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

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

Critical accounting judgment - Classification of investment securities at amortized cost

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

10 Loans and advances, net

Details of this account at December 31 are as follows:

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

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

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

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

Loans and advances are expected to be realized as follows:

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

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

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

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

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

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

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

11 Bank premises, furniture, fixtures and equipment, net

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

Consolidated

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

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

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

Parent

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

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

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

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

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

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

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

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

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

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

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

12 Investments in subsidiaries and associates, net

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- significant decline in market value;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and,
- significant negative industry or economic trends.

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

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

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

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

13 Deferred income taxes

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

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

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

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

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

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

Critical accounting judgment - Realization of deferred income tax assets

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

14 Other assets, net

The account at December 31 consists of the following:

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

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

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

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

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

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

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

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

Miscellaneous assets include postage stamps, stationery and supplies.

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

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

Other assets are expected to be realized as follows:

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

Critical accounting estimate - Useful lives of intangible assets

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

Critical accounting judgment - Impairment of goodwill

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

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

15 Deposit liabilities

The account at December 31 consists of:

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

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

Deposit liabilities are expected to be settled as follows:

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

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

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

Related interest expense on deposit liabilities is presented below:

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

BSP reserve requirement

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

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

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

16 Bills payable and other borrowed funds

The account at December 31 consists of:

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

Bills payable

Bills payable include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group in accordance with the agreed financing programs. Financial assets at FVOCI and investment securities at amortized cost serve as collateral for the Parent Bank's bills payable (Notes 8 and 9). The payment terms of these bills payable ranges from 6 days to 5 years (2023 - 29 days to 3 years).

As a result of the merger with RBC, BPI assumed peso-denominated borrowings with Land Bank of the Philippines and Development Bank of the Philippines. As at December 31, 2024, the carrying amount of the borrowings is P4,983 million and is presented as part of bills payable to local banks.

On August 24, 2023, the Parent Bank signed a facility agreement for an unsecured syndicated term loan amounting to US Dollar (USD) 300 million. The three-year loan which was drawn down on August 24, 2023 bears a floating interest payable on a quarterly basis commencing in November 2023. The loan matures on August 24, 2026 and has a carrying amount of P17,274 million as at December 31, 2024 (2023 - P16,494 million). The Parent Bank incurred origination costs amounting to USD2.35 million.

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

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

Other borrowed funds

This represents funds raised via the BPI Group's debt issuance programs as follows:

(a) Peso Bond and Commercial Paper Program

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

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

On May 18, 2022, the BOD of the Parent Bank approved a new P100 billion Bond Program. On January 30, 2023, BPI issued the first tranche called BPI Reinforcing Inclusive Support for Micro, Small and Medium Enterprises (MSMEs) Bonds ("BPI RISE Bonds"). The net proceeds amounting to P20,123 million were used to finance or refinance the business requirements of eligible MSMEs, consistent with BPI's Sustainable Funding Framework. On November 13, 2023, BPI issued the second tranche of this Bond Program. The net proceeds amounting to P36,371 million were used for general corporate purposes. On August 9, 2024, BPI issued the third tranche called BPI Sustainable, Environmental and Equitable Development Bonds ("BPI SEED Bonds"). The net proceeds of P33,412 million were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

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

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

On October 16, 2024, the BOD of the Parent Bank approved the establishment of a P200 billion Bond Program following the full utilization of the Bank's Bond Program established in 2022.

(b) Medium-Term Note (MTN) Program

On June 21, 2018, the BOD of the Parent Bank approved the establishment of the MTN Program in the aggregate amount of up to USD 2,000 million. On December 13, 2023, the BOD approved the increase in size of this program to USD 3,000 million. As at December 31, the outstanding drawdowns are as follows:

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

(c) Private Placement

On August 25, 2023, the Parent Bank issued a green bond amounting to USD 250 million with the International Finance Corporation as the sole subscriber. The bond carries floating interest payable on a semi-annual basis. The bond is unconditional, unsecured and unsubordinated and is expected to mature on August 25, 2026. As at December 31, 2024, the carrying amount of the bond amounts to P14,448 million (2023 - P13,824 million).

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

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

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

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

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

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

17 Deferred credits and other liabilities

The account at December 31 consists of the following:

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

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

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

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

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

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

The account is expected to be settled as follows:

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

18 Capital funds

(a) Share capital

Details of authorized share capital of the Parent Bank follow:

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

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

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

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

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

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

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

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

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

BPI and RBC merger (Note 29)

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

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

(b) Reserves

The account consists of:

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

General loan loss provision (GLLP)

In 2018, the BSP issued Circular 1011 which mandates among others, banks to set up GLLP equal to 1% of all outstanding "Stage 1" on-balance sheet loans, except for accounts considered as credit risk-free under existing regulations. Under the said Circular, if the PFRS 9 "Stage 1" loan loss allowance is lower than the required GLLP, the deficiency shall be recognized as an appropriation of retained earnings or surplus. As at December 31, 2024, the Parent Bank appropriated P10,274 million (2023 - nil) out of surplus representing the excess of GLLP over PFRS 9 Stage 1 loan loss allowance to meet the requirements of the BSP.

Reserve for trust business

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

Reserve for trading participants

Reserve for trading participants represents the required annual minimum appropriation of net income of the BPI Group's broker/dealer activities through BPI Securities Corporation, a wholly-owned subsidiary of the Parent Bank, to a reserve fund in compliance with SEC.

Reserve for self-insurance

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

Merger reserves

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

Share-based compensation plan

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

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

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

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

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

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

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

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

(c) Accumulated other comprehensive loss

Details of and movements in the account are as follows:

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

(d) Dividend declarations

Cash dividends

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

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

Property dividends

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

(e) Earnings per share (EPS)

EPS is calculated as follows:

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

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

19 Other income

(a) Fees and commission

Details of fees and commission are as follows:

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

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

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

(b) Other operating income

Details of other operating income are as follows:

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
		(In Millions of Pesos)					
Credit card income		8,089	6,209	4,594	8,089	6,209	4,594
Trust and asset management fees		4,983	4,211	3,802	-	2	4
Gain on sale of assets	11	247	407	5,303	216	420	5,295
Rental income		141	135	195	156	167	225
Dividend income	8	93	100	60	1,505	3,066	1,810
Miscellaneous income		4,056	3,205	3,099	3,606	2,877	2,637
		17,609	14,267	17,053	13,572	12,741	14,565

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

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

20 Leases

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

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

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

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
<i>Right-of-use assets</i>					
Buildings and leasehold improvements	11	8,287	8,404	7,177	7,365
<i>Lease liabilities (included in "Deferred credits and other liabilities")</i>	17				
Current		2,964	2,577	2,665	2,337
Non-current		6,860	7,179	5,976	6,341
		9,824	9,756	8,641	8,678

Additions to the right-of-use assets, excluding impact of merger (Note 11), in 2024 aggregated P1,862 million (2023 - P1,701 million) and P1,469 million (2023 - P1,459 million) for BPI Group and Parent bank, respectively. Total cash outflow for leases in 2024 amounted to P2,438 million (2023 - P2,214 million) and P2,096 million (2023 - P1,933 million) for BPI Group and Parent bank, respectively.

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

Amounts recognized in the statement of income relating to leases:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
<i>Depreciation expense</i>					
Buildings and leasehold improvements	11	2,278	2,186	1,965	1,936
Interest expense (included in "Occupancy and equipment-related expenses")		372	321	293	281
Expense relating to short-term leases (included in "Occupancy and equipment-related expenses")		450	101	449	101
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in "Occupancy and equipment-related expenses")		511	397	452	354
		3,611	3,005	3,159	2,672

The BPI Group has received COVID-19 related rent discount and deferral of the escalation of lease payments and has applied the practical expedients allowed under PFRS 16, *Leases*, introduced in May 2020 in accounting for the rent concessions. Consequently, the BPI Group recognized the following amounts for the years ended December 31:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Rent concession (included in "Other operating income")	1	1	1	1

Critical accounting judgment - Determining the lease term

In determining the lease term, the BPI Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Critical accounting judgment - Determining the incremental borrowing rate

To determine the incremental borrowing rate, each entity within the BPI Group:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held which do not have recent third-party financing; and
- makes adjustments specific to the lease (e.g. term, currency and security).

The BPI Group's weighted average incremental borrowing rates applied to the lease liabilities ranged from 4.08% to 6.84% (2023 - 2.00% to 7.40%). The rates were determined in reference to the borrowing rates arising from the most recent debt issuances of the Parent Bank.

21 Operating expenses

(a) Compensation and fringe benefits

Details of the account for the years ended December 31:

	Note	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
		(In Millions of Pesos)					
Salaries and wages		23,423	18,600	16,024	20,562	16,320	14,236
Retirement expense	23	1,450	1,232	1,438	1,363	1,148	1,379
Other employee benefit expenses		4,066	3,389	2,066	3,289	2,842	1,792
		28,939	23,221	19,528	25,214	20,310	17,407

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

(b) Other operating expenses

Details of the account for the years ended December 31:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Insurance	6,371	5,204	4,768	6,256	5,140	4,711
Advertising	3,996	4,124	2,393	3,822	4,020	2,259
Travel and communication	1,685	1,575	1,194	1,484	1,414	1,069
Management and other professional fees	1,288	730	651	1,244	673	572
Supervision and examination fees	999	963	873	774	783	695
Litigation expenses	665	477	349	653	468	345
Taxes and licenses	634	224	1,214	554	165	1,147
Office supplies	579	428	358	502	363	305
Amortization expense	484	18	172	465	1	3
Others	13,024	10,134	7,729	11,650	9,115	7,089
	29,725	23,877	19,701	27,404	22,142	18,195

Insurance expense comprise mainly of premium payments made to PDIC and other product-related insurance costs.

Amortization expense includes the amortization of intangible assets acquired from the merger with RBC (Notes 14 and 29).

Other expenses mainly include fees and incentives paid to agents, outsourcing fees, freight charges and other business expense such as those incurred in staff meetings, donations, periodicals and magazines.

22 Income taxes

The reconciliation between the income tax expense at the statutory tax rate and the effective income tax for the years ended December 31 is shown below:

	Consolidated					
	2024		2023		2022	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	19,936	25.00	16,303	25.00	12,842	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	(1,598)	(2.00)	(392)	(0.60)	(723)	(1.41)
Tax-exempt income	(1,715)	(2.15)	(1,134)	(1.74)	(1,318)	(2.56)
Others, net	880	1.10	(1,478)	(2.27)	731	1.42
Effective income tax	17,503	21.95	13,299	20.39	11,532	22.45

	Parent					
	2024		2023		2022	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	18,109	25.00	15,559	25.00	11,821	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	(579)	(0.80)	(446)	(0.72)	(77)	(0.17)
Tax-exempt income	(1,683)	(2.32)	(1,872)	(3.01)	(1,506)	(3.18)
Others, net	206	0.28	(1,060)	(1.70)	45	0.10
Effective income tax	16,053	22.16	12,181	19.57	10,283	21.75

23 Retirement plans

The BPI Group maintains both defined benefit and defined contribution retirement plans. Assets of both retirement plans are held in trust and governed by local regulations and practices in the Philippines. The key terms of these pension plans are discussed below.

a) Defined benefit retirement plan

BPI Group (excluding insurance operations and LSB)

BPI has a unified plan which covers all subsidiaries except insurance entities. Under this plan, the normal retirement age is 60 years. Those who elect to retire prior to the normal retirement age will require company approval, subject to meeting the eligibility conditions on age and years of credited services. Normal retirement benefit consists of a lump sum benefit equivalent to 200% of the basic monthly salary of the employee at the time of his retirement for each year of service, if he has rendered at least 10 years of service, or to 150% of his basic monthly salary, if he has rendered less than 10 years of service and cash equivalent of the accrued and unused vacation and sick leave, if any subject to the BPI Group's implementing guidelines and policies. For voluntary retirement, the benefit is equivalent to 112.50% of the employee's basic monthly salary for a minimum of 10 years of service with the rate factor progressing to a maximum of 200% of basic monthly salary for service years of 25 or more. Death or disability benefit, on the other hand, shall be the highest amount among the (1) same basis as in voluntary retirement; (2) 100% of basic monthly salary of the employee at the time of his retirement for each year of service; and (3) minimum amount required by Labor Code.

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

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

Non-life insurance subsidiary

BPI/MS Insurance Corporation has a separate trustee defined benefit plan. Under the plan, the normal retirement age is 60 years. Normal retirement benefit consists of a lump sum benefit equivalent to 175% of the basic monthly salary of the employee at the time of his retirement for each year of service, if he has rendered at least 10 years of service, or to 150% of his basic monthly salary, if he has rendered less than 10 years of service. Death or disability benefit for all employees of the non-life insurance subsidiary shall be determined on the same basis as in normal or voluntary retirement as the case may be.

LSB

LSB has a stand-alone non-contributory defined benefit plan covering all its regular and permanent employees. Under the retirement plan, all employees are entitled to cash benefits after satisfying certain age and service requirements. As at December 31, 2024, the pension liability amounts to P9 million. The impact of LSB's pension plan is not considered material to the financial statements; thus, the disclosures were limited only to the information mentioned.

Following are the amounts recognized based on recent actuarial valuation exercise:

(a) Pension liability as at December 31 recognized in the statement of condition:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Present value of defined benefit obligation	19,860	18,632	19,304	18,098
Fair value of plan assets	(15,667)	(14,103)	(15,182)	(13,722)
	4,193	4,529	4,122	4,376
Effect of asset ceiling	33	12	-	-
	4,226	4,541	4,122	4,376

Pension liability is shown as part of "Miscellaneous liabilities" within Deferred credits and other liabilities (Note 17).

The movements in plan assets are summarized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	14,103	12,876	13,722	12,515
Impact of merger	470	-	470	-
Contributions	1,213	2,251	1,165	2,229
Interest income	775	886	752	860
Benefit payments	(1,703)	(1,032)	(1,691)	(1,030)
Remeasurement gain (loss) - return on plan assets	1,539	(878)	1,494	(852)
Transfer to the plan	(730)	-	(730)	-
At December 31	15,667	14,103	15,182	13,722

The carrying values of the plan assets represent their fair value as at December 31, 2024 and 2023.

The plan assets comprised the following:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities	10,130	8,517	9,817	8,287
Equity securities	4,341	4,307	4,207	4,191
Others	1,196	1,279	1,158	1,244
	15,667	14,103	15,182	13,722

The plan assets of the unified retirement plan include investment in BPI's common shares with aggregate fair value of P2,747 million at December 31, 2024 (2023 - P2,413 million). An officer of the Parent Bank exercises the voting rights over the plan's investment in BPI's common shares.

Others include cash and cash equivalents and other receivables.

The movements in the present value of defined benefit obligation are summarized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	18,632	15,600	18,098	15,296
Impact of merger	471	-	471	-
Interest cost	1,124	1,115	1,091	1,088
Current service cost	863	757	826	730
Remeasurement - changes in financial assumptions	(76)	1,013	(73)	980
Remeasurement - experience adjustment	1,279	1,512	1,267	1,416
Remeasurement - changes in demographic assumption	-	(332)	-	(306)
Benefit payments	(1,703)	(1,033)	(1,691)	(1,030)
Transfer from the plan	(730)	-	(685)	(76)
At December 31	19,860	18,632	19,304	18,098

Other than the regular funding contributions to the BPI Group's retirement fund, the transfer of RBC fund assets were also considered as presented above.

(b) Expense recognized in the statement of income for the years ended December 31 are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Current service cost	863	757	782	826	730	656
Net interest cost	349	229	295	339	228	258
	1,212	986	1,077	1,165	958	914

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

	Consolidated		Parent	
	2024	2023	2024	2023
Discount rate	6.12%	6.03%	6.12%	6.03%
Future salary increases	6.00%	6.00%	6.00%	6.00%

Assumptions regarding future mortality and disability experience are based on published statistics generally used for local actuarial valuation purposes.

The defined benefit plan typically exposes the BPI Group to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the BPI Group. However, the BPI Group believes that due to the long-term nature of the pension liability and the strength of the BPI Group itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the BPI Group's long-term strategy to manage the plan efficiently.

The BPI Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The BPI Group's main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the trustor, as necessary to better ensure the appropriate asset-liability matching.

The BPI Group contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary engaged by management. The expected contributions for the year ending December 31, 2024 for the BPI Group and the Parent Bank amount to P1,272 billion and P1,223 billion, respectively (2023 - P1,273 billion and P1,217 billion, respectively). The weighted average duration of the defined benefit obligation under the BPI unified retirement plan as at December 31, 2024 is 5.64 years (2023 - 5.09 years).

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

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Up to one year	3,845	3,347	3,754	3,260
More than 1 year to 5 years	14,575	13,753	14,163	13,165
More than 5 years to 10 years	9,837	9,837	9,545	9,409
More than 10 years to 15 years	4,569	4,716	4,340	4,421
More than 15 years to 20 years	3,319	3,306	3,139	3,047
Over 20 years	3,069	3,410	2,875	3,068

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

Consolidated

2024

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

2023

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.90%	Increase by 5.30%
Salary growth rate	1.00%	Increase by 5.20%	Decrease by 4.90%

Parent

2024

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

2023

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.90%	Increase by 5.30%
Salary growth rate	1.00%	Increase by 5.20%	Decrease by 4.90%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statement of condition.

b) Defined contribution retirement plan subject to the requirements of Republic Act (RA) No. 7641

All non-unionized employees hired on or after the January 1, 2016 are automatically under the new defined contribution plan. Employees hired prior to the effective date shall have the option to elect to become members of the new defined contribution plan.

Upon normal or late retirement, employees are entitled to a lump sum benefit equal to the total of the following amounts:

- The greater of the (a) updated member account balance where the company periodically contributes 8% of the basic monthly salary and (b) the minimum legal retirement benefit under the Labor Code; and
- The updated member account balance funded by (a) voluntary employee contribution and (b) employer matching contribution; and
- Cash equivalent of the accrued and unused vacation and sick leave, if any.

The defined contribution retirement plan has a defined benefit minimum guarantee equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the liability for the defined benefit minimum guarantee is actuarially calculated similar to the defined benefit plan.

Upon effectivity of the merger, the active employees of RBC were enrolled in the defined benefit plan. Subsequently, they were provided an option to participate to the BPI Group's defined contribution plan instead resulting to the transfer of P730 million representing the initial balance offer.

The funding status of the defined contribution plan as at December 31 is shown below:

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

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

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

The movements in the fair value of plan assets follow:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	2,261	1,961	1,898	1,684
Impact of merger	-	-	-	-
Contribution paid by employer	591	332	496	270
Interest income	133	145	111	124
Benefit payments	(186)	(184)	(156)	(156)
Remeasurement gain (loss) - return on plan assets	183	7	191	(24)
Transfer to the plan	730	-	730	-
At December 31	3,712	2,261	3,270	1,898

Total retirement expense for the year ended December 31, 2024 under the defined contribution plan for the BPI Group and Parent Bank amounts to P68 million (2023 - P119 million) and P59 million (2023 - P94 million), respectively.

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

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities	705	619	621	520
Equity securities	2,248	1,495	1,980	1,255
Others	759	147	669	123
	3,712	2,261	3,270	1,898

The weighted average duration of the defined contribution retirement plan for the BPI Group and Parent Bank is 10.45 years (2023 - 8.17 years).

Critical accounting estimate - Calculation of defined benefit obligation

The BPI Group estimates its pension benefit obligation and expense for defined benefit pension plans based on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, the discount rate and future salary increases. The BPI Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. The present value of the defined benefit obligations of the BPI Group at December 31, 2024 and 2023 are determined using the market yields on Philippine government bonds with terms consistent with the expected payments of employee benefits. Plan assets are invested in either equity securities, debt securities or other forms of investments. Equity markets may experience volatility, which could affect the value of pension plan assets. This volatility may make it inherently impracticable and difficult to estimate the long-term rate of return on plan assets. Actual results that differ from the BPI Group's assumptions are reflected as remeasurements in other comprehensive income. The BPI Group's assumptions are based on actual historical experience and external data regarding compensation and discount rate trends.

24 Asset management business

At December 31, 2024, the total trust and fund assets under management of the BPI Group through BPI Wealth amounts to P1,531 billion (2023 - P1,223 billion).

As required by the General Banking Act, BPI Wealth has deposited government securities with the BSP valued at P989 million (2023 - P990 million).

25 Related party transactions

In the normal course of business, the Parent Bank transacts with related parties consisting of its DOSRI (Directors, Officers, Stockholders, and Related Interests), Subsidiaries and Affiliates including Other Related Parties. Likewise, the BPI Group has transactions with Ayala Corporation (AC) and its subsidiaries (Ayala Group), on an arm's length basis. AC is a significant stockholder of BPI as at reporting date.

The Parent Bank has a Board-level Related Party Transactions Committee (RPTC) that vets and endorses all significant related party transactions which exceed the Parent Bank's set materiality threshold, including those involving DOSRI, for which the latter shall require final BOD approval. The RPTC consists of three directors, majority of whom are independent directors including the Chairman, and two resource persons from management's control groups, namely, the Chief Audit Executive and the Chief Compliance Officer. Those related party transactions involving amounts below the materiality threshold, the Management Vetting Committee (MVC), which is composed of the Parent Bank's Executive Vice Presidents, the Bank's Chief Finance Officer, and the Bank's Treasurer, shall have the authority to vet these transactions. In case any of the vetting committees has conflict of interest, be it actual or perceived, in a particular related party transaction, he or she is required to inhibit from the vetting and endorsement of the particular RPT.

Transactions with related parties have terms and conditions that are generally comparable to those offered to non-related parties and/or to similar transactions in the market. Any deviation or amendment from previously vetted terms and conditions shall require appropriate RPT vetting and approval.

To ensure that related party transactions are within prudent levels, the Parent Bank's BOD shall prescribe, from time to time, internal limits or sub-limits for individual and aggregate credit exposures to related parties that are consistent with the Parent Bank's risk appetite and regulatory guidelines. The limits shall be computed and based on the Parent Bank's prescribed capital metrics.

The RPTC shall report to the BOD, on a regular basis, the status and aggregate credit exposures of the Parent Bank to each related party as well as the total amount of credit exposure to all related parties.

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

Consolidated

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

2023			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Associates	71	113	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.45% to 7.58% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	(3,016)	61,680	
Deposits from:			
Associates	912	1,949	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.08% to 0.10% Time - 4.35% to 5.38% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(2,239)	687	
Key management personnel	958	1,215	
	(369)	3,851	
2022			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Associates	(18)	42	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 4.95% to 6.09% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 5 days to 15 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(541)	64,654	
Other related parties	(546)	-	
	(1,105)	64,696	
Deposits from:			
Associates	(236)	1,037	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.80% Savings - 0.09% to 0.10% Time - 1.71% to 4.17% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(8,475)	2,926	
Key management personnel	(727)	257	
	(9,438)	4,220	

Parent

2024			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	(12)	75	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.33% to 7.71% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Associates	366	479	
Ayala Group	18,335	79,902	
Key management personnel	20	20	
	18,709	80,476	
Deposits from:			
Subsidiaries	(982)	5,383	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.08% to 0.09% Time - 5.34% to 5.50%
Associates	(1,229)	720	
Ayala Group	14,729	15,416	
Key management personnel	(759)	432	
	11,759	21,951	
2023			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	53	87	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.22% to 7.23% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Associates	71	113	
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	(2,963)	61,767	
Deposits from:			
Subsidiaries	442	6,365	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.80% Savings - 0.09% to 0.09% Time - 4.35% to 5.35% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	912	1,949	
Ayala Group	(2,239)	687	
Key management personnel	936	1,191	
	51	10,192	

2022			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	34	34	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 4.95% to 6.09% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 5 days to 15 years. Additional information on DOSRI loans are discussed below.
Associates	(18)	42	
Ayala Group	(541)	64,654	
Other related parties	(546)	-	
	(1,071)	64,730	
Deposits from:			
Subsidiaries	(5,408)	5,923	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.80% Savings - 0.09% to 0.10% Time - 1.71% to 4.17% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	(234)	1,037	
Ayala Group	(7,203)	2,926	
Key management personnel	(692)	255	
	(13,537)	10,141	

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

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

Parent	2024	2023	2022
	(In Millions of Pesos)		
Interest income			
Subsidiaries	21	19	5
Associates	-	8	-
Ayala Group	3,162	2,297	1,724
Key management personnel	1	-	-
	3,184	2,324	1,729
Other income			
Subsidiaries	1,811	209	733
Associates	2,359	139	1,771
Ayala Group	1,543	935	648
	5,713	1,283	3,152
Interest expense			
Subsidiaries	21	19	5
Associates	17	18	1
Ayala Group	539	4	29
Key management personnel	9	14	1
	586	55	36
Other expenses			
Subsidiaries	48	127	817
Associates	216	-	282
Ayala Group	1,632	799	1,744
	1,896	926	2,843
Retirement benefits			
Key management personnel	60	48	51
Salaries, allowances and other short-term benefits			
Key management personnel	1,603	1,433	796
Directors' remuneration	91	88	131

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

Details of DOSRI loans are as follows:

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

As at December 31, 2024, allowance for credit losses amounting to P140 million (2023 - P247 million) have been recognized against receivables from related parties.

26 Financial risk management

The BOD carries out its risk management function through the Risk Management Committee (RMC). The RMC is tasked with nurturing a culture of risk management across the BPI Group. The RMC sets the risk appetite; proposes and approves risk management policies, frameworks, and guidelines; and regularly reviews risk management structures, metrics, limits, and issues across the BPI Group, in order to meet and comply with regulatory and international standards on risk measurement and management.

At the management level, the Risk Management Office (RMO) is headed by the Chief Risk Officer (CRO). The CRO is ultimately responsible in leading the formulation of risk management policies and methodologies in alignment with the overall business strategy of BPI, ensuring that risks are prudently and rationally undertaken and within its risk appetite, as well as commensurate and disciplined to maximize returns on shareholders' capital. Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive prior operational experience. BPI's risk managers regularly monitor key risk indicators and report exposures against carefully established financial and business risk metrics and limits approved by the RMC.

Finally, independent reviews are regularly conducted by the Internal Audit group, external auditors, and regulatory examiners to ensure that risk controls and mitigants are in place and functioning effectively as intended.

The possibility of incurring losses is, however, compensated by the possibility of earning more than expected income. Risk-taking is, therefore, not entirely negative to be avoided. Risk-taking actions present opportunities if risks are fully identified and accounted, deliberately taken, and are kept within prudent and rationalized limits.

Credit risk, liquidity risk and market risk, as well as operational and cyber security risks are some of the top risks that the BPI Group manages.

26.1 Credit risk

The BPI Group takes on exposure to credit risk, which is the risk that may arise if a borrower or counterparty fails to meet its obligations in accordance with agreed repayment terms. Credit risk is the single largest risk for the BPI Group's business; management therefore carefully manages its exposure to credit risk as governed by prudent credit policies, standards and methodologies, relevant regulatory requirements, and international benchmarks.

Loans and advances are the most evident source of credit risks; however, other sources of credit risk exist throughout the activities of the BPI Group, including in credit-related activities recorded in the banking books, investment securities in the trading books and off-balance sheet transactions.

26.1.1 Credit risk management

The Credit Policy and Risk Management (CPRM) division is responsible for the overall management of the BPI Group's credit risks. CPRM supports the Senior Management in coordination with various business lending and operations units in identifying, measuring, reporting, and managing credit risk.

The BPI Group employs a range of policies and practices to mitigate credit risks. The BPI Group monitors its loan and investment portfolios based on different segmentations to reflect the acceptable level of diversification and concentration. Concentration risk in credit portfolios is inherent in banking and cannot be eliminated. However, said risk may be reduced by adopting proper risk controls, mitigation, and diversification strategies to prevent undue credit risk concentrations from excessive exposures to counterparties, borrower-groups, industries, countries or regions.

The BPI Group structures the levels of credit risks it undertakes by placing limits or monitoring thresholds on the amount of risks accepted in relation to one borrower, or group of borrowers, industry segments, and countries or regions. Such risks are monitored on a regular basis and subjected to annual or more frequent review, when deemed necessary. Limits on large exposures and credit concentration are approved by the BOD through the RMC.

The exposure to any borrower may also be further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against risk limits are monitored regularly. Methodologies for measuring credit risk vary depending on several factors, including type of asset, borrower or counterparties' risk profiles, risk measurement parameters and risk management and collection processes. Credit risk measurement is based on the probability of default (PD) of an obligor or counterparty, the loss severity given a default (LGD) event and the exposure at default (EAD).

A rigorous control framework is applied in the determination of expected credit loss (ECL) models. The BPI Group has policies and procedures that govern the calculation of ECL, which is performed by the Credit Risk Modeling, Analytics and MIS (CRMA-MIS) division. All ECL models are regularly reviewed by the Risk Management Office to ensure that necessary controls are in place and the models are applied accordingly.

The review and validation of ECL models are performed by groups that are independent of CRMA-MIS, e.g., Risk Models Validation Division, Internal Auditors, and/or external assurance partners. Expert judgments on measurement methodologies and assumptions are reviewed by a group of internal experts from various functions across the Parent Bank.

Credit loss estimates are based on estimates of the PD and loss severity given a default. The PD is the likelihood that a borrower will default on its obligation; the LGD is the estimated loss that would be realized upon the default and takes into consideration collateral and structural support for each credit facility. The estimation process includes assigning risk ratings to each borrower and credit facility to differentiate risk within the portfolio. These risk ratings are reviewed regularly by RMO and revised as needed to reflect the borrower's current financial position, risk profile, related collateral or credit enhancements, and other credit risk mitigants. The calculations and assumptions are based on both internal and external historical experience and management judgment and are reviewed regularly.

The BPI Group's forward-looking, point-in-time PD models are driven by internal forecasts of macroeconomic variables (MEVs) over the next five years. These models are recalibrated annually and a more frequent review and update of these models may be conducted in response to changing macroeconomic conditions.

The BPI Group also manages counterparty credit risk arising from both pre-settlement and settlement risks. Pre-settlement risk is the risk that a counterparty will default prior to the final settlement/maturity of a transaction, while settlement risk pertains to the risk that a counterparty fails to deliver on settlement/maturity date when the Bank has already delivered on its contractual obligations. In managing counterparty risks, pre-settlement and settlement risk limits are established and exposures are monitored daily for each counterparty to cover the aggregate of pre-settlement and settlement risks arising from transactions with the BPI Group. The BPI Group also employs various tools and methods including use of delivery versus payment settlement, payment versus payment settlement, use of collateral agreements, and other acceptable credit risk mitigation techniques to further manage counterparty credit risk.

The BPI Group employs specific control and risk mitigation measures, some of which are outlined below:

(a) Collateral or guarantees

One of the most traditional and common practice in mitigating credit risks is requiring collaterals and/or securities particularly for loans and advances. The BPI Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The BPI Group assesses the valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The common collateral types for loans and advances are:

- Mortgages over physical properties (e.g., real estate and personal);
- Mortgages over financial assets [e.g., guarantees, investments (bonds or equities)]; and
- Margin agreement for derivatives, for which the BPI Group has also entered into master netting agreements.

In order to minimize credit loss, the BPI Group seeks additional collateral and/or securities from the counterparty when impairment indicators are observed for the relevant individual loans and advances.

The BPI Group's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collaterals held by the BPI Group since the prior period.

(b) Market limits

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

(c) Master netting arrangements

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

(d) Credit-related commitments

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

26.1.2 Credit risk rating

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

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

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

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

The BPI Group uses the following set of classifications:

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

ii. *Retail loans*

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

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

*Includes salary-based general purpose consumption loan

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

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

iii. *Treasury and other investment debt securities*

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

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

iv. *Other financial assets at amortized cost*

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

26.1.3 Maximum exposure to credit risk

26.1.3.1 Loans and advances, net

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

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Corporate and SME loans, net	1,685,197	1,482,335	1,680,654	1,478,037
Retail loans, net	553,568	399,672	506,274	371,803
	2,238,765	1,882,007	2,186,928	1,849,840

The carrying amount of loans and advances above also represents the BPI Group's maximum exposure to credit risk. The following tables contain an analysis of the credit risk exposure of each financial instrument for which an ECL allowance is recognized.

Credit quality of loans and advances, net

Consolidated

Corporate and SME loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	1,419,122	92,448	-	1,511,570	1,152,071	1,865	-	1,153,936
Special monitoring	104,098	56,728	-	160,826	129,537	199,296	-	328,833
Default	-	-	44,378	44,378	-	-	38,812	38,812
Gross amount	1,523,220	149,176	44,378	1,716,774	1,281,608	201,161	38,812	1,521,581
Loss allowance	(5,721)	(2,159)	(23,697)	(31,577)	(10,596)	(3,483)	(25,167)	(39,246)
Carrying amount	1,517,499	147,017	20,681	1,685,197	1,271,012	197,678	13,645	1,482,335

Retail loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	518,497	18,837	-	537,334	373,296	16,217	-	389,513
Special monitoring	723	12,412	-	13,135	525	8,705	-	9,230
Default	-	-	25,624	25,624	-	-	19,157	19,157
Gross amount	519,220	31,249	25,624	576,093	373,821	24,922	19,157	417,900
Loss allowance	(4,327)	(3,496)	(14,702)	(22,525)	(4,890)	(3,242)	(10,096)	(18,228)
Carrying amount	514,893	27,753	10,922	553,568	368,931	21,680	9,061	399,672

Parent

Corporate and SME loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)								
Credit grade								
Standard monitoring	1,414,762	92,448	-	1,507,210	1,147,940	1,865	-	1,149,805
Special monitoring	104,098	56,727	-	160,825	129,537	199,296	-	328,833
Default	-	-	44,364	44,364	-	-	38,813	38,813
Gross amount	1,518,860	149,175	44,364	1,712,399	1,277,477	201,161	38,813	1,517,451
Loss allowance	(5,901)	(2,159)	(23,685)	(31,745)	(10,767)	(3,483)	(25,164)	(39,414)
Carrying amount	1,512,959	147,016	20,679	1,680,654	1,266,710	197,678	13,649	1,478,037

Retail loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)								
Credit grade								
Standard monitoring	472,088	18,810	-	490,898	345,864	16,160	-	362,024
Special monitoring	715	11,655	-	12,370	524	8,286	-	8,810
Default	-	-	21,640	21,640	-	-	16,604	16,604
Gross amount	472,803	30,465	21,640	524,908	346,388	24,446	16,604	387,438
Loss allowance	(3,393)	(3,478)	(11,763)	(18,634)	(4,135)	(3,229)	(8,271)	(15,635)
Carrying amount	469,410	26,987	9,877	506,274	342,253	21,217	8,333	371,803

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

Consolidated

	2024			2023		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
(In Millions of Pesos)						
Current	148,490	13,729	162,219	200,390	12,072	212,462
Past due up to 30 days	86	5,355	5,441	389	4,544	4,933
Past due 31 - 90 days	600	12,165	12,765	382	8,306	8,688
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	149,176	31,249	180,425	201,161	24,922	226,083

Parent

	2024			2023		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
(In Millions of Pesos)						
Current	148,490	13,708	162,198	200,390	12,033	212,423
Past due up to 30 days	85	5,343	5,428	389	4,522	4,911
Past due 31 - 90 days	600	11,414	12,014	382	7,891	8,273
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	149,175	30,465	179,640	201,161	24,446	225,607

26.1.3.2 Treasury and other investment securities, net

Credit risk exposures arising from treasury and other investment securities are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Due from BSP	164,571	199,619	161,247	192,246
Due from other banks	72,060	36,292	68,439	33,081
Interbank loans receivable and SPAR, net	16,715	20,643	9,093	17,342
Financial assets at FVTPL	46,957	23,543	39,757	17,456
Financial assets at FVOCI, net	264,358	215,780	260,834	212,442
Investment securities at amortized cost, net	343,108	382,711	336,233	377,120
	907,769	878,588	875,603	849,687

Credit quality of treasury and other investment securities, net

Consolidated

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)								
Credit grade								
Standard monitoring								
Due from BSP	164,571	-	-	164,571	199,619	-	-	199,619
Due from other banks	72,060	-	-	72,060	36,292	-	-	36,292
Interbank loans receivable and SPAR	16,720	-	-	16,720	20,645	-	-	20,645
Financial assets at FVTPL	46,957	-	-	46,957	23,543	-	-	23,543
Financial assets at FVOCI	263,903	455	-	264,358	215,438	342	-	215,780
Investment securities at amortized cost	342,189	1,035	-	343,224	381,811	931	-	382,742
Default								
Interbank loans receivable and SPAR	-	-	38	38	-	-	41	41
Gross carrying amount	906,400	1,490	38	907,928	877,348	1,273	41	878,662
Loss allowance	(97)	(24)	(38)	(159)	(33)	-	(41)	(74)
Carrying amount	906,303	1,466	-	907,769	877,315	1,273	-	878,588

Parent

	2024				2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		12-month ECL	Lifetime ECL	Lifetime ECL	
(In Millions of Pesos)								
Credit grade								
Standard monitoring								
Due from BSP	161,247	-	-	161,247	192,246	-	-	192,246
Due from other banks	68,439	-	-	68,439	33,081	-	-	33,081
Interbank loans receivable and SPAR	9,098	-	-	9,098	17,344	-	-	17,344
Financial assets at FVTPL	39,757	-	-	39,757	17,456	-	-	17,456
Financial assets at FVOCI	260,379	455	-	260,834	212,100	342	-	212,442
Investment securities at amortized cost	335,282	1,034	-	336,316	376,220	931	-	377,151
Default								
Interbank loans receivable and SPAR	-	-	38	38	-	-	41	41
Gross carrying amount	874,202	1,489	38	875,729	848,447	1,273	41	849,761
Loss allowance	(64)	(24)	(38)	(126)	(33)	-	(41)	(74)
Carrying amount	874,138	1,465	-	875,603	848,414	1,273	-	849,687

26.1.3.3 Other financial assets at amortized cost

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

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

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

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

26.1.3.4 Loan commitments

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

Consolidated

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	704,278	1,609	-	705,887	542,193	1,749	-	543,942
Special monitoring	21,421	19	-	21,440	16,241	-	-	16,241
Default	-	-	339	339	-	-	543	543
Gross amount	725,699	1,628	339	727,666	558,434	1,749	543	560,726
Loss allowance*	(1,130)	(112)	(25)	(1,267)	(1,067)	(94)	(71)	(1,232)
Carrying amount	724,569	1,516	314	726,399	557,367	1,655	472	559,494

*Included in "Miscellaneous liabilities" in Note 17

Parent

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)								
Credit grade								
Standard monitoring	704,278	1,609	-	705,887	542,193	1,749	-	543,942
Special monitoring	21,421	19	-	21,440	16,241	-	-	16,241
Default	-	-	339	339	-	-	543	543
Gross amount	725,699	1,628	339	727,666	558,434	1,749	543	560,726
Loss allowance*	(1,130)	(112)	(25)	(1,267)	(1,067)	(94)	(71)	(1,232)
Carrying amount	724,569	1,516	314	726,399	557,367	1,655	472	559,494

*Included in "Miscellaneous liabilities" in Note 17

26.1.4 Credit impaired loans and advances

The BPI Group closely monitors collaterals held for financial assets considered to be credit-impaired (Stage 3), as it becomes more likely that the BPI Group will take possession of collateral to mitigate potential credit losses. Loans and advances that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Consolidated

	2024			2023		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
(In Millions of Pesos)						
Credit-impaired assets						
Corporate and SME loans	44,378	23,697	20,681	38,812	25,167	13,645
Retail loans	25,624	14,702	10,922	19,157	10,096	9,061
Total credit-impaired assets	70,002	38,399	31,603	57,969	35,263	22,706
Fair value of collateral	31,611			27,713		

Parent

	2024			2023		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
(In Millions of Pesos)						
Credit-impaired assets						
Corporate and SME loans	44,364	23,685	20,679	38,813	25,164	13,649
Retail loans	21,640	11,763	9,877	16,604	8,271	8,333
Total credit-impaired assets	66,004	35,448	30,556	55,417	33,435	21,982
Fair value of collateral	31,570			27,654		

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

As at December 31, 2024, the foreclosed collaterals of BPI Group and Parent Bank have carrying amount of P8,411 million (2023 - P4,743 million) and P8,154 million (2023 - P4,646 million), respectively. The related foreclosed collaterals of BPI Group and Parent Bank have aggregate fair value of P25,956 million (2023 - P14,424 million) and P25,470 million (2023 - P14,092 million), respectively. Foreclosed collaterals include real estate (land, building, and improvements), auto and chattel. Repossessed properties are sold as soon as practicable and are classified as Assets held for sale in the statement of condition. In 2024, the BPI Group realized total loss of P205 million (2023 - P95 million gain) with book value of P3,030 million (2023 - P2,178 million) while the Parent Bank realized a loss of P237 million (2023 - P83 million gain) from disposals of foreclosed collaterals with book value of P2,997 million (2023 - P2,149 million).

26.1.5 Loss allowance

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

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

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

Consolidated

	Stage 1	Stage 2	Stage 3	
Corporate and SME loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	10,596	3,483	25,167	39,246
Impact of merger	160	268	1,470	1,898
Provision for credit losses for the year*				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,030	989
Transfer from Stage 2	87	(2,028)	166	(1,775)
Transfer from Stage 3	17	4	(148)	(127)
New financial assets originated	6,189	-	-	6,189
Financial assets derecognized during the year	(1,500)	(749)	(2,720)	(4,969)
Changes in assumptions and other movements in provision	(3,197)	(309)	(3,184)	(6,690)
	(2,955)	(1,572)	(1,856)	(6,383)
Write-offs and other movements	(2,080)	(20)	(1,084)	(3,184)
Loss allowance, at December 31, 2024	5,721	2,159	23,697	31,577

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

Retail loans	Stage 1	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

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

Parent

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

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

Retail loans	Stage 1	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

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

Consolidated

	Stage 1	Stage 2	Stage 3	
Corporate and SME loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	9,855	1,444	32,383	43,682
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,237)	2,435	2,597	2,795
Transfer from Stage 2	26	(211)	143	(42)
Transfer from Stage 3	-	-	(106)	(106)
New financial assets originated	3,727	-	-	3,727
Financial assets derecognized during the year	(872)	(426)	(1,596)	(2,894)
Changes in assumptions and other movements in provision	102	243	(7,564)	(7,219)
	746	2,041	(6,526)	(3,739)
Write-offs and other movements	(5)	(2)	(690)	(697)
Loss allowance, at December 31, 2023	10,596	3,483	25,167	39,246

	Stage 1	Stage 2	Stage 3	
Retail loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	4,045	2,195	7,845	14,085
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,839)	2,348	4,569	5,078
Transfer from Stage 2	116	(1,198)	1,573	491
Transfer from Stage 3	6	40	(266)	(220)
New financial assets originated	2,744	-	-	2,744
Financial assets derecognized during the year	(395)	(107)	(502)	(1,004)
Changes in assumptions and other movements in provision	222	(32)	400	590
	854	1,051	5,774	7,679
Write-offs and other movements	(9)	(4)	(3,523)	(3,536)
Loss allowance, at December 31, 2023	4,890	3,242	10,096	18,228

Parent

	Stage 1	Stage 2	Stage 3	
Corporate and SME loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	10,026	1,444	32,333	43,803
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,237)	2,435	2,597	2,795
Transfer from Stage 2	26	(211)	143	(42)
Transfer from Stage 3	-	-	(106)	(106)
New financial assets originated	3,727	-	-	3,727
Financial assets derecognized during the year	(872)	(426)	(1,596)	(2,894)
Changes in assumptions and other movements in provision	102	243	(7,567)	(7,222)
	746	2,041	(6,529)	(3,742)
Write-offs and other movements	(5)	(2)	(640)	(647)
Loss allowance, at December 31, 2023	10,767	3,483	25,164	39,414

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	3,509	2,188	6,531	12,228
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,049)	2,337	3,315	4,603
Transfer from Stage 2	116	(1,152)	1,489	453
Transfer from Stage 3	6	40	(252)	(206)
New financial assets originated	1,525	-	-	1,525
Financial assets derecognized during the year	(112)	(106)	(415)	(633)
Changes in assumptions and other movements in provision	142	(74)	96	164
	628	1,045	4,233	5,906
Write-offs and other movements	(2)	(4)	(2,493)	(2,499)
Loss allowance, at December 31, 2023	4,135	3,229	8,271	15,635

Critical accounting estimate and judgment - Measurement of expected credit loss for loans and advances

The measurement of the expected credit loss (ECL) for loans and advances is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). The explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 30.3.2.2.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for SICR;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL; and
- for individually credit-impaired loans, assessing recoverability through future cash flows or through foreclosure of collateral

Forward-looking information incorporated in the ECL models

Three distinct macroeconomic scenarios (baseline, upside and downside) are considered in the BPI Group's estimation of expected credit losses in Stage 1 and Stage 2. These scenarios are based on assumptions supported by economic theories and historical experience. The downside scenario reflects a negative macroeconomic event occurring within the first 12 months, with conditions deteriorating for up to two years, followed by a recovery for the remainder of the period. This scenario is grounded in historical experience and assumes a monetary policy response that returns the economy to a long-run, sustainable growth rate within the forecast period. The probability of each scenario is determined using expert judgment and recession probability tools provided by reputable external service providers. The baseline case incorporates the BPI Group's outlook both for the domestic and global economy. The upside and downside scenarios take into account certain adjustments that will lead to a more positive or negative economic outcome, respectively.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any climate, regulatory, legislative or political changes is likewise considered as post-model adjustments, if material.

The BPI Group has performed historical analyses and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The most significant period-end assumptions used for the ECL estimate are set out below. The scenarios “base”, “upside” and “downside” were used for all portfolios.

At December 31, 2024

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	7.2	7.3	7.2	7.3	0.2	2.3
Inflation rate (%)	3.6	3.3	2.4	2.1	10.0	9.8
BVAL 5Y (%)	5.7	5.3	4.0	3.5	9.2	8.8
US federal funds rate	3.9	3.8	2.2	2.0	7.4	7.3
Exchange rate	57.500	60.433	54.686	52.006	63.996	83.640

At December 31, 2023

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	6.2	6.3	7.3	7.9	1.9	1.0
Inflation rate (%)	3.7	2.8	3.4	2.1	6.5	9.2
BVAL 5Y (%)	6.1	5.3	4.9	3.4	7.8	10.1
US Treasury 5Y (%)	4.6	4.0	3.5	2.1	6.4	8.8
Exchange rate	54.325	57.325	53.459	55.648	55.648	67.662

The US Treasury 5Y economic variable in 2023 was no longer used as shorter term interest rates were preferred given their sensitivities to immediate market conditions and quicker response to possible policy rate changes.

Sensitivity analysis

The loan portfolios have different sensitivities to movements in MEVs, so the above three scenarios have varying impact on the expected credit losses of the BPI Group's portfolios. The allowance for impairment is calculated as the weighted average of expected credit losses under the baseline, upside and downside scenarios. The impact of weighting these multiple scenarios was an increase in the allowance for impairment of BPI Group by P1,036 million as at December 31, 2024 from the baseline scenario (2023 - P247 million).

Transfers between stages

Transfers from Stage 1 and Stage 2 are based on the assessment of SICR from initial recognition. The impact of moving from 12 month expected credit losses to lifetime expected credit losses, or vice versa, varies by product and is dependent on the expected remaining life at the date of the transfer. Stage transfers may result in significant fluctuations in expected credit losses. Assuming all Stage 2 accounts are considered as Stage 1, allowance for impairment for BPI Group would have decreased by P1,664 million as at December 31, 2024 (2023 - P2,626 million).

26.1.6 Concentrations of risks of financial assets with credit risk exposure

The BPI Group's main credit exposure at their carrying amounts, as categorized by industry sectors follow:

Consolidated (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	164,571	72,060	16,758	25,350	45,393	12,670	241,549	-	578,351
Real estate activities	-	-	-	12	329	4,180	521,509	-	526,030
Manufacturing	-	-	-	263	3,523	4,802	324,932	-	333,520
Consumer	-	-	-	-	983	1,311	305,299	-	307,593
Transportation, storage and communications	-	-	-	21	1,977	9,429	247,634	-	259,061
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	253,819	-	262,529
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,125	-	206,569
Others	-	-	-	20,890	207,838	287,414	211,000	5,405	732,547
Allowance	-	-	(43)	-	-	(116)	(54,102)	(1,435)	(55,696)
At December 31, 2024	164,571	72,060	16,715	46,957	264,358	343,108	2,238,765	3,970	3,150,504

Consolidated (December 31, 2023)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	199,619	36,292	20,686	7,415	26,354	15,988	188,185	-	494,539
Real estate activities	-	-	-	-	438	3,061	448,479	-	451,978
Manufacturing	-	-	-	261	4,260	5,204	300,056	-	309,781
Consumer	-	-	-	-	-	-	221,824	-	221,824
Transportation, storage and communications	-	-	-	-	1,915	12,453	219,845	-	234,213
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	1,455	6,433	217,264	-	225,152
Electricity, gas, steam and air-conditioning supply	-	-	-	18	537	30,803	177,949	-	209,307
Others	-	-	-	15,849	180,821	308,800	165,879	3,438	674,787
Allowance	-	-	(43)	-	-	(31)	(57,474)	(915)	(58,463)
At December 31, 2023	199,619	36,292	20,643	23,543	215,780	382,711	1,882,007	2,523	2,763,118

Parent Bank (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	161,247	68,439	9,136	21,962	45,393	11,477	241,539	-	559,193
Real estate activities	-	-	-	12	329	4,180	519,857	-	524,378
Manufacturing	-	-	-	210	3,523	3,475	323,052	-	330,260
Consumer	-	-	-	-	983	118	270,573	-	271,674
Transportation, storage and communications	-	-	-	21	1,977	9,429	246,267	-	257,694
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	242,807	-	251,517
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,023	-	206,467
Others	-	-	-	17,131	204,394	284,219	206,189	7,545	719,478
Allowance	-	-	(43)	-	-	(83)	(50,379)	(1,359)	(51,864)
At December 31, 2024	161,247	68,439	9,093	39,757	260,914	336,233	2,186,928	6,186	3,068,797

Parent Bank (December 31, 2023)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	192,246	33,081	17,385	3,335	26,073	15,264	187,619	-	475,003
Real estate activities	-	-	-	31	438	3,061	447,244	-	450,774
Manufacturing	-	-	-	85	4,260	4,452	299,068	-	307,865
Consumer	-	-	-	-	-	-	202,241	-	202,241
Transportation, storage and communications	-	-	-	64	1,915	11,073	218,718	-	231,770
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	1	1,455	5,489	209,654	-	216,599
Electricity, gas, steam and air-conditioning supply	-	-	-	135	537	29,677	177,890	-	208,239
Others	-	-	-	13,805	177,764	308,135	162,455	4,742	666,901
Allowance	-	-	(43)	-	-	(31)	(55,049)	(836)	(55,959)
At December 31, 2023	192,246	33,081	17,342	17,456	212,442	377,120	1,849,840	3,906	2,703,433

26.1.7 Provision for (reversal of) credit and impairment losses

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

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
(In Millions of Pesos)							
Loans and advances	10	4,693	3,940	8,215	1,513	2,164	7,512
Assets held for sale		837	(222)	411	837	(223)	396
Interbank loans receivable and SPAR	5	7	3	(6)	7	3	(6)
Investment securities at amortized cost	9	56	20	5	56	20	5
Undrawn loan commitments	31	(57)	198	287	(57)	198	287
Impairment on equity investment	12	-	-	-	28	-	-
Accounts receivable	14	689	34	172	639	12	160
Other assets		375	27	83	405	28	83
		6,600	4,000	9,167	3,428	2,202	8,437

26.2 Market risk

The BPI Group is exposed to market risk - the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk management in BPI covers managing exposures to trading risk, foreign exchange risk, and interest rate risk in the banking book.

Market risk management is incumbent on the BOD through the RMC. At the management level, the BPI Group's market risk exposures are managed by the RMO, headed by the Parent Bank's CRO who reports directly to the RMC. In order to effectively manage market risk, the Bank has well established policies and procedures approved by the RMC and confirmed by the Executive Committee/BOD. In addition, the Internal Audit is responsible for the independent review of risk assessment measures and procedures and the control environment.

The BPI Group reviews and controls market risk exposures of both its trading and non-trading portfolios. Trading portfolios include those positions arising from BPI's market-making and risk-taking activities. The BPI Group also has derivatives exposures in interest rate swaps, currency swaps and structured notes as part of its trading and position taking activities. Non-trading portfolios include positions arising from core banking activities, which includes the BPI Group's retail and commercial banking assets and liabilities.

Value-at-Risk (VaR) measurement is an integral part of the BPI Group's market risk control system. This metric is estimated at 99% confidence level, the maximum loss that a trading portfolio may incur over a trading day. This metric indicates as well that there is 1% statistical probability that the trading portfolios' actual loss would be greater than the computed VaR. To ensure model soundness, the VaR is periodically subject to model validation and back testing. VaR is supplemented by other risk metrics and measurements that would provide preliminary signals to Treasury and to Management to assess the vulnerability of BPI Group's positions. To control the risk, the RMC sets risk limits for trading portfolios which are consistent with the BPI Group's goals, objectives, risk appetite, and strategies.

Stress tests indicate the potential losses that could arise in extreme conditions that would have adverse effect to the BPI Group's positions. The BPI Group periodically performs price stress testing to assess the BPI Group's condition on assumed stress scenarios. Contingency plans are frequently reviewed to ensure the BPI Group's preparedness in the event of real stress. Results of stress tests are reviewed by Senior Management and by the RMC.

The average daily VaR for the trading portfolios are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Local fixed-income	66	50	62	47
Foreign fixed-income	182	184	167	173
Foreign exchange	186	214	107	118
Derivatives	46	158	46	158
Equity securities	24	14	-	-
Mutual fund	20	18	-	-
	524	638	382	496

26.2.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. It arises on financial instruments that are denominated in a foreign currency other than the functional currency which they are measured.

The BPI Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its foreign currency financial position and cash flows. The table below summarizes the BPI Group's exposure to more material foreign currency exchange rate risk primarily in USD, shown in their Peso equivalent at December 31:

Consolidated

	2024			2023		
	USD	Others*	Total	USD	Others*	Total
(In Millions of Pesos)						
Financial assets						
Cash and other cash items	3,363	246	3,609	3,196	344	3,540
Due from other banks	36,067	25,860	61,927	16,038	12,530	28,568
Interbank loans receivable and SPAR	20	5,957	5,977	2,287	32	2,319
Financial assets at FVTPL	8,278	2,461	10,739	12,745	455	13,200
Financial assets at FVOCI - debt securities	67,176	1,164	68,340	51,353	1,143	52,496
Investment securities at amortized cost	119,096	1,347	120,443	138,928	1,768	140,696
Loans and advances, net	130,881	11,561	142,442	115,324	5,284	120,608
Others financial assets	302	1	303	61	1	62
Total financial assets	365,183	48,597	413,780	339,932	21,557	361,489
Financial liabilities						
Deposit liabilities	283,061	42,803	325,864	271,646	17,685	289,331
Due to BSP and other banks	2,225	-	2,225	1,149	-	1,149
Derivative financial liabilities	1,127	1,865	2,992	1,568	449	2,017
Bills payable	85,128	-	85,128	53,497	-	53,497
Manager's checks and demand drafts outstanding	200	-	200	209	1	210
Accounts payable	404	3	407	475	3	478
Other financial liabilities	1,208	183	1,391	712	1	713
Total financial liabilities	373,353	44,854	418,207	329,256	18,139	347,395
Net on-balance sheet position	(8,170)	3,743	(4,427)	10,676	3,418	14,094

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

Parent Bank

	2024			2023		
	USD	Others*	Total	USD	Others*	Total
(In Millions of Pesos)						
Financial assets						
Cash and other cash items	3,363	246	3,609	3,195	344	3,539
Due from other banks	35,601	25,851	61,452	15,701	12,510	28,211
Interbank loans receivable and SPAR	-	5,859	5,859	2,214	-	2,214
Financial assets at FVTPL	6,811	1,930	8,741	11,661	385	12,046
Financial assets at FVOCI - debt securities	66,489	1,164	67,653	50,898	1,143	52,041
Investment securities at amortized cost	113,563	-	113,563	134,797	303	135,100
Loans and advances, net	127,212	10,974	138,186	111,902	659	112,561
Others financial assets	302	-	302	61	-	61
Total financial assets	353,341	46,024	399,365	330,429	15,344	345,773
Financial liabilities						
Deposit liabilities	281,433	38,304	319,737	270,759	17,566	288,325
Due to BSP and other banks	2,225	-	2,225	1,149	-	1,149
Derivative financial liabilities	1,066	1,866	2,932	1,520	449	1,969
Bills payable	85,028	-	85,028	50,119	-	50,119
Manager's checks and demand drafts outstanding	200	-	200	209	1	210
Accounts payable	401	3	404	208	3	211
Other financial liabilities	1,186	168	1,354	712	-	712
Total financial liabilities	371,539	40,341	411,880	324,676	18,019	342,695
Net on-balance sheet position	(18,198)	5,683	(12,515)	5,753	(2,675)	3,078

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

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

Year	Change in currency	Effect on pre-tax income	
		Consolidated	Parent
		(In millions of Pesos)	
2024	+/- 1.99%	-/+ 163	-/+ 362
2023	+/-1.42%	+/- 469	+/- 399

26.2.2 Interest rate risk

Interest rate risk is the risk that cash flows or fair value of a financial instrument will fluctuate due to movements in market interest rates.

Interest Rate Risk in the Banking Book (IRRBB)

IRRBB is the current and prospective risk to the BPI Group's capital and earnings arising from the adverse movements in interest rates that affect its banking book positions (core banking activities). The BPI Group is exposed to interest rate risk arising from financial assets and liabilities that have different maturities and repricing schedules and are re-priced taking into account the prevailing market interest rates. Excessive levels of interest rate risks in the banking book can pose a significant threat to the BPI Group's earnings and capital base.

The BPI Group employs two methods to measure the potential impact of interest rate risk in the banking book: (i) one that focuses on the impact on economic value of the future cash flows in the banking book due to changes in interest rates - Balance Sheet VaR (BSVaR), and (ii) one that focuses on the potential deterioration in net interest earnings - Earnings-at-Risk (EaR). The RMC sets limits on the two interest rate risk metrics which are monitored daily by the Market and Liquidity Risk Management Division of the RMO. The EaR and BSVaR are built on the interest rate/repricing gap profile of the bank.

The interest rate gap is the difference between the amount of interest rate sensitive assets and liabilities and off-balance sheet items. It distributes the balance sheet accounts according to their contractual maturity if fixed, or repricing date if floating. For accounts that do not have defined maturity or repricing schedules (i.e., non-maturity deposits), and accounts with embedded optionality (i.e., time deposit pretermination, fixed-rate loan prepayment), historical patterns/behaviors are utilized and assessed to determine their expected repricing schedules. These behavioral assumptions are derived from historical customer behavior and are regularly back tested to ensure accuracy and propriety of these assumptions. Interest rate derivatives are used to hedge banking book interest rate exposures, and these are also included in the repricing gap analysis.

Earnings-at-Risk (EaR)

The EaR is built on the repricing profile of the BPI Group and considers principal payments only. The BPI Group projects interest inflows from its financial assets and interest outflows from its financial liabilities in the next 12 to 36 months as earnings are affected when interest rates move against the BPI Group's position. In determining the appropriate rate shocks in calculating EaR, the daily year-on-year change in rates is determined using the parametric approach at 99% confidence level. The Parent Bank uses more than ten years' worth of data in deriving the rate shocks. As at December 31, 2024, the net interest income impact of movement in interest rates resulted in an increase of P2,695 million (2023 - P275 million) for the whole BPI Group and an increase of P2,812 million (2023 - P329 million) for the Parent Bank over a short-term (12-month) horizon. Likewise, the net interest income impact of movement in interest rates over the medium-term (36-month) horizon resulted in an increase of P15,062 million (2023 - P7,019 million) for the whole BPI Group and an increase of P15,212 million (2023 - P7,005 million) for the Parent Bank.

Balance Sheet Value at Risk (BSVaR)

The BSVaR model is also built on repricing gap or the difference between the amount of rate-sensitive financial assets and liabilities which considers both principal and interest payments. It measures the deterioration in the economic/present value of the BPI Group's expected net cash flows due to adverse interest rate movements. In determining the appropriate rate shocks in calculating BSVaR, the adverse daily year-on-year change in rates is determined using the historical approach for the past one year at 99% confidence level. As at December 31, 2024, the average monthly BSVaR for the banking book stood at P12,966 million (2023 - P16,842 million) for the whole BPI Group and P12,290 million (2023 - P15,883 million) for the Parent Bank.

The IRRBB levels are closely monitored against RMC-approved limits and results are reported and discussed regularly at the Management level through the Asset and Liability Committee (ALCO) and at the Board level through the RMC. The BPI Group manages interest rate exposures related to its assets and liabilities through a transfer-pricing system administered by Treasury. Investment securities and interest rate derivatives are also used to hedge interest rate risk and manage repricing gaps in the balance sheet.

The BPI Group also conducts price stress tests in the banking book and EaR stress tests utilizing a variety of interest rate shock scenarios to identify the impact of adverse movements in interest rates on the BPI Group's economic value and earnings. The design of the price and EaR stress tests include the following:

- Internal rate shocks scenarios including extreme yet plausible historical stressed events, curve shifting (parallel up/down) and twisting (steepening and flattening yield curves), and forward-looking scenarios; and
- Other rate shocks as prescribed by Basel.

The interest rate shocks applied are calibrated for all major currencies in which the BPI Group has significant positions. The BPI Group also conducts Uniform Stress Testing in accordance with the prescribed scenarios of the BSP.

The results of the stress test are reported to the RMC and Senior Management and are integrated into the overall risk management framework of the BPI Group.

The BPI Group has established comprehensive risk management framework (e.g., policies, procedures, risk limits structures) supported by a robust risk management system. Furthermore, the risk management process, including its various components, is subject to periodic independent review (i.e. internal audit and model validation) and consistently calibrated to ensure accuracy, relevance, propriety and timeliness of data and assumptions employed. The assumptions and parameters used in building these metrics are properly documented. Any changes in the methodology and assumptions used are duly approved by the Chief Risk Officer and noted by the RMC.

The table below summarizes the BPI Group's exposure to interest rate risk, categorized by the earlier of contractual repricing or maturity dates.

Consolidated (December 31, 2024)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-		-	49,762	49,762
Due from BSP	-	-	-	164,571	164,571
Due from other banks	-	-	-	72,060	72,060
Interbank loans receivable and SPAR	-	-	-	16,715	16,715
Financial assets at FVTPL	161	720	879	45,196	46,956
Financial assets at FVOCI	-	-	-	264,358	264,358
Investment securities at amortized cost	-	-	-	343,108	343,108
Loans and advances, net	1,332,408	291,669	313,924	300,764	2,238,765
Other financial assets	-	-	-	3,970	3,970
Total financial assets	1,332,569	292,389	314,803	1,260,504	3,200,265
Financial Liabilities					
Deposit liabilities	1,465,575	458,825	690,402	-	2,614,802
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,903	4,976
Bills payable and other borrowed funds	-	-	-	163,182	163,182
Manager's checks and demand drafts outstanding	-	-	-	9,941	9,941
Other financial liabilities	-	-	-	9,865	9,865
Total financial liabilities	1,465,740	459,163	690,972	190,026	2,805,901
Total interest gap	(133,171)	(166,774)	(376,169)	1,070,478	394,364

Consolidated (December 31, 2023)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2023					
Financial Assets					
Cash and other cash items	-	-	-	34,843	34,843
Due from BSP	-	-	-	199,619	199,619
Due from other banks	-	-	-	36,292	36,292
Interbank loans receivable and SPAR	-	-	-	20,643	20,643
Financial assets at FVTPL	150	1,144	1,023	21,226	23,543
Financial assets at FVOCI	-	-	-	215,780	215,780
Investment securities at amortized cost	-	-	-	382,711	382,711
Loans and advances, net	1,096,399	327,690	257,835	200,083	1,882,007
Other financial assets	-	-	-	2,523	2,523
Total financial assets	1,096,549	328,834	258,858	1,113,720	2,797,961
Financial Liabilities					
Deposit liabilities	1,392,507	349,672	552,927	-	2,295,106
Due to BSP and other banks	-	-	-	1,881	1,881
Derivative financial liabilities	12	822	672	1,315	2,821
Bills payable and other borrowed funds	1,661	-	-	135,443	137,104
Manager's checks and demand drafts outstanding	-	-	-	8,463	8,463
Other financial liabilities	-	-	-	11,316	11,316
Total financial liabilities	1,394,180	350,494	553,599	158,418	2,456,691
Total interest gap	(297,631)	(21,660)	(294,741)	955,302	341,270

Parent Bank (December 31, 2024)

	Repricing			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
Total financial assets	1,327,739	292,068	314,086	1,183,960	3,117,853
Financial Liabilities					
Deposit liabilities	1,425,358	455,238	683,539	-	2,564,135
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,840	4,913
Bills payable and other borrowed funds	-	-	-	163,083	163,083
Manager's checks and demand drafts outstanding	-	-	-	9,935	9,935
Other financial liabilities	-	-	-	8,903	8,903
Total financial liabilities	1,425,523	455,576	684,109	188,896	2,754,104
Total interest gap	(97,784)	(163,508)	(370,023)	995,064	363,749

Parent Bank (December 31, 2023)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
	(In Millions of Pesos)				
As at December 31, 2023					
Financial Assets					
Cash and other cash items	-	-	-	34,444	34,444
Due from BSP	-	-	-	192,246	192,246
Due from other banks	-	-	-	33,081	33,081
Interbank loans receivable and SPAR	-	-	-	17,342	17,342
Financial assets at FVTPL	150	1,144	1,023	15,139	17,456
Financial assets at FVOCI	-	-	-	212,442	212,442
Investment securities at amortized cost	-	-	-	377,120	377,120
Loans and advances, net	1,091,862	327,352	257,263	173,363	1,849,840
Other financial assets	-	-	-	3,906	3,906
Total financial assets	1,092,012	328,496	258,286	1,059,083	2,737,877
Financial Liabilities					
Deposit liabilities	1,368,484	346,892	548,757	-	2,264,133
Due to BSP and other banks	-	-	-	1,881	1,881
Derivative financial liabilities	12	822	673	1,267	2,774
Bills payable and other borrowed funds	-	-	-	133,726	133,726
Manager's checks and demand drafts outstanding	-	-	-	8,431	8,431
Other financial liabilities	-	-	-	10,721	10,721
Total financial liabilities	1,368,496	347,714	549,430	156,026	2,421,666
Total interest gap	(276,484)	(19,218)	(291,144)	903,057	316,211

26.3 Liquidity risk

Liquidity risk is the risk that the BPI Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The BPI Group's liquidity profile is observed and monitored through its metric, the Minimum Cumulative Liquidity Gap (MCLG). The MCLG is the smallest net cumulative cash inflow (if positive) or the largest net cumulative cash outflow (if negative) over the next three (3) months. The MCLG indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the BPI Group. A red flag is immediately raised and reported to management and the RMC when the MCLG level projected over the next 3 months is about to breach the RMC-prescribed MCLG limit.

26.3.1 Liquidity risk management process

The BPI Group's liquidity management process, as carried out within the BPI Group and monitored by the RMC includes:

- day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or as borrowed by customers;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring liquidity gaps and ratios against internal and regulatory requirements;
- managing the concentration and profile of debt maturities; and
- performing periodic liquidity stress testing on the BPI Group's liquidity position by assuming a faster rate of withdrawals in its deposit base.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities (Note 26.3.2) and the expected collection date of the financial assets. Sources of liquidity are regularly reviewed by the BPI Group to maintain a wide diversification by currency, geography, counterparty, product and term.

The BPI Group also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit.

Liquidity Coverage Ratio (LCR)

Pursuant to BSP Circular No. 905 issued in 2016, the Parent Bank is required to hold and maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30 calendar-day period of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis. It is designed to promote short-term resilience of the BPI Group's liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days. HQLA represents the Parent Bank's stock of liquid assets that qualify for inclusion in the LCR which consists mainly of cash, regulatory reserves and unencumbered high-quality liquid securities. This serves as defense against potential stress events.

The main drivers of the Parent Bank's LCR comprise the changes in the total stock of HQLA as well as changes in net cash outflows related to deposits, unsecured borrowings, committed and/or uncommitted facilities, derivatives cash flows and cash inflows from maturing corporate, business and retail loans, among others. Significant portion of funding comes from retail and wholesale deposits, and unsecured wholesale funding. The Parent Bank has derivatives exposures in foreign exchange derivatives and interest rate swaps. Cash outflows from the derivatives contracts are effectively offset by the derivatives cash inflows. These two are accorded 100% outflow and inflow factors, respectively. The exposures coming from derivatives and potential counterparty collateral calls are not significant to impact the LCR, with Parent Bank's Peso and USD LCR both well above the minimum regulatory limit of 100%. There is also no significant currency mismatch noted in the LCR.

The Parent Bank manages its liquidity position through line of business and asset-liability management activities. A centralized approach to funding and liquidity management enhances the Parent Bank's ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

Net Stable Funding Ratio (NSFR)

On January 1, 2019, the Parent Bank adopted BSP Circular No. 1007 issued in 2018 regarding the NSFR requirement. The NSFR is aimed at strengthening the Parent Bank's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items as well as to limit the maturity transformation risk of the BPI Group. The NSFR is expressed as the ratio of Available Stable Funding (ASF) and the Required Stable Funding (RSF) and complements the LCR as it takes a longer view of the BPI Group's liquidity risk profile. The BPI Group's capital, retail deposits and long-term debt are considered as stable funding sources whereas the BPI Group's assets including, but not limited to, performing and non-performing loans and receivables, HQLA and non-HQLA securities as well as off-balance items form part of the required stable funding. The Parent Bank's solo and consolidated NSFRs are well-above the regulatory minimum of 100%.

The Parent Bank maintains a well-diversified funding base and has a substantial amount of core deposits, thereby avoiding undue concentrations by counterparty, maturity, and currency. The Parent Bank manages its liquidity position through asset-liability management activities supported by a well-developed funds management practice as well as a sound risk management system. As part of risk oversight, the Parent Bank monitors its liquidity risk on a daily basis, in terms of single currency and significant currencies, to ensure it is operating within the risk appetite set by the BOD and to assess ongoing compliance with the minimum requirement of the liquidity ratios. Furthermore, the Parent Bank has a set of policies and escalation procedures in place that govern its day-to-day risk monitoring and reporting processes.

The table below shows the actual liquidity metrics of the BPI Group and the Parent Bank:

	Consolidated		Parent	
	2024	2023	2024	2023
Liquidity coverage ratio	159.07%	206.67%	156.25%	207.35%
Net stable funding ratio	145.70%	153.55%	138.97%	152.54%
Leverage ratio	10.75%	10.95%	10.15%	10.38%
Total exposure measure	3,403,607	2,957,335	3,315,223	2,892,222

The decrease in the Parent Bank's LCR was driven by higher net cash outflows from deposits. Cash, reserves and due from BSP make up 27% (2023 - 31%) of the total stock of HQLA for the year ended December 31, 2024. Likewise, the Parent Bank's NSFR decreased driven by higher RSF from performing loans.

26.3.2 Maturity profile - Non-derivative financial instruments

The tables below present the maturity profile of non-derivative financial instruments based on undiscounted cash flows including future interest which the BPI Group uses to manage the inherent liquidity risk. The maturity analysis is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date the financial asset will be realized, or the financial liability will be settled.

Consolidated (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,762	-	-	49,762
Due from BSP	164,571	-	-	164,571
Due from other banks	72,060	-	-	72,060
Interbank loans receivable and SPAR	15,171	1,340	559	17,070
Financial assets at FVTPL	28,506	3,491	9,616	41,613
Financial assets at FVOCI	31,931	41,772	227,905	301,608
Investment securities at amortized cost	49,155	192,356	155,373	396,884
Loans and advances	1,136,998	722,198	524,459	2,383,655
Other financial assets	3,970	-	-	3,970
Total financial assets	1,552,124	961,157	917,912	3,431,193
Financial Liabilities				
Deposit liabilities	1,465,575	458,825	690,402	2,614,802
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	70,025	70,190	22,967	163,182
Manager's checks and demand drafts outstanding	9,941	-	-	9,941
Lease liabilities	2,459	3,931	4,234	10,624
Other financial liabilities	9,865	-	-	9,865
Total financial liabilities	1,561,000	532,946	717,603	2,811,549
Total maturity gap	(8,876)	428,211	200,309	619,644

Consolidated (December 31, 2023)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2023				
Financial Assets				
Cash and other cash items	34,843	-	-	34,843
Due from BSP	199,631	-	-	199,631
Due from other banks	36,292	-	-	36,292
Interbank loans receivable and SPAR	19,336	1,571	-	20,907
Financial assets at FVTPL	6,969	2,334	10,797	20,100
Financial assets at FVOCI	51,952	70,326	153,682	275,960
Investment securities at amortized cost	82,480	116,931	241,188	440,599
Loans and advances	909,354	343,250	740,942	1,993,546
Other financial assets	2,523	-	-	2,523
Total financial assets	1,343,380	534,412	1,146,609	3,024,401
Financial Liabilities				
Deposit liabilities	1,385,666	348,469	543,061	2,277,196
Due to BSP and other banks	1,882	-	-	1,882
Bills payable and other borrowed funds	69,861	67,243	-	137,104
Manager's checks and demand drafts outstanding	8,463	-	-	8,463
Lease liabilities	2,144	4,686	3,230	10,060
Other financial liabilities	11,316	-	-	11,316
Total financial liabilities	1,479,332	420,398	546,291	2,446,021
Total maturity gap	(135,952)	114,014	600,318	578,380

Parent Bank (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
	(In Millions of Pesos)			
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,136	-	-	49,136
Due from BSP	161,247	-	-	161,247
Due from other banks	68,439	-	-	68,439
Interbank loans receivable and SPAR	7,550	1,340	559	9,449
Financial assets at FVTPL	25,540	2,093	8,385	36,018
Financial assets at FVOCI	29,821	40,945	227,730	298,496
Investment securities at amortized cost	47,296	191,387	150,416	389,099
Loans and advances	1,124,452	690,694	483,375	2,298,521
Other financial assets	6,186	-	-	6,186
Total financial assets	1,519,667	926,459	870,465	3,316,591
Financial Liabilities				
Deposit liabilities	1,462,979	463,771	688,044	2,614,794
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	69,926	70,190	22,967	163,083
Manager's checks and demand drafts outstanding	9,935	-	-	9,935
Lease liabilities	2,149	3,348	3,775	9,272
Other financial liabilities	8,903	-	-	8,903
Total financial liabilities	1,557,027	537,309	714,786	2,809,122
Total maturity gap	(37,360)	389,150	155,679	507,469

Parent Bank (December 31, 2023)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
	(In Millions of Pesos)			
As at December 31, 2023				
Financial Assets				
Cash and other cash items	34,444	-	-	34,444
Due from BSP	192,246	-	-	192,246
Due from other banks	33,081	-	-	33,081
Interbank loans receivable and SPAR	16,036	1,571	-	17,607
Financial assets at FVTPL	4,544	2,116	10,498	17,158
Financial assets at FVOCI	50,373	69,399	152,626	272,398
Investment securities at amortized cost	81,802	114,845	237,741	434,388
Loans and advances	895,784	321,011	736,857	1,953,652
Other financial assets	3,906	-	-	3,906
Total financial assets	1,312,216	508,942	1,137,722	2,958,880
Financial Liabilities				
Deposit liabilities	1,362,155	345,688	538,892	2,246,735
Due to BSP and other banks	1,882	-	-	1,882
Bills payable and other borrowed funds	67,038	66,688	-	133,726
Manager's checks and demand drafts outstanding	8,431	-	-	8,431
Lease liabilities	1,977	4,385	3,200	9,562
Other financial liabilities	10,721	-	-	10,721
Total financial liabilities	1,452,204	416,761	542,092	2,411,057
Total maturity gap	(139,988)	92,181	595,630	547,823

26.3.3 Maturity profile - Derivative instruments

- *Derivatives settled on a net basis*

The BPI Group's derivatives that are settled on a net basis consist of interest rate swaps, non-deliverable forwards and non-deliverable swaps. The table below presents the contractual undiscounted cash flows of interest rate swaps based on the remaining period from December 31 to the contractual maturity dates that are subject to offsetting, enforceable master netting arrangements and similar agreements.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(486)	-	-	(486)
- Net outflow	(423)	-	-	(423)

Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(485)	-	-	(485)
- Net outflow	(422)	-	-	(422)

Consolidated and Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2023	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	150	1,144	1,023	2,317
- Outflow	(12)	(822)	(672)	(1,506)
- Net inflow	138	322	351	811
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	34	-	-	34
- Outflow	(172)	-	-	(172)
- Net outflow	(138)	-	-	(138)

- Derivatives settled on a gross basis

The BPI Group's derivatives that are settled on a gross basis include foreign exchange derivatives mainly currency forwards and currency swaps and warrants. The table below presents the contractual undiscounted cash flows of foreign exchange derivatives based on the remaining period from reporting date to the contractual maturity dates.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	3,883	112	36	4,031
- Outflow	(3,398)	(4)	(15)	(3,417)
- Net inflow	485	108	21	614
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2
2023	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	1,273	124	49	1,446
- Outflow	(1,097)	(36)	(9)	(1,142)
- Net inflow	176	88	40	304
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

Parent Bank

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	3,860	112	36	4,008
- Outflow	(3,336)	(4)	(15)	(3,355)
- Net inflow	524	108	21	653
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2
2023	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	1,272	124	49	1,445
- Outflow	(1,050)	(36)	(9)	(1,095)
- Net inflow	222	88	40	350
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

26.4 Fair value measurement

The following tables present the carrying value of assets and liabilities and the level of fair value hierarchy within which the fair value measurements are categorized:

26.4.1 Assets and liabilities measured at fair value on a recurring or non-recurring basis

Consolidated (December 31, 2024)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
<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
	315,510	308,103	6,255	1,152	315,510
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

Consolidated (December 31, 2023)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
<i>Recurring measurements:</i> (In Millions of Pesos)					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	3,802	-	3,802	-	3,802
Trading assets					
- Debt securities	19,741	19,741	-	-	19,741
- Equity securities	111	111	-	-	111
Financial assets at FVOCI					
- Debt securities	215,780	215,780	-	-	215,780
- Equity securities	2,874	1,266	699	909	2,874
	242,308	236,898	4,501	909	242,308
Financial liabilities					
Derivative financial liabilities	2,821	-	2,821	-	2,821
<i>Non-recurring measurements</i>					
Assets held for sale, net	4,743	-	14,424	-	14,424

Parent Bank (December 31, 2024)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
<i>Recurring measurements:</i> (In Millions of Pesos)					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,833	-	5,833	-	5,833
Trading assets					
- Debt securities	33,924	33,924	-	-	33,924
- Equity securities	-		-	-	-
Financial assets at FVOCI					
- Debt securities	260,834	260,834	-	-	260,834
- Equity securities	2,378	2,378	-	-	2,378
	302,969	297,136	5,833	-	302,969
Financial liabilities					
Derivative financial liabilities	4,913	-	4,913	-	4,913
<i>Non-recurring measurements</i>					
Assets held for sale, net	8,154	-	25,470	-	25,470

Parent Bank (December 31, 2023)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
<i>Recurring measurements:</i>					
(In Millions of Pesos)					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	3,796	-	3,796	-	3,796
Trading assets					
- Debt securities	13,660	13,660	-	-	13,660
- Equity securities	-	-	-	-	-
Financial assets at FVOCI					
- Debt securities	212,442	212,442	-	-	212,442
- Equity securities	1,741	1,043	698	-	1,741
	231,639	227,145	4,494	-	231,639
Financial liabilities					
Derivative financial liabilities	2,774	-	2,774	-	2,774
<i>Non-recurring measurements</i>					
Assets held for sale, net	4,646	-	14,092	-	14,092

The table below shows the valuation techniques and applicable unobservable inputs used to measure the BPI Group's Level 3 financial instruments (equities classified at FVOCI) as at December 31:

Description	Valuation technique	Unobservable inputs	Amount	
			2024	2023
Unlisted equity securities	Net asset value; investment multiple	Net asset value; investment multiple	1,152	909

The investment valuation sensitivity of the underlying portfolio investee company is mainly impacted by the movement in net asset value and investment multiple. At December 31, 2024, if the net asset value and investment had increased/decreased by 1% with all other variables held constant, net income and equity as at and for the year ended December 31, 2024 would have been P6.82 million (2023 - P6.82 million) higher/lower.

There were no transfers between the fair value hierarchy levels during the years ended December 31, 2024 and 2023.

26.4.2 Fair value disclosures of assets and liabilities not measured at fair value

Consolidated (December 31, 2024)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	49,762	-	49,762	49,762
Due from BSP	164,571	-	164,571	164,571
Due from other banks	72,060	-	72,060	72,060
Interbank loans receivable and SPAR, net	16,715	-	16,715	16,715
Investment securities at amortized cost, net	343,108	328,793	-	328,793
Loans and advances, net	2,238,765	-	2,710,915	2,710,915
Other financial assets	3,970	-	3,970	3,970
Financial liabilities				
Deposit liabilities	2,614,802	-	2,593,439	2,593,439
Due to BSP and other banks	3,135	-	3,135	3,135
Bills payable and other borrowed funds	163,182	163,083	99	163,182
Manager's checks and demand drafts outstanding	9,941	-	9,941	9,941
Other financial liabilities	9,865	-	9,865	9,865
Non-financial assets				
Investment properties	62	-	472	472

Consolidated (December 31, 2023)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	34,843	-	34,843	34,843
Due from BSP	199,619	-	199,619	199,619
Due from other banks	36,292	-	36,292	36,292
Interbank loans receivable and SPAR, net	20,643	-	20,643	20,643
Investment securities at amortized cost, net	382,711	364,286	-	364,286
Loans and advances, net	1,882,007	-	2,154,136	2,154,136
Other financial assets	2,523	-	2,523	2,523
Financial liabilities				
Deposit liabilities	2,295,106	-	2,277,196	2,277,196
Due to BSP and other banks	1,881	-	1,881	1,881
Bills payable and other borrowed funds	137,104	133,726	3,378	137,104
Manager's checks and demand drafts outstanding	8,463	-	8,463	8,463
Other financial liabilities	11,316	-	11,316	11,316
Non-financial assets				
Investment properties	69	-	463	463

Parent Bank (December 31, 2024)

	Carrying amount	Fair value		Total
		Level 1	Level 2	
		(In Millions of Pesos)		
Financial assets				
Cash and other cash items	49,136	-	49,136	49,136
Due from BSP	161,247	-	161,247	161,247
Due from other banks	68,439	-	68,439	68,439
Interbank loans receivable and SPAR, net	9,093	-	9,093	9,093
Investment securities at amortized cost, net	336,233	320,711	-	320,711
Loans and advances, net	2,186,696	-	2,655,343	2,655,343
Other financial assets	6,186	-	6,186	6,186
Financial liabilities				
Deposit liabilities	2,564,135	-	2,543,600	2,543,600
Due to BSP and other banks	3,135	-	3,135	3,135
Bills payable and other borrowed funds	163,083	163,083	-	163,083
Manager's checks and demand drafts outstanding	9,935	-	9,935	9,935
Other financial liabilities	8,903	-	8,903	8,903
Non-financial assets				
Investment properties	62	-	472	472

Parent Bank (December 31, 2023)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	34,444	-	34,444	34,444
Due from BSP	192,246	-	192,246	192,246
Due from other banks	33,081	-	33,081	33,081
Interbank loans receivable and SPAR, net	17,342	-	17,342	17,342
Investment securities at amortized cost, net	377,120	359,164	-	359,164
Loans and advances, net	1,849,840	-	1,923,161	1,923,161
Other financial assets	3,906	-	3,906	3,906
Financial liabilities				
Deposit liabilities	2,264,133	-	2,246,735	2,246,735
Due to BSP and other banks	1,881	-	1,881	1,881
Bills payable and other borrowed funds	133,726	133,726	-	133,726
Manager's checks and demand drafts outstanding	8,431	-	8,431	8,431
Other financial liabilities	10,721	-	10,721	10,721
Non-financial assets				
Investment properties	58	-	463	463

26.5 Insurance risk management

The non-life insurance entities decide on the retention, or the absolute amount that they are ready to assume insurance risk from one event. The retention amount is a function of capital, experience, actuarial study and risk appetite or aversion.

In excess of the retention, these entities arrange reinsurances either thru treaties or facultative placements. They also accredit reinsurers based on certain criteria and set limits as to what can be reinsured. The reinsurance treaties and the accreditation of reinsurers require BOD's approval.

The insurance risk is not material to the BPI Group as a whole. Refer to Note 2 for assets and liabilities attributable to insurance operations.

27 Capital management

Capital management is understood to be a facet of risk management. The primary objective of the BPI Group is the generation of recurring acceptable returns to shareholders' capital. To this end, the BPI Group's policies, business strategies and activities are directed towards the generation of cash flows that are in excess of its fiduciary and contractual obligations to its depositors, and to its various funders and stakeholders.

Cognizant of its exposure to risks, the BPI Group maintains sufficient capital to absorb unexpected losses, stay in business for the long haul, and satisfy regulatory requirements. The BPI Group further understands that its performance, as well as the performance of its various units, should be measured in terms of returns generated vis-à-vis allocated capital and the amount of risk borne in the conduct of business.

Effective January 1, 2014, the BSP, through its Circular No. 781, requires each bank and its financial affiliated subsidiaries to adopt new capital requirements in accordance with the provisions of Basel III. The new guidelines are meant to strengthen the composition of the bank's capital by increasing the level of core capital and regulatory capital. The Circular sets out minimum Common Equity (CET1) ratio and Tier 1 Capital ratios of 6.0% and 7.5%, respectively. A capital conservation buffer of 2.5%, comprised of CET1 capital, was likewise imposed. The minimum required capital adequacy ratio remains at 10% which includes the capital conservation buffer.

Information on the regulatory capital is summarized below:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
CET1	418,664	355,303	417,974	355,255
Less: Regulatory adjustments to CET1 capital	52,619	31,359	81,427	55,040
Tier 1 capital	366,045	323,944	336,547	300,215
Tier 2 capital	20,480	18,792	19,553	18,414
Total qualifying capital	386,525	342,736	356,100	318,629
Risk weighted assets	2,641,674	2,118,317	2,560,487	2,058,301
CAR (%)	14.63%	16.18	13.91%	15.48
CET1 (%)	13.86%	15.29	13.14%	14.59

The BPI Group has fully complied with the CAR requirement of the BSP.

Likewise, regulatory capital structures of certain subsidiaries on a standalone basis are managed to meet the requirements of the relevant regulatory bodies (i.e. Insurance Commission (IC), SEC, PSE etc.). These subsidiaries have fully complied with the applicable regulatory capital requirements.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Bank is likewise fully compliant with this requirement.

28 Commitments and contingencies

At present, there are lawsuits, claims and tax assessments pending against the BPI Group. In the opinion of management, after reviewing all actions and proceedings and court decisions with legal counsels, the aggregate liability or loss, if any, arising therefrom will not have a material effect on the BPI Group's financial position or financial performance.

BPI and some of its subsidiaries are defendants in legal actions arising from normal business activities. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the financial statements.

In the normal course of business, the BPI Group makes various commitments that are not presented in the financial statements. The BPI Group does not anticipate any material losses from these commitments.

29 BPI and RBC merger

On January 17, 2023, the shareholders of BPI approved the merger of BPI and RBC, with BPI as the surviving bank. The Philippine Competition Commission approved the merger on March 9, 2023 as contained in the decision released on September 13, 2023. On December 14, 2023, the BSP, through Monetary Board Resolution No. 1633 approved the merger. The SEC issued the Certificate of Filing of the Articles and Plan of Merger on December 29, 2023.

The merger became effective on the first day of the calendar quarter following the completion of the regulatory approval on January 1, 2024 and therefore, the figures presented as at December 31, 2023 and for the years ended December 31, 2023 and 2022 do not include the financial information of RBC.

The merger with RBC will unlock various synergies across several products and service platforms and expand the customer and deposit base of both banks through the merged entity, and, at the same time, by capitalizing on BPI's expertise and network, enhance the overall banking experience of RBC customers. BPI will be able to expand its client base, accelerate growth, and ultimately increase shareholder value through partnerships with the Gokongwei Group.

Purchase consideration

On merger date, the Parent Bank issued common shares to RBC shareholders as consideration of the merger. The fair value of the 314,003,992 shares to be issued is based on the share price on December 31, 2023 of P103.80 per share.

Net assets acquired

Details of RBC assets and liabilities as at acquisition date (January 1, 2024) determined by management are as follows:

	Consolidated*	Parent Bank
	(In Thousands of Pesos)	
Assets acquired		
Cash and other cash items	6,541,273	6,456,997
Due from BSP	13,716,830	12,406,617
Due from other banks	1,812,949	1,707,917
Interbank loans receivable and securities purchased under agreements to resell	5,741,486	5,491,857
Financial assets at FVTPL	24,198	24,198
Financial assets at FVOCI	6,561,094	6,561,094
Investment securities at amortized cost, net	26,797,264	26,797,264
Loans and advances, net	112,127,516	109,374,170
Investments in subsidiary and associates, net	148,050	1,447,667
Bank premises, furniture, fixtures and equipment, net	1,049,099	952,730
Assets held for sale	2,826,332	2,639,814
Deferred tax asset, net	859,984	782,290
Other assets, net	12,392,767	11,757,954
Total assets	190,598,842	186,400,569
Liabilities assumed		
Deposit liabilities		
Demand	27,906,058	27,624,578
Savings	37,813,202	34,370,971
Time	80,423,287	80,168,814
Bills payables	14,951,900	14,951,900
Manager's checks	1,120,725	1,120,725
Accrued expenses	1,487,510	1,423,251
Other liabilities	3,820,132	3,664,302
Total liabilities	167,522,814	163,324,541
Net assets	23,076,028	23,076,028

*Presented only for the purposes of tracing impact of merger at consolidated level. Note that the merger was transacted at Parent Bank level.

Other assets, net includes intangible assets such as core deposits, customer relationship and trust business. The trust business was transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

Deferred tax assets, net includes the deferred tax assets and liabilities assumed from RBC and the resulting deferred taxes on fair value adjustments.

The above assets and liabilities were acquired through a tax-free exchange as evidenced by the Plan of Merger.

Goodwill

The difference between the fair value of the net assets acquired, including intangible assets, and the purchase consideration shall be recognized as goodwill as follows:

	Amount
	(In Thousands of Pesos)
Purchase price	32,593,614
Fair value of net assets acquired	23,076,028
Goodwill	9,517,586

The goodwill is attributable to the expected synergies from combining the operations of RBC with BPI. The amount of goodwill will not be deductible for tax purposes.

i. Contingencies and commitments acquired

As a result of the merger, the Parent Bank acquired certain off-balance sheet items as follows:

	Amount (In Thousands of Pesos)
Trust accounts*	37,630,184
Derivatives	10,606,025
Commitments	8,143,887
Spot foreign exchange contracts	3,884,410
Performance standby letters of credit	568,597
Financial standby letters of credit	77,065
Guarantees issued	42,424
Commercial letters of credit	36,612
Others	1,805,396
Carrying amount	62,794,600

*The trust accounts were transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

ii. Acquired receivables

The details of the loans and advances, net, acquired as a result of the business combination and its related fair value are as follows:

	Amount (In Thousands of Pesos)
Corporate loans	63,208,006
Retail loans	
Credit cards	1,810,046
Real estate mortgages	36,473,778
Auto loans	6,786,068
Others	4,230,601
	112,508,499
Accrued interest receivable	950,242
Unearned discount/income	(70,408)
	113,388,333
Allowance for impairment	(3,063,536)
Net carrying amount	110,324,797
Fair value	109,374,170

iii. Revenue and profit contribution

Management deemed it impracticable to disclose the revenue and profit contribution of RBC for the year ended December 31, 2024 that is included in the statements of income and total comprehensive income. Upon migration of RBC's accounts to BPI's systems, these are no longer identified separately and are co-mingled with other accounts owned by the Bank prior to the merger. Given the volume of these accounts and transactions using such, the contribution to revenue and profit is not determinable without undue cost.

iv. *Cash flows as a result of the merger*

Cash and cash equivalents acquired as a result of the business combination forms part of the net cash inflows from investing activities in the statement of cash flows for the period beginning January 1, 2024. The breakdown of cash and cash equivalents acquired are as follows:

	Amount
	(In Thousands of Pesos)
Cash and other cash items	6,456,997
Due from BSP	12,406,617
Due from other banks	1,707,917
	20,571,531

v. *Acquisition-related costs*

Acquisition-related costs of P563 million (2023 - P359 million) that were not directly attributable to the issue of shares are included in other operating expenses in the statement of income and in operating cash flows in the statement of cash flows for the year ended December 31, 2024.

30 Summary of material accounting policies

The material information of the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

30.1 Basis of preparation

The financial statements of the BPI Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

As allowed by the SEC, the pre-need subsidiary of the Parent Bank continues to follow the provisions of the Pre-Need Uniform Chart of Accounts (PNUCA) prescribed by the SEC and adopted by the IC.

The financial statements comprise the statements of condition, statements of income and statements of total comprehensive income shown as two statements, statements of changes in capital funds, statements of cash flows and the notes.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL, financial assets at FVOCI, and plan assets of the BPI Group's defined benefit plans.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the BPI Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the BPI Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are shown below:

Critical accounting estimates

- Determination of fair value of derivatives and other financial instruments (Note 7)

- Useful lives of bank premises, furniture, fixtures and equipment (Note 11)
- Useful lives of intangible assets (Note 14)
- Impairment of investments in subsidiaries and associates (Note 12)
- Calculation of defined benefit obligation (Note 23)
- Measurement of expected credit losses for loans and advances (Note 26.1.5)

Critical accounting judgments

- Classification of investment securities at amortized cost (Note 9)
- Realization of deferred income tax assets (Note 13)
- Impairment of goodwill (Note 14)
- Determining the lease term (Note 20)
- Determining the incremental borrowing rate (Note 20)

30.2 Changes in accounting policy and disclosures

(a) New standard and amendments to existing standards adopted by the BPI Group

There are no new standards or amendments to existing standards effective January 1, 2024 that have a material impact to the BPI Group.

(b) New standards and amendments to existing standard not yet adopted by the BPI Group

The following new accounting standard are not mandatory for December 31, 2024 reporting period and has not been early adopted by the BPI Group:

- *PFRS 17, 'Insurance Contracts'*

PFRS 17 was issued in May 2017 as replacement for PFRS 4, "Insurance Contracts". On March 17, 2020, the IASB has decided to further defer the effective date of the standard to annual reporting periods beginning on or after January 1, 2023. Taking into consideration the implications of the pandemic, the IC recognizes that the insurance industry has to realign its priority programs and focus on modifying its business operations under a new normal. The IC sees the need to support the insurance industry and hence, it delays full implementation of the standard to January 1, 2025, two (2) years after IASB's implementation in 2023.

PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period.

The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9, "Financial instruments." An optional, simplified premium allocation approach (PAA) is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

BPI/MS, the Bank's non-life insurance subsidiary, has substantially completed its implementation plan and will apply the full retrospective approach. BPI/MS assessed that it is eligible to apply PAA. The measurement differences between PFRS 4 and PFRS 17 lead to an upside impact on net worth as at transition date which is mainly a result of the deferral of other directly attributable insurance acquisition cost, as allowed by the Standard, and the impact of discounting to the liability for incurred claims. The adoption of this standard is not expected to have a material impact to the financial statements of the BPI Group as a whole.

- *PFRS 18, 'Presentation and Disclosure in Financial Statements'*

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in PFRS 18 relate to:

- The structure of the statement of profit or loss with defined subtotals;
- Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

- *PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'*

This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7*

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- 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;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- 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
- Update the disclosures for equity instruments design

The adoption of PFRS 18, PFRS 19 and amendments to PFRS 9 and PFRS 7 are not expected to have a material financial effect to the financial statements of the BPI Group.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2025 that are considered relevant or expected to have a material effect on the financial statements of the BPI Group.

30.3 Financial instruments

30.3.1 Measurement methods

Amortized cost and effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired (see definition on Note 30.3.2.2) at initial recognition - the BPI Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. When the BPI Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the BPI Group commits to purchase or sell the asset.

At initial recognition, the BPI Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in Note 30.3.2.1 below, which results in the loss provision being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the BPI Group recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

30.3.2 Financial assets

30.3.2.1 Classification and subsequent measurement

The BPI Group classifies its financial assets in the following measurement categories: at FVTPL, FVOCI, and at amortized cost. The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on the BPI Group's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the BPI Group classifies its debt instruments into one of the following three measurement categories:

- *Amortized cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The BPI Group's amortized cost financial assets include cash and other cash items, due from BSP, due from other banks, interbank loans receivables and SPAR, loans and advances, and other financial assets.

- *FVOCI*

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in the statements of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- *FVTPL*

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statements of income within "Securities trading gain" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately.

Business model

The business model reflects how the BPI Group manages the assets in order to generate cash flows. That is, whether the BPI Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified and measured at FVTPL. Factors considered by the BPI Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely Payment of Principal and Interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the BPI Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the BPI Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The BPI Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

The BPI Group subsequently measures all equity investments at FVTPL, except where the BPI Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The BPI Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, even on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as 'Other operating income' when the BPI Group's right to receive payments is established. Gains and losses on equity investments at FVTPL are included in the "Securities trading gain" in the statements of income.

30.3.2.2 Impairment of amortized cost and FVOCI financial assets

The BPI Group assesses impairment as follows:

- individually for loans that exceed specified thresholds. Where there is objective evidence of impairment, individually assessed provisions will be recognized; and
- collectively for loans below the specified thresholds noted above or if there is no objective evidence of impairment. These loans are included in a group of loans with similar risk characteristics and collectively assessed for impairment. If there is objective evidence that the group of loans is collectively impaired, collectively assessed provisions will be recognized.

Expected credit losses

The BPI Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments. The BPI Group recognizes a loss allowance for such losses including post-model adjustments, as applicable, at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the BPI Group.

- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to “Stage 2” but is not yet deemed to be credit-impaired. The BPI Group determines SICR based on prescribed benchmarks approved by the Board of the Directors.
- If the financial instrument is credit-impaired, the financial instrument is then moved to “Stage 3”.
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with PFRS 9 is that it should consider forward-looking information both in the ECL models and post-model adjustments, as applicable.
- POCI financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3). The BPI Group has no POCI as at December 31, 2024 and December 31, 2023.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

Determination of SICR

The BPI Group compares the probabilities of default occurring over its expected life as at the reporting date with the PD occurring over its expected life on the date of initial recognition to determine SICR. Since comparison is made between forward-looking information at reporting date against initial recognition, the deterioration in credit risk may be triggered by the following factors:

- substantial deterioration in credit quality as measured by the applicable internal or external ratings or credit score or the shift from investment grade category to non-investment grade category;
- adverse changes in business, financial and/or economic conditions of the borrower;
- early warning signs of worsening credit where the ability of the counterparty to honor his obligation is dependent upon the business or economic condition;
- the account has become past due beyond 30 days where an account is classified under special monitoring category (refer to Note 26.1.2 for the description of special monitoring); and
- expert judgment for the other quantitative and qualitative factors which may result to SICR as defined by the BPI Group.

Measuring ECL - Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD, defined as follows:

- (a) The PD represents the likelihood that the borrower will default (as per “Definition of default and credit-impaired” above), either over the next 12 months (12M PD), or over the remaining life (lifetime PD) of the asset.
- (b) EAD is based on the amounts the BPI Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining life (lifetime EAD). For example, for a revolving commitment, the BPI Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.
- For committed credit lines, the EAD is predicted by taking current drawn balance and adding a “credit conversion factor” which allows for the expected drawdown of the remaining limit by the time of default.

(c) LGD represents the BPI Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The LGDs are determined based on the factors which impact the recoveries made post-default.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies and historical recoveries.

The ECL is determined by multiplying the PD, LGD and EAD together for each individual exposure or collective segment. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

Forward-looking economic information is also included in determining the 12-month and lifetime PD. These assumptions vary by product type.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change - are monitored and reviewed regularly.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period from the time of the adoption of PFRS 9 on January 1, 2018 to the reporting date.

Forward-looking information incorporated in the ECL models

The BPI Group incorporates historical and current information, and forecasts forward-looking events and key economic variables that are assessed to impact credit risk and expected credit losses for each portfolio. MEVs that affect a specific portfolio's non-performing loan rate(s) are determined through statistical modelling and the application of expert judgment. The BPI Group's economics team establishes possible global and domestic economic scenarios. With the use of economic theories and conventions, expert judgment and external forecasts, the economics team develops assumptions to be used in forecasting variables in the next five (5) years, subsequently reverting to long run-averages. The probability-weighted ECL is calculated by running each scenario through the relevant ECL models and multiplying it by the appropriate scenario weighting.

The estimation and application of forward-looking information requires significant judgment. As with any economic forecasts, the projections and likelihood of occurrences are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The scenarios and their attributes are reassessed at each reporting date. Information regarding the forward-looking economic variables and the relevant sensitivity analysis is disclosed in Note 26.

Financial assets with low credit risk

Loss allowance for financial assets at amortized cost and FVOCI that have low credit risk is limited to 12-month expected credit losses. Management considers "low credit risk" for listed government bonds to be an investment grade credit rating with at least one major rating agency. Other debt instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Definition of default and credit-impaired assets

The BPI Group considers a financial instrument in default or credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments (with the exception of credit cards and micro-finance loans where a borrower is required to be 90 days past due and over 7 days past due, respectively, to be considered in default).

Qualitative criteria

The counterparty is experiencing significant financial difficulty which may lead to non-payment of loan as may be indicated by any or combination of the following events:

- The counterparty is in long-term forbearance;
- The counterparty is insolvent;
- The counterparty is in breach of major financial covenant(s) which lead(s) to event of default;
- An active market for the security has disappeared;
- Granting of concession that would not be otherwise considered due to economic or contractual reasons relating to the counterparty's financial difficulty;
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the BPI Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD, and LGD throughout the BPI Group's expected credit loss calculations.

The BPI Group's definition of default is substantially consistent with non-performing loan definition of the BSP. For cross-border, treasury and debt securities, these are classified as defaulted based on combination of BSP and external credit rating agency definitions.

30.3.3 Modification of loans

The BPI Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the BPI Group assesses whether or not the new terms are substantially different to the original terms. The BPI Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the BPI Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the BPI Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in the statements of income as a gain or loss on derecognition.

If the terms are not substantially different, the BPI Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in the statement of income. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

30.3.4 Derecognition of financial assets other than modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the BPI Group transfers substantially all the risks and rewards of ownership, or (ii) the BPI Group neither transfers nor retains substantially all the risks and rewards of ownership and the BPI Group has not retained control.

The BPI Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the BPI Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.5 Write-off of financial assets

The BPI Group writes off financial assets when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The financial assets are then considered uncollectible or worthless. Indicators that there is no reasonable expectation of recovery include any of the following (i) borrower's and co-maker's/guarantor's whereabouts are unknown, or they are insolvent, or their payment capacity is permanently impaired and (ii) where the BPI Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full, or the collaterals no longer have recoverable values.

The BPI Group may write-off financial assets that are still subject to enforcement activity as the write-off process does not prejudice continuance of enforcement efforts and/or legal actions.

The write-off of loans is approved by the BOD in compliance with the BSP requirements. Loans written-off are fully covered with allowance.

Recoveries on written-off assets

Collections on accounts or recoveries, if any, from impaired financial assets previously written off are recognized in profit or loss under Miscellaneous income in the period where the recovery transaction occurs.

30.3.6 Financial liabilities

30.3.6.1 Classification of financial liabilities

The BPI Group classifies its financial liabilities in the following categories: financial liabilities at FVTPL and financial liabilities at amortized cost.

(a) Financial liabilities at FVTPL

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the BPI Group as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the statements of income and are reported as "Securities trading gain". The BPI Group has no financial liabilities that are designated at fair value through profit loss.

(b) Other liabilities measured at amortized cost

Financial liabilities that are not classified as at FVTPL fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost include deposits from customers and banks, bills payable, amounts due to BSP and other banks, manager's checks and demand drafts outstanding, subordinated notes and other financial liabilities under deferred credits and other liabilities.

30.3.6.2 Subsequent measurement and derecognition

Financial liabilities at FVTPL are subsequently carried at fair value. Other liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they have been redeemed or otherwise extinguished (i.e. when the obligation is discharged or is cancelled or has expired). Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions is not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.7 Loan commitments

Loan commitments are not issued at below-market interest rates and are not settled net in cash or by delivering or issuing another financial instrument.

30.3.8 Derivative financial instruments

A derivative instrument is initially recognized at fair value on the date a derivative contract is entered into, and is subsequently remeasured to its fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument or is held for trading.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting (and therefore, held for trading) are recognized immediately in profit or loss and are included in "Securities trading gain".

Hedge accounting

The BPI Group designates derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the BPI Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The BPI Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the "Cash flow hedge reserve" within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within "Other operating income".

When the group excludes the forward element of a forward contract and foreign currency basis spread of financial instruments in the hedge designation, the fair value change of the forward element and currency basis spread that relates to the hedged item ('aligned forward element/currency basis spread') is recognized within OCI in the costs of hedging reserve within equity. If the group designates the full change in fair value of the derivative (including forward points and currency basis spreads) the gains or losses relating to the effective portion of the change in fair value of the entire derivative are recognized in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss within other operating income in the same periods during which the hedged future cash flows affect profit or loss. However, if the amount is a loss and the BPI Group expects that all or a portion of that loss will not be recovered in one or more future periods, the amount that is not expected to be recovered shall immediately be reclassified to profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time shall be reclassified to profit or loss in the same periods during which the future cash flows affect profit or loss. When the future cash flows are no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

30.3.8.1 Embedded derivatives

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the BPI Group assesses the entire contract for classification and measurement in accordance with the policy outlined in Note 30.3.2 above. Otherwise, the embedded derivatives are treated as separate derivatives when:

- Their economic characteristics and risks are not closely related to those of the host contract;
- A separate instrument with the same terms would meet the definition of a derivative; and
- The hybrid contract is not measured at FVTPL.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statements of income unless the BPI Group chooses to designate the hybrid contracts at FVTPL.

30.3.9 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

A subsidiary of the Parent Bank has investments in non-marketable equity securities classified under Level 3 as at December 31, 2024 and 2023 (Note 26.4.1).

30.3.10 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognized using the effective interest method.

When calculating the effective interest rate, the BPI Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

30.3.11 Cash and cash equivalents

Interbank loans receivable and securities purchased under agreements to resell (SPAR) are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

30.3.12 Repurchase and reverse repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks and customers and included in the statement of condition under "Interbank loans receivable and securities purchased under agreements to resell". Securities lent to counterparties are also retained in the financial statements.

30.4 Consolidation

The subsidiaries' financial statements are prepared for the same reporting year as the consolidated financial statements. Refer to Note 1 for the list of the Parent Bank's subsidiaries.

(a) Subsidiaries

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the BPI Group, except for the pre-need subsidiary which follows the provisions of the PNUCA as allowed by the SEC.

(b) Associates

Associates are all entities over which the BPI Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in the consolidated financial statements are accounted for using the equity method of accounting.

The BPI Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the BPI Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit (loss) of an associate' in profit or loss.

Unrealized gains on transactions between the BPI Group and its associates are eliminated to the extent of the BPI Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the BPI Group.

(c) Business combination between entities under common control

Business combinations under common control are accounted for using the pooling of interest method following the guidance under the PIC Q&A No. 2018-06. Under this method, the Parent Bank does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over their cost at the time of the common control combination.

(d) Business combination under PFRS 3

The BPI Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the BPI Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any, and fair value of any pre-existing equity interest in the acquiree, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the BPI Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the BPI Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the BPI Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Measurement period

PFRS 3 allows a one year measurement period for the acquirer to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable.

Accounting for loss allowances relating to financial assets acquired through merger

The BPI Group applies the provision in PFRS 3 wherein a separate valuation allowance, such as a provision for impairment of receivables, is not recognized when assets are measured at their acquisition date fair values. The asset's fair value includes the probabilities and uncertainties regarding future cash flows. The BPI Group does not recognize a separate valuation allowance for the contractual cash flows that are deemed to be uncollectable at that date or a loss allowance for expected credit losses. The related provision for credit and impairment losses arising from the acquired financial assets are netted against the assets' fair value.

30.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates in the Parent Bank's separate financial statements are accounted for using the cost method in accordance with PAS 27. Under this method, income from investment is recognized in profit or loss only to the extent that the investor receives distributions from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

The Parent Bank recognizes a dividend from a subsidiary or associate in profit or loss in its separate financial statements when its right to receive the dividend is established.

The Parent Bank determines at each reporting date whether there is any indicator of impairment that the investment in the subsidiary or associate is impaired. If this is the case, the Parent Bank calculates the amount of impairment as the difference between the recoverable amount and carrying value and the difference is recognized in profit or loss.

Investments in subsidiaries and associates are derecognized upon disposal or when no future economic benefits are expected to be derived from the subsidiaries and associates at which time the cost and the related accumulated impairment loss are removed in the statements of condition. Any gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the investment and recognized in profit or loss.

30.6 Segment reporting

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated upon consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with PFRS 8, the BPI Group has the following main banking business segments: consumer banking, corporate banking and investment banking. Its insurance business is assessed separately from these banking business segments (Note 3).

30.7 Bank premises, furniture, fixtures and equipment

Land and buildings comprise mainly of branches and offices. All bank premises, furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the BPI Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Construction-in-progress is initially recognized at cost and will be depreciated once completed and available for use. The cost of construction-in-progress includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items on the site on which it is located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets during the construction period. The construction-in-progress is internally funded by the Parent Bank hence, no borrowing costs were capitalized. The construction-in-progress is recorded as part of Buildings and leasehold improvements.

Land is carried at historical cost and is not depreciated. Depreciation for buildings and furniture and equipment is calculated using the straight-line method to allocate cost or residual values over the estimated useful lives of the assets, as follows:

Building	25-50 years
Furniture and equipment	3-5 years
Equipment for lease	2-8 years

Leasehold improvements are depreciated over the shorter of the lease term (ranges from 5 to 10 years) and the useful life of the related improvement (ranges from 5 to 10 years). Major renovations are depreciated over the remaining useful life of the related asset.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. There are no bank premises, furniture, fixtures and equipment that are fully impaired as at December 31, 2024 and 2023.

30.8 Investment properties

Properties that are held either to earn rental income or for capital appreciation or both, and that are not significantly occupied by the BPI Group are classified as investment properties. Transfers to, and from, investment property are made when, and only when, there is a change in use, evidenced by:

- (a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) Commencement of development with a view of sale, for a transfer from investment property to real properties held-for-sale and development;
- (c) End of owner occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease to another party, for a transfer from real properties held-for-sale and development to investment property.

Transfers to and from investment property do not result in gain or loss.

Investment properties comprise land and building. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation on investment property is determined using the same policy as applied to Bank premises, furniture, fixtures, and equipment. Impairment test is conducted when there is an indication that the carrying amount of the asset may not be recovered. An impairment loss is recognized for the amount by which the property's carrying amount exceeds its recoverable amount, which is the higher of the property's fair value less costs to sell and value in use.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains and losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

30.9 Foreclosed assets

Assets foreclosed shown as Assets held for sale in the statements of condition are accounted for at the lower of cost and fair value less cost to sell similar to the principles of PFRS 5. The cost of assets foreclosed includes the carrying amount of the related loan. Impairment loss is recognized for any subsequent write-down of the asset to fair value less cost to sell.

Foreclosed assets not classified as Assets held for sale are accounted for in any of the following classification using the measurement basis appropriate to the asset as follows:

- (a) Investment property is accounted for using the cost model under PAS 40;
- (b) Bank-occupied property is accounted for using the cost model under PAS 16; and
- (c) Financial assets are accounted for under PFRS 9.

When foreclosed assets are recovered through a sale transaction, the gain or loss recognized from the difference between the carrying amount of the foreclosed asset disposed and the net disposal proceeds is recognized in profit or loss.

30.10 Intangible assets

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the BPI Group's share in the net identifiable assets of another entity at the date of acquisition. Goodwill on acquisition is included under Other assets, net in the statement of condition. Separately recognized goodwill is carried at cost less accumulated impairment losses.

Goodwill is an indefinite-lived intangible asset and hence not subject to amortization. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each cash-generating unit is represented by each primary reporting segment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Contractual customer relationships and core deposits

Contractual customer relationships and core deposits acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relationships and core deposits have finite useful lives of 9 years and 18 years, respectively and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the intangible assets. Contractual customer relationships and core deposits are included under Other assets, net in the statement of condition.

(c) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over the expected useful lives (three to five years). Computer software is included under Other assets, net in the statements of condition.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the BPI Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other assets to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(d) Management contracts

Management contracts are recognized at fair value at the acquisition date. They have a finite useful life of five years and are subsequently carried at cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method over the estimated useful life of the contract. Management contracts are included under Other assets, net in the statement of condition.

(e) Branch licenses

Branch licenses arise from the acquisition of branches in a business combination. They have an indefinite useful life and are subject to annual impairment assessment. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable.

30.11 Impairment of non-financial assets

Assets that have indefinite useful lives - for example, goodwill or intangible assets not ready for use - are not subject to amortization and are tested annually for impairment and more frequently if there are indicators of impairment. Assets that have definite useful lives are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

30.12 Borrowings and borrowing costs

The BPI Group's borrowings consist mainly of bills payable and other borrowed funds. Borrowings are recognized initially at fair value, which is the issue proceeds, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred. The BPI Group has no qualifying asset as at December 31, 2024 and 2023. Borrowings derecognized when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statements of Income as other income.

30.13 Fees and commission income

The BPI Group has applied PFRS 15 where revenue is recognized when (or as) The BPI Group satisfies a performance obligation by transferring a promised good or service to a customer (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset.

The recognition of revenue can be either over time or at a point in time depending on when the performance obligation is satisfied.

When control of a good or service is transferred over time, that is, when the customer simultaneously receives and consumes the benefits, the BPI Group satisfies the performance obligation and recognizes revenue over time. Otherwise, revenue is recognized at the point in time at the point of transfer control of the good or service to the customer.

Variable consideration is measured using either the expected value method or the most likely amount method depending on which method the BPI Group expects to better predict the amount of consideration to which it will be entitled. This is the estimated amount of variable consideration, or the portion, if any, of that amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Where there is a single performance obligation, the transaction price is allocated in its entirety to that performance obligation. Where there are multiple performance obligations, the transaction price is allocated to the performance obligation to which it relates based on stand-alone selling prices.

The BPI Group recognizes revenue based on the price specified in the contract, net of the estimated rebates/discounts and include variable consideration, if there is any. Accumulated experience is used to estimate and provide for the discounts and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

The BPI Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the BPI Group does not adjust any of the transaction prices for the time value of money.

Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party (i.e. the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses) are recognized on completion of underlying transactions. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis. Asset management fees related to investment funds are recognized ratably over the period in which the service is provided.

30.14 Credit card income

Credit card arrangements involve numerous contracts between various parties. The BPI Group has determined that the more significant contracts within the scope of PFRS 15 are (1) the contract between the BPI Group and the credit card holder ('Cardholder Agreement') under which the BPI Group earn miscellaneous fees (e.g., annual membership fees, late payment fees, foreign exchange fees, etc.) and (2) an implied contract between the BPI Group and merchants who accept the credit cards in connection with the purchase of their goods and/or services ('Merchant Agreement') under which the BPI Group earn interchange fees.

The Cardholder Agreement obligates the BPI Group, as the card issuer, to perform activities such as process redemption of loyalty points by providing goods, services, or other benefits to the cardholder; provide ancillary services such as concierge services, travel insurance, airport lounge access and the like; process late payments; provide foreign exchange services and others. The amount of fees stated in the contract represents the transaction price for that performance obligation.

The implied contract between the BPI Group and the merchant results in the BPI Group receiving an interchange fee from the merchant. The interchange fee represents the transaction price associated with the implied contract between the BPI Group and the merchant because it represents the amount of consideration to which the BPI Group expects to be entitled in exchange for transferring the promised service (i.e., purchase approval and payment remittance) to the merchant. The performance obligation associated with the implied contract between the BPI Group and the merchant is satisfied upon performance and simultaneous consumption by the customer of the underlying service. Therefore, a portion of the interchange fee is allocated to the performance obligations based on stand-alone transaction price and revenue is recognized when these performance obligations are satisfied.

30.15 Foreign currency translation

(a) Functional and presentation currency

Items in the financial statements of each entity in the BPI Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is the Parent Bank's functional and presentation currency.

(b) Foreign subsidiaries

The results and financial position of BPI's foreign subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at reporting date;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component (Currency translation differences) of Accumulated other comprehensive income (loss) in the capital funds. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

(c) Income from foreign exchange trading

Foreign exchange gains and losses arising from trading of foreign currencies are recorded under "Income from foreign exchange trading" in the statement of income. Gains or losses are calculated as the difference between the carrying amount of the asset sold and the net disposal proceeds at the date of sale.

30.16 Provisions for legal or contractual obligations

Provisions are recognized when all of the following conditions are met: (i) the BPI Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item is included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

30.17 Income taxes

(a) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction.

The BPI Group has substantial income from its investment in government securities subject to final withholding tax. Such income is presented at its gross amount and the final tax paid or withheld is included in Income tax expense - Current.

(b) Deferred income tax

The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

The BPI Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

30.18 Employee benefits

(a) Short-term benefits

The BPI Group recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses, and non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(b) Defined benefit retirement plan

The BPI Group has a defined benefit plan that shares risks among entities within the group. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of condition in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Defined benefit costs comprise of service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when the plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest income or expense in the statement of income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For individual financial reporting purposes, the unified plan assets are allocated among the BPI Group entities based on the level of the defined benefit obligation attributable to each entity to arrive at the net liability or asset that should be recognized in the individual financial statements.

(c) Defined contribution retirement plan

The BPI Group also maintains a defined contribution plan that covers certain full-time employees. Under its defined contribution plan, the BPI Group pays fixed contributions based on the employees' monthly salaries. The BPI Group, however, is covered under RA No. 7641, otherwise known as The Philippine Retirement Pay Law, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. Accordingly, the BPI Group accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The BPI Group and Parent Bank determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) then, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest and other expenses related to the defined benefit plan are recognized in the statement of income.

The defined contribution liability is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Actuarial gains and losses arising from the remeasurements of the net defined contribution liability are recognized immediately in the other comprehensive income.

(d) Share-based compensation

The BPI Group engages in equity-settled share-based payment transactions in respect of services received from certain employees.

The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of employee services received in respect of the shares or share options granted is recognized in profit or loss (with a corresponding increase in reserve in capital funds) over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined using option pricing models which take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

When the stock options are exercised or shares are subscribed, the proceeds received are credited to share capital (par value) and share premium for the excess of exercise price over par value.

(e) Bonus plans

The BPI Group recognizes a liability and an expense for bonuses and recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

30.19 Capital funds

Merger reserves

Merger reserves represent the difference between the value of shares issued by the Parent Bank in exchange for the value of the shares acquired in respect of the acquisition of BFB accounted for under the pooling-of-interest method and the difference between the results of operations of BFB during the year ended December 31, 2021 and the dividends declared on December 29, 2021.

30.20 Fiduciary activities

The BPI Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the BPI Group (Note 24).

30.21 Leases

30.21.1 BPI Group is the lessee

Measurement of right-of-use assets and lease liabilities

Lease payments to be made under reasonably certain extension options are included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the BPI Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the BPI Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the BPI Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the BPI Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Lease modification

Lease modifications are accounted either as a separate lease or not a separate lease. The BPI Group accounts for the lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right of use to one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modification that is not accounted for a separate lease, at the effective date of lease modification, the BPI Group:

- allocates the consideration in the modified contract on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the BPI Group accounts for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease; and
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The BPI Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statements of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

30.21.2 BPI Group is the lessor

BPI Group (as a lessor) continues to classify its leases as operating leases.

30.22 Insurance and pre-need operations

(a) Non-life insurance

The more significant accounting policies observed by the non-life insurance subsidiaries follow: (a) gross premiums written from short-term insurance contracts are recognized at the inception date of the risks underwritten and are earned over the period of cover in accordance with the incidence of risk using the 24th method; (b) acquisition costs are deferred and charged to expense in proportion to the premium revenue recognized; reinsurance commissions are deferred and deducted from the applicable deferred acquisition costs, subject to the same amortization method as the related acquisition costs; (c) a liability adequacy test is performed which compares the subsidiaries' reported insurance contract liabilities against current best estimates of all contractual future cash flows and claims handling, and policy administration expenses as well as investment income backing up such liabilities, with any deficiency immediately charged to profit or loss; and (d) financial assets and liabilities are measured following the classification and valuation provisions of PFRS 9.

(b) Pre-need

The material provisions of the PNUCA as applied by the pre-need subsidiary follow: (a) costs of contracts issued and other direct costs and expenses are recognized as expense when incurred; (b) pre-need reserves which represent the accrued net liabilities of the subsidiary to its plan holders are actuarially computed based on standards and guidelines set forth by the Insurance Commission; the increase or decrease in the account is charged or credited to other costs of contracts issued in profit or loss; and (c) insurance premium reserves which represent the amount that must be set aside by the subsidiary to pay for premiums for insurance coverage of fully paid plan holders, are actuarially computed based on standards and guidelines set forth by the Insurance Commission.

31 Supplementary information required under BSP Circular No. 1074

Presented below are the additional information required by BSP Circular No. 1074 issued on January 8, 2020. This information is presented for BSP reporting purposes and is not required in the basic financial statements.

(i) Basic Quantitative Indicators of Financial Performance

The key financial performance indicators follow (in %):

	Consolidated		Parent	
	2024	2023	2024	2023
Return on average equity				
- Daily average ¹	15.07	15.35	14.45	15.71
- Simple average ²	15.67	15.22	15.24	15.76
Return on average assets				
- Daily average ³	1.98	1.93	1.86	1.91
- Simple average ⁴	2.00	1.88	1.87	1.87
Net interest margin				
- Daily average ⁵	4.31	4.09	4.08	3.93
- Simple average ⁶	4.31	3.98	4.07	3.82

¹Net income divided by average total equity for the period indicated. Average equity is based on the daily average balance of equity for the years ended December 31, 2024 and 2023.

²Net income divided by average total equity for the period indicated. Average total equity is based on the year-on-year balance of equity for the years ended December 31, 2024 and 2023.

³Net income divided by average total assets as at period indicated. Average total assets are based on the daily average balance of total assets as at December 31, 2024 and 2023.

⁴Net income divided by average total assets as at period indicated. Average total assets are based on the year-on-year balance of total assets as at December 31, 2024 and 2023.

⁵Net interest income divided by average interest-earning assets. Average interest earning assets is based on the daily average balance of interest earning assets as at December 31, 2024 and 2023.

⁶Net interest income divided by average interest-earning assets. Average interest earning assets is based on the year-on-year balance of interest earning assets as at December 31, 2024 and 2023.

(ii) Description of Capital Instrument Issued

BPI considers its common shares as capital instrument for purposes of calculating its capital adequacy ratio as at December 31, 2024 and 2023.

Significant credit exposures

Details of the loans and advances portfolio as to concentration per industry/economic sector over total loan portfolio (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Real estate, renting and other related activities	22.74	23.12	23.24	23.48
Manufacturing	14.17	15.47	14.44	15.70
Consumer	13.32	11.44	12.09	10.62
Transportation, storage and communications	11.07	11.33	10.85	11.48
Wholesale and retail trade	10.80	11.20	11.01	11.01
Financial institutions	10.53	9.70	10.80	9.85
Electricity, gas, steam and air-conditioning supply	8.16	9.18	8.36	9.34
Agriculture and forestry	1.57	1.73	1.59	1.75
Others	7.64	6.83	7.62	6.77
	100.00	100.00	100.00	100.00

Details of the loans and advances portfolio as to concentration per industry/economic sector over Tier 1 Capital (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Real estate, renting and other related activities	142.47	138.44	154.47	148.97
Manufacturing	88.77	92.63	95.99	99.62
Consumer	83.40	68.48	80.40	67.37
Transportation, storage and communications	67.65	67.87	73.17	72.85
Wholesale and retail trade	69.34	67.07	72.15	69.83
Financial institutions	65.99	58.09	71.77	62.49
Electricity, gas, steam and air-conditioning supply	51.12	54.93	55.57	59.25
Agriculture and forestry	9.84	10.36	10.54	11.11
Others	47.81	40.84	50.72	43.00

Breakdown of total loans

Details of the loans and advances portfolio as at December 31 as to collateral (amounts net of unearned discounts and exclusive of accrued interest receivable) are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Secured loans				
Real estate mortgage	348,232	304,090	346,616	302,870
Project assets	162,641	138,915	162,641	138,915
Chattel mortgage	94,493	75,028	94,488	75,028
Others	48,507	25,912	48,482	25,757
	653,873	543,945	652,227	542,570
Unsecured loans	1,620,879	1,382,593	1,568,482	1,350,313
	2,274,752	1,926,538	2,220,709	1,892,883

Others represent loans secured mainly by hold-out deposits, mortgage trust indentures, government and corporate securities and bonds, quedan/warehouse receipts, standby letters of credit, trust receipts, deposit substitutes and inventories.

Breakdown of performing and non-performing loans net of allowance for credit losses, as reported to the BSP, are as follows:

Consolidated

	2024			2023		
	Performing	Non-performing	Total	Performing	Non-performing	Total
(In Millions of Pesos)						
Corporate loans	1,663,158	22,391	1,685,549	1,483,876	16,662	1,500,538
Credit cards	161,855	7,265	169,120	124,606	5,107	129,713
Other retail loans	401,387	18,708	420,095	282,627	13,666	296,293
	2,226,400	48,364	2,274,764	1,891,109	35,435	1,926,544
Allowance for probable losses	(11,229)	(29,940)	(41,169)	(11,154)	(22,726)	(33,880)
Net carrying amount	2,215,171	18,424	2,233,595	1,879,955	12,709	1,892,664

*Amounts exclude accrued interest receivables and GLLP per financial reporting package

Parent

	2024			2023		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	1,658,994	22,235	1,681,229	1,483,636	16,635	1,500,271
Credit cards	161,855	7,265	169,120	124,606	5,107	129,713
Other retail loans	354,903	15,462	370,365	251,171	11,735	262,906
	2,175,752	44,962	2,220,714	1,859,413	33,477	1,892,890
Allowance for probable losses	(11,409)	(27,583)	(38,992)	(11,336)	(21,280)	(32,616)
Net carrying amount	2,164,343	17,379	2,181,722	1,848,077	12,197	1,860,274

*Amounts exclude accrued interest receivables and GLLP per financial reporting package

BSP Circular 941, *Amendments to Regulations on Past Due and Non-Performing Loans*, states that loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and if there is an evidence that full repayment of principal and interest is unlikely without foreclosure of collateral. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

(iii) Information on Related Party Loans

Details of related party loans are as follows (transactions with subsidiaries have been eliminated in the consolidated financial statements):

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Loans and advances from:				
Subsidiaries	-	-	75	87
Associates	479	113	479	113
Ayala Group	79,902	61,567	79,902	61,567
Key management personnel	20	-	20	-
Other related parties	-	-	-	-

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	80,401	61,680	80,476	61,767
% to total outstanding related party loans				
Subsidiaries	-	-	0.09	0.14
Associates	0.60	0.18	0.60	0.18
Ayala Group	99.38	99.82	99.29	99.68
Key management personnel	0.02	-	0.02	-
Other related parties	-	-	-	-

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	80,401	61,680	80,476	61,767
% to total outstanding related party loans				
Unsecured related party loans	47.85	8.82	47.88	8.81
Past due related party loans	-	-	-	-
Non-performing related party loans	-	-	-	-

Details of DOSRI loans are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Outstanding DOSRI loans	31,588	18,701	31,588	18,701

	Consolidated		Parent	
	2024	2023	2024	2023
	(In percentages)			
% to total outstanding loans and advances	1.39	0.97	1.42	0.99
% to total outstanding DOSRI loans				
Unsecured DOSRI loans	1.61	2.30	1.61	2.30
Past due DOSRI loans	0.02	0.04	0.02	0.04
Non-performing DOSRI loans	0.03	0.02	0.03	0.02

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at December 31, 2024 and 2023.

(iv) Secured Liabilities and Assets Pledged as Security

The BPI Group's Bills payable (Note 16) include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group. As at December 31, 2024 and 2023, part of the bills payable of the Parent Bank is secured by government securities classified as investment securities at amortized cost (Note 9).

Contingencies and commitments arising from off-balance sheet items

The following is a summary of BPI's contingencies and commitments at their equivalent peso amounts as reported to the BSP:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Trust accounts	1,530,708	1,223,096	-	-
Derivatives	496,116	319,337	489,149	314,881
Commitments	245,341	186,611	245,341	186,611
Financial standby letters of credit - foreign	36,103	30,472	36,103	30,472
Bills for collection	35,060	22,923	35,060	22,923
Spot foreign exchange contracts	24,679	7,310	24,679	7,310
Performance standby letters of credit - foreign	11,228	10,898	11,228	10,898
Commercial letters of credit	10,242	11,322	10,242	11,322
Guarantees issued	3,555	2,521	3,555	2,521
Trade related guarantees	2,758	1,208	2,758	1,208
Other contingent accounts	40,285	39,712	39,545	39,618
	2,436,075	1,855,410	897,660	627,764

Other contingent accounts pertain to late deposits or payments received, deficiency claims receivable, items held for safekeeping, and items held as collateral.

Significant credit risk exposures arising from off-balance sheet items are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Undrawn loan commitments	663,659	504,918	663,659	504,918
Unused letters of credit	64,007	55,808	64,007	55,808
Gross carrying amount	727,666	560,726	727,666	560,726
Loss allowance	(1,267)	(1,232)	(1,267)	(1,232)
Carrying amount	726,399	559,494	726,399	559,494

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the BPI Group is required to provide a loan with pre-specified terms to the customer. These off-balance sheet items are within the scope of PFRS 9 where the BPI Group estimates that the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to the off-balance sheet items is recognized in "Miscellaneous liabilities" (Note 17).

The BPI Group has no other off-balance sheet items other than the items listed above.

32 Supplementary information required by the Bureau of Internal Revenue

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS Accounting Standards.

Below is the additional information required by RR No. 15-2010 that is relevant to the Parent Bank. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

(i) Documentary stamp tax

Documentary stamp taxes paid through the Electronic Documentary Stamp Tax System for the year ended December 31, 2024 consist of:

	Amount (In Millions of Pesos)
Deposit and loan documents	11,867
Trade finance documents	794
Mortgage documents	620
Shares of stocks	33
Others	5
	13,319

(ii) Withholding taxes

Withholding taxes paid/accrued and/or withheld for the year ended December 31, 2024 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Final income taxes withheld on interest on deposits and yield on deposit substitutes	8,309	783	9,092
Income taxes withheld on compensation	3,514	396	3,910
Creditable income taxes withheld (expanded)	1,171	190	1,361
Final income taxes withheld on income payment	767	492	1,259
Fringe benefit tax	96	31	127
Withholding value-added tax	53	15	68
Withholding tax on withdrawal from decedent's account	14	1	15
	13,924	1,908	15,832

(iii) All other local and national taxes

All other local and national taxes paid/accrued for the year ended December 31, 2024 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Gross receipts tax	8,563	765	9,328
Municipal taxes	493	-	493
Real property tax	195	-	195
Others	20	-	20
	9,271	765	10,036

Municipal and other taxes imposed by the government which are incurred under the normal courses of business are part of "Taxes and licenses" within Other operating expenses (Note 21).

(iv) Tax cases and assessments

As at reporting date, the Parent Bank has various claims of tax refund pending with tax authorities. There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.



Statements Required by Rule 68 Securities Regulation Code (SRC)

To the Board of Directors and Shareholders of
Bank of the Philippine Islands
Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Ave., Bel-Air
Makati City

We have audited in accordance with Philippine Standards on Auditing the consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, and have issued our report thereon dated February 19, 2025. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the BPI Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the BPI Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no exceptions were noted.

Isla Lipana & Co.

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Roderick M. Danao
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280; issued on January 3, 2025, Makati City

T.I.N. 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 19, 2025

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

Bank of the Philippine Islands
Financial Indicators
As at December 31, 2024 and 2023

Ratio	Formula (in Millions of Pesos, except ratios)	Current year	Prior year
		in percentage	
Liquidity ratio	Total current assets divided by total current liabilities		
	Total current assets 1,552,124	59.36	58.53
	Divided by: Total deposits 2,614,802		
	Liquidity ratio 0.5936		
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity		
	Total liabilities (Bills payable and Bonds payable) 163,182	37.91	38.38
	Divided by: Total equity 430,469		
	Debt-to-equity ratio 0.3791		
Asset-to-equity ratio	Total assets divided by total equity		
	Total assets 3,318,813	770.98	808.61
	Divided by: Total equity 430,469		
	Asset-to-equity ratio 7.7098		
Interest rate coverage ratio	Earnings before interest expense, income taxes, depreciation, and amortization		
	EBITDA 147,368	236.29	274.24
	Divided by: Total interest expense 62,368		
	Interest rate coverage ratio 2.3629		
Return on equity	Net income divided by daily average equity		
	Net income 62,049	15.07	15.35
	Divided by: Daily average equity 411,819		
	Return on equity 0.1507		
Return on assets	Net income divided by daily average assets		
	Net income 62,049	1.98	1.93
	Divided by: Daily average assets 3,133,116		
	Return on assets 0.0198		

Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by daily average net interest bearing assets		
	Net interest income 127,586	4.31	4.09
	Divided by: Daily average Net Interest Bearing Assets 2,960,101		
	NIM 0.0431		
Other ratios:			
Average assets to average equity	Daily average assets divided by daily average equity		
	Daily average assets 3,133,116	760.80	796.78
	Divided by: Daily average equity 411,819		
	Average assets to average equity 7.6080		
Net interest to average assets (NRFF)	Net interest income divided by daily average assets		
	Net interest income 127,586	4.07	3.89
	Divided by: Daily average assets 3,133,116		
	NRFF 0.0407		
Cost to income ratio	Total operating expense divided by total income (Net interest income and Other income)		
	Total operating expense 83,796	49.25	49.96
	Divided by: Total income (Net Interest income and Other income) 170,139		
	Cost to income ratio 0.4925		
Cost to asset ratio	Total operating expense divided by daily average assets		
	Total operating expense 83,796	2.67	2.58
	Divided by: Daily average assets 3,133,116		
	Cost to asset ratio 0.0267		
Capital to assets ratio	Total equity divided by total assets		
	Total equity 430,469	12.97	12.37
	Divided by: Total assets 3,318,813		
	Capital to assets ratio 0.1297		



To the Board of Directors and Shareholders of
Bank of the Philippine Islands
Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Ave., Bel-Air
Makati City

We have audited the consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") and the parent financial statements of the Bank of the Philippine Islands (the "Parent Bank") as at and for the year ended December 31, 2024, on which we have rendered the attached report dated February 19, 2025. The supplementary information shown in the Reconciliation of the Parent Bank's Retained Earnings Available for Dividend Declaration, Map of the Conglomerate or Group of Companies within which the Bank of the Philippine Islands belongs effective as at December 31, 2024, as additional components required by Part I, Section 5 of Rule 68 of the Securities Regulation Code, and Schedules A, B, C, D, E, F and G, as required by Part II, Section 6 of Rule 68 of the Securities Regulation Code, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the Securities Regulation Code.

Isla Lipana & Co.

A handwritten signature in black ink, appearing to read "Rodrick M. Danao", with a long, sweeping horizontal stroke at the end.

Rodrick M. Danao
Partner

CPA Cert. No. 88453

P.T.R. No. 0011280; issued on January 3, 2025, Makati City

T.I.N. 152-015-078

BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026

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Bank of the Philippine Islands
Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Ave., Bel-Air
Makati City

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2024
(in Millions of Pesos)

Unappropriated retained earnings, beginning of the year		149,034
Add: Category A: Items that are directly credited to		
Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (Realized Gain on Sale of FVOCI equity securities)	467	467
		149,501
Less: Category B: Items that are directly debited to		
Unappropriated retained earnings		
Dividend declaration during the reporting period	20,878	
Retained earnings appropriated during the reporting period	10,274	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	31,152
Unappropriated retained earnings, as adjusted		118,349
Add/Less: Net Income (loss) for the current year		56,384
Less: Category C.1: Unrealized income recognized in the		
profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of		
dividends declared	-	
Unrealized foreign exchange gain, except those		
attributable to cash and cash equivalents	1,658	
Unrealized fair value adjustment (mark-to-market		
gains) of financial instruments at fair value through		
profit or loss (FVTPL)	70	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained		
earnings as a result of certain transactions		
accounted for under the PFRS (describe nature)	-	1,728
		54,656

(continued)

Bank of the Philippine Islands**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2024

Page 2

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)	-	
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	-
		54,656
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)	-	
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	557	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	123	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	680
Adjusted net income/loss		55,336
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	-
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others (describe nature)	-	-
		-

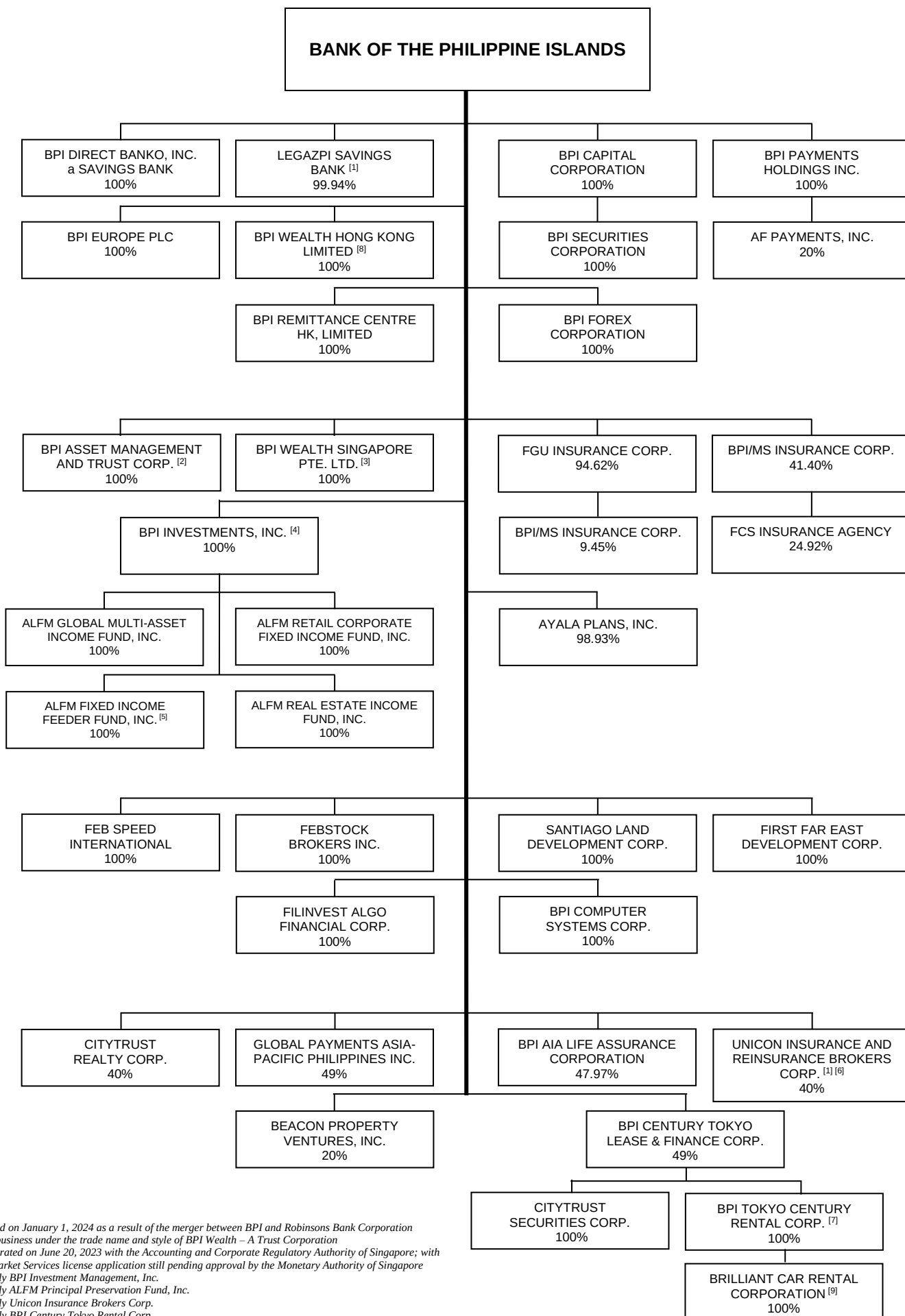
(continued)

Bank of the Philippine Islands**Reconciliation of Retained Earnings Available for Dividend Declaration**

For the year ended December 31, 2024

Page 3

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of treasury shares (except for reacquisition of redeemable shares)	-
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g ., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-
Adjustment due to deviation from PFRS/GAAP – gain (loss)	-
Others	-
Total retained earnings, end of the year available for dividend declaration	173,685



Notes:

[1] Acquired on January 1, 2024 as a result of the merger between BPI and Robinsons Bank Corporation

[2] Doing business under the trade name and style of BPI Wealth – A Trust Corporation

[3] Incorporated on June 20, 2023 with the Accounting and Corporate Regulatory Authority of Singapore; with Capital Market Services license application still pending approval by the Monetary Authority of Singapore

[4] Formerly BPI Investment Management, Inc.

[5] Formerly ALFM Principal Preservation Fund, Inc.

[6] Formerly Unicon Insurance Brokers Corp.

[7] Formerly BPI Century Tokyo Rental Corp.

[8] Formerly BPI International Finance Limited

[9] Wholly owned subsidiary of BPI Tokyo Century Rental Corp. Acquisition was completed on May 23, 2024.

*Updated as of March 18, 2025

BANK OF THE PHILIPPINE ISLANDS
December 31, 2024
(in Millions of Pesos)

Schedule A - Financial Assets

	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued
Due from Bangko Sentral ng Pilipinas		164,571	
Due from other banks		72,060	
Interbank loans receivable and Securities purchased under agreements to resell		16,715	
Subtotal		253,346	3,109
Financial assets at fair value through profit or loss- Trading securities (*)		41,452	1,238
Financial assets at fair value through profit or loss- Derivative financial assets		5,856	
Subtotal		47,308	
Financial assets at fair value through other comprehensive income (FVOCI) (*)		268,202	11,569
Investment securities at amortized cost (*)		343,108	14,444
Loans and advances, net		2,238,765	159,594
Others		3,970	
TOTAL		3,154,699	189,954

(*) Please refer succeeding pages for the detailed information on these financial assets.

BANK OF THE PHILIPPINE ISLANDS

December 31, 2024

Schedule B: Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written off	Current	Non-current	Balance at end of period

Nothing to report. Transactions with these parties are made under the normal course of business.

BANK OF THE PHILIPPINE ISLANDS**December 31, 2024**

(In Millions of Pesos)

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

Name and designation of debtor	Balance at beginnin g of period	Additions	Amount collected	Amount written off	Current	Non- current	Balance at end of period
BPI DIRECT BANKO, INC.	1,525	1,152	-	-	2,677	-	2,677
BPI CAPITAL CORP.	8	2	-	-	10	-	10
BPI INVESTMENT MANAGEMENT, INC.	7	1	-	-	8	-	8
BPI SECURITIES CORP.	115	22	-	-	137	-	137
BPI CENTURY TOKYO RENTAL CORP.	-	-	-	-	-	-	-
BPI ASSET MANAGEMENT AND TRUST CORP.	30	18	-	-	28	-	28
BPI/MS INSURANCE CORPORATION	6	5	-	-	11	-	11
	1,691	1,200	-	-	2,891	-	2,891

BANK OF THE PHILIPPINE ISLANDS
December 31, 2024
(In Millions of Pesos)

Schedule D - Long-term Debt

Title of issue and type of obligation	Amount authorized by indenture (Original currency)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in PHP)	Amount shown under caption "Long-term debt" in related balance sheet (in PHP)	Terms of long-term debts
Parent Bank				
Bonds payable	PHP 36,661	36,586	-	Int Rate : 6.43% Frequency of Payment: Quarterly Maturity Date : 5/13/2025 Face Value : PHP 36,660,800,000
Bonds payable	PHP 33,700	-	33,485	Int Rate : 6.20% Frequency of Payment: Quarterly Maturity Date : 02/09/2026 Face Value : PHP 33,700,000,000
Bonds payable	USD 400	-	22,967	Int Rate : 5.25% Frequency of Payment: Semi - Annual Maturity Date : 3/26/2029 Face Value : USD 400,000,000
Bonds payable	USD 250	-	14,448	Int Rate : 6.21% Frequency of Payment: Semi - Annual Maturity Date : 08/25/2026 Face Value : USD 250,000,000
Bills payable	USD 300	-	17,274	Int Rate : 5.46% Frequency of Payment: Quarterly Maturity Date : 08/24/2026 Face Value : USD 300,000,000
Bills payable		33,340	4,983	Various
SUB-TOTAL		69,926	93,157	163,083
BPI Europe				
Bills payable		99	-	Various
TOTAL		70,025	93,157	163,182

BANK OF THE PHILIPPINE ISLANDS

December 31, 2024

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name and related party	Balance at beginning of period	Balance at end of period
Nothing to report.		

BANK OF THE PHILIPPINE ISLANDS
December 31, 2024

Schedule F - Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
Nothing to report.				

BANK OF THE PHILIPPINE ISLANDS
December 31, 2024

Schedule G - Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights*	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares	5,400,000,000	5,272,095,143	3,260,620	2,338,395,880	74,014,234	2,859,685,029
Preferred A Shares	60,000,000	-	-	-	-	-

* Shares granted but not yet exercised

BANK OF THE PHILIPPINE ISLANDS

**Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2024 and 2023**

	2024	2023
Total audit fees	26,072,200	21,583,600
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	8,126,800	3,644,000
Total non-audit fees	8,126,800	3,644,000
Total audit and non-audit fees	34,199,000	25,227,600

Audit and non-audit fees of other related entities

	2024	2023
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total audit and non-audit fees of other related entities	-	-

EXHIBIT B
(List of Subsidiaries)

LIST OF SUBSIDIARIES

1. BPI Direct BanKo, Inc., A Savings Bank (BanKo)
2. Legazpi Savings Bank, Inc. (LSB)
3. BPI Capital Corporation
4. BPI Payments Holdings Inc. (BPHI)
5. BPI Europe Plc.
6. BPI Wealth Hong Kong Limited
7. BPI Securities Corp.
8. BPI Remittance Centre (HK) Limited
9. BPI Forex Corporation
10. BPI Asset Management and Trust Corporation operating under the trade name, BPI Wealth
11. BPI Wealth Singapore Pte. Ltd.
12. FGU Insurance Corporation
13. BPI/MS Insurance Corporation
14. BPI Investments, Inc. (formerly BPI Investment Management, Inc.)
15. Ayala Plans, Inc.
16. Filinvest Algo Financial Corp.
17. Santiago Land Development Corporation
18. BPI Computer Systems Corp.
19. First Far East Development Corporation
20. FEB Stock Brokers, Inc.
21. FEB Speed International

EXHIBIT C
(Top 20 Stockholders)

Stock Transfer Service Inc.
BANK OF THE PHILIPPINE ISLANDS
List of Top 20 Stockholders
As of 12/31/2024

Rank	Stockholder Name	Outstanding Shares	Percentage
1	AYALA CORPORATION	1,515,177,839	28.7396%
2	PCD NOMINEE CORPORATION (FILIPINO)	1,167,286,526	22.1408%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	990,208,462	18.7821%
4	LIONTIDE HOLDINGS INC.	823,218,041	15.6146%
5	ROMAN CATHOLIC ARCHBISHOP OF MANILA	357,297,439	6.7771%
6	ROBINSONS RETAIL HOLDINGS INC.	162,028,250	3.0733%
7	MICHIGAN HOLDINGS INC.	100,993,230	1.9156%
8	BPI ESPP 2024	12,843,860	0.2436%
9	BPI - ESPP 2021	8,803,360	0.1670%
10	MERCURY GRP. OF COMPANIES INC	8,339,940	0.1582%
11	ESTATE OF VICENTE M. WARNS	8,160,037	0.1548%
12	BPI - ESPP 2022	7,645,834	0.1450%
13	BPI ESPP 2023	7,487,500	0.1420%
14	SOCIAL SECURITY SYSTEM	4,554,911	0.0864%
15	BPI GROUP OF COMPANIES RETIREMENT FUND	4,548,420	0.0863%
16	XAVIER P. LOINAZ AND/OR MA. TERESA J. LOINAZ	4,255,918	0.0807%
17	HERMANN BARRETTO WARNS	3,135,572	0.0595%
18	SAHARA MANAGEMENT AND DEVELOPMENT CORPORATION	2,952,394	0.0560%
19	BLOOMINGDALE ENTERPRISES INC	2,925,927	0.0555%
20	SOCIAL SECURITY SYSTEM ASSIGNED TO EMPLOYEES COMPENSATIO	2,905,959	0.0551%

Total Top 20 Shareholders:	5,194,769,419	98.5333%
Total Outstanding Shares:	5,272,095,143	

EXHIBIT D
(Statistical Report by Sharelots)

Stock Transfer Service Inc.
BANK OF THE PHILIPPINE ISLANDS
Statistical Reports by Share Lots
As of 12/31/2024

Share	Lots	No. of Records	No. of Shares
1	100	1,639	59,576
101	500	3,939	1,038,964
501	1,000	1,776	1,267,238
1,001	5,000	2,902	6,148,944
5,001	10,000	519	3,601,385
10,001	50,000	584	12,368,348
50,001	100,000	115	7,944,288
100,001	500,000	127	26,328,768
500,001	1,000,000	16	11,336,619
1,000,001	5,000,000	11	32,510,695
5,000,001	10,000,000	5	40,436,671
10,000,001	50,000,000	1	12,843,860
50,000,001	UP	7	5,116,209,787

Grand Totals :	----- 11,641 =====	----- 5,272,095,143 =====



**Doing More
for Our
Customers
Through
Digitalization**



In December 2021, we launched our reinvented Vision, Mission, and Values. Our objective is to restate them in a more relatable, concise, and simple manner, and highlight the shift to be more customer-centered, ensuring that this philosophy threads all our values. Beyond changing and looking for the right words to describe who we are as an institution, was the more humbling task of acknowledging that while we are proud of who we are and what we have achieved, there is definitely more to what we can do and demand of ourselves.

Approved by the BPI Executive Committee, these have been refreshed to reflect our highest aspirations as an organization, confirm our strong dedication to achieve our objectives amidst the challenges of a rapidly evolving business environment and reaffirm the ideals and way of life that all BPI Unibankers are called to live by every day.

OUR VISION

Building a better Philippines— one family, one community at a time.

By family we mean our clients who we hope to serve and guide to the best of our abilities—so they may achieve their financial goals. Behind every account, loan, investment, credit card—behind all that we create and offer should be for their best interest.

We will do this one at a time because we pay attention to their specific needs—treating them as individuals and not just business opportunities.

OUR MISSION

We are your trusted financial partner, nurturing your future and making life easier.

Our knowledge and expertise will be for naught unless we gain the trust of our customers. It is our responsibility to provide sound advice, show them what we can do, and offer our services so that they can have a more prosperous future.

CORE VALUES

N - We are Nurturing

- We show concern for others.
- We help our customers achieve a better life.
- We serve with passion and care.

I - We act with Integrity

- We act honestly, responsibly, and respectfully at all times.
- We treat everyone with fairness.
- We deliver on our commitments and take ownership of our actions.

C - We are Customer Obsessed

- We anticipate our customers’ needs and serve with a heart.
- We innovate to give them the best solutions.
- We make it easy for our customers.

E - We act with Excellence

- We work as one to get the job done.
- We do things right the first time.
- We give our best to all.

BPI CREDO

We believe our first responsibility is to our CLIENTS. If we understand and address our clients’ financial needs, we will be entrusted with their most important financial transactions, and we will build lasting relationships. We do well when our clients do well.

We believe in our responsibility to our PEOPLE. We seek to hire the best people for each job, provide them with the means to perform at a high level and reward them fairly. We value integrity, professionalism, and loyalty. We promote a culture of mutual respect, meritocracy, performance, and teamwork. We strive to be the employer of choice among Philippine financial institutions.

We believe in our responsibility to our SHAREHOLDERS. We treat capital as a most valuable asset and seek to generate superior returns while being prudent in risk-taking, spending, and investment.

We believe in our responsibility to our COUNTRY. Our prosperity is greatly dependent on the well-being of our nation. We aim to be inclusive and responsible in nation-building. Through BPI Foundation, we are committed to the welfare and sustainability of the communities we serve.



THrive

Doing more for our customers
through digitalization

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ABOUT THE REPORT

The BPI 2024 Integrated Report illustrates how BPI’s core business model and strategic direction drive sustainable growth and long-term value creation for the Filipino people.

This report provides a comprehensive view of the BPI Group's performance across environmental, social, governance, and economic (ESG+E₂) dimensions, covering the period from Jan. 1 to Dec. 31, 2024

Reporting Boundary

The report encompasses the BPI Group of Companies, including the parent bank, along with its subsidiaries and affiliates across both domestic and international offices, unless otherwise specified. Variations in reporting boundaries may arise due to differences in data sources, data sufficiency levels, and the degree of management’s control over information availability.

Reporting Frameworks and Disclosures

BPI's 2024 Integrated Report is prepared in alignment with globally recognized reporting frameworks and regulatory guidelines, ensuring transparency, accountability, and relevance. These include:

- International Integrated Reporting Council's (IIRC)
- Integrated Reporting <IR> Framework
- Global Reporting Initiative's (GRI) Standards
- Sustainability Accounting Standards Board (SASB) Standards
- Bangko Sentral ng Pilipinas (BSP) Guidelines
- Philippine Securities and Exchange Commission (SEC) Guidelines for annual and sustainability reports

Disclosures recommended by the Task Force on Climate-Related Financial Disclosures (TCFD) have been summarized in the appendices on page 321, in view of the Task Force's discontinuation in October 2023.

BPI's financial and operational performance disclosures are submitted to the following regulatory agencies:

- Bangko Sentral ng Pilipinas (BSP)
- Securities and Exchange Commission (SEC)
- Philippine Stock Exchange (PSE)
- Philippine Bureau of Internal Revenue (BIR)
- Philippine Dealing and Exchange Corporation (PDEX)
- Singapore Exchange (SGX)

Data Sources

Data covering macroeconomic, behavioral, and demographic trends in the Philippine banking industry were primarily sourced from reports of the Bangko Sentral ng Pilipinas (BSP), Philippine Statistics Authority (PSA), and World Bank. Additional data sources are cited in the footnotes.

Disclosure Principles

The preparation and presentation of this report are guided by the seven Integrated Reporting (<IR>) principles, ensuring clarity, consistency, and value creation in the disclosed information.

- **Materiality** - In 2024, we reviewed and refined our list of stakeholder concerns and material topics to align with best practices and latest ESG standards. The updated list of material topics is available on pages 316 to 317.
- **Conciseness** - Where applicable, previously published information is referenced in this report. Only material topics that impact BPI's value creation are presented.
- **Consistency and Comparability** - This report is prepared in accordance with GRI and SASB disclosure standards. Where applicable, comparative data from previous years are included.
- **Reliability and Completeness** - Business units, including subsidiaries, regularly report their performance to management. BPI's Internal Audit conducts periodic examinations across the BPI Group. For the 2024 year-end reporting, BPI engaged Isla Lipana and Co. to audit the Bank's financial statements and DNV AS Philippine Branch to provide external assurance on the report's sustainability disclosures, covering both financial and non-financial data.
- **Connectivity** - This report acknowledges the interconnections and relationships among various factors that influence BPI's ability to create and sustain value.
- **Stakeholder Relationships** - Our key stakeholders play a crucial role in shaping our business, just as they are impacted by our operations. A detailed discussion on our formal engagement platforms and responses to key concerns can be found on pages 32 to 33.
- **Strategic Focus and Future Orientation** - A detailed discussion on how the Bank generates financial and non-financial value for its stakeholders, along with its longer term approach to managing risks and opportunities, is presented on pages 34 to 37.

Feedback

For questions, comments and suggestions, contact us through:

BPI Investor Relations
investorrelations@bpi.com.ph

BPI Public Affairs and Communications
corporateaffairs@bpi.com.ph

OUR BUSINESS

As the first bank in the Philippines and Southeast Asia, the Bank of the Philippine Islands (BPI), a member of the Ayala group of companies, is one of the first institutions to be listed on the Philippine Stock Exchange (PSE). BPI has established a history of client trust, financial strength, and innovation. Since 1851, the Bank’s business, products, and services have created sustainable value and played a significant role in every Filipino’s daily life, as well as in the country’s growing economy.

BPI aims to provide better access to financial services for every Filipino. The Bank wants everyone – from individuals, enterprises, and institutions – to directly or indirectly benefit from the economic value generated and enabled by its business. It shall continue to provide products and services efficiently, always mindful of the corporate values that have guided the company through 173 years. BPI is nurturing to both customers and communities. Its employees act with integrity and excellence, and are customer obsessed. A fully diversified universal bank and a recognized leader in the banking industry, BPI, together with its subsidiaries and affiliates, offers a diverse range of products and services in consumer and corporate banking as well as in asset management, payments, insurance, investment banking, foreign exchange, leasing, and securities distribution.

Aside from the branches, BPI continues to enhance its technological infrastructure for a truly digital banking experience. Clients can access the Bank’s services, through its online and mobile platforms and agency banking partners.

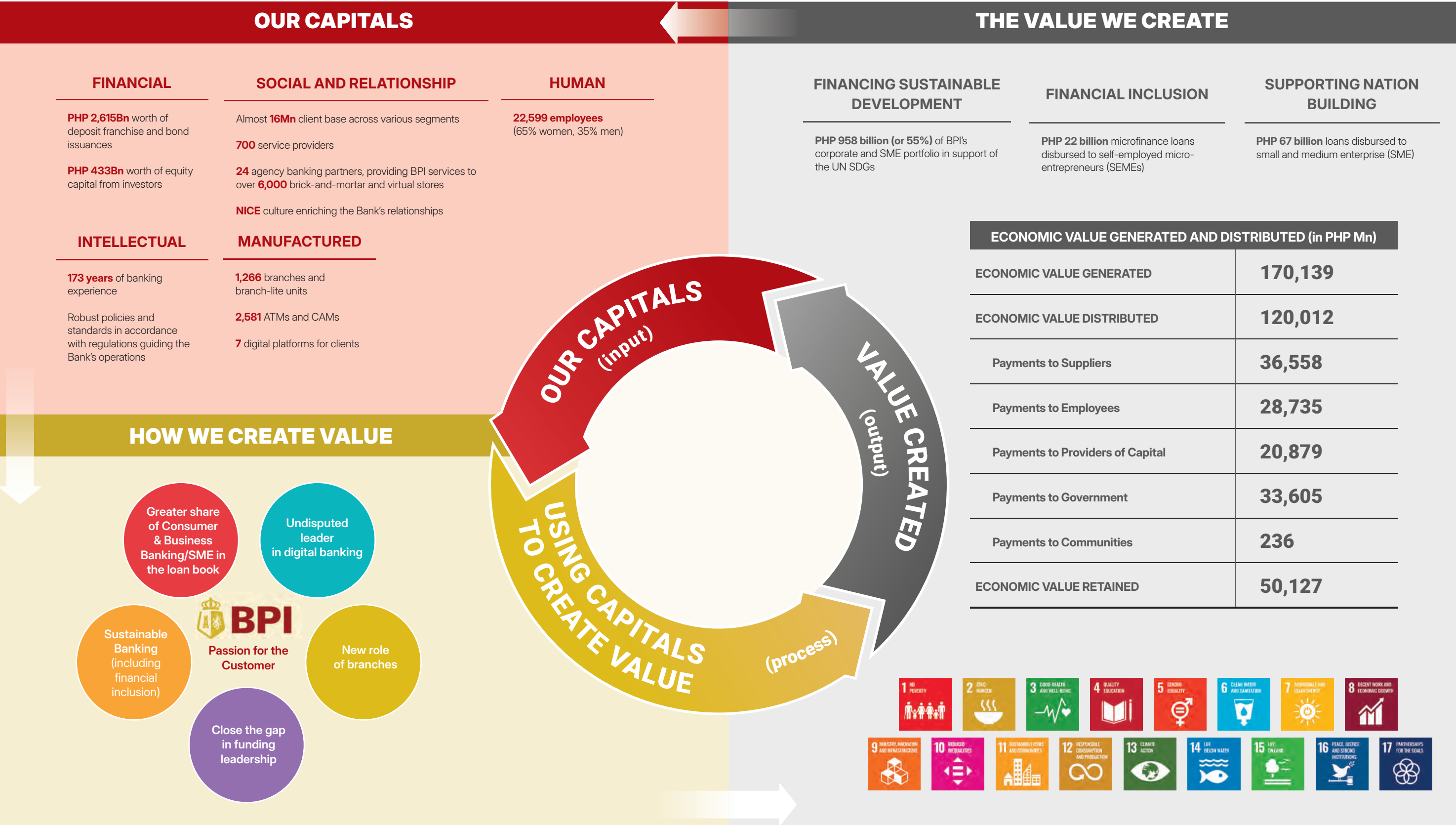
BPI merged with Robinsons Bank on Jan. 1, 2024. As of December 31, the Bank’s network boasts of 1,266 BPI and BPI Direct BanKo (BanKo) branches and branch-lite units (BLUs) nationwide and over 6,000 partner stores through Agency Banking.

The Bank also has 2,581 automated teller machines (ATMs) and cash accept machines (CAMs), and 15.98 million clients being served by a 22,603-strong employee workforce. Together with subsidiaries and affiliates in the BPI group, the Bank seeks to serve all client segments, including corporate, consumer, as well as micro, small, and medium entrepreneurs (MSMEs).

Overseas, BPI offers diverse value-added services through two banking subsidiaries: BPI Wealth Hong Kong Limited (formerly known as BPI International Finance Limited) and Bank of the Philippine Islands (Europe) Plc, with a head office in London. This global presence is further strengthened through 120 remittance tie-ups in 27 countries, remittance centers in Hong Kong, and representative offices in Tokyo and Dubai, which have been established to meet the financial service needs of overseas Filipinos. BPI also established BPI Wealth Singapore, which is in the process of securing capital markets services from regulators.

The Bank’s headquarters is located at the 22nd to 28th floors of Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Bel-Air, Makati City, and it is currently redeveloping its original head office at the corner of Ayala Avenue and Paseo de Roxas.





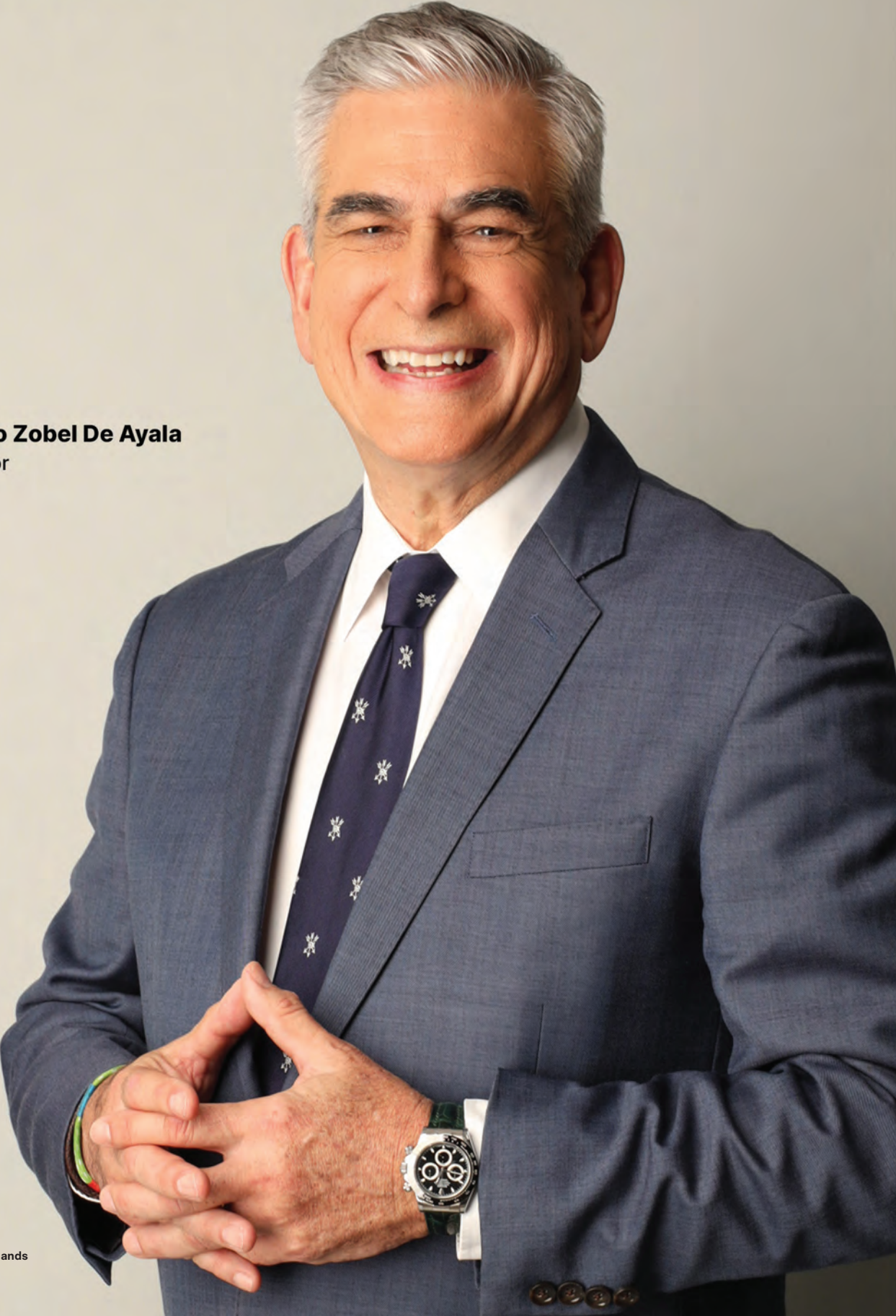
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Message from the Chairman

Jaime Augusto Zobel De Ayala
Chairman/Director



As we acquire customers, we leverage our digital capabilities to benefit from the network effect of our unique combination of products, platforms and people.

Dear Fellow Shareholders,

In 2024, the global economy remained resilient amidst elevated uncertainties. Inflation, which was the main challenge at the beginning of the year, was successfully contained and major economies are now transitioning toward a more accommodative monetary policy. The year has also been challenging for the Philippines but together as a nation, we were able to manage the headwinds effectively, achieving a steady gross domestic product growth of 5.6%, anchored on strong domestic demand, sustained public investments in infrastructure and growing private investments. This puts the Philippines among the fastest growing economies in the ASEAN region, outpacing many of our neighbors.

Despite the many challenges, 2024 proved to be another good year for BPI, leading to performance that has been strong in absolute terms and relative to the industry. More importantly, we helped our clients make real financial progress which has always been a core value of

the Bank, championing inclusion as a catalyst for the change that we need in the communities that we serve.

Our clients remain at the heart of everything that we do. In 2024, we welcomed over five million new clients, bringing our client base to 16 million, double our client count in 2021, an enormous increase by any measure and a testament not only to the continued trust and confidence of our clients, but also of the reach and scope of our digital platforms.

As we acquire customers, we leverage our digital capabilities to benefit from the network effect of our unique combination of products, platforms and people. A growing base also allows us to further expand and enhance our digital offerings, particularly, the BPI App, VYBE by BPI, BPI Trade, the BPI Diamond App for High Net Worth clients, the Banko App, BPI BizKo, and BPI BizLink.

We ended 2024 with about 7 million enrollees and 4.2 million active users in

our BPI App. We also signed up over 115 partners with more than 17,000 brands amongst them, nearly three times the number of brands from previous year. Our expanding customer base and relentless pursuit of customer satisfaction, I believe, will allow the Bank to deliver sustained growth in volumes, revenues and market share moving forward.

As reported in NPS Prism's* Global Benchmarking Report, we have maintained the top spot as a full-scale bank in Net Promoter Score (NPS) for the second in a row. We are exceptionally proud that BPI surpassed not only banks this year, but also financial technology companies. Our BPI Customer Delight Program won Gold for Best Customer Experience at the 2024 CX Asia Excellence Awards. These accolades attest that our efforts to place the customer at the center continue to yield favorable results.

Digitalization and data are two pillars that BPI continues to harness to expand our various business lines. Coupled with advanced analytics, these have helped us broaden our client base for credit cards, personal and small business

We ended 2024

with about 7 million enrollees and 4.2 million active users in our BPI mobile app. We also signed up over 115 partners with more than 17,000 brands amongst them, nearly three times the number of brands from previous year.

* NPS Prism is owned/backed by Bain & Co.

We want BPI to maintain its position as a data-informed and data-driven institution.

loans, and increase in wallet share for our Consumer Banking, Wealth Management, and Business Banking units. We aim to further explore what's possible with our unique and valuable data set to provide our clients with valuable, delightful, and personalized banking experiences.

Geographic analytics helped optimize the location of over 6,000 partner stores of Agency Banking, identify potential sites for Private Wealth offices, and manage risks for potential geohazards that may impact the Bank's operations and assets.

We want BPI to maintain its position as a data-informed and data-driven institution. We have been upskilling our employees on requisite data skills, such as data analytics, data visualization, and data software, through a bank-wide data literacy program that we called 'FLAGS', which is now on its second year. We also launched incubators for accelerated innovation through Growth Lab Units, Hackathons, and our annual Data Summit, which aims to fostering interest in data and AI-driven innovations in banking and finance through healthy competition.

As part of our financial inclusion initiatives, we launched Agency Banking in 2022. This facilitated partnerships with prominent retail institutions, demonstrating the use of technologies to bring banking services outside major cities and municipalities. To date, we have over 20 partners and nearly 6,500 partner doors where one can apply for BPI deposits, loans, and insurance. In August 2024, we launched a transformative partnership that allows partner stores to function like a mini-BPI branch with their capability to accept "cash-in" and "cash out" transactions which will drive efficiency in BPI the branches, freeing up human capacity to give expert advice and help clients navigate risk and opportunities and make the best decisions possible.

BPI is likewise reaching out to other underserved markets in need of financial services. Firstly, through the BPI Foundation, the Corporate Social Responsibility arm of our bank, we have several projects aimed at making a meaningful impact to communities and social enterprises. BPI Direct Banko, our microfinance arm, and Legazpi Savings Bank, meanwhile, provide

access to essential financial services to self-employed microentrepreneurs and other key target audiences, like teachers. In 2024, Banko extended PHP 21.7 billion in new loans, growing 45.4% from 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.

Despite our strong orientation towards digitalization initiatives, we continue to believe in the value of physical branches. We continue to open branches in areas where do not have a presence, even while consolidating and co-locating existing branches in areas with sufficient coverage. For the branches that remain, we leverage on the combined strength of our digital capabilities and new branch formats in delivering a differentiated customer experience. We are encouraged by the results of our branch transformation initiative, with tangible results seen in client acquisition, volumes, and customer satisfaction as reflected in the branch's Net Promoter Score.

We also believe in the importance of sustainability.

In 2024, we raised ₱33.7 billion through Sustainable, Environmental, and Equitable Development (SEED) Bonds to support projects that drive positive environmental and social impact with this exercise marking the Bank's largest thematic bond issuance to date. Additionally, our PHP 5 billion Peso-denominated ASEAN Sustainable Bond demonstrates our commitment to responsible banking practices. These bonds, part of our PHP 100 billion bond program, will finances or refinances new or existing eligible green and social projects, reinforcing our dedication to benefiting both people and the planet. Last year, we established a Board-approved Exclusion List which guides the Bank's financing activities and enumerates excluded sectors. Among the top three largest private banks in the country, BPI is the first bank to publicly declare diesel-related activities in its exclusion list.

BPI continues to offer free technical evaluation from IFC-trained and accredited consultants as part of the SDF Program. Our investment banking arm, BPI Capital Corporation, had several ESG-themes deals, while the Bank continues to establish IFC EDGE-certified bank branches. Last year, eleven newly certified banks joined this pool, bringing our total to 22.

Throughout this journey, our 22,000 colleagues across the Bank were the driving force behind the progress that we have made over many years. While BPI manages various types of asset classes, we maintain that our greatest asset is our people. Their well-being and growth, continuous engagement and development are our foremost priorities.

As I close, I would like to thank all Unibankers who worked tirelessly to support the millions of individuals and businesses who have placed their trust in BPI. They continue to inspire us with their commitment, passion, and dedication to BPI's mission. A special thanks to you, our shareholders. Thank you for your unwavering support as we build a better and thriving future for the Philippines, one family, one community at a time.


JAIME AUGUSTO ZOBEL DE AYALA
Chairman



Message from the President & CEO

Jose Teodoro K. Limcaoco
President/CEO/Director



We achieved all these while constantly investing in people, products and technology thereby making excellent progress towards a more digital business model for the bank.

Dear Fellow Shareholders,

In 2024, the Philippines maintained its growth momentum, displaying economic resiliency despite ongoing geopolitical tensions. Our economy was one of the fastest growing economies in the Asia Pacific region, with our gross domestic product expanding 5.6%, thanks to strong domestic consumption, sustained public investments in infrastructure and a growing services sector. This 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. 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, I am pleased to report another year of solid performance, with record net income for the third year in a row, as well as record volumes and market share gains in several of our businesses. Our results continue to demonstrate the progress we are making to improve value creation for all our stakeholders. Not only did we deliver extraordinary results, we also made significant progress on the key priorities outlined in our strategy.

In 2024, the Bank generated a net income of PHP 62.05 billion, a 20% growth from previous year, delivered a return on equity of 15.07% and a return on assets of 2.0%. Last year also marked three successive

years of increasing cash dividends, as we distributed PHP 20 billion, the highest in BPI history, equivalent to a cash dividend per share of PHP 3.96, approximately 17.9% higher than that in the previous year and 120% higher than fixed cash dividend payments in place until 2021.

Our revenues soared 23.0% to PHP 170.14 billion, supported by loan growth, margin expansion, securities trading gains, and growth across all businesses. The higher for longer interest rate environment, coupled by our initiatives to support margins, and the above industry loan growth drove strong growth in net interest income to PHP 127.6 billion, up 22.3% from a year ago. Trading income soared 32% to PHP 6.9 billion while fee income increased 24% to PHP 35.7 billion, reflecting the strong underlying performance of our businesses with a particularly robust performance in Cards, Wealth Management, and Bancassurance:

- Fee income from our Cards business grew 24% which we attribute to the 14% increase in active customer count, which in turn, drove growth in billings, transactions and fees. We saw significant market share gains across important metrics – client base, card billings and card loans, as a result of our renewed focus on consumer lending.
- Wealth Management fee income increased 19%. We achieved record assets under management of over

PHP 1.5 trillion, reflecting a 25% increase from last year; an impressive 69.3% growth in customer base and gains in market share in total trust assets, Unit Investment Trust Funds (UITF), and Mutual Funds while earning top spot in NPS score in the wealth management category.

- Finally, Bancassurance fee income soared 55% comprising largely of equity income from our life and non-life insurance joint ventures, and branch commissions. We attribute the strong performance to increased investment income and increased branch commissions from new products which were well-received by the market.

We achieved all these while constantly investing in people, products and technology; making excellent progress towards a more digital business model for the bank. These considerable investments helped accelerate growth, improve customer experience and increase operational efficiency leading to a cost-to-income ratio. Our cost-to-income ratio is one of the lowest amongst banks, as strong revenue growth more than offset the growth in operating expenses.

Total assets reached PHP 3.3 trillion, reflecting a 14.9% growth. Loans outstanding grew 18.2% to PHP 2.3 trillion, inclusive of the portfolio acquired from the merger with Robinsons Bank Corporation, effective at the start of the year. Excluding

We reinforced our N.I.C.E. core values — being Nurturing, acting with Integrity, being Customer Obsessed, and pursuing Excellence which guides and unifies us.

this, organic loan growth remained strong at 13.0%, with increases in both our institutional and non-institutional segments.

- Institutional loans grew 11.1% while non-institutional loans increased 42.2%, led by our lending to small and medium enterprises under Business Banking.
- We extended credit to consumers to help them afford some of their important purchases, including new homes and vehicles. Our mortgage loans grew 37.6% while auto loans increased 38.5%, inclusive of the growth in the motorcycle loan business which we acquired through the merger.
- Loans to consumers also included credit cards loans which grew 31.1%. Personal loans, whose performance included the strong contribution

from the franchise to lend to public school teachers, also acquired through the merger, was up 92.1%.

- Our microfinance loans or lending to low-income business owners through our fully-owned subsidiary, BPI Direct BanKo, grew 62.3%.

This 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. We achieved this without impeding the growth of institutional loans, leading to overall loan growth that has been ahead of industry for three years in a row, resulting in consistent gains in market share.

Our deposits increased 13.9% to PHP 2.6 trillion, with time deposits growing faster than CASA. We maintained a

stable deposit base supported by a high percentage of retail deposits at 68.9% and we continued to strengthen our deposit franchise with our mass market segment showing consistently strong growth for the year. Similar to the industry, our CASA ratio declined to 63.2% during the year. Our loan-to-deposit ratio climbed to 87.5%, on managed deposit growth coupled with the shift in funding source to borrowings from high-cost time deposits, and the reduction in the reserve requirement ratio for universal and commercial banks by 250 basis points to 7.0% in October.

While deposits remain our core source of funding, we tapped the bond market in 2024 with the issuance of the 1.5-year PHP 33.7 billion BPI Sustainable, Environmental, and Equitable Development Bonds, or BPI SEED Bonds, marking our first foray in sustainable bond format under BSP Circular 1185, which provides incentives for banks to extend loans for green and sustainable projects. The bond was over six times oversubscribed demonstrating not only the Bank's flexibility to access other sources of funding but also investors' confidence in BPI.

Our capital position remained strong and well-above regulatory requirements. The CET1 ratio stood at 13.79% and CAR at 14.49%, despite the record dividend payment to shareholders and industry-leading loan growth, which again highlights the strength of our business model, prudence in risk management and capacity for growth.

Our financial performance reinforces our credit rating. We hold the distinction of being the first private domestic bank and only the second of two Philippine companies to be given a credit rating equivalent to the Philippine government at BBB+ by S&P Global Ratings, which we have maintained ever since 2019. Moody's Investors Service at Baa2 and Fitch Ratings at BBB- also reaffirmed their investment grade credit ratings. These affirmations are a testament to our diversified business model, strong balance sheets and prudent risk management.

Beyond the numbers and the milestones, what truly sets us apart is our shared commitment to our purpose and values. It has been three and a half years

since we unveiled our bold mission to deliver banking excellence anchored on trust and best digital offers, and we see the benefits of the implementation and execution of our strategy.

All these would not have been possible if not for the dedication to service of Unibankers whose individual and collective contributions continue to keep BPI a trusted partner to millions of Filipinos. We remain steadfast in our commitment to our people - our greatest asset, continuing to elevate the employee experience, recognizing that happy employees lead to happy customers.

From onboarding to retirement, we introduced initiatives that enhanced the Unibanker journey. Recognizing that a healthy workforce drives productivity, we expanded our BPI Well program, covering physical, mental, financial, social, and emotional well-being. We reinforced our N.I.C.E. core values — being Nurturing, acting with Integrity, being Customer Obsessed, and pursuing Excellence – values which guide and unify us. With this value system ingrained in our culture, we meet the

challenges and embrace opportunities with unwavering determination. In labor relations, we achieved a historic milestone in 2024. For the first time, all five unions engaged in a single negotiation, reaching an agreement in just three days—a testament to the Bank's commitment to industrial peace and collaboration.

It remains my privilege to lead this team of over 22,000 Unibankers and take all of us forward. The momentum we have built is strong, and if we stay focused, determined and continue to do our best, there's no limit to what we can achieve. Let's take on 2025 with enthusiasm and confidence, knowing that our best days are still ahead of us.


JOSE TEODORO K. LIMCAOCO
President and CEO/Director

In 2024

the Bank generated a net income of PHP 62.05 billion, reflecting a 20% growth from previous year, and delivered a return on equity of 15.07% and a return on asset of 2.0%.

BOARD OF DIRECTORS

Jaime Augusto Zobel De Ayala
Chairman/Director



Fernando Zobel De Ayala
Director



Cezar P. Consing
Vice Chairman/Director



Emmanuel S. De Dios
Independent Director



Rizalina G. Mantaring
Lead Independent Director



Jose Teodoro K. Limcaoco
President/CEO/Director



Janet Guat Har Ang
Independent Director



Aurelio R. Montinola III
Director



Mario Antonio V. Paner
Independent Director



Cesar V. Purisima
Independent Director



René G. Banez
Director



Wilfred T. Co
Director



Karl Kendrick T. Chua
Director



Jaime Z. Urquijo
Director



Maria Dolores B. Yuvienco
Independent Director



Ma. Cristina L. Go
HEAD, CONSUMER BANKING



Maria Theresa D. Marcial
PRESIDENT AND CEO, BPI WEALTH



Eugenio P. Mercado
HEAD, ENTERPRISE OPERATIONS
retired effective Jan 1, 2025



Marie Josephine M. Ocampo
HEAD, MASS RETAIL PRODUCTS
retired effective Oct 1, 2024



Elfren Antonio S. Sarte
HEAD, PAYMENTS COUNCIL



Juan Carlos L. Syquia
HEAD, INSTITUTIONAL
BANKING



Joseph Anthony M. Alonso
CHIEF CREDIT OFFICER



Ma. Cristina F. Asis
CHIEF RISK OFFICER



Dino Rudyardo F. Gasmen
TREASURER



Jose Raul E. Jereza IV
HEAD, AGENCY BANKING



Jenelyn Z. Lacerna
HEAD, MASS RETAIL PRODUCTS
effective Oct. 1, 2024



Eric Roberto M. Luchangco
CHIEF FINANCE OFFICER AND
CHIEF SUSTAINABILITY OFFICER



Dominique R. Ocliasa
HEAD, BUSINESS BANKING

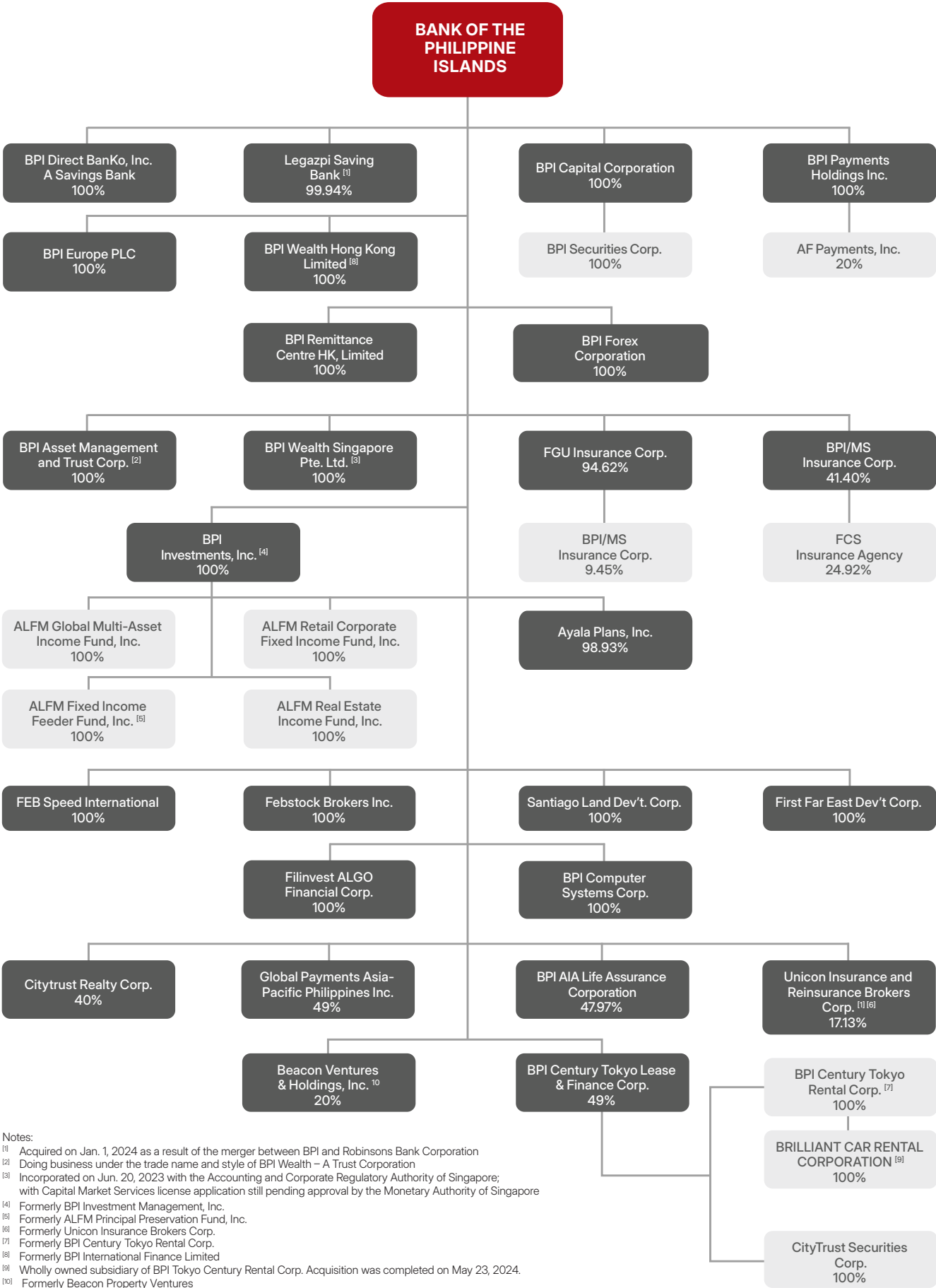


Mary Catherine Elizabeth P. Santamaria
CHIEF CUSTOMER AND MARKETING OFFICER



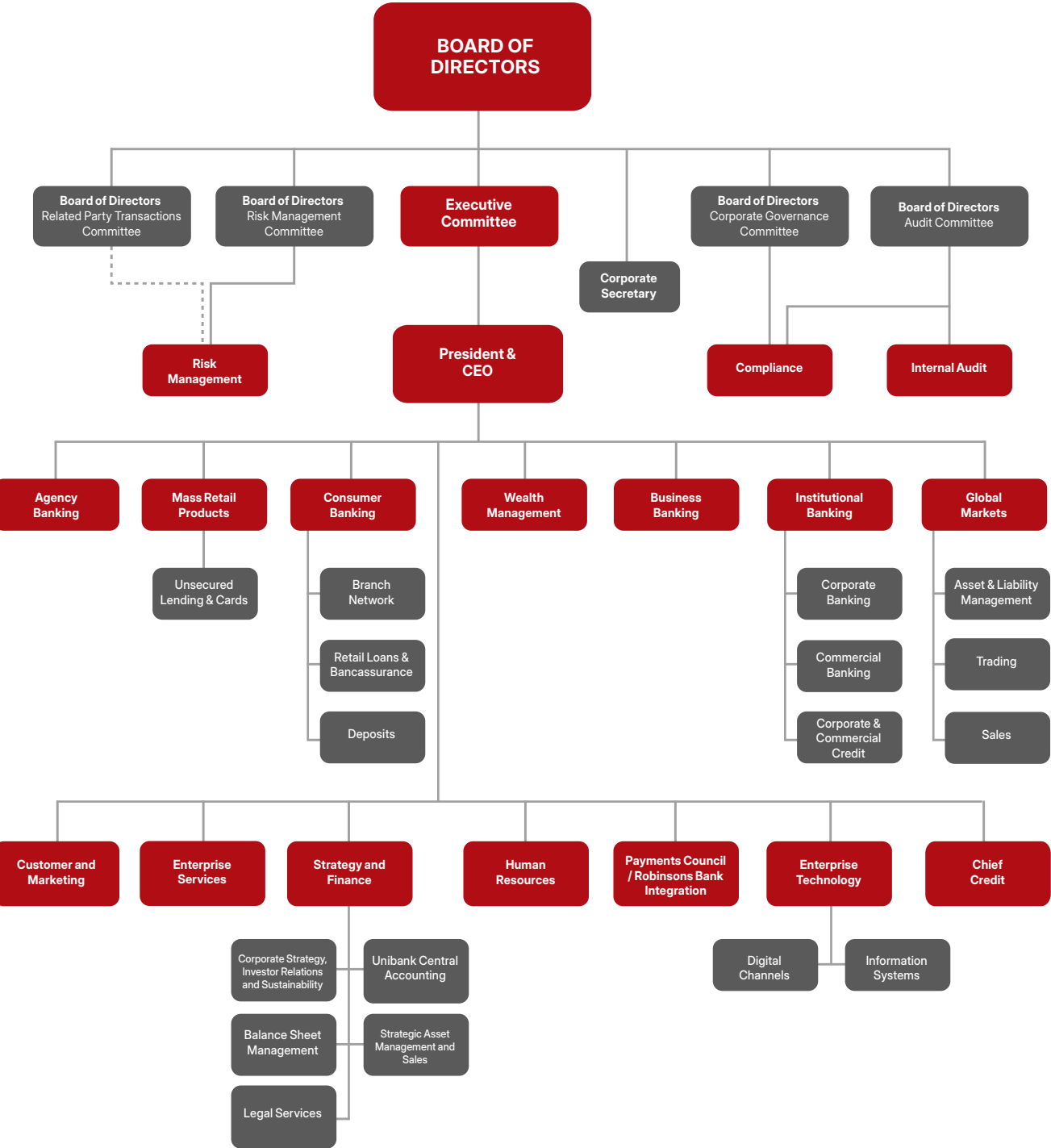
BPI CONGLOMERATE MAP

As of Dec. 31, 2024



BPI TABLE OF ORGANIZATION

As of Dec. 31, 2024



Note: The following board-level committees also exist: Retirement/Pension Committee, Personnel & Compensation Committee, and Nomination Committee

Our Integrated Approach

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The Philippine economy is expected to grow at a faster pace in 2025 with household consumption as the biggest driver. The factors sustaining consumption over the past decade, such as remittance inflows, have remained in place despite the economic slowdown in major economies. With aging populations abroad driving the demand for labor, the impact of headwinds on remittances like trade barriers and anti-immigration sentiment will likely be limited. Remittances also have a strong track record of stability and growth even in times of crisis, as seen during the pandemic.

Another factor supporting consumption is the country's low unemployment rate, with services accounting for most of the jobs. This should continue to drive the growth of household income and the expansion of the middle class. While the emergence of artificial intelligence has raised concerns about the labor market, a significant displacement of workers is unlikely since its current adoption remains limited and companies are still evaluating its commercial use. In certain cases, it might even enhance labor productivity for companies that can effectively utilize it, providing a boost to growth.

Consumer spending is expected to show stronger growth this year with inflation now at manageable levels. This improvement will likely be most apparent in discretionary spending after a period of slower growth caused by high inflation, as consumers focused more on essentials.

The economy also stands to benefit from the recent reduction in interest rates and provision of additional liquidity via cuts in the reserve requirement ratio. Private sector spending in construction activities has not yet returned to pre-pandemic

levels, but lower interest rates may fast track its recovery. Moreover, as household consumption strengthens, businesses are likely to increase capital spending to meet growing demand.

Election spending is another tailwind that could provide a boost to the economy. Historically, GDP growth is faster in election years, driven by heightened economic activity fueled by election-related spending in various regions.

Inflation is expected remain within the BSP's target in the coming months, assuming no unexpected supply shocks. Upside risks to this outlook include the possibility of La Niña and disruptions to global supply chains due to trade barriers. Inflation remains sensitive to adverse weather conditions, particularly for vegetable prices, which warrant close attention. On the other hand, stable commodity prices amid China's economic slowdown and improving rice supply may offset these risks. Additionally, China's surplus manufacturing capacity could lead to cheaper imports into the Philippines, further easing inflationary pressures.

With the outlook for inflation remaining favorable, the BSP has room to cut interest rates further this year. However, global uncertainties may limit the extent of monetary easing. Rate cuts in the first half of the year appear feasible, but the latter half may bring challenges as the Federal Reserve could shift its policy stance in response to inflationary pressures.

Meanwhile, depreciation pressure on the Peso may persist as markets continue to assess the potential impact of US government policies on inflation and monetary policy. So far the Federal Reserve has signaled the possibility of rate cuts amounting to 50 bps in 2025, contingent on the economic data. However, a shift in Fed policy is possible due to factors that could re-ignite inflation in the US such as the trade and industrial policies of the new administration. In addition, the huge fiscal deficit of the US could push the country's benchmark rates higher, providing additional support to the Dollar.

RISKS AND OPPORTUNITIES

 MAJOR RISK AREAS	 POTENTIAL IMPACT	 MANAGEMENT AND MITIGATION	 RISK EXPOSURE	 OPPORTUNITIES
CREDIT RISK & ASSET QUALITY Risk of loss due to a borrower or counterparty's nonpayment of either the principal or interest, or both, of a loan and/ or other credit accommodation on an agreed date	1) Deterioration of asset quality, including collateral valuation and/or coverage 2) Decrease in profitability due to an actual (or expected) increase in loan losses, provisions, and/or credit costs	Comprehensive set of credit risk management policies, standards, methodologies, and procedures covering: 1) Assessment of borrowers using internal credit risk rating models and credit risk scorecards 2) Use of eligible collaterals and legally enforceable collateral and security documentation 3) Prompt identification, workout, and close monitoring of deteriorating credit exposures 4) Adequate review of loan classification and assignment of loan loss provisions 5) Strict collection and remedial measures for problem credits 6) Conduct of credit stress testing on loan portfolios 7) Use of data analytics for credit risk model development, recalibration, and validation 8) Increased monitoring of high-risk delinquent and restructured accounts across all portfolios	Moderate, but mitigated	1) Greater flexibility in terms of qualified sectors and projects and continued availability of loanable funds to a wide range of borrowers in the agriculture, fisheries, and agrarian reform sectors, through the continued implementation of the Agriculture, Fisheries, and Rural Developments (AFRD) Financing or BSP Circular 1159 2) Opportunities in renewable energy and infrastructure financing, transition finance, and other sustainable financing initiatives supporting the regulator's policy for environmental, social, and governance (ESG) initiatives and further aligned with our own ESG + E₂ framework and sustainability goals 3) Development of new products, programs and other initiatives, which promote financial inclusion and target specific segments/ clientele with acceptable credit risks including SMEs, microfinance, and the underserved/ unbanked segments
MARKET & LIQUIDITY RISKS Risk to earnings and capital from adverse movements in risk factors that affect the market value of financial assets and products in the Bank's portfolios, and the risk arising from the potential inability to meet obligations to clients, counterparties or markets in any location and in any currency at any time when they fall due	1) Decline in earnings and capital 2) Deterioration of the quality of our liquid assets; increased funding needs 3) Consequences from non-compliance to regulatory changes	Comprehensive set of market, interest rate risk in the banking book (IRRBB), and liquidity risk management policies and standard procedures covering: 1) Measurement, monitoring, and reporting of market risk exposures; interest rate risk exposures in the banking book; and liquidity and funding concentration risks against thresholds and limits 2) Maintenance of adequate liquidity levels at all times 3) Establishment of a contingency funding plan 4) Conduct of stress tests and simulation/scenario analysis 5) Enhancement of risk models, assumptions, and systems	Moderate, but mitigated	Opportunities of robust market and liquidity risk systems include: 1) Building trust and confidence with stakeholders through a proactive approach in risk management, thereby enhancing our brand reputation and deposit franchise particularly during times of uncertainties 2) Access to lower cost funding and liquidity to support our activities 3) Financial resilience and the ability to quickly respond to business & investment opportunities, given the controlled levels of liquidity and market risks 4) Contributing to the overall financial stability that fosters an environment conducive to business activity and economic expansion
OPERATIONAL & INFORMATION TECHNOLOGY (IT)/ CYBERSECURITY RISKS Risk of loss due to inadequate or failed internal processes, people, systems, or from external events and risk of adverse outcome due to the use of or reliance on IT	1) Increase in operational losses 2) Disruptions in daily operations 3) Unauthorized access to our information assets 4) Inaccurate, incomplete, inconsistent, and/or unavailable information 5) Damage to our physical assets	Comprehensive set of operational and IT risk management policies and standard procedures covering: 1) Identification, assessment, control/ mitigation, monitoring, and reporting of operational and IT risks 2) Risk management processes are embedded in business activity processes (e.g., product development, outsourcing engagements, and process enhancements)	Moderate, but mitigated	Advanced operational risk management and systems provide opportunities to: 1) Increase operational efficiency by implementing process improvements and adapting new tools, which enhances our capabilities for a remote/hybrid workforce

 MAJOR RISK AREAS	 POTENTIAL IMPACT	 MANAGEMENT AND MITIGATION	 RISK EXPOSURE	 OPPORTUNITIES
	6) Damage to our brand and reputation 7) Legal liabilities and tax implications 8) Consequences from non-compliance to regulatory changes	3) Development and monitoring of Key Risk Indicators (KRIs) 4) Loss event management process 5) Incident management 6) Establishment of systems and programs on business continuity management, information security/ cybersecurity management, vendor/ third-party management, and physical security management	7) Conduct of operational and IT risk management awareness and appreciation initiatives	arrangement, and foster cross-functional collaboration between various business units 2) Enforce dynamic strategies (i.e., to think long-term while acting short-term thereby addressing clients' urgent needs, but at the same time improving and expanding current solutions) 3) Offer and provide clients safe, convenient, fast, and timely solutions despite disruptions such as a pandemic through rapid digital adoption 4) Acquire and build a long-term business relationship with a new group of adopters of digital solutions
BUSINESS & STRATEGIC RISKS Risk to earnings or capital arising from adverse business decisions or strategies, improper implementation of decisions, lack of responsiveness to industry changes, incorrect assessment of changes in business, and/or imposition of new regulations (e.g., moratorium on fee hikes, interest rate caps)	1) Decline in earnings 2) Legal liabilities and other regulatory implications resulting from non-compliance 3) Increase in operational losses 4) Damage to our brand and reputation	1) Close monitoring of global and domestic macroeconomic variables, banking, and financial industry trends 2) Close monitoring of financial and operational performance, strategies, and policies 3) Development and monitoring of key risk indicators 4) Regular reporting to Senior Management and Board of Directors	Moderate, but mitigated	1) Improving the economic outlook coupled with positive business and consumer sentiment 2) Fast growing digital economy 3) Many Filipinos remain unbanked 4) Reduction in reserve requirement ratio
ENVIRONMENTAL & SOCIAL RISKS Risk of potential adverse financial, legal and/or reputational effects arising from possible E&S issues (including those which are climate-related) impacting our key business activities, investments, and operations	1) Aggravation of existing risk areas such as credit and operational risks 2) Increased operational losses from damages of our physical assets due to extreme weather events or environmental disasters 3) Damage to our brand and reputation arising from environmental and social issues 4) Consequences from increased health and safety concerns leading to operational disruptions 5) Legal liabilities and regulatory implications resulting from non-compliance with environmental and social regulations	Delivery of shared value through the following activities: 1) Integration of environmental and social considerations into credit assessments in alignment to regulations, UN SDGs, and through the implementation of robust risk management systems 2) Sustainable development financing through green, social, and sustainability-driven products and services 3) Financial inclusion and wellness programs to reach underserved and underbanked segments and communities 4) Digitalization initiatives to streamline operations, minimize resource consumption, and enhance customer experience in accessing our services 5) Development of nation-building initiatives supporting SMEs and Overseas Filipinos (OFs) 6) Transitioning the Bank’s assets to low-carbon technologies and optimizing resource management	for greater efficiency and reduced environmental impact 7) Prioritization of social responsibility activities on employee well-being and client experience through sound and ethical business practices 8) Enhanced vendor evaluation through compliance checks against environmental and social standards to ensure alignment to organizational values and sustainability objectives 9) Regular conduct of environmental and climate risk assessments of our physical assets and corporate and commercial lending clients’ business operations and collaterals 10) Implementation of climate and environmental risk stress testing to assess the resilience of our portfolio and operations under various climate scenarios 11) Staying informed about regulatory changes, adapting policies and practices accordingly, and actively participating in industry initiatives	Enhanced environmental and social risk management brings opportunities such as: 1) Improved operational efficiency and resilience to reduce the risk and impact of disruptions 2) Development of E&S products and solutions, which potentially expands revenue streams and attracts a wider investor base 3) Long-term value creation through improved customer trust, credibility, and positive brand recognition 4) Agility in responding to regulatory and policy developments 5) Increased level of employee and stakeholder engagement 6) Possible regulatory incentives for innovation and early adaptation

STAKEHOLDER ENGAGEMENT

At BPI, we recognize that regular and meaningful dialogue with our stakeholders is essential to ensure that our organizational goals and strategies remain responsive with their evolving needs and expectations.

Our key stakeholders are those who significantly influence our environmental, socioeconomic, and governance performance, and, in turn, are directly impacted by our business operations. We consider the broader context of global, regional, and local megatrends such as changes in regulations, technological breakthroughs, economic shifts, and climate-related issues, in shaping our stakeholders' engagement strategies.

We take a proactive approach to stakeholder engagement through diverse platforms ensuring that we build strong, mutually beneficial relationships with our customers, employees, regulators, investors, suppliers, industry associations, and the communities we serve. This approach allows us to anticipate critical issues that require attention and uncover new opportunities for long-term value.

In 2024, we conducted a comprehensive review of stakeholder concerns and material topics to align with global best practices and the latest developments in Environmental, Social, and Governance (ESG) standards.

Please refer to pages 316 to 317 for the section on Material Topics.

STAKEHOLDERS	HOW WE ENGAGE THEM	THEIR CONCERNS	HOW WE RESPOND
Clients	- Daily customer touchpoints through branches, mobile devices, e-mail, and social media channels - Face-to-face or virtual meetings - Customer feedback channels, including physical and digital methods (e.g., NPS, QR codes, and satisfaction surveys) - Events (both physical and virtual)	- Accessibility and quality of products and services suited to their needs - Convenient, affordable, reliable, and efficient delivery of products and services, whether through physical or digital channels - Sound, suitable, and tailor-fitted financial products and services - Turn-around time of applications - Data privacy and security, especially for digital-based products and services - Transparency of requirements and processes - Competency of personnel to address concerns	- Enhancement of products and services - Diversified, reliable, and efficient delivery channels, both physical and digital - Constant monitoring and upgrade of systems to ensure secure and uninterrupted services - Proactive approach to client concerns, including continuous process improvements - Timely provision of tailor-fit feedback, advice, and/or solutions to inquiries - Economic and product briefings - Continuous personnel capacity building
Investors	- Regular investor meetings and conference calls - Annual stockholders' meeting - Dedicated e-mail for investors	- Shareholder returns - Risk mitigation - Business growth and continuity - Business financial performance - Responsible and sustainable banking	- Business strategies that maximize shareholder value while mitigating risks - Introduction and expansion of products and services which ensures income growth - Prioritization of value adding sectors and business segments - Transparent and timely disclosures
Employees	- Online and face-to-face meetings - Thematic employee engagement activities - Quarterly labor management conferences - Annual performance appraisals	- Equitable and competitive compensation (including benefits) - Meritocracy and recognition of performance - Opportunities for career development - Supervision and coaching	- Salary reviews to ensure equitability and competitiveness versus industry - Merit-based promotions, performance bonuses, and salary increases

STAKEHOLDERS	HOW WE ENGAGE THEM	THEIR CONCERNS	HOW WE RESPOND
Employees (continuation)	- Team bonding and unit celebrations - Biennial engagement surveys and decentralized engagement champions - Town halls and culture building exercises - Training and learning sessions - Online employee community	- Learning opportunities - Availability of work tools - Work-life balance - Workplace safety - Health and well-being - Clear understanding of the Bank's strategy and direction	- Rewards and recognition programs anchored on reinforcing the Bank's core values - Leadership development programs - Upgrading of competencies, including career advice and capacity-building - Cross-posting within the Bank - Mobility work tools, allowing a conducive work-from-home setup - Semi flexible work hours - Holistic health program and coverage and wellness activities - Cascade of the Bank's strategy and direction
Suppliers and Contractors	- Regular invitations and communications - Accreditation and compliance requirements - Coordination with facility maintenance and security agencies	- Procurement policies and concerns - Timely and complete settlement of payment for availed services	- Streamlined procurement policies and digitalization of supplier processes - Process enhancements to shorten turnaround time (TAT) for payment delivery
Industry Associations	- Membership and active participation - Periodic industry and working committee meetings - Periodic conferences, seminars, and fellowship activities	- Setting of industry standards and market practice - Continuing active membership - Sharing of industry updates and common concerns including rules and regulations - Capacity building for association members - Enhancement and expansion of existing collaborations - Building collaborative networks	- Active support and participation in association activities - Contributions in the evaluation and discourse of industry developments, latest trends, and regulations - Sharing of technical know-how and best practices
Government and Regulatory Agencies	- Regular in-person, electronic, and/or written correspondence in relation to the Bank's business - Feedback to draft regulations, including those related to sustainable finance - Annual bank examination - Regular audits and follow-up - Collaborations or support to government initiatives	- Compliance with relevant national laws as well as supervisory regulations and guidelines - Transparency and accountability - Feedback on the applicability of existing regulations vis-à-vis new trends and developments - Development of regulations on sustainable finance and integration of environmental and social principles into banking	- Policies, standards, and processes ensuring the Bank's compliance to regulations - Conduct of audits - Transparent and timely disclosures and reports - Feedback to formal requests for comments from regulators - Continuous dialogue with regulators on sustainable finance and integration of environmental and social principles into banking
Communities and Civil Society Organizations	- Partnerships & agreements - Needs assessment - Community visits and fieldwork - Measurement of outputs and outcomes - Measurement of impact	- Responsible and sustainable financing - New and enhanced programs that uplift capabilities and livelihoods and empower families to be self-reliant and sustainable - Financial inclusion - Opportunities for capacity-building and access to financial and non-financial resources	- Consideration of community growth and development in lending activities - Capacity-building initiatives and activities related to financial and non-financial resources - Transparency of reports and disclosures - Implementation of social development programs that focus on enterprise development and livelihood and financial education that address the needs of the communities

STRATEGIC HIGHLIGHTS

Living out our N.I.C.E. core values, of being Nurturing, acting with Integrity, being Customer Obsessed, and pursuing Excellence in all that we do, has ensured success in achieving our strategic imperatives.

As the Everyday Bank of the Filipino, we maintain a medium-term view of our strategic imperatives to ensure that we stay the course we have committed to.

Built on our strategic pillars of financial inclusion, digitalization, and sustainability, we have set an ambitious north star, encapsulating the results of our annual Board and Senior Management planning sessions. These sessions revolve around analysis of our strengths, weaknesses, opportunities, and threats in the context of the macroeconomic outlook, industry trends, regulatory landscape, competitive environment, and stakeholder concerns.

Living out our N.I.C.E. core values, of being Nurturing, acting with Integrity, being Customer Obsessed, and pursuing Excellence in all that we do, has ensured success in achieving our strategic imperatives.

As testament to this, BPI remains a choice investment, attractive to both domestic and offshore investors.

We are pleased to share highlights of our strategic progress as follows:

In 2024

we are the only bank to boast seven customer engagement platforms with tailor-fit customer journeys.

Establishing BPI as the undisputed leader in digital banking

We are the only bank to boast seven customer engagement platforms with tailor-fit customer journeys. These major channels have made inroads in our customer acquisition and financial inclusion journey.

Evolving in tandem with the fast-paced digital environment, we share the following key achievements:

- BPI Vybe, our e-wallet which also carries our rewards program has 1.7 million sign ups with 74% being Vybe Pro users, allowing them higher usage limits.
- BPI Mobile app, our main operating app for retail clients; the first banking app in the country to feature AI-powered tracking and insights. For 2024, we introduced new features like mobile check deposit, cardless withdrawal, and currency conversion using your mobile phone.

- BPI Trade app for clients who invest in equities; currently has close to 90,000 enrolled accounts, seeing volumes grow 20% through 2024.
- BPI Banko app for microfinance clients, where we launched a short-term credit line in 2024.
- BPI BizKo app for SMEs, currently with 25,600 users, which we revisited the functionality and will be adding new functionalities this year that we believe will significantly increase its customer value proposition.
- BPI Bizlink app for corporate clients, where we are upgrading to a newer version that will improve the user experience and ease the addition of new functionalities, which we believe will allow us to increase our customer penetration rate from the current 45%.
- BPI Wealth Online for high-net-worth individuals has over 15,000 enrolled users, which is up 15% from last year.

We continue to grow existing functions, increase capabilities in open banking, and improve the UI/UX. We now have 117 API partners, up from 74 in 2019, and offer more than 17,000 services from only 749 in 2019.

Data has become an important asset for the Bank, transforming how we operate and serve our customers. We have brought down data from several sources and broken silos to have a single source of truth to be used by the entire bank. We use data to grow the business through:

- Customer acquisition and growth in customer share of wallet programs, which have contributed significantly to card acquisition, with 73,700 new cards over a one-year period; upgraded at least 50,000 customers, bringing in at least PHP 50 billion growth in deposits and funds; and booked over 1,300 new loan accounts with over PHP 1.8 billion in volume for our SME business.
- We also used data to grow our business through hyperpersonalization with customized product recommendations.

- Finally, with Geo-analytics, we make informed decisions in choosing areas for client acquisition and physical expansion programs of Agency Banking and Private Wealth.

The migration of data and analytics models to the cloud has resulted in significant man-hour savings and productivity gains across the different data teams, allowing us to scale up models, and expand service reach to the different business units.

Growing the share of consumer and business banking loans in our loan book

We continue to see positive trends on the loan book, which stood at PHP 2.29 trillion, up 18.2% YoY, and 14.4% for a three-year Compounded Annual Growth Rate (CAGR). Institutional loans posted a three-year CAGR of 11%, while non-institutional posted a 25.2% CAGR, with consistently strong growth across all segments.

Through our consistent and sustained efforts, we have steadily shifted the loan mix to non-institutional segments which collectively account for 27.7% of the mix from 21.1% in 2021.

As expected, the shift to non-institutional loans resulted in higher NPL volume, although the NPL ratio actually declined from 2021 to 2024, due to an improved economic backdrop and strong loan growth.

Finally, we gained significant market share in total loans, credit card, auto and mortgage loans since 2021.

Turning to Teacher's Loans offered through Legazpi Savings Bank or LSB, a subsidiary we acquired through the merger with RBC - leveraging on the combined branches of BPI and Banko - this portfolio grew 46% to PHP 8.72 billion while loan releases reached PHP 7.63 billion, up 41%, vs releases in 2023 growing 38%. We believe future growth will accelerate further as we have been granted approval to sell teacher's loans through BPI Branches in July 2024, potentially enabling us to maximize our extensive branch network.

Motorcycle loans, another product acquired through the merger, reached PHP 4.5 billion, up 19% YoY, reversing a portfolio decline in 2023. The growth in 2024 added 31,500 new customers over a 12-month period ending October 2024.

We are excited about the contribution of teacher's loans and motorcycle loans to our portfolio, and 2024's performance is an early sign of the value that BPI can add to the products with its scale. Today, we only have a 2% market share of total teacher's loans volume, 5% market share in teacher penetration and 12.5% market share in motorcycle loans volume. We are confident we can become one of the dominant players in these segments, supported by our digital onboarding platform, BPI's large branch network, and a simplified process.

Funding leadership

As of December 2024, total deposits stood at PHP 2.6 trillion, up 33.7% from 2021. Growth has been predominantly from time deposits, up 114%, as clients shifted to higher yielding deposits due to significant interest rate differential. Over the same period, we also grew market share in total deposits.

There have been some gains in 2024 focusing on key initiatives including (1) becoming the main operating bank for corporate clients by elevating the transaction banking services of our platform; (2) growing the payroll CASA where we onboarded around 1,600 new payroll contracts bringing in 523,000 individual payroll accounts opened with the Bank; and (3) Expanding supply chain financing where we recently launched our Supply Chain Finance Program with 15 anchor clients and 362 suppliers participating. We will scale this up, in addition to our renewed focus on high-net worth CASA and OFW CASA.

Lastly, part of our funding leadership will come from optimizing our funding costs. We continue to rationalize our deposit products, which will now include RBC deposit products, and tap alternative sources of funding for our capital market maturities.

Through merger synergies, Payroll CASA has delivered 4% to 5% growth. Sales

Sustainability guides all our efforts to create meaningful impact, contributing to a more resilient and responsible future.

55%

or PHP 958 billion of our loan portfolio is in support of UN SDGs.

volume and transaction count from our merchant acquiring business has also delivered about PHP 15-16 billion each quarter and continues to grow.

As for referrals of BPI products from RBC branches, both in terms of transaction count and value, we've seen growth of 3.2x and 7.3x respectively, and we expect this to continue growing.

Redefining the new role of branches

Despite our strong orientation towards digitalization initiatives, we continue to believe in the value of physical branches. We continue to open branches in areas where we are yet to have branch presence, even while consolidating and co-locating existing branches in oversaturated areas.

BPI Direct BanKo, our microfinance arm continues to add branches, bringing the count to 395, supplemented by 17 kiosks and 10 BanKo-On-the-Go roving vehicles, which bring banking services closer to communities with limited access to easy and affordable banking.

We will continue to rationalize our branch footprint, and for the branches that will remain, we will leverage on the strength of our physical stores and digital capabilities in delivering a differentiated customer experience at the branch. We will transform these branches into a Phygital, Prime Phygital and Flagship branch format depending on the target customer, customer experience, and location.

We have already transformed 63 branches (44 of which to a Phygital format) – with a concierge, a quick transact area or Unipro area, and meeting pods and meeting rooms equipped with virtual conferencing capabilities to be able to access product specialists and provide expert advice.

Beyond branches, we introduced Agency Banking in 2022, which creates partnerships with retail outlets, like convenience and department stores, supermarkets, gas stations, and pharmacies to make our products available to Filipinos where there is limited banking presence.

Last year, Agency Banking expanded the BPI physical network with 6,400 partner stores, adding to over 850 BPI branches, bringing the total to over 7,000 customer touchpoints. More Filipinos can now apply for BPI products like deposits, credit cards, personal, auto and housing loans, and insurance via a QR; and perform essential banking transactions such as deposits and withdrawals through our partner portal. With these Agency Banking retail partner stores, we welcomed 679,000 new-to-bank customers and sold 747,000 products.

Looking to the future, we will further increase our partner doors and expand the product offerings to include investments, insurance, motorcycle loans, and small business loans, as well as enable most of these partner doors to allow our customers to deposit and withdraw from their BPI accounts for free.

Championing Sustainability

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 two pillars –

First, Responsible Banking –

- Our corporate and SME in support of UN SDGs reached PHP 958 billion, representing 55% of the total portfolio.

- We are on track to meet our target to zero out our coal power generation portfolio by 2032. Coal exposure continued to drop to 24% of our energy portfolio as of year-end 2024, less than half of the 60% share of coal in the Philippines' energy mix.

- BPI BanKo and LSB served a total of 880,889 underbanked Filipinos and MSMEs.

- We launched six new sustainability-related products and services – Green Solutions, Salary-on-Demand, Agri-NegosyoKo, Go Teacher's Loan, Lav Loans, and InstaCashKo Personal Loan.

- We also added two new product categories under Sustainable Development Finance: Sustainable Water Systems and Pollution Control.

- BPI Capital also arranged several ESG-themed deals in 2024 worth PHP 39 billion, for corporate clients such as ALI, Maynilad, EDC, and Alternergy.

The second is Responsible Operations –

- In 2024, we added 11 IFC EDGE-certified bank branches for a total of 22, all achieving at least 20% savings in electricity, water, and embodied energy in materials.

- We are the first Philippine bank to shift to Sustainable Aviation Fuel under DHL's GoGreen Plus Program, reducing CO₂e emissions from shipping parcels and documents.

- Our cards team converted 6 out of 11 card variants to rPVC, made from 85% to 100% recycled plastic sourced from

industrial waste. We saved seven tons of carbon and three tons of plastic with every one million cards issued.

Lastly, our corporate social responsibility is carried out through BPI Foundation, committed to enable underserved communities with financial knowledge and access to spur responsible and sustainable growth and progress.

Aligning with our sustainability goals, we mobilized our workforce to upcycle 13,000 old uniforms and shirts into tote bags—replacing plastic packaging—and multipurpose blankets, which were distributed to those affected by Typhoons Carina and Kristine.

Sustainability reflects our dedication to doing what's right for our people, planet, and communities.

Customer Obsession

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.

To reinforce this culture, we leveled up our internal service by asking Unibankers how well we serve each other through an internal survey which we call N.I.C.E. score or Internal Net Promoter Score (NPS), allowing us to do more for our internal customers based on the feedback received.

Moreover, all Unibankers are called to be ambassadors of BPI. We stand proud to

represent BPI and help our customers with the I AM BPI program. We have our chatbot in the BPI website to help with information needed at your fingertips.

We continue to empower our Customer Delight Officers, who serve as the voice of the customer within their respective teams. These officers have been designated as champions of customer delight across all units of the bank, ensuring that a customer-centric approach is embedded in every aspect of our operations, products and services.

We have our E.L.I.T.E. Summit for leaders, featuring programs that drive deeper customer intimacy and reinforce our commitment to customer obsession across the organization.

For our branches, we established stronger data gathering and faster resolution of issues through a Branch Solutions Team.

We improved our response time to customer concerns with the implementation of Rapid Resolve and standardized the Unibank Fraud Handling – resolving issues faster and consistently.

Three years ago when we started focusing on delighting customers, we were the #4 bank in NPS among traditional banks and fintechs. In 2024, three years into the journey, we finally clinched #1 in NPS among all financial institutions. For the past two years, we've maintained the top spot in NPS among traditional banks. We also bested last year's historic high by achieving a 16 million customer count.

Customer Obsession drives us to go above and beyond in serving our customers.

FINANCIAL AND OPERATING PERFORMANCE HIGHLIGHTS

CONSOLIDATED				PARENT		
	2023	2024		2023	2024	
BALANCE SHEET (in PHP Mn)		YoY growth		YoY growth		
Assets	2,888,372	3,318,813	14.9%	2,811,822	3,217,078	14.4%
Liquid Assets	1,198,598	1,553,229	29.6%	2,739,618	3,118,615	13.8%
Treasury Securities	625,019	658,618	5.4%	608,759	639,202	5.0%
Gross Loans	1,935,339	2,287,047	18.2%	1,901,678	2,232,856	17.4%
Net Loans	1,882,007	2,238,765	19.0%	1,849,840	2,186,928	18.2%
Deposits	2,295,106	2,614,802	13.9%	2,264,133	2,564,135	13.3%
Equity ⁽¹⁾	357,204	430,469	20.5%	336,303	403,766	20.1%
INCOME STATEMENT (in PHP Mn)						
Net Interest Income	104,350	127,586	22.3%	98,086	117,432	19.7%
Non-Interest Income	33,971	42,553	25.3%	28,941	33,699	16.4%
Net Revenues	138,321	170,139	23.0%	127,027	151,131	19.0%
Operating Expenses	69,110	83,796	21.3%	62,591	75,266	20.3%
Pre-provision Profit	69,211	86,342	24.8%	64,436	75,865	17.7%
Impairment Losses	4,000	6,600	65.0%	2,202	3,428	55.7%
Net Income ⁽¹⁾	51,687	62,049	20.0%	50,053	56,384	12.6%
FINANCIAL PERFORMANCE INDICATORS						
PROFITABILITY		In bps		In bps		
Return on Equity	15.35%	15.07%	-28	15.71%	14.45%	-126
Return on Assets	1.93%	1.98%	5	1.91%	1.86%	-5
MARGINS AND LIQUIDITY						
Net Interest Margin	4.09%	4.31%	22	3.93%	4.08%	15
Net Loans to Deposit Ratio	82.0%	85.6%	362	81.7%	85.3%	359
COST EFFICIENCY						
Cost to Income Ratio	50.0%	49.3%	-71	49.3%	49.8%	53
Cost to Average Assets Ratio	2.58%	2.67%	10			
ASSET QUALITY						
NPL Ratio ⁽²⁾	1.84%	2.13%	29			
NPL Cover	156.1%	106.2%	-4986			
CAPITAL AND LEVERAGE						
Tier 1 Ratio	15.29%	13.86%	-143	14.59%	13.14%	-145
CET 1 Ratio	15.29%	13.86%	-143	14.59%	13.14%	-145
Capital Adequacy Ratio	16.18%	14.63%	-155	15.48%	13.91%	-157
Leverage Ratio	10.95%	10.75%	-20	10.38%	10.15%	-23

CONSOLIDATED			
	2023	2024	
DISTRIBUTION NETWORK AND MANPOWER			YoY change
Branch Licenses/International Offices	1,189	1,266	77
ATMs	2,086	2,581	495
Employees	19,522	22,603	3,081
Officers	7,659	9,084	1,425
Staff	11,863	13,519	1,656
SHAREHOLDER INFORMATION			YoY growth
MARKET VALUE			
Share Price	103.80	122.00	17.5%
Market Capitalization (in PHP Mn)	513,311	643,196	25.3%
VALUATION			
EPS, Basic and Diluted	10.90	11.78	8.1%
Book Value per Share	72.23	81.65	13.0%
Price-Earnings Ratio	9.9x	10.4x	0.4x
Price to Book Value	1.4x	1.5x	0.1x
DIVIDENDS			
Cash Dividends Paid to Common Shareholders (in PHP Mn)	15,933	20,878	31.0%
Cash Dividends per Common Share	3.36	3.96	17.9%
GRI ECONOMIC METRICS (in PHP Mn)			YoY growth
Economic Value Generated (Revenue)	138,321	170,139	23.0%
Economic Value Distributed	95,799	120,012	25.3%
Payments to Suppliers	28,950	36,558	26.3%
Payments to Employees	23,060	28,735	24.6%
Payments to Providers of Capital	15,933	20,879	31.0%
Payments to Government	27,606	33,605	21.7%
Payments to Communities	250	236	-5.6%
Economic Value Retained	42,521	50,127	17.9%

⁽¹⁾ Attributable to equity holders of BPI

⁽²⁾ Based on BSP Circular 941

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

SUSTAINABILITY AGENDA

BPI has an established Board-approved Sustainability Agenda which guides the integration of sustainability principles in the Bank's strategy, operations, and risk management framework.

ESG Policy Statement

We are committed to Responsible Banking, integrating Environmental, Social, and Governance (ESG) principles into how we conduct our business – how we manage resources, how we craft the products and services we offer, how we serve our customers, and how we add value to our various stakeholders.

As a bank responsible for a meaningful share of the country's loans and deposits, how we allocate resources will have a significant impact on how we grow as a nation. Our governance is focused on the allocation of resources in a manner that promotes financial inclusion, preservation of the environment, sustainability, and social good.

Sustainability Strategy

BPI's sustainability objectives are embodied in the pillars of Responsible Banking and Responsible Operations, supporting our vision of building a better Philippines, one family, one community at a time.

Pillars of BPI's Sustainability Strategy

- Responsible Banking - BPI offers financial products and services that integrate ESG criteria in business decisions while supporting economic growth
- Responsible Operations - BPI manages environmental and social capital efficiently for day-to-day operations

Supporting these two pillars are Corporate Governance, Compliance, and Risk Management, which serve as checks and balances on the implementation of BPI's Sustainability Strategy, as well as compliance with local, national, and global standards and regulations.

Sustainability Governance

In 2024, BPI expanded the role and coverage of the Bank's Corporate Governance Committee, to include oversight on sustainability matters. Ultimately, BPI's Sustainability Agenda is governed by the Board through the Executive Committee (ExCom), Corporate Governance and Sustainability Committee (CGSCoM), and Risk Management Committee (RMCoM). The ExCom and CGSCoM oversees the overall integration of sustainability principles in the strategic direction of the bank while the RMCoM is responsible for ensuring that Environmental and Social (E&S) risk management is incorporated in the Bank's risk management systems. Reporting under the ExCom, the senior management level Sustainability

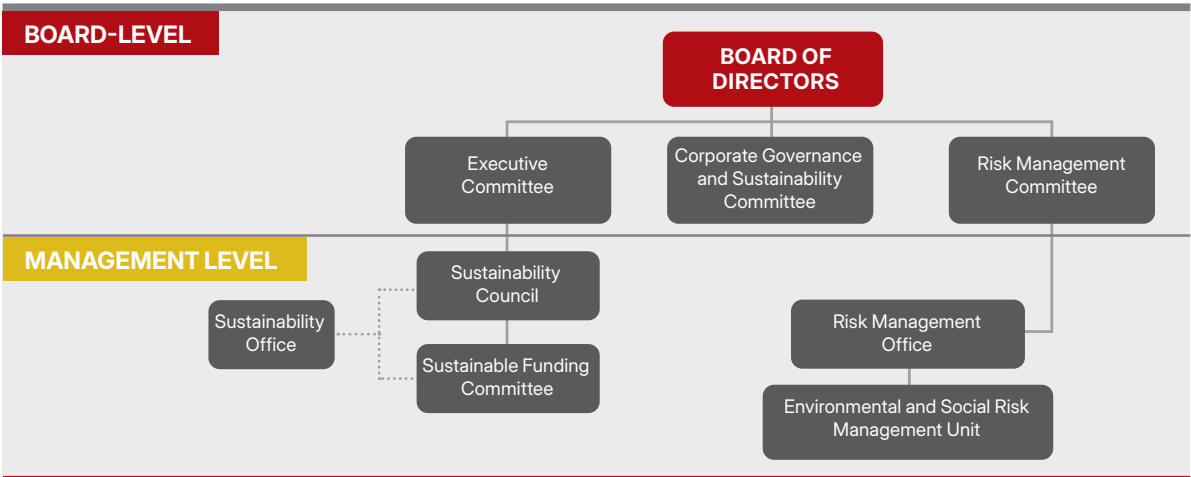
Council oversees the implementation of the Bank's Sustainability Agenda.

Sustainability Key Result Areas (KRAs)

In 2021, BPI became the FIRST Philippine bank to mandate all employees (including all executives, officers, and staff) to have a minimum of 10% of their performance evaluation criteria to be sustainability-related starting the following year. This mandate was supported by all segment and group heads of the Bank, with each of them declaring a sustainability commitment that led to actual projects and initiatives under Responsible Banking, Responsible Operations, as well as Corporate Governance and Risk Management.

As a complement to this mandate on sustainability performance evaluation criteria, BPI required all employees to take a Sustainability 101 Training Course every two years, a FIRST for a Philippine bank. BPI also reinforced its unique sustainability formula (ESG+E₂) emphasizing the need for ESG initiatives to have economic benefits (E₂) for them to be truly sustainable. BPI's Officership Training Program (OTP) also has a module on sustainability, continuously building an organization with a well-embedded sustainability mindset.

BPI's Sustainability Agenda, Sustainability Strategy, and Sustainability Governance are further discussed in the BPI website (<https://www.bpi.com.ph/about-bpi/sustainability>).



2024 MAJOR SUSTAINABILITY ACHIEVEMENTS



PILLAR #1: RESPONSIBLE BANKING

PHP **958 Billion**

Corporate and SME portfolio in support of the UN SDGs, representing 55% of the total portfolio

PHP **33.7 Billion**

ESG-focused funds raised through public offerings

Over **960,000**

Micro, Small, and Medium Enterprises (MSMEs) served

8 ESG-Themed Deals

Record-breaking number of ESG-themed deals

8 New ESG-Focused Products and Services

FOR RETAIL CLIENTS

- Green Solutions
- Salary-on-Demand
- LavLoans
- InstaCashKo Personal Loan

FOR CORPORATES

- Sustainable Water
- Pollution Control

FOR FARMERS

- Agri NegosyoKo

FOR TEACHERS

- Teacher's Loans



PILLAR #2: RESPONSIBLE OPERATIONS

Over **377 Million**

Transactions from over 10 million total users in 7 digital platforms

Over **33,000**

Attendees of the annual Sustainability Awareness Month (SAM)

1,102,064

Total training hours of employees

Over **6,400**

Brick-and-mortar branches nationwide, from 24 agency banking partner stores, with over 100 partner portals accepting deposit and withdrawal transactions from BPI depositors for free

11 Additional Green Branches

New IFC EDGE-certified green bank branches, for a total of 22

1 negotiation

All 5 labor unions jointly reached an agreement in 3 days -- a historic milestone in labor relations

SUSTAINABILITY COMMITMENTS

BPI LEADERS

“I am delighted that BPI has taken sustainability to heart. It is part of our mindset, our strategies, and daily activities, and embedded in our DNA. I am confident that, with the talent, energy, and passion that I see from our Unibankers every day, whether at the head office or at our branches, no challenge is insurmountable.”

JAIME AUGUSTO ZOBEL DE AYALA

Chairman of Ayala Corporation and Bank of the Philippine Islands

“Sustainability has always been a high priority at BPI. We are committed to responsible banking and we will continue to champion sustainability towards a better Philippines. BPI’s unique sustainability formula ESG+E₂ refers to Environmental (E), Social (S), and Governance (G) initiatives resulting in Economic (E₂) gains.”

JOSE TEODORO K. LIMCAOCO

BPI President and Chief Executive Officer

“Sustainability has become an essential component of business strategies. In BPI, our sustainability programs and initiatives, as well as products and services integrate ESG+E₂ principles and follow global standards.”

ERIC ROBERTO M. LUCHANGCO

Senior Vice President, BPI Chief Sustainability Officer, and Chief Finance Officer

RESPONSIBLE BANKING

We bank the most influential local and foreign institutions in the Philippines.

“Likas-kayang pagunlad and pananatili”* is core to our business practices.

We commit to continue to (1) actively promote, facilitate, and support sustainable practices of our clients; (2) integrate ESG criteria into our business decisions across all relevant products, and (3) provide and develop technical assistance programs that support the UN SDGs.

* Filipino term for “sustainability”

JUAN CARLOS L. SYQUIA

Executive Vice President and Head of Institutional Banking

We continue our journey towards greater sustainability by going beyond green. As we began the transformation of our branches into IFC EDGE-certified phygital stores in 2023 and pursued digitalization, we are today introducing innovative products and services to address financial inclusion, security, and enhanced health. We commit to Do More for sustainability, for a better Philippines.

MARIA CRISTINA L. GO

Executive Vice President and Head of Consumer Banking

We continue to be guided by the UN SDG standards in our evaluation of each credit proposal with sustainability initiatives instituted by our customers being highlighted in each credit offering and being considered as major factors for credit decision making.

JOSEPH ANTHONY M. ALONSO

Senior Vice President and Chief Credit Officer

We recognize the valuable role of small and medium enterprises (SMEs) in driving local employment and nation-building.

We commit to deepen our reach and enable more Filipino SMEs by providing accessible, sustainable and innovative solutions for their progressive needs as they navigate challenges, manage risks, and accelerate the growth of their business.

DOMINIQUE R. OCLIASA

Senior Vice President and Head of Business Banking

We help ensure the unbanked and underbanked are included in the country’s economic recovery and growth by providing sustainable financial solutions tailor-fit for microbusinesses, farmers, fishermen, class C2D fixed income earners and now, public school teaching and non-teaching personnel.

We also make financing for solar panels, schools, and hospitals more accessible and affordable for retail clients.

Through digital innovations, we will continue to make our processes more efficient and paperless.

JENELYN Z. LACERNA

Senior Vice President and Head of Mass Retail Products

At BPI Wealth, we continue to be your trusted partner in navigating volatile financial markets, in making investment decisions, and in creating a legacy for future generations. We offer a suite of sustainable investment funds that help finance high-impact green, blue, and social projects that deliver attractive returns and support the UN Sustainable Development Goals. Our commitment goes beyond mere financial management; we are dedicated to democratizing investment access and championing financial inclusion, ensuring that everyone has the opportunity to participate in wealth-building and contribute to positive social change.

MARIA THERESA D. MARCIAL
President & CEO, BPI Wealth - A Trust Corporation

As we forge ahead into 2024, our dedication to cultivating strategic partnerships for facilitating seamless digital transactions, including deposits, withdrawals, and product applications, is unwavering.

By harnessing the physical touchpoints of our esteemed partners in conjunction with the cutting-edge digital capabilities of BPI, we are steadfast in our mission to drastically minimize our carbon footprint. This resolute commitment underscores our relentless pursuit of sustainability and environmental stewardship.

JOSE RAUL E. JEREZA IV
Senior Vice President and Chief Customer and Marketing Officer

Sustainability is in our DNA.

As we grow our portfolios of sustainability loans and bonds, we also aim to grow our expertise in sustainable finance by learning the latest regulations, global standards and best practices in managing a balance sheet built to grow our commitment to sustainability.

We will continue to raise ESG themed funding that aims to motivate, challenge, and enable our partners in deploying these funds in qualified sustainable assets.

And we will continue to provide essential Treasury services to our clients that support priority sectors with positive environmental and social impacts, including MSMEs, social services, and clean energy.

DINO R. GASMEN
Executive Vice President* and Treasurer
*effective March 1, 2025

On top of spreading awareness on Sustainability principles and best practices, we will continue to help communicate the Bank's sustainability offerings and initiatives which make banking easier, more efficient, more affordable, and more feasible.

To date, from 18%, we now have 41% of our fellow Filipinos who are now aware of Sustainability.

So, we continue our commitment to incorporate sustainability in our communications to help more Filipinos understand, appreciate, and contribute to achieving a more sustainable tomorrow.

MARY CATHERINE ELIZABETH P. SANTAMARIA
Senior Vice President and Chief Customer and Marketing Officer

RESPONSIBLE OPERATIONS

In Enterprise Operations, we serve with Responsible Operations through continuous end-to-end process reinventions by integrating advancements in technology to improve the overall client experience, both internal and external.

EO cements its commitment to delighting our customers by utilizing Power Automate and RPA, empowering our Customer Touchpoints, engaging in Great Partnerships with our vendors and constructing IFC EDGE-certified branches. All of which touches on Environmental and Social Responsibility, now part of EO's Sustainability DNA.

EUGENIO P. MERCADO
Executive Vice President and Head of Enterprise Operations

At the Risk Management Office, we are committed to continuously enhancing the integration of ESG into our enterprise risk management framework. Our goal is to create value for our stakeholders while proactively managing environmental and social risks in all our activities. Through these efforts, we are able to ensure the resilience and long-term success for both our organization and the communities we serve.

MA. CRISTINA F. ASIS
Senior Vice President and Chief Risk Officer

As we pursue the integration of Robinsons Bank into BPI, we commit to uphold sustainability principles in the same way that BPI has embraced sustainability at the heart of its business solutions and daily operations. As a member of the BPI Payments Council, our commitment to sustainability is reflected in our efforts to advance digital domestic and cross-border payments because we believe in its transformative power to deliver a more inclusive, efficient, and eco-friendly financial ecosystem in the country.

ELFREN ANTONIO S. SARTE
Executive Vice President and Head of Payments Council and Robinsons Bank Integration

Along with our pledge to support environmentally friendly initiatives, we at Human Resources are also committed to the wellness and well-being of our employees. We understand that sustainability is not only about the environment, but also about the people who live and work in it. That's why we are dedicated to ensuring capability development for a resilient workforce that can adapt to changing circumstances and challenges. We want to empower you to take care of yourselves and each other, as well as the planet.

MARIA VIRGINIA O. EALA
Senior Vice President and Chief Human Resource Officer

We at Enterprise Technology Group will continue to champion BPI's digital transformation by investing in the latest technology in support of the Bank's goal to acquire more customers and serve them more efficiently while reducing carbon footprint. By harnessing the best digital technologies, we can make BPI's banking solutions safe, secure, accessible, and affordable to Filipinos anytime, anywhere, regardless of economic status or location.

ALEXANDER G. SEMINIANO
Senior Vice President and Head of Enterprise Technology

Record high of 18-ESG focused awards in 2024

FINANCE-RELATED AWARDS

★★★★★

TOP SUSTAINABILITY ADVOCATES IN ASIA

FOR 3 CONSECUTIVE YEARS

ACES AWARDS 2024

★★★★★

SUSTAINABILITY COMPANY OF THE YEAR

PART OF THE CIRCLE OF EXCELLENCE FOR 3 CONSECUTIVE YEARS

ASIA CEO AWARDS 2024

★★★★★

ESG PROGRAM OF THE YEAR SILVER

FOR 2 CONSECUTIVE YEARS

ASIAN BANKING & FINANCE RETAIL BANKING AWARDS

★★★★★

PHILIPPINES DOMESTIC SUSTAINABLE FINANCE INITIATIVE OF THE YEAR

ASIAN BANKING & FINANCE WHOLESALE BANKING AWARDS

★★★★★

BEST SOCIAL BOND

FOR THE BPI RISE BONDS

THE ASSET TRIPLE A SUSTAINABLE FINANCE AWARDS

★★★★★

BEST SUSTAINABLE BANK IN THE PHILIPPINES

FOR 2 CONSECUTIVE YEARS

THE ASSET TRIPLE A SUSTAINABLE FINANCE AWARDS

★★★★★

HIGHEST ESTIMATED GREEN HOUSE GAS EMISSIONS MITIGATED

CLIMATE ASSESSMENT FOR FINANCIAL INSTITUTIONS (CAFI) AWARD 2024

★★★★★

BEST ESG INITIATIVE

CORPORATE TREASURER AWARDS 2024

★★★★★

EXCELLENCE AWARDS

FOR THE SUSTAINABLE DEVELOPMENT FINANCE (SDF) PROGRAM

ESG BUSINESS AWARDS 2024

★★★★★

MARKET LEADER IN ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

FOR 3 CONSECUTIVE YEARS

EUROMONEY MARKET LEADERS

★★★★★

BEST ESG IMPACT IN THE PHILIPPINES

FOR 2 CONSECUTIVE YEARS

FINANCE ASIA AWARDS 2024

★★★★★

BEST SUSTAINABLE BANK IN THE PHILIPPINES

FOR 5 CONSECUTIVE YEARS

FINANCE ASIA AWARDS 2024

★★★★★

BEST BANK FOR SUSTAINING COMMUNITIES IN THE ASIA PACIFIC

GLOBAL FINANCE SUSTAINABLE FINANCE AWARDS 2024

★★★★★

SUSTAINABLE FINANCE AWARDS WINNER FOR THE PHILIPPINES

FOR 3 CONSECUTIVE YEARS

GLOBAL FINANCE SUSTAINABLE FINANCE AWARDS 2024

★★★★★

BEST SUSTAINABLE BANK IN THE PHILIPPINES

FOR 3 CONSECUTIVE YEARS

INTERNATIONAL BUSINESS MAGAZINE AWARDS 2024

MEDIA-RELATED AWARDS

★★★★★

PUBLIC RELATIONS TOOLS SPECIAL EVENTS

FOR THE SUSTAINABILITY AWARENESS MONTH

59TH ANVIL AWARDS

★★★★★

SUSTAINABILITY CHAMPION HONOREE

MANILA BULLETIN SUSTAINABILITY FORUM 2024

★★★★★

BEST PR CAMPAIGN: BANKING / FINANCIAL SERVICES

FOR THE SUSTAINABILITY AWARENESS MONTH

MARKETING-INTERACTIVE PR AWARDS 2024



SUSTAINABILITY AWARENESS MONTH 2024

In June 2024, BPI held the Sustainability Awareness Month (SAM) for the third year in a row, with the theme “Beyond Green”. Featuring 29 face-to-face and virtual events across the country, the 2024 SAM garnered over 33,000 participants.



The Bank had its BPI #BestLifeRun Corporate Race 2024 at the Ayala Triangle in Makati City last June 09. The Philippine's FIRST Corporate Run, BestLifeRun aims to promote the value of creating a culture of health and wellness in the workplace, while fostering business camaraderie through a fun, healthy activity

PUBLIC EVENTS		
BPI GREEN SOLUTIONS AND BPI PHYGITAL BRANCH BPI Consumer Center	BPI PARTICIPATION: MIGRANT WORKERS' DAY Department of Migrant Workers Office, Ortigas	FORUM ON CLEAN ENERGY Manila
NATIONWIDE SWEEP THE STREET Northern and Central Luzon NCR, Southern Luzon, Bicol, Visayas, and Mindanao	BANKO-ON-THE-GO (BOTG) CARAVAN Across 10 locations nationwide	SPECIAL INSTALLMENT PLAN (SIP) FOR SOLAR ON THE ROOF AND ENERGY EFFICIENT APPLIANCES Abenson Branches Nationwide and Website
VYBE BPI Consumer Center	BPI PARTICIPATION: 2ND PHILIPPINE CLIMATE FORUM by the International Finance Corporation (IFC)	#BESTLIFERUN: CORPORATE RACE 2024 Ayala Triangle, Makati City
FINANCIAL LITERACY WORKSHOP FOR SEAFARERS Sea Power Shipping Enterprises Office Mandaluyong City	SUSTAINABLEME: POWER UP YOUR BIZ WITH RENEWABLE ENERGY via Zoom	SUSTAINABLE INVESTING: DRIVING POSITIVE CHANGE IN THE PHILIPPINE STOCK MARKET via Zoom
BARANGAY/COMMUNITY ENGAGEMENT - REKORIDA SALES CARAVAN Across 10 locations nationwide	FINANCIAL WELLNESS CAMPAIGN Robinsons Townsville Father's Day Campaign (2 locations nationwide)	SEC SMALL AND MEDIUM INDUSTRIES AND LARGE ENTERPRISES EMBRACING SUSTAINABILITY (SMILEES) Davao Roadshow
BIZLINK: MAXIMIZING BUSINESS GROWTH AND REDUCING ENVIRONMENTAL IMPACT via Zoom	BEYOND GREEN: SUSTAINABLE AGRICULTURAL TECHNOLOGIES AND POULTRY PRACTICES Seda, Nuvali and via Zoom	BIZKO: SUSTAINABLE FINANCIAL SOLUTIONS THROUGH DIGITAL INNOVATION via Zoom



Spearheaded by the ULC Team, the Bank had its Tree Growing and Nurturing Activity last June 15 at the La Mesa Watershed Reservation, Quezon City in partnership with Department of Environmental and Natural Resources (DENR) – National Capital Region (NCR)

INTERNAL EVENTS		
BPI ULC X DENR-NCR: TREE GROWING AND NURTURING ACTIVITY La Mesa Watershed Reservation, Quezon City	SUSTAINABILITY BREAKTHROUGHS: BATTERY ENERGY STORAGE SYSTEMS AND CARBON CREDITS Ayala Triangle Gardens, Tower 2	BPI SUSTAINABILITY SUMMIT AND SUSTAINABILITY INNOVATIONS AWARDS (SIA) Manila Polo Club, Makati and via #BePartOfIt Facebook Page

BPI FOUNDATION

In 2024, BPI continued to empower communities with various programs through our social development arm, BPI Foundation (BPIF). BPIF has reached 5.4 million beneficiaries, combining both direct and indirect recipients across its Enterprise Development and Livelihood, and Financial Education Programs with over 40% of its beneficiaries engaged through social media/ other platforms.



Enterprise Development and Livelihood

Expanding Opportunities for MSMEs and Social Enterprises: Through both digital and in-person capacity-building initiatives, we supported thousands of MSMEs and social enterprises in their journey toward growth and sustainability. These initiatives include:

- 40 social entrepreneurs empowered through the Sinag program, providing capacity building, mentoring, cash grants, and market access—positively impacting 4,917 beneficiaries
- 127 business owners equipped with learning sessions under Sinag Inclusive, preparing them to transition into social enterprises
- 517 nano and microenterprises strengthened through the Small Enterprise Acceleration Lab (SEAL), fostering resilience and sustainability

Strengthening Agriculture-Based Livelihoods: The Farm to Table program continues to drive sustainable agriculture and economic empowerment for farming and fishing communities across key

areas. In the past year alone, 3,404 farmers and fisherfolk received support in sustainable farming practices, organization development, market access, post-harvest processing, and financial education in:

- San Carlos, Negros Occidental
- Leyte, Leyte
- Polomolok, South Cotabato
- Asuncion, Davao del Norte
- Mindoro Occidental

Bridging Employment Gaps through Skills Training: Through the TechVoc program, we provided livelihood training to 1,867 unemployed and underemployed individuals nationwide, equipping them with skills for employment and entrepreneurship. This initiative has extended its impact beyond individuals, benefiting thousands of family members, creating ripple effects in communities.

Financial Education Programs

BPI Foundation was able to reach 2.1 million direct beneficiaries through the Bank's financial literacy programs. New

programs like "Train the Trainers" focuses on transferring knowledge to school partners and institutions. This initiative is a valuable step in expanding the Bank's reach and ensuring the sustainability of the programs.

Key initiatives included:

Strengthening government partnerships, piloting the ePanalo and Kinabukasan programs with DSWD in six areas—directly benefiting 1,304 individuals. The programs have since expanded to MIMAROPA and Davao, impacting 216,953 direct beneficiaries and 650,859 indirectly.

Forging strategic collaborations, with MOAs signed for the BPIF Personal Finance 101 Program alongside key agencies including BSP, Insurance Commission, NEDA, CHED, and SEC.

Empowering educators, training faculty volunteers at University of St. La Salle Balayan and across the Ayala Group Network to serve as financial literacy advocates.

Bringing financial education to underserved schools, launching the



Estudyantipid Series with Knowledge Channel, and distributing Knowledge TVs to 15 last-mile schools.

Supporting uniformed personnel, conducting FinEd Unboxedsessions with the PNP, Philippine Army, Navy, and Air Force.

Expanding Train the Trainers, extending the program's reach to institutions like St. Joseph's School - La Salle, ensuring financial literacy is embedded in more communities.

Disaster Recovery

- 412 individuals and 1,236 family members in Iloilo and Tacloban assisted through values formation, livelihood skills, entrepreneurship, and financial education
- 5,621 students and teachers nationwide received school supplies

Employee Volunteerism

11,397 volunteer engagements contributed 13,793 volunteer hours, mainly through 38 BPI Bayan volunteer groups that implemented livelihood, financial education, and environmental programs catering to over 18,000 beneficiaries in their chosen communities.

Special Projects

- 17,323 students and teachers in last-mile public schools received DOST STARBOOKS, a digital library to provide access to learning resources and enhance learning experience
- 33 students of basic and applied sciences from 11 schools in NCR, Luzon, Visayas and Mindanao participated in the BPI-DOST Innovation Awards

Internal Training Programs

BPI Foundation is committed to continuous learning and development, ensuring that employees are equipped with the knowledge and skills needed to drive positive change. Employees undergo various training programs, including:

- Sustainability & Compliance: Sustainability 101, BPI Code of Business Conduct, Data Privacy Awareness Course - Financial Consumer Protection, Money Laundering and Terrorist Financing Prevention Program - Physical Security Management Awareness Course
- Leadership & Professional Development: LinkedIn (C.H.A.N.G.E.) 201, Introduction to Institutional Banking, Recruitment Module End User Training for Managers, Virtual PIA Training
- Customer-Centric Learning: Customer Journey Mapping
- Brand & Strategy Alignment: BPI Brand Excellence and Strategy Training (BEST)

External Learning Engagements

BPI Foundation employees actively participate in industry gatherings and learning forums to stay updated on best practices and trends in the foundation and social enterprise sectors. Key engagements include:

- Association of Foundation General Assembly
- Philippine Council for NGO Certification General Assembly
- League of Corporate Foundations General Assembly
- DP Foundation and Association Sector Privacy Impact Assessment and Breach Management Learning Forum
- Community Enablement for Volunteers
- National SE Roadmap Conference

Stakeholder Training Programs

Beyond internal capacity-building, BPI Foundation extends its commitment to education by providing essential training programs for its stakeholders:

- For Social Enterprises
 - BPI Sinag Social Enterprise Challenge Boot Camp: Mentoring, discussions, lectures, and networking sessions
- For Small, Micro, and Nano Enterprises
 - Free SEAL Creation Training Programs:
 - Online: For Micro and Nano enterprises
 - Onsite: For Nano enterprises and aspirants at Bayan Academy
 - Business Skill Enhancement:
 - Effective negotiation skills
 - Visual merchandising
 - Digital payment solutions
 - Product diversification
- For Financial Education
 - FinEd Unboxed Sessions: Making financial literacy more accessible to communities

Capacity-Building for Service Providers & Partners

To ensure sustainability and wider impact, service providers and partners also benefit from specialized training:

- Train the Trainers for FinEd Unboxed
- BPI BAYAN Caravan for BPI BAYAN Groups

Through these extensive training efforts, BPI Foundation fosters a culture of learning, innovation, and empowerment—helping individuals, businesses, and communities build a better Philippines, one family, one community at a time.

BUSI NESS REVIEW

As a leader in the Philippine banking industry, having cemented multiple industry firsts through our 173-year history, BPI continues to further innovate on banking solutions in pursuit of servicing more Filipinos, catering to their everyday financial needs.

As of year-end 2024, BPI has almost 16 million clients with a total loan book of over PHP 2.2 trillion, leading to a remarkable 20% growth in our net income to PHP 62 billion.

Further propelling the country's economic growth, BPI also ensures that the Bank's funds are channeled towards business activities which promote environmental protection, social equity, and sustainable development.

FINANCIAL INCLUSION

BPI services over 900,000 underbanked and underserved Filipinos and Filipino-led Micro, Small, and Medium Enterprises (MSMEs), allowing them access to banking services which are crucial for widely distributed economic and social growth.

As a support to such endeavor, BPI has dedicated business segments and subsidiaries for underbanked and underserved sectors, namely:

- Business Banking, for Small and Medium Enterprises (SMEs)
- BPI Direct Banko, Inc., for Self-Employed Micro-Entrepreneurs (SEMEs)
- Legazpi Savings Bank, for teaching and non-teaching personnel accredited and/or supervised by the Department of Education (DepEd) and the Commission on Higher Education (CHED)



“BPI has been a long-standing partner of FGEN and the Lopez group. It has been providing FGEN and its subsidiaries with a wide range of banking solutions essential for the Group’s operations and growth.”

Dennis Michael Gonzales
President & COO, Fresh River Lakes Corporation
Senior Vice President, First Gen Corporation

As part of its commitment to generate clean energy, First Gen Corporation (FGEN) acquired the 165-megawatt (MW) Casecnan Hydroelectric Power Plant from government-run Power Sector Assets and Liabilities Management Corporation (PSALM) in 2024. BPI helped fund the \$526 million acquisition, which is also aligned with the Bank’s Sustainability Agenda.

How did BPI assist FGEN in acquiring Casecnan? How was the quality of the service given?

Dennis Gonzales: [Aside from lending money to help purchase Casecnan, BPI helped FGEN through its subsidiary, Fresh River Lakes Corporation (FRLC)] to source the USD required by PSALM for the USD-denominated purchase price. [The Bank] was very supportive of this transaction and was quick to respond to the requirements of the deal from the start of the bid until turnover.

Since when was FGEN a BPI client?

Dennis: BPI has been a long-standing partner of FGEN and the Lopez group. It has been providing FGEN and its subsidiaries with a wide range of banking solutions essential for the Group’s operations and growth.

What major projects of FGEN, especially those connected to renewable energy (RE), have BPI funded in the past and how did they turn out to be?

Dennis: Aside from the acquisition of Casecnan, [BPI offered] a long-term loan in 2024 to FGEN’s subsidiary, Energy Development Corporation (EDC), to fund the Company’s capex requirements for its geothermal platform. BPI Capital was also a Joint Issue Manager and Joint Lead Underwriter to EDC’s ASEAN Green Bond Issuance allowing for the development of new

geothermal capacity such as the 20 MW Tanawon geothermal project.

BPI [also] helped fund the construction of FGEN’s Interim Offshore [Liquefied Natural Gas (LNG)] Terminal in 2021. The LNG Terminal was completed in 2023 and has enabled FGEN’s gas-fired power plants to use LNG as a supplement to [gas from the Malampaya field].

How has BPI impacted FGEN-Casecnan and its stakeholders, particularly those in surrounding communities? How were they able to thrive?

Dennis: This acquisition by FRLC ensured the continuity of operations of the plant despite a change in ownership. This also boosts FGEN’s clean energy generation capacity, ensuring continued support for the Pantabangan Dam’s water storage capacity and irrigation supply, as

well as reliable power supply for the Luzon Grid.

Since 2001, the Casecnan plant has been a vital part of the Philippines’ energy infrastructure.

Where do you see your efforts for clean energy in the next 5 to 10 years?

Dennis: FRLC will play a key role in expanding RE in the Philippines. Following its acquisition of Casecnan, the Company is set to enhance energy efficiency, integrate operations with existing hydropower plants, and explore new clean energy projects.

This expansion is expected to improve grid stability and reduce carbon emissions. As FRLC strengthens FGEN’s RE portfolio, Filipinos can look forward to a more sustainable, reliable, and environmentally responsible power sector.



“Being a BPI partner is really a milestone for any company. I think we can go a long way. There’s still a lot of things that we can work on together.”

Blake Nelson Go
Vice President, Business Development and Finance
Prince Stores



For over three decades now, Prince Stores has been one of the leading retail stores, especially for residents living in far-flung communities in Visayas and Mindanao. Beginning as a brick-and-mortar business, Prince offered innovative services to their customers with BPI’s help. The partnership played a key role both in the retail company’s expansion and the Bank’s efforts to attract more clients.

Can you tell us more about Prince Stores’ banking relationship with BPI?

Blake Go: BPI [has been] our partner since my

dad and my grandfather [were] still alive—more than 20 years now. Then, about five years ago, [BPI Institutional Banking] came in [and brought back our commercial side of the business. Kasi [before,] it was mostly deposits and withdrawals only. When I came in, there were about four stores only. Now we’re about 24 to 25 branches. With the help of BPI, the Prince Group expanded exponentially in the past five years.

Since when did you partner with BPI Agency Banking?

Blake: We started the negotiation [with BPI

Agency Banking] two years ago. We were really excited about that because [we both wanted] to reach more customers, especially with the changing business model now. Everything was so fast. If you don’t experiment, you’re [going to be left behind].

How do Prince customers avail of BPI products and services at your stores? How did this enhance Prince’s customer service?

Blake: [Prince customers can open a BPI account at any of our outlets. Once they do that, they can deposit and withdraw at any branch of Prince], which was not available before.

We also helped launch BPI Scan for Cash. It allows non-BPI customers, depositors, or e-wallet holders to cash-in at Prince Stores for ₱25 per ₱2,000 withdrawal. [Customers in far-flung areas] save money by not needing to travel to the closest city, which costs around ₱50.

[Because of our] partnership, our business got better. Some might go to Prince Stores to withdraw and deposit. After that, they buy groceries. It’s a two-way relationship.

What are your aspirations for Prince Stores in the next five years?

Blake: More branches, of course. The more branches I open, that’s more branches for BPI as well, ‘di ba? Every time I open a store, that’s another [opportunity] for [BPI] Agency Banking [to attract clients] so let’s grow together.

Being a BPI partner is really a milestone for any company. I think we can go a long way. There’s still a lot of things that we can work on together.

Over **100,000**

Outstanding count of Business Banking clients

Over **800,000**

Outstanding count of BanKo clients

Over **40,000**

Outstanding count of Legazpi Savings Bank clients

PHP **36** Billion

Outstanding loan portfolio of Business Banking

PHP **15** Billion

Outstanding microfinance loans of BanKo

PHP **9** Billion

Outstanding teachers' loans of Legazpi Savings Bank

BPI Business Banking is the Bank's dedicated segment servicing SMEs, often dubbed as the backbone of the Philippine economy employing 63% of the country's national workforce.

Posting a notable 126% year-on-year loan growth in 2024, Business Banking continued to provide comprehensive solutions for SMEs which are *madali* (easy), *magaan* (convenient), and *mabilis* (fast). Going beyond extending

financial accommodation, Business Banking also provided tailor-fit capacity building and digitalization solutions underscoring our support for the business endeavors of SMEs across the country.

Ka-Negosyo-on-the-Go (KNOTG)	- An end-to-end digital platform accessible anytime, anywhere, where SMEs can find products suited to their needs, check for their loan eligibility, and apply for a loan - Generated over PHP 1.32 billion in loan amount, servicing over 500 clients
BizTalk, Ka-Nego Talk, and Ka-Negososyo	- Events exclusive for SMEs, covering a wide range of topics such as economic outlook, taxation, digital banking, and business opportunities 900 clients engaged through 13 sessions nationwide
Online Capacity Building Program	- Free online crash courses for SMEs, with topics such as future-proofing businesses, efficient cash flow management, and benefits of financial services 20 million reach and views across various social media platforms such as Facebook and YouTube

“BPI provided flexibility in managing purchase orders, ensuring we had the necessary working capital to secure inventory without disrupting cash flow.”

Julian “En” C. Antonio

President & CEO
Account Ventures Inc (BOK Korean Fried Chicken)

From a small kitchen hub that opened during the height of the pandemic, BOK Korean Fried Chicken has expanded to 20 branches in Luzon. With the rise in demand for their best-selling Korean chicken, the restaurant had to upscale their operations. They partnered with BPI to open more branches and upgrade their digital infrastructure to improve their customer service.

What motivated you to start a business?

Julian Antonio: Back in college, I managed to open a couple of different concepts while studying Accountancy at DLSU. I've always just had that knack to start businesses. [Food] is

what stuck. It's fast-paced, ever- evolving, and something I've grown deeply passionate about.

How were you able to manage putting up a new business during the pandemic?

Julian: The pandemic was a challenging time, but it also gave unique opportunities. Most people were spending more time online, and we saw a chance to establish BOK as a delivery-first brand. We started humbly as a kitchen hub without a physical storefront, focusing entirely on food quality and reliable delivery. We used social media and word of mouth to build our presence, ensuring that our food was not only delicious but also

consistently reached our customers, our *BOKada*.

Since when were you a BPI client?

Julian: I've been a BPI client since I was a young boy. Even up to this day I still have my original “Jumpstart Account” and it is still active. Our company has been a BPI client since 2020—the same year we started BOK Korean Fried Chicken. BPI has been an instrumental partner in our success.

How did BPI help you in expanding your business?

Julian: In 2024, we partnered with BPI to support BOK Chicken's expansion, allowing us to open new locations and access new technology. Rather than seeking investors, we strategically used leverage to fund our growth while maintaining full ownership and control over our business.

Beyond expansion, BPI's credit facilities played a crucial role in our day-to-day operations. Our credit line provided flexibility in managing purchase orders, ensuring we had the necessary working capital to secure inventory without disrupting cash flow.

Additionally, part of the loan proceeds went into upgrading our digital infrastructure. We enhanced our POS and order integration systems, streamlining transactions across multiple locations and improving overall efficiency. These upgrades enabled us to serve customers better, reduce order errors, and enhance real-time sales tracking.



Furthermore, to serve more SMEs nationwide and shorten the turnaround time of loan evaluation, Business Banking redefined its lending practices, leveraging on data science and

adopting predictive credit models. The shift allowed the maintenance of sound risk management, while still unlocking new growth opportunities, and further fostering financial inclusion.

SUPPLY CHAIN FINANCING

To further support the needs of SMEs across the country, BPI has established a supply chain financing program for the suppliers and distributors of our key anchor corporate clients, enabling the smooth flow of the country's value chain.

In 2024, BPI embarked on a journey to digitalize both our trade and supply chain financing programs, marking a significant shift in how we serve our clients. The digital transformation enabled over 270,000 trade and supply chain financing transactions, with a volume of over PHP 160 billion.



BPI Direct BankKo, Inc. (BankKo) is BPI's wholly owned microfinance arm, dedicated to uplifting Filipino Self-Employed Micro-Entrepreneurs (SEMEs).

BankKo posted an impressive 44% year-on-year increase in its total net loan portfolio in 2024, fueled by higher loanable amounts, simpler lending solutions, and more accessible customer touchpoints.

New Products and Services	• InstaCashKo Personal Loan introduced as a convenient and affordable multi-purpose loan for low-salaried individuals, extending BankKo's reach beyond micro-entrepreneurs • Agri NegosyoKo Loan introduced in partnership with agri-tech company Agrilever, aimed to help farmers strengthen their agricultural practices and improve their livelihoods
Accessible Customer Touchpoints	Hyper-local approach, deepening our presence in local barangays through expanded touchpoints and stronger engagements with communities • 20 new branches and kiosks, for a total of 368 BankKo branches • Member-Get-Member Program, where clients are rewarded for successful deposit or loan account referrals

As a testament to BankKo's hyper-local approach, we have extended financial services even to indigenous and minority groups like the T'Boli Tribe in Mindanao.

Complementing our strong growth trajectory in 2024, BankKo also implemented a credit statistical scorecard, leveraged on data-driven risk assessment to optimize credit evaluation.



Acquired by BPI as part of our merger with Robinsons Bank, Legazpi Savings Bank (LSB) is the Bank's subsidiary dedicated to serving the teaching and non-teaching personnel registered with the DepEd and CHED through tailored financial solutions such as the Automatic Payroll Deduction Program.

Tallying a total loan portfolio of PHP 8.72 billion by year-end 2024, LSB has achieved a staggering 46% year-on-year growth by expanding distribution channels

as well as enhancing client experience in accessing products and services. Leveraging on the existing brick-and-mortar branches of BPI and BankKo to boost our reach, LSB also optimized the client onboarding process by simplifying loan application requirements and allowing the digital signing of loan documents.

In 2024, LSB also continued diversifying its banking solutions catering to the different financial needs of professionals in the education sector.

- Express Gabay Loan launched to bridge the financing needs of teachers awaiting DepEd's approval for longer term loans
- Deposit products offered for teachers in rural and remote areas, in coordination with the Department of Social Welfare and Development (DSWD)
- Cashback campaigns introduced for teachers

SALARY ON-DEMAND

Recognizing the need for financial flexibility among salaried workers, BPI launched Salary On-Demand allowing Filipinos to access their hard-earned salaries prior to payroll date. In 2024, we were able to partner with 95 companies, registering over 25,000 employees and facilitating over 57,000 availments amounting to PHP 221.5 million. The initiative has empowered employees to manage their finances effectively, demonstrating BPI's commitment to promoting financial wellness.

CUSTOMER ACQUISITION AND DIGITALIZATION

In 2024, BPI further built on our network of agency partners and our robust digital infrastructure, recognizing that financial inclusion must be supported by accessible, user-friendly, and secure touchpoint infrastructures.

As a result, the Bank's presence multiplied nationwide, complementing our traditional brick-and-mortar branches, ATMs, and CAMs.



1,266

No. of branches nationwide

Over PHP 377 million

No. of client transactions done through our digital platforms

Over 660,000

No. of clients served through our partner stores and partner portals

2,581

No. of ATMs and CAMs

Over 13 million

No. of clients using our digital platforms

24

No. of our partner stores and partner portals

Agency Banking

To further reach underbanked Filipinos living in far-flung vicinities and even remote islands across the country, BPI has ventured into Agency Banking starting 2022. Complementing traditional branches

and digital infrastructures, Agency Banking has established relationships with Partner Stores and Partner Portals where clients can access our products and services.

Partner Stores	The cornerstone of BPI Agency Banking's success lies in its robust network of 24 retail partner stores, comprising more than 6,000 doors nationwide, some of which are in locations where BPI branches are not present. Clients can avail BPI's products and services such as housing loans and auto loans in each partner store. These partnerships have enabled over 660,000 customers to access essential banking services, contributing to 734,600 products in the hands of the customers.
Partner Portals	2024 also marked the awaited launch of the BPI Partner Portal, where clients can deposit and withdraw, on top of availing BPI products and services such as housing loans and auto loans. Through five pilot partner stores with 107 doors, BPI customers were able to conduct 14,500 transaction, with an aggregate transaction amount of over P100 million. Notably, the trailblazing collaboration with Prince Stores, Prince Hypermart, and Rodamel Drugstore has made banking more accessible to individuals in remote areas in Tuguegarao, Visayas, and Mindanao.

BPI has served over 660,000 clients through Agency Banking in 2024, underscoring our commitment to bringing financial services closer to underbanked communities across the Philippines.

Agency Banking also collaborated with digital platforms like Lazada, where we held a live-selling campaign that enabled over 50,000 customers to engage real-time with BPI products, bridging the gap between traditional banking and the digital marketplace. By pioneering such initiatives, BPI has set another benchmark for financial engagement in the digital era.



Digital Platforms

In 2024, BPI recorded over 13 million users with over 377 million transactions across its seven digital platforms, recording a 79% year-on-year surge in our digital transaction count. The stellar growth was backed by the launch of our seventh digital platform, BPI Wealth Online, as well as the revamp of our securities trading platform, BPI Trade.

Our push for digitalization is also in view of its positive impact towards sustainable development, allowing the mitigation of the use of environmental resources such as paper and fuel, as well as the servicing of underbanked Filipinos such as persons with disabilities (PWDs), senior citizens, and isolated communities.

“BPI has made my life more comfortable due to the convenience it offers, especially through online banking.”

Marelen “Len” Matugas Coro

BPI client since 2003

Enabled Mobile Check Deposit facility in the BPI App

Marelen “Len” Matugas Coro is the owner and manager of ABUKAY Beach House and Seafood Restaurant located in General Luna Siargao Island. She has been banking with BPI since 2003. Despite the closest BPI branch being a two-hour boat ride away from her, BPI remains her preferred bank for her personal transactions.

The introduction of the mobile check deposit feature in the BPI App has been a game-changer for Marelen’s business. Not only are her business transactions now smooth and seamless, but she can also manage her account instantly and has recommended it to her fellow business-owners on the island.

How long have you been living in Siargao? Are you a native of Siargao or have you decided to migrate there?

Len Coro: My parents are originally from Siargao, but I was born and raised in Surigao City. I moved to Manila for college and stayed there for over ten years after graduating for work. When the pandemic hit and Typhoon Odette caused widespread damage to the island, I relocated to Siargao in 2021 to support my family and start my own business.

When and how did you begin banking with BPI?

Len: BPI is my first bank. My mom helped me open an account when I was in high school. Since then, I have relied on BPI for everything—from receiving my allowance and funds to pay for tuition, withdrawing money during international trips, receiving my payroll, and more.

What major projects of FGEN, especially those connected to renewable energy (RE), have BPI funded in the past and how did they turn out to be?

Len: I have been with BPI since I was a



teenager. BPI has made my life more comfortable due to the convenience it offers, especially through online banking. As a Preferred client, I also enjoy zero fees for fund transfers, which I often use to pay suppliers. Most importantly, the mobile check deposit feature allows me to complete transactions without even having to visit the bank.

From whom did you learn about the mobile check deposit feature? Was it your relationship manager (RM)?

Len: Whenever I visit my branch, BPI-Surigao, I always make sure to meet with my relationship manager, Mr. Christopher Po, and would [jokingly] tell him to expedite the opening of a BPI branch on the island. Mr. Po was the one who first introduced me to the mobile check feature. After receiving a notification about it, I decided to give it a try. When my first check cleared, I was thrilled, and since then, I have had

since then, I have had [an easier time] transferring funds, whether on the island or abroad.

How has the mobile check deposit feature made an impact on you personally and to your business? How were you able to do more in life?

Len: The mobile check deposit has made my life much easier while living on the island. Initially, I struggled with transactions because the distance made it challenging to complete tasks, especially fund transfers. Transactions and fund transfers have never been this easy and convenient! The mobile check deposit feature has saved me so much time and effort, no matter where I am. This has given me the freedom to focus more on my business and other important areas of my life.

BPI'S SEVEN DIGITAL PLATFORMS

 BIZLINK Convenient and secure online banking platform for businesses	 BIZKO Ang Business Partner Ko	 BANKO MOBILE APP Banking made easy for Masang Pinoy	 BPI APP Your financial journey starts with a tap.
 VYBE BY BPI One-stop app for payments and rewards	 BPI TRADE Trusted Trading Partner, Anytime, Anywhere	 BPI WEALTH ONLINE Experience seamless wealth management at your fingertips	

As more Filipinos continue to adopt digital banking services in their day-to-day personal and business transactions, BPI also saw a continued growth in the user base of our existing digital platforms. BizKo, the Bank's digital platform dedicated for SMEs, nearly tripled its active user base in 2024 alone. Meanwhile, BizLink, the Bank's premier digital platform for corporate clients, recorded a notable increase in its user base, with across-the-board growth in enrollments, active logins, and financial transactions.

Banko's commitment to include the Masang Pinoy in our country's financial ecosystem by focusing on bridgitalization or bridging the gap of the underserved Filipinos through hyper-local, tech-enabled financial solutions has yielded 500,000 users since 2019.

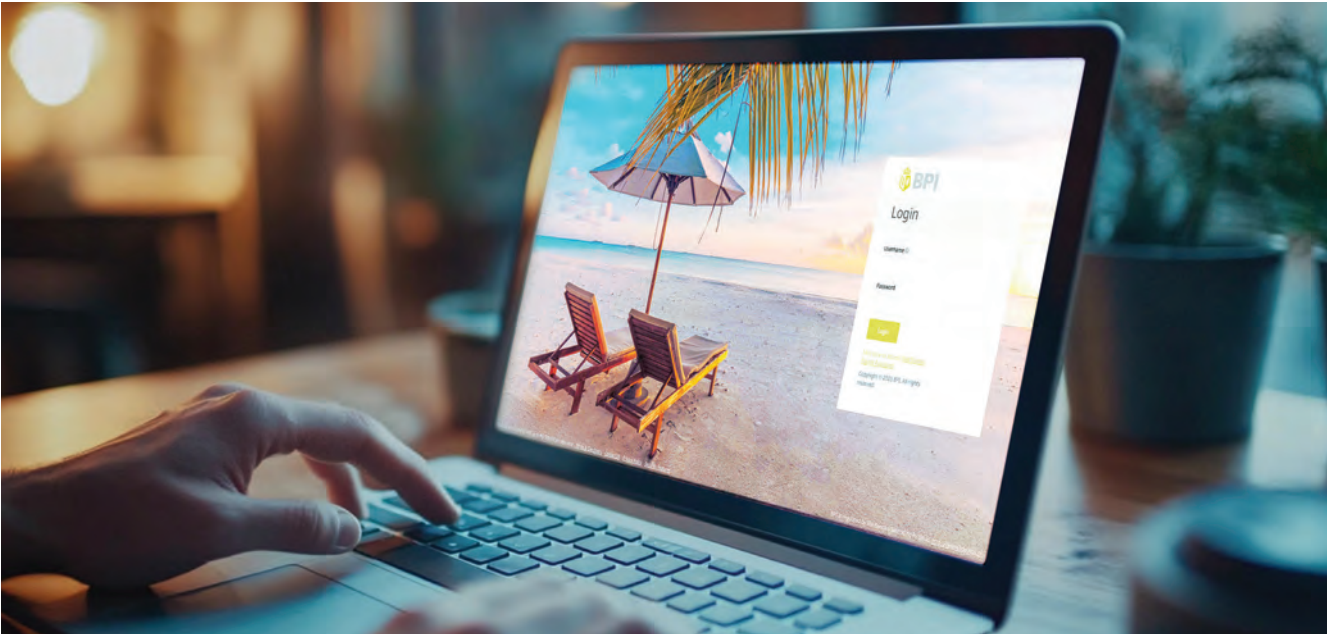
In the retail space, the Bank's digital platforms also saw exceptional growth. BPI App, the first-of-its-kind digital platform with AI-powered insights, garnered a 30% increase in its transaction count year-on-year, establishing itself as a pivotal platform for acquiring new customers as well as deepening client relationships.

VYBE, the Bank's digital wallet platform, also exceeded its target transaction volume for the year five-fold, bringing in 1.7 million users since its launch in 2022.

Along with the steadfast growth of clients served through BPI's digital platforms, we also continued enhancing its features, with its functions expanded to cater to the different banking needs of every Filipino, and its safety mechanisms further strengthened to ensure the security of facilitated transactions.

FEATURE ENHANCEMENTS	PLATFORMS	DESCRIPTION
Digital Account Opening	BPI app	Straight-through digital account opening process, allowing clients to open new accounts with BPI without going to a branch
Mobile Check Deposit	BizLink BPI app	Check deposit facility through digital platforms BizLink app and BPI app, allowing both retail and corporate clients to deposit BPI and non-BPI checks online
Cardless Withdrawal	BPI app VYBE by BPI	Cash withdrawal from select ATMs without a debit card via the BPI app or the VYBE app, for clients and their assigned cash recipients
BPI e-Invest	BPI app	All-in-one digital platform that simplifies investment account opening seamlessly, while equipping clients with essential investor knowledge; in just under five minutes, clients can open an account and confidently make their first investment of choice

FEATURE ENHANCEMENTS	PLATFORMS	DESCRIPTION
Fraud Management System	BizKo	An automated and real-time fraud monitoring and detection system that can identify and block suspicious or fraudulent online transactions
Incoming PESONet Payroll	BizLink	Ensures seamless payroll crediting to BPI accounts, even for employees of corporate clients maintaining funding accounts with other banks
Payroll with Insurance	BizLink	Integrates payroll processing with Group Life and Personal Accident Insurance, providing added value to employees at no extra cost
ePayroll	BizLink	Quick and easy payroll account opening for employees of corporate clients
Free Fund Transfers	VYBE by BPI	Free fund transfers to other VYBE users, other e-wallets, and other banks
Pay via QR	VYBE by BPI BPI app	QR payment mechanism through the BPI app or VYBE without the need for physical cash



In April 2024, BPI Wealth Online was launched, completing the Bank’s array of seven digital platforms.

BPI Wealth Online is designed to provide clients a holistic view of their financial assets, enabling them to seamlessly manage their wealth anytime, anywhere. Upon its launch, BPI Wealth Online has debuted with a robust suite of features:

- 360° Portfolio View, providing a comprehensive snapshot of financial assets
- Investment Transactions, allowing clients to buy and sell securities for seamless portfolio management
- Secure Messaging, for safe and efficient communications of clients with their relationship managers, even allowing investment proposal approvals

Today, BPI Wealth Online proudly serves over 15,000 high net worth clients. Moving forward, we aim to further revolutionize wealth management with the use of cutting-edge technology, empowering clients with advanced analytical tools for smarter investment decisions as well as enhancing personal customer touchpoints via strengthened collaborations between clients and relationship managers.

“We appreciate this collaboration with BPI and remain open to future opportunities that can help enhance our business operations.”

Charles Bernard A. Tañega
Corporate Treasurer
Universal Robina Corp (URC)

BPI in collaboration with Universal Robina Corp (URC) made a significant leap forward in its commitment to digitalization with the development of the Digital Supply Chain Facility (SCF). Digital SCF enhanced both URC’s ability to streamline operations and improve supplier experience.

The SCF solution is powered by Pilon, a system that allows suppliers to view the approved invoices from URC and access immediate financing as needed. The Digital SCF represents a broader, long-term commitment to digitalization for both URC and BPI. The collaboration of BPI with Pilon not only supports URC’s suppliers but also the wide clientele of the Bank.

Since when was URC a BPI client? How did the digital collaboration with BPI start?

Bernard Tañega: Our Digital SCF was initially with Robinsons Bank (RBank), but we transitioned it to BPI in 2024. Since then, we have worked closely with them to continuously improve the platform.

In a nutshell, how does the Digital SCF work?

Bernard: Digital SCF leverages the capability of the Bank to finance the working capital of both URC and our vendors. It uses a platform that enables vendors to receive advance payments for their invoices, while giving URC the opportunity to extend its payment terms with its suppliers. In an SCF program, the Bank pays URC’s supplier on behalf of the company and on [the] due date, URC pays the Bank. This allows URC’s suppliers to take advantage of URC’s strong credit standing, affording them cheaper financing rates.

What drove URC to commit to digitalization?

Bernard: Digitalization is a key priority for URC.

Our commitment to digitalization stems from our drive to streamline processes and deliver the best possible experience to our customers and suppliers. As a company, we continuously strive for improvement by keeping up with [the] latest technological innovations, with digitalization playing a crucial role in this pursuit. Additionally, having process efficiencies in place allows us to focus on other key company initiatives.

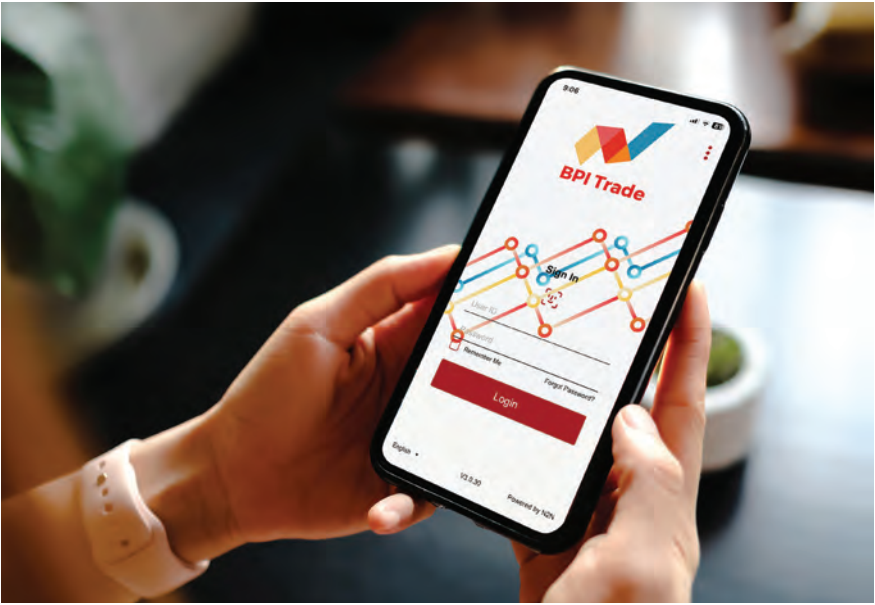
How does BPI’s Digital SCF play a role in this commitment? And how has it impacted URC’s business?

Bernard: Banks play an important role in this commitment, as they are responsible in coming up with innovative products, which cater to the needs of their clients. BPI’s Digital SCF

allows us to enhance the efficiency of our payments process. The Bank’s platform seamlessly integrates with our system, allowing timely sending of invoices. This enables suppliers to request immediate payment as needed. BPI’s Digital SCF also has controls in place to safeguard URC and vendor information.

Through this program, BPI was able to support the working capital needs of URC suppliers, while also allowing URC to improve its working capital efficiency. Over the years, vendors have shared how SCF has provided them access to immediate funding by leveraging on URC’s credit rating, helping them support their daily operations and expansion plans. Aside from SCF, BPI has also given special product offerings to URC suppliers.





BPI Securities Inc. (BPI Sec) revamped BPI Trade in 2024, modernizing its interface to include more advanced trading analysis features.

In view of the revamp, BPI Trade saw a noteworthy 20.6% year-on-year increase in transaction volume, with over 13,000 clients trading on the platform and over 28,000 clients using the platform to monitor their existing portfolios.

To further enhance client experience, BPI Trade is looking to introduce new features moving forward such as eReserve, allowing clients to subscribe to IPOs and other corporate actions, as well as eRegistration, providing a fully digital account opening process.

Phygital Transformation



BPI continued to expand our brick-and-mortar branches to increase our presence to new locations, while tailoring our branches' format to match the needs of clients in each location.

As of year-end 2024, we have already transformed 63 branches to include top-of-the-line features, such as a concierge desk, a quick-transact area, as well as meeting pods and meeting

rooms equipped with virtual conferencing capabilities. Following their transformation, phygital branches saw growth in business volumes, such as an impressive 130% higher average monthly net acquisition.

“Convenient po talaga, lalo na sa pagbabayad. Hindi ko na kailangang magbiyahe ng 30 minutes papuntang San Pablo para lang magbayad ng suppliers.”

Jasmin Urriza
General Manager, Urriza Agricultural Supply
BanKo Mobile App user

Among Jasmin Urriza's tasks as general manager of her family's agricultural feeds business is to pay their suppliers through check deposits. To do this, she takes a long ride from their store in Nagcarlan, Laguna to their bank's branch in San Pablo City. She eventually discovered BanKo and learned more about its digital banking services, which have made business operations easier.

Paano nagismula ang inyong negosyo?

Jasmin Urriza: Yung business namin ay nag-start 1997 pa. Nagsimula lang akong mag-handle nito nung namatay ang tatay ko

nung 2017. Pero yung mother ko pa rin yung sa operations. Ako lang yung nagha-handle ng financial side.

Paano niyo nadiskubre ang BanKo?

Jasmin: Located ang tindahan namin malapit sa palengke. Strategic yung lugar ng BanKo kasi nasa palengke lang din sila. So 'pag magpapa-deposit ako, walking distance lang. Napuntahan din ng mga ahente ng BanKo yung mother ko. Ang in-offer po nila is yung NegosyoKo Loan, [na in-avail namin ng mother ko].

Nag-search din ako online kasi hindi ako

familiar sa BPI BanKo. Tapos nung magpunta ako sa branch, tinulungan nila akong mag-open ng deposit account sa BanKo Mobile App. Mabilis lang! 5 minutes, may account na ako. Pwede na akong mag-deposit sa branch ng cash para magkaroon na ng laman ang account ko.

Paano nasolusyunan ng BanKo, lalo na ng Mobile App, ang inyong mga business challenges?

Jasmin: Isa rin sa mga naging plus points ng Mobile App is yung bank transfer kasi during pandemic, hirap na hirap akong magpondo. Na-try kong magpondo sa mga pawnshop kasi hindi pwedeng magbiyahe noon. Ang naging problema ko sa pag-deposit sa pawnshop ay yung charges. May time lang nung pandemic na naka-waive lahat ng charges, pero kalaunan, nagka-charges uli. Si BanKo, hanggang ngayon, walang fees sa bank transfer tsaka sa bills payment. Sobrang convenient for me. Tapos, any time of the day, pwedeng mag-transfer at magbayad ng mga bills.

Ang challenge din kasi sa akin is may isa pa akong trabaho – virtual assistant din ako, and usually, tulag ako sa umaga. Nagigising ako by 2 or 3 PM, so 'di na talaga ako umaabot sa mga bangko madalas kung magbibiyahe pa ako. Kaya talagang laking tulong sa akin ng BPI BanKo for transfer ng pera.

Convenient po talaga, lalo na sa pagbabayad. May mga suppliers kasi kami na kailangan munang bayaran bago sila mag-deliver ng items sa amin. So para makapagpondo ako sa bangko namin or direct transfer na sa account ng supplier, ginagamit ko yung BanKo. Kasi kadalasan, cash-basis pa rin ang transactions sa Nagcarlan. Hindi ko na kailangang magbiyahe ng 30 minutes papuntang San Pablo para lang magbayad ng suppliers.



FORMAT	TARGET CUSTOMER	LOCATION	CUSTOMER EXPERIENCE
Phygital	Retail and Corporate	Urbanized Cities	- Physical + Digital Engagement - Physical and Virtual Relationship Managers - Self-service facilities
Prime Phygital	Affluent and High Net Worth Customers	High Profile Areas	- Premium experience, with an enclosed Preferred lounge for an intimate engagement - Leveled-up customer experience
Flagship	All Customer Segments	Highly Urbanized Cities	- Complete set of Expert Advisors - Showcase of latest tech innovations



BUSINESS GROWTH

In view of BPI’s efforts across financial inclusion, customer acquisition, digitalization, and customer experience, the Bank has seen our business propel to new heights with record-high number of Filipinos served, while further enabling the country’s economic growth.

Having also leveraged on our merger with Robinsons Bank in 2024, BPI posted stellar growth numbers, with the Bank’s loan book realizing an 18% increase as complemented by a 13% growth in deposits.



Loans

BPI’s total loan book grew by 18% to PHP 2,287 billion as of year-end 2024, with all of the Bank’s portfolio segments posting two to three-digit growth figures. The rally was led by our institutional loan portfolio in terms of absolute amount, surging by PHP 165 billion. Meanwhile, our business bank loan portfolio led the rally in terms of percentage growth, propelling by 126%. sub-three percent, showcasing our strong risk management culture. Particularly, the Bank’s housing, auto, business banking, and microfinance portfolios saw their lowest NPL ratio in three years. Amidst the Bank’s hefty loan growth levels, our NPL ratio levels remained at

PHP 1,653 Bn	PHP 36 Bn	PHP 15 Bn
Institutional Loans	Business Banking Loans	Microfinance Loans

PHP 261 Bn	PHP 106 Bn	PHP 181 Bn	PHP 36 Bn
Housing Loans	Auto Loans	Credit Card Loans	Personal Loans

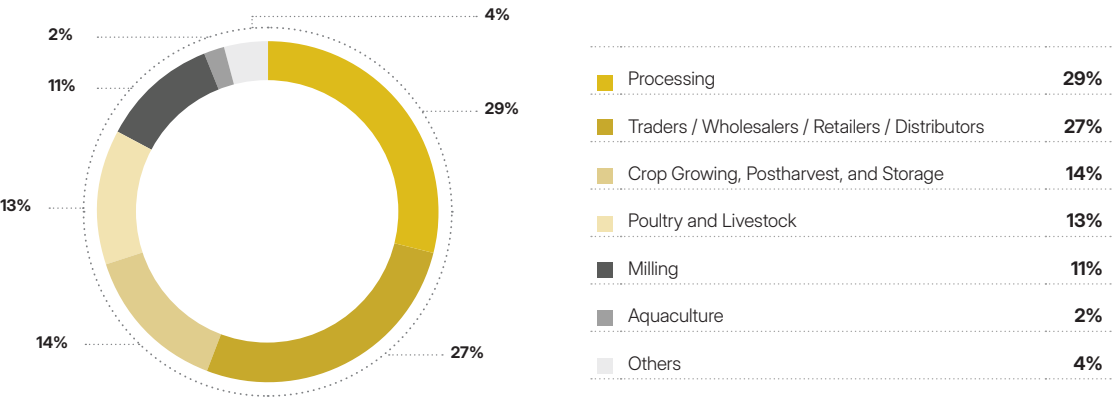
BPI’s institutional loan portfolio posted an 11% year-on-year growth to PHP 1,653 billion in 2024, largely driven by acquisition financing deals as well as the higher utilization of credit facilities to serve clients’ working capital requirements. Some noteworthy deals include the acquisition of Coca-Cola Beverages Philippines, Inc. (CCBPI) by Coca-Cola Europacific Partners Plc (CCEP) and Aboitiz Equity Ventures (AEV), as well as First Gen Corporation’s acquisition of the Casecnan Hydroelectric Power Plant. Outstanding loans from specialized credit products also reached PHP 511 billion, highlighting our efforts in Structured Finance, Agribusiness, and Sustainable Development Finance (SDF).



➊ Growing pens with healthy pigs on a 1,390-sow farm in Mindanao; In Bicol, a farmer manually removing weeds in the rice field; Grading eggs in a 480,000-layer farm in Visayas; Milkfish production using Norwegian Fish Cages in Davao de Oro.

As a means to mitigate the prevailing food poverty in the Philippines, BPI maintains a dedicated program supporting the agribusiness sector, supporting a wide range of agriculture businesses. In 2024, BPI disbursed a total of PHP 270 billion to agribusiness projects, bringing the Bank’s cumulative total to PHP 1.4 trillion. Backed by the technical expertise of our Agribusiness Division, BPI supported 51 swine farms with a combined sow level of 213,000, resulting in an estimated yearly production of 3.9 million pigs. Furthermore, the Bank supported 56 poultry layer farms, which were projected to produce two billion eggs annually to meet the demand for bread, pastries, and other egg-based products. Another noteworthy achievement was the Bank’s support for 117 broiler farms, which are expected to yield an estimated output volume of 479 million chickens in 2024, significantly augmenting the country’s protein supply.

BPI's Agribusiness Portfolio



BPI's pioneering and multi-awarded Sustainable Development Finance (SDF) Program continued to be a driving force in augmenting the Bank's financing for renewable energy, energy efficiency, climate resilience (including green buildings), and sustainable agriculture. In 2024, the SDF Program even expanded its array of project categories, now also including pollution control and sustainable water.

Financing an additional PHP 45 billion worth of projects in 2024, the SDF Program's cumulative portfolio now totals to PHP 322 billion. Adding up to 485 projects – an unmatched number in the Philippine banking industry – the Bank's cumulative disbursements are estimated to reduce greenhouse gas (GHG) emissions by 35 million tCO₂e per year.

BPI's SDF Program supports both large companies and SMEs alike, providing

free technical and financial evaluation from top-tier consultants trained and accredited by the International Finance Corporation (IFC) of the World Bank Group.

Recognizing that renewable energy projects may also bring forth environmental and social risks, BPI ensures that proper permits and risk mitigation measures are in place prior to the actual loan disbursement. For a more in-depth discussion of environmental and social criteria that the Bank applies for our financing portfolio, kindly refer to pages 105 to 108.

BPI CONSOLIDATED LOAN PORTFOLIO
(AS OF DECEMBER 2024)

RANK	TYPE OF BUSINESS / INDUSTRY	% Share
1	Real Estate Activities	22.76%
2	Manufacturing	13.73%
3	Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles	11.00%
4	Financial and Insurance Activities	9.60%
5	Information and Communication	8.12%
6	Electricity, Gas, Steam and Air-Conditioning Supply	7.19%
7	Transportation and Storage	2.41%
8	Construction	2.34%
9	Agriculture, Forestry and Fishing	1.57%
10	Accommodation and Food Service Activities	1.40%
11	Water Supply, Sewerage, Waste Management and Remediation Activities	1.00%
12	Human Health and Social Work Activities	0.74%
13	Other Service Activities	0.65%
14	Professional, Scientific and Technical Activities	0.63%
15	Administrative and Support Service Activities	0.31%
	Others	16.54%
	Total	100%

The Bank recognizes the potential environmental and social (E&S) risks associated with certain sectors and activities. These risks can include increased greenhouse gas emissions, negative impacts on local communities, biodiversity loss, and other adverse effects. For example, financing greenfield

coal-fired power generation plants poses significant environmental challenges. In response, the Bank has committed to reducing its exposure to such projects to zero by 2032. Furthermore, we have expanded our Exclusion List to reinforce our commitment to sustainability.

Acknowledging these risks, the Bank aims to promote the financing of projects geared towards sustainability. This approach seeks to increase the Bank's portfolio share in sustainable industries and activities, thereby contributing meaningfully to a more resilient and responsible future.

UN SDG Portfolio

As a financial institution, BPI recognizes our important role in directing funds towards the country's sustainable development. As such, the Bank remained steadfast in financing companies and

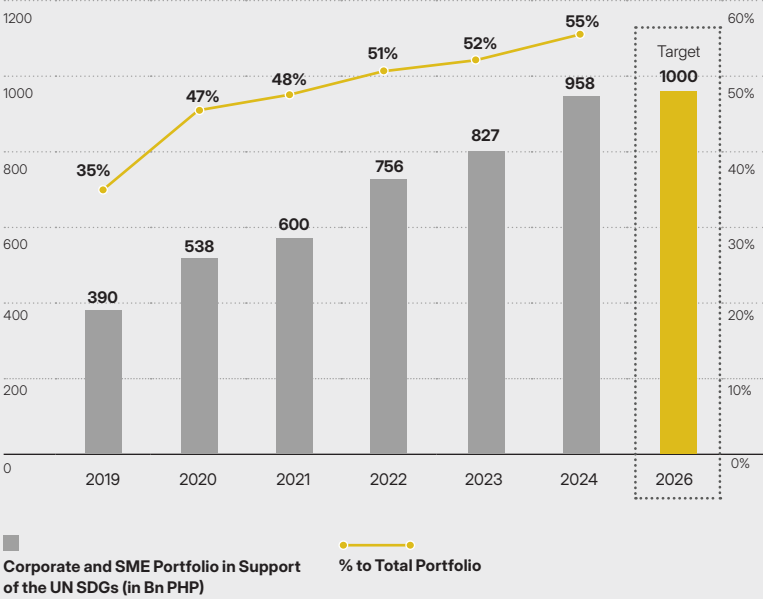
projects in support of the UN Sustainable Development Goals (SDGs).

In 2024, BPI's outstanding corporate and SME portfolio in support of UN SDGs increased by 16% to PHP 958 billion, representing 55% of the total portfolio.

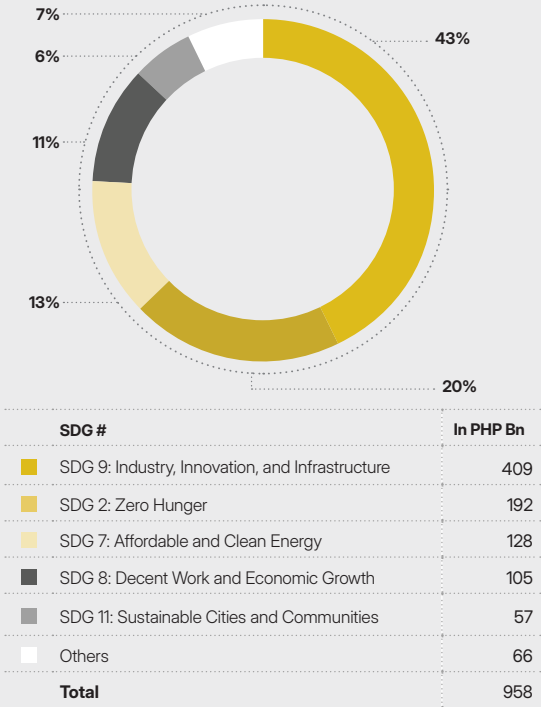
This resulted to a PHP 57 billion worth of gross interest income for the Bank.

BPI has targeted to have a PHP 1 trillion corporate and SME portfolio in support of UN SDGs by 2026.

Historical Portfolio Trend (in PHP Bn)



Breakdown per SDG, as of year-end 2024



Power Generation Portfolio

BPI fully supports the country's targets in transitioning to sustainable energy and ensuring climate resilience:

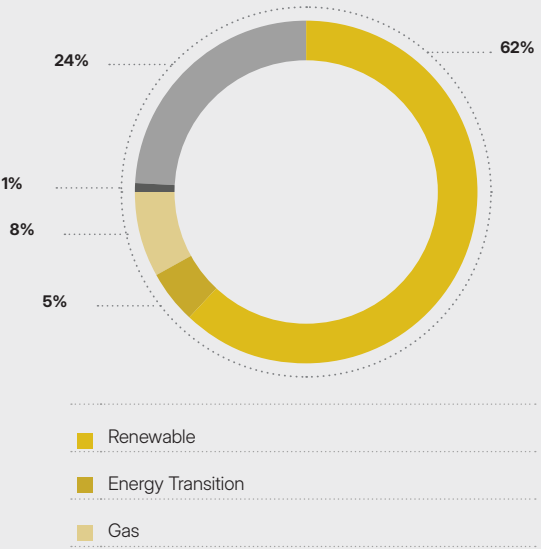
- 75% cumulative GHG emission reduction and avoidance from a Business-As-Usual (BAU) scenario from 2020 to 2030, as the Philippines' Nationally Determined Contributions (NDCs) to the Paris Climate Agreement
- 50% renewable energy (RE) share of the Philippines' power generation mix by 2040, as part of the Philippine Energy Plan

As such, the Bank continues to grow our RE portfolio through the SDF Program while still recognizing that a complete and immediate abandonment of non-RE is not yet feasible due to the expected resulting supply deficit versus demand.

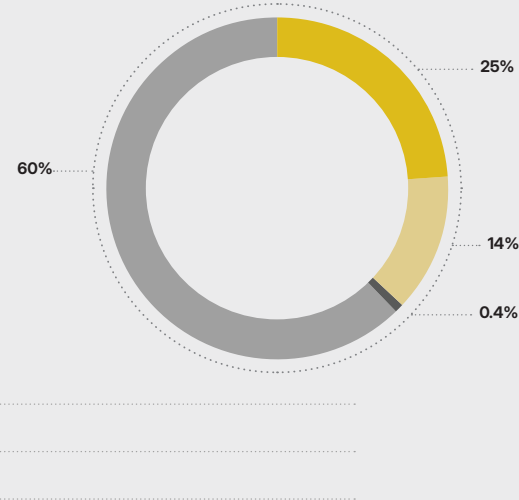
BPI's outstanding RE financing comprises 62% of the Bank's total power generation mix as of year-end 2024, still significantly higher compared to the Philippines' total share of RE at 25% in the national grid as of December 2024.

Meanwhile, BPI is on-track with our commitment to zeroing out our coal power generation portfolio by 2032, lowering our exposure from 29% of the Bank's power generation financing mix as of year-end 2023 to 24% as of year-end 2024.

BPI's Power Generation Financing Mix (as of December 2024)



National Grid Energy Generation Mix (as of December 2024)



BPI's housing loan portfolio grew by 38% to PHP 261 billion in 2024, driven by a strong 19.5% organic increase alongside the PHP 34 billion acquisition of Robinsons Bank's housing portfolio. As a result, the Bank's housing loans market share propelled beyond 20%, reinforcing our leadership in home financing.

The portfolio's organic growth was primarily fueled by strategic initiatives, including competitive loan offers, tailored lending programs, and stronger collaborations with developers and brokers, leading to deeper market penetration and heightened client engagement.

Another key driver was the 777 Promo, making homeownership more accessible with a 7% fixed interest rate, a seven-year fixed term, and waived bank fees up to PHP 70,000. Designed for both first-time buyers and refinancing homeowners, the promo addressed the rising demand for cost-effective financing solutions.

The Bank also continued to strengthen our MyBahay program, to further serve first-time homebuyers and underbanked sectors.



MyBahay offers affordable rates alongside a low downpayment, making it easier for Filipinos to purchase their dream homes. With minimal income requirements, the program is tailored for young professionals, starting families, and overseas Filipino workers (OFWs) eager to invest in homeownership. In 2024, MyBahay reached a portfolio volume of PHP 772 million, up more than seven-fold from 2023.

BPI's auto loan portfolio grew by 39% in 2024, reaching PHP 106 billion, pushing the Bank's market share beyond 16%.

A key driver was the expansion of dealership channels, strengthening the Bank's presence on dealer floors and deepening engagement with car buyers at the point of sale. This enhanced visibility streamlined loan

GREEN SOLUTIONS

In 2024, BPI also launched Green Solutions, the first collection of eco-friendly housing & auto financing options for retail clients in the Philippines, including:

- Solar Mortgage
- Electric Vehicle (EV) and Hybrid Vehicle Financing

Solar Mortgage is designed to support homeowners in acquiring solar panels for their residences, promoting sustainable and eco-friendly energy solutions. Meanwhile, EV and Hybrid Vehicle Financing is designed to help clients acquire electric or hybrid vehicles as part of BPI's commitment to promoting sustainable and eco-friendly transportation.

applications and approvals, making the financing process more seamless.

Exclusive partnerships with top automotive brands further cemented the Bank's competitive edge. Our collaboration with Ford Philippines, for example, provided clients with flexible auto loans and exclusive discounts, making vehicle ownership more accessible. The Bank also leveraged on high-visibility industry events, such as the Manila International Auto Show to launch exclusive promotions, including discounted interest rates, waived bank fees, and free first-year motor insurance with BPI MS.

Launched in 2022, MyKotse continued to gain traction as an attractive auto loan solution, providing clients with greater financial flexibility through competitive interest rates and extended payment terms. In 2024, the program experienced remarkable growth, surging by 305%.

BPI's motorsiklo business, acquired through the Robinsons Bank merger in 2024, delivered strong performance in its first full year of integration. The portfolio grew by 19% to PHP 4.5 billion in 2024, exceeding its acquisition value of PHP 3.8 billion and outpacing industry growth.

A key driver of this growth was the Bank's strong partnership with Premiumbikes, accounting for 98% of total motorcycle loan releases. This collaboration reinforced the Bank's position in the motorcycle financing space and provided a steady pipeline of good-quality borrowers.



Beyond institutional partnerships, the Bank also deepened our community engagement through targeted outreach programs. Partnerships with Tricycle Operators and Drivers' Associations (TODA) and local cooperatives enabled on-the-ground financing support for motorcycle buyers. Community-based booting activities also provided accessible loan consultations, helping underserved segments secure financing with ease.

BPI's credit card business continued to exhibit robust growth, achieving a 31%

year-on-year increase to reach a PHP 181 billion portfolio by year-end 2024.

The growth was primarily driven by a sustained focus on new acquisitions. Investments made in digitizing customer applications over recent years are now yielding positive results, with digital channels accounting for more than 30% of new acquisitions.

The Bank has also successfully expanded our acquisition and credit line actions through the implementation of credit

tests, broadening credit card eligibility for both bank and non-bank clients, and increasing credit lines to boost customer purchasing power. These expansion efforts, combined with robust risk-mitigating strategies, have ensured that past due rates remain within acceptable levels. As of year-end 2024, BPI's credit card portfolio remains to have the lowest past due rate among all Philippine banks.

BPI's merger with Robinsons Bank, coupled with strategic efforts, has contributed to market share growth across cardbase, billings, and credit card loans. Furthermore, the launch of large-scale and targeted campaigns has resulted in billing growth that outpaces the market. In 2024, to facilitate ease of access for cardholders, we launched the "Oh My Deals!" app, allowing cardholders to conveniently browse, filter, and search for nearby promotions.

BPI's personal loan portfolio grew by 92% year-on-year in 2024, achieving a total portfolio amount of PHP 36 billion. The staggering loan growth was primarily achieved by launching re-availment loan campaigns, diversifying channel sources, and introducing credit initiatives that help expand the product's customer base.

LAVLOAN PROGRAM

In 2024, BPI launched the LavLoan Program, designed to provide specialized financing solutions tailored to ease the financial challenges associated with cancer treatment. LavLoans can be availed through various product options, including housing loans, auto loans, and personal loans, depending on our clients' specific needs.

Deposits and Bond Issuances

PHP **2,615** Bn

Total deposits as of year-end 2024

13%

Total deposits growth in 2024

PHP **57** Bn

Bond issuances in 2024

In 2024, BPI's total deposits surged to PHP 2.6 trillion, marking a 13% year-on-year increase. A key driver of this growth was the seamless merger with Robinsons Bank, which contributed PHP 142 billion in deposits or 6.2% of the total annual increase. The merger not only strengthened BPI's branch network but also expanded our customer base, attracting higher deposit inflows from both individual and corporate clients.

Throughout the year, BPI also reinforced our commitment to promoting financial wellness by introducing innovative deposit products designed to cultivate a strong savings culture.

BPI also intensified efforts to acquire payroll clients, positioning itself as the premier financial partner for corporate payroll and cash management solutions. Strengthened partnerships with our corporate and business banking customers not only boosted deposit growth but also solidified BPI's role in providing seamless financial services to employees across industries.

Applying a targeted approach through segment-specific deposit campaigns, BPI also offered differentiated products and customized engagement strategies to ensure that each customer segment — whether individuals, businesses, or institutions — received tailored financial solutions that meet their unique needs.

As a complement to deposit-taking initiatives, BPI also tapped the capital markets via bond issuances twice in 2024. Both bonds received overwhelming support, with the dollar issuance being 3x oversubscribed and the peso issuance being 6x oversubscribed.

PRODUCT	ENHANCEMENT DESCRIPTION
Saver-Plus	Encouraged clients to save more while earning rewards through the VYBE platform
Maxi-Saver	Provided bonus interest and waived fees on select banking products
Pamana Savings	Offered free life insurance coverage equivalent to three times the account balance, ensuring financial security for depositors and their families



- USD 400 million Bonds due 2029
- PHP 33.7 billion Sustainable, Environmental, and Equitable Development (SEED) Bonds due 2026

The BPI SEED Bonds marks the Bank's largest ESG-themed issuance to date. Further details on the green and social projects where its proceeds are allocated are covered in the Sustainability Bonds Report.



BOND NAME	BOND TYPE	ISSUE DATE / MATURITY DATE	REMARKS
OUTSTANDING			
Sustainable, Environmental, and Equitable Development (SEED) Bonds	Sustainability Bonds	09 August 2024 / 09 February 2026	6x oversubscribed
MATURED			
CHF 100Mn ASEAN Green Bonds - 24 September 2021	Green Bonds	24 September 2019 / 24 September 2021	First negative yielding bond in Southeast Asia
PHP 21.5Bn COVID-Action Response (CARE) Bonds	Social Bonds	07 August 2020 / 07 May 2022	First ASEAN Social Bond issuance and first COVID Response Bond in the Philippines
PHP 20.3Bn Reinforcing Inclusive Support for MSMEs (RISE) Bonds	Social Bonds	30 January 2023 / 30 July 2024	4x oversubscribed
USD 300Mn ASEAN Green Bonds - 10 September 2024	Green Bonds	10 September 2019 / 10 September 2024	First public USD-denominated green bond from a Philippine bank

BPI Sustainable, Environmental, and Equitable Development (SEED) Bonds
Website link: <https://www.bpi.com.ph/about-bpi/news/bpi-successfully-lists-php-337-bn-seed-bonds>

BPI Green Deposits Report

BPI has outstanding Green Saver Time Deposits, allowing clients to take part in funding projects with clear environmental benefits.

For the reference of depositors, outlined herewith are details of the projects whereby product proceeds are allocated.

DEPOSIT PRODUCT NAME	OUTSTANDING SIZE (in PHP Bn)	TENOR
Green Saver Time Deposit	9.69	5 years

ESTIMATED IMPACT FROM EARMARKED GREEN BUILDING PROJECTS

CATEGORY	PROJECT	SUBCATEGORY	OUTSTANDING BALANCE (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION FROM ENERGY (in tCO ₂ /year)	PROJECTED GHG EMISSION REDUCTION FROM MATERIALS (in tCO ₂ /year)	ELECTRICITY SAVINGS (in MWh/Year)
Renewable Energy	1	Solar	6.39	Luzon	96,964	-	-
	2	Solar	0.51	Luzon	7,825	-	-
	3	Solar	0.15	Luzon	2,807	-	-
Sub-Total			7.05		107,596	-	-
Green Buildings	4	EDGE (Compliant)	2.54	NCR	265	1,654	551
	5	EDGE (Certified)	0.10	NCR	25	0.49*	50
Sub-Total			2.64		290	1,654	601
Total			9.69		107,886	1,654	601

* based on approximation

BPI Sustainability Bonds Report

BPI conducts fund-raising activities via green, social, and sustainability bonds under an established Sustainable Funding Framework, to augment the Bank's capacity in enabling projects promoting sustainable development.

BPI's Framework is in accordance with the following standards and principles:

- International Capital Market Association (ICMA) Green and Social Bond Principles and Sustainability Bond Guidelines

- Loan Market Association (LMA) Green and Social Loan Principles
- Association of Southeast Asian Nations (ASEAN) Green, Social, and Sustainability Bond Standards

PROJECT CATEGORY	PROJECT TYPE
Eligible Green Projects	- Renewable Energy - Energy Efficiency - Sustainable Water and Wastewater Management - Pollution Prevention and Control - Green Buildings
Eligible Social Projects	Micro, Small and Medium Enterprises (MSMEs) Lending

Sustainability Bonds

As of year-end 2024, BPI's PHP 33.7 billion Sustainable, Environmental, and Equitable Development (SEED) Bonds, an ASEAN Sustainable Bond label, is the sole outstanding sustainability bond

issued under the Bank's Framework. Proceeds of the SEED Bonds have been fully allocated to eligible renewable energy and energy efficiency projects, as well as eligible social projects. The

Sustainability Bond has resulted to an estimated 84,308.86 tCO₂e reduction in Greenhouse Gas (GHG) emissions, and provided funding for 3,903 MSMEs.

ISIN CODE	AMOUNT IN PHP	TENOR	COUPON RATE	ISSUE DATE	MATURITY DATE
PH0000059222	33.7 billion	1.5 years	6.20%	09 August 2024	09 February 2026

OUTSTANDING EARMARKED PROJECTS (AS OF DECEMBER 2024)

CATEGORY	PROJECT	SUBCATEGORY	OUTSTANDING BALANCE (in PHP Bn)
Renewable Energy	1	Solar	9.39
	2	Solar	1.00
	3	Solar	0.21
	4	Hydro	0.13
	5	Solar	0.02
	6	Solar	0.02
	7	Solar	0.01
	8	Solar	0.01
	9	Solar	0.00
Sub-Total			10.79
Energy Efficiency	10		0.29
	11		0.26
Sub-Total			0.55
Total			11.34

ESTIMATED IMPACT FROM EARMARKED RENEWABLE ENERGY PROJECTS

PROJECT	OUTSTANDING BALANCE (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION (in tCO ₂ /year)
1	9.39	Luzon	63,678.83
2	1.00	Luzon	13,243
3	0.21	Luzon	2,504
4	0.13	Visayas	2,343
5	0.02	Visayas	306
6	0.02	NCR	135
7	0.01	NCR/Luzon	135
8	0.01	Visayas	124
9	0.00	Luzon	37
Total	10.79		82,506.45

ESTIMATED IMPACT FROM EARMARKED ENERGY EFFICIENCY PROJECTS

PROJECT	OUTSTANDING BALANCE (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION (in tCO ₂ /year)	PERCENTAGE ELECTRICITY SAVINGS (v.s. baseline value)	ELECTRICITY SAVINGS (in MWh / year)
10	0.29	NCR	141	18%	324
11	0.26	Luzon	1,661	73%	3,819
Total	0.55		1,802		4,143

EARMARKED SOCIAL PROJECTS WITH IMPACT ACHIEVED

CATEGORY	AMOUNT (in PHP Bn)	NUMBER OF ACCOUNTS	NUMBER OF CUSTOMERS
Micro Enterprise	0.85	1,840	1,735
Small Enterprise	3.28	1,633	949
Medium Enterprise	18.23	3,946	1,219
Total	22.36	7,419	3,903

External Verification

External auditor Second Party Opinion (SPO) provider Sustainalytics performed an independent evaluation of the projects funded under the Framework as of year-end 2024. The evaluation included an assessment on whether the projects financed met the following criteria outlined in the Bank's Framework:

- Use of Proceeds, including the Eligibility Criteria
- Impact Report, including at least one Key Performance Indicator (KPI) for each Use of Proceeds criteria

Sustainalytics’ Annual Review can be accessed through BPI’s institutional website, along with more details on BPI’s Sustainable Funding Framework: <https://www.bpi.com.ph/about-bpi/sustainability/funding-framework>

Treasury

Through our Treasury handled by the Global Markets Segment, BPI remained to be at the forefront of helping Filipino businesses navigate global markets.

In 2024, our fixed income sales volume grew with a massive 84% increase to PHP 270 billion, backed by ten new institutional accounts onboarded with a total volume amounting to PHP 117 billion. The Bank also started offering US Treasury bills to institutional clients, allowing them easy access to the world's safe haven security.

Meanwhile, our foreign exchange and derivatives sales volume saw a 32% growth to USD 51 billion in 2024. Further harnessing our Type 1 Derivatives License, we made new variants of derivatives products available for our clients, giving them a wide array of strategies to further hedge foreign exchange risks more effectively amidst global volatilities.

The Bank also remained to be astute in managing our proprietary investment and trading portfolios, while also supporting global sustainable development. Having a firm grasp of more complex structured products, we continued to participate in Infrastructure Asset-Backed Securities (IASB) financing the development of critical infrastructure and renewable energy projects across various countries in the Asia Pacific region. Furthermore, we also invested in the Philippines’ first public blue bond transaction, in support of sustainable water and wastewater management projects.

Wealth Management

BPI Wealth sustained a strong growth momentum in 2024, with our Assets Under Management (AUM) reaching PHP 1.53 trillion by year-end — an outstanding 25.6% increase from PHP 1.22 trillion in 2023. Our remarkable expansion further reinforced BPI Wealth's leadership in the trust industry, solidifying our

position as the largest investment fund manager and the largest stand-alone trust corporation in the Philippines.

Our growth was primarily driven by the acquisition of third-party wholesale clients as well as the successful execution of landmark deals and strategic partnerships, reinforcing BPI Wealth's enhanced presence in institutional investments. In 2024, the company secured 326 new mandates and established five new wholesale partnerships.

Furthermore, the continued success of the Private Wealth Signature experience resulted in the addition of nearly 500 new Private Wealth clients. BPI Wealth also strengthened our engagement with retail customers through strategic partnerships with the Bangko Sentral ng Pilipinas (BSP) and various financial associations, contributing to the acquisition of more than 21,000 new retail clients.

Demonstrating our dedication to transparency, compliance, and operational excellence, BPI Wealth was awarded the International Standard on Assurance Engagements (ISAE) Certification in 2024. This certification reinforces stakeholder confidence in the company's internal controls and operational reliability.

In the fourth quarter, BPI Wealth also introduced the BPI Wealth Builder—an innovative investment product designed to make investing accessible and rewarding for every Filipino. With a minimum investment of just PHP 1,000 and regular top-ups starting at PHP 100 per month, clients can grow their wealth effortlessly while unlocking free lifestyle, health, medical, and life protection benefits. Fully accessible through digital platforms, this groundbreaking offering delivers unparalleled convenience, making investing easier than ever.

Insurance

BPI continues to provide top-tier insurance solutions to Filipinos through BPI AIA and BPI MS. BPI AIA, the Bank's life insurance arm. BPI AIA ended 2024 as the #1 bancassurance company, also ranking #2 in net income, and #4 overall in the life insurance industry in the country. This also coincided with BPI AIA receiving the World Finance Award for Best Life Insurance Company in the Philippines for the seventh consecutive year.

Meanwhile, BPI MS, the Bank's non-life insurance arm, saw a 34% increase in its policies availed digitally through the online sales platform and an 11% increase in its microinsurance policies for BanKo customers. As of year-end 2024, BPI MS boasts over two million insurance policies, providing protection to Filipinos and their homes, auto-mobiles, and businesses.

Key strategic partnerships and improved synergies were vital to the growth of BPI MS, allowing the distribution of its products across diverse platforms and client segments.

- In July 2024, BPI MS launched an innovative partnership with Lazada to offer affordable insurance products tailored to the needs of more Filipinos (eg. accident insurance for commuters, fire insurance, hospital care insurance).
- In August 2024, BPI MS started offering free Personal Accident insurance to Save Up account holders through BPI Agency Banking, creating a bundled product that enhances the value of the Save Up account.
- In October 2024, BPI MS partnered with Qoala, one of the largest insurtech companies in Southeast Asia, to offer the Accidental Damage and Liquid Damage (ADLD) insurance for gadgets through Digimap Phils.

To cater to the unique protection needs of Filipinos and their families nationwide, BPI AIA and BPI MS both introduced new insurance solutions in 2024.

PRODUCT	COMPANY	DESCRIPTION
Future Ready	BPI AIA	Comprehensive insurance solution offered in 3 distinct packages – Health, Protection, and Legacy, designed for individuals in their various life stages
Aspire Premier	BPI AIA	Life insurance product with a two-year pay term, and guaranteed periodic cash payouts from the second year onwards
Wealth Advantage	BPI AIA	Participating endowment plan that provides guaranteed death benefit, maturity benefit, and annual cash payouts, giving Filipinos the best of both worlds – financial freedom and a secure future
BPI Safe Sakay	BPI MS	- Personal Accident (PA) insurance product designed to provide protection for commuters, including motorcycle riders, in cases of permanent disablement, dismemberment, or death due to accidents - Comes with a Double Indemnity benefit, if accidental death occurs while on board a public transportation

Remittances

In 2024, BPI continued to dominate the Philippines’ remittance sector. BPI’s transaction count for remittances and fund transfers (RFT) surged by 55% to 115 million, propelling the Bank’s over-all market share to 30% across the industry, with land-based remittances holding a 24% market share and sea-based remittances holding a 52% market share.

The growth was primarily driven by Filipinos’ increasing familiarity and acceptance of using InstaPay, as well as more secured deals with tie-up partners. Particularly, three new tie-ups were implemented in 2024, with Welldone Company in Taiwan, Kabayan Int’l in Japan, and Al Zamil Exchange in Kuwait, contributing to an increase of USD 40 million in volume and 129,000 in transactions. Meanwhile, six of the Bank’s existing tie-ups were able to contribute a 45% total increase in transaction count.

Investment Banking

In 2024, BPI Capital, the Bank’s fully-owned investment banking arm, closed more than 30 transactions, providing a comprehensive

suite of client-focused and solutions-driven investment banking services:

- Corporate finance, including strategic advisory as well as mergers and acquisitions
- Structured finance and loan syndication
- Debt and equity underwriting
- Securities distribution

In debt capital markets, BPI Capital maintained its dominance, ranking 1st among all investment banks in the Bloomberg Corporate Bonds League Table for Philippine Peso Bond Issuances. Outside of corporate issuances, BPI Capital also provided consistent support to the Philippine Government by being part of its capital raising activities in PHP and USD. In total, BPI Capital arranged and underwrote nine corporate bond issuances with an aggregate issue size of PHP 163 billion in 2024.

Furthermore, BPI Capital continued to be active in the project and acquisition finance space in support of the government’s Build Better More program, with a particular focus on the renewable energy space. During the year, we arranged eight sustainability-themed transactions including:

- Maynilad’s maiden bond issuance where we acted as sole issue manager, the country’s first Blue Bond

- Ayala Land’s two sustainability-linked bond (SLB) issuances, the Philippines’ first SLBs
- ACEN’s sustainability-linked loan which we co-arranged with the Asian Development Bank, another first in the country

BPI Capital has also consistently been at the forefront of developing the domestic Equity Capital Markets (ECM). In 2024, we executed nine transactions with a cumulative issue size of over USD 350 million through a combination of overnight private block placements and perpetual preferred share issuances, navigating volatile and uncertain Philippine and global markets to emerge as #1 in the domestic ECM league table. Our experience in bringing to market the first-ever Real Estate Investment Trust (“REIT”) in 2020 and the expertise developed over time by subsequently bringing other significant REITs into the market has allowed us to continue providing unparalleled support to this emerging asset class.

Notable transactions during the year include the placement of 1.7 billion RL Commercial REIT (“RCR”) shares totaling approximately PHP 8.5 billion, the largest overnight placement for a REIT which was solely arranged and underwritten by BPI Capital, and 4 overnight block sales for AREIT, aligned with the company’s placement strategy.

CUSTOMER EXPERIENCE

In 2021, BPI set an ambitious goal: to become the #1 bank in Net Promoter Score (NPS) by 2026 by embedding customer satisfaction into its core strategy. NPS measures customer satisfaction and loyalty by asking them how likely they are to recommend BPI products and services to others.



To make this goal a reality, we at BPI embarked on a customer delight transformation journey wherein we redefined our Vision, Mission, and Core Values to reflect our renewed commitment to turning customers into advocates. By strengthening our understanding of customer needs and pain points, we sought to elevate our position as the bank of choice.

At the heart of this transformation was the Customer Delight System, a framework designed to instill the culture of customer obsession across all levels. This system introduced six cultural initiatives (Signature Experience, Delight-inengineering, Rapid Resolve, In the Kitchen, Leaders Show and Share, Delight-o-meter) to ensure that every

Unibanker, regardless of role, played an active part in enhancing customer delight.

To make customer satisfaction measurable and actionable, BPI implemented branch NPS and problem resolution surveys, launched customer dashboards, and leveraged social media sentiment analysis to identify and address priority pain points. In addition, bi-monthly Customer Hour sessions were established to bring together cross-functional teams to analyze key metrics and drive solutions. At the leadership level, the Customer Delight Council, chaired by the President, was created to review progress, ensure strategic alignment, and introduce new initiatives.

10% of KPIs dedicated to customer delight to help achieve the #1 NPS ranking



Customer obsession isn't just a philosophy—it's a competitive advantage.

To ensure the initiative is embraced across the whole organization, we empowered 143 Customer Delight Officers across all divisions, equipping them to champion customer-first initiatives. Their contributions became a key performance measure, with 10% of their KPIs dedicated to customer delight in both 2023 and 2024. To further reinforce engagement, we introduced our first-ever bank-wide incentive program in 2023, rewarding employees for helping us achieve the #1 NPS ranking. In 2024, we strengthened our culture even more by launching “I am BPI”, the BPI Brand Ambassadors Program, reinforcing that every Unibanker is a BPI advocate.

Our commitment to customer delight delivered extraordinary results. By

December 2023, we had surpassed our five-year target in just two years, securing the #1 NPS ranking—a position we maintained in 2024. Beyond rankings, our quantitative improvements were tangible. Customer issue resolution rates rose from 96% in 2021 to 99% in 2024, while client satisfaction climbed from 51% in April 2023 to 83% by May 2024. Even more significantly, the number of customer responses skyrocketed from just 472 in May 2023 to an impressive 962,000 by December 2024, driven by the seamless transition of our branch feedback system from paper forms to a cutting-edge digital QR code platform.

This transformation likewise helped achieve significant business impact. In

2023, we achieved a record net income of PHP 51.6 billion, reflecting a 30% year-on-year growth. This momentum continued in 2024, with our net income rising to PHP 62 billion (USD 1.05 billion), a 20% increase over the previous year.

At BPI, we have proven that customer obsession isn't just a philosophy—it's a competitive advantage. By putting our customers at the center of every decision, fostering a culture of delight, and aligning leadership with execution, we have redefined what it means to be a truly customer-first bank. BPI strives to do more to set a new standard for banking excellence anchored on trust and the best digital offers.



BPI embarked on a customer delight transformation journey to reflect our renewed commitment to turning customers into advocates

ESG MATTERS

Staying true to our commitment to sustainability, BPI consistently integrates Environmental, Social, and Governance (ESG) principles into our core business operations, gearing the development and delivery of the Bank's products and services to drive positive environmental and social impact. Through collaborative efforts with various stakeholders across the value chain, BPI remains steadfast in ensuring a more resilient and sustainable financial ecosystem, while also contributing to nation building.

The Bank also consistently strengthens our sustainability performance by further aligning our ESG policies, standards, and initiatives to global best practices and principles while striving to mitigate any potential negative environmental and social-related risks that may emanate from projects we finance as well as our direct operations.

Environmental Matters

BPI manages the impact of our operations to the environment as well as the impact of the environment to our operations through well-studied programs, in coordination with internal and external stakeholders (including subject matter experts).

Greenhouse Gas (GHG) Emissions Reduction

In support of the Paris Climate Agreement, as well as the Philippines' Nationally Determined Contributions (NDCs) wherein the country has committed to a 75% cumulative GHG emissions reduction and avoidance from a Business-As-Usual (BAU) scenario, BPI has been continuously studying means

to minimize GHG emissions from our financed portfolio and our operations.

Following an External GHG Baselineing Engagement with a third-party service provider organization from 2022 to 2023, BPI further refined the accounting of our GHG emissions in accordance with the GHG Protocol, further guiding the Bank in the crafting of a strategy towards a potential Net Zero Commitment.

GREENHOUSE GAS (GHG) EMISSIONS (NON-FINANCED EMISSIONS)

INDICATOR	CATEGORY	UNITS	2023	2024	DESCRIPTION	COVERED FACILITIES
Scope 1	Stationary Combustion ¹	tCO ₂ e	53	55	Fuel consumption of generator sets in bank-owned facilities	BPI Group of Companies (parent company and 50%+ owned subsidiaries) ^{2,4}
	Mobile Combustion ¹	tCO ₂ e	102	1,224	Fuel consumption of bank-owned vehicles	BPI Agency Banking ³
	Fugitive Emissions ¹	tCO ₂ e	[no data]	3,247	Unintentional releases of refrigerants from air-conditioning units and refrigerators in bank-owned facilities	BPI Parent Bank ²
	Process Emissions	tCO ₂ e	n/a	n/a		

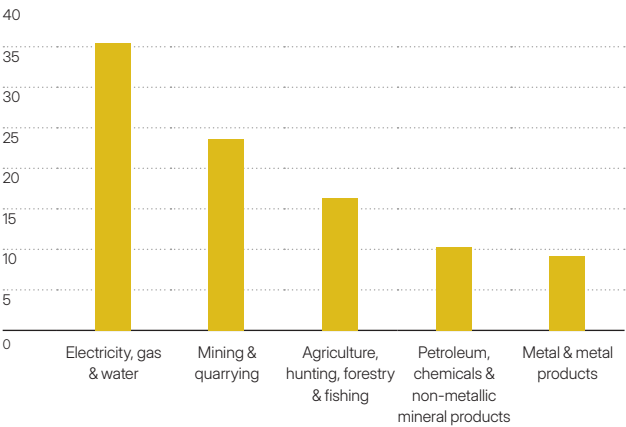
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GREENHOUSE GAS (GHG) EMISSIONS (NON-FINANCED EMISSIONS)						
INDICATOR	CATEGORY	UNITS	2023	2024	DESCRIPTION	COVERED FACILITIES
Scope 2	Purchased Electricity	tCO ₂ e	8,979	9,843	Electricity consumption in bank-owned facilities	BPI Group of Companies (parent company and 50%+ owned subsidiaries) ^{2,4}
	Purchased Cooling	tCO ₂ e	n/a	n/a		
	Purchased Heating	tCO ₂ e	n/a	n/a		
	Purchased Steam	tCO ₂ e	n/a	n/a		
Scope 3	Category 3: Fuel and Energy-Related Activities ¹	tCO ₂ e	1,735	2,480	- Extraction, production, and transportation of fuels consumed - Extraction, production, and transportation of fuels to generate electricity consumed - Generation of electricity lost in transmission and distribution	BPI Group of Companies (parent company and 50%+ owned subsidiaries) ^{2,4}
	Category 5: Waste Generated in Operations ¹	tCO ₂ e	[no data]	197	Third-party disposal and treatment of generated waste	BPI Buendia Center, BPI Operations Center, BPI Consumer Center, and BPI Binondo Rosario
	Category 8: Upstream Leased Assets ¹	tCO ₂ e	9,319	14,706	Fuel consumption of generator sets in leased facilities	BPI Group of Companies (parent company and 50%+ owned subsidiaries) ^{2,4}
					Electricity consumption in leased facilities	BPI Group of Companies (parent company and 50%+ owned subsidiaries) ^{2,4}
					Unintentional releases of refrigerants from air-conditioning units and refrigerators in leased facilities	BPI Parent Bank ²
	Category 9: Downstream Transportation and Distribution	tCO ₂ e	n/a	n/a		
	Category 10: Processing of Sold Products	tCO ₂ e	n/a	n/a		
	Category 14: Franchises	tCO ₂ e	n/a	n/a		
GHG Emissions (Non-Financed Emissions) ⁵		tCO ₂ e	20,188	31,751		
GHG Emissions Intensity (Non-Financed Emissions) (per PHP 1 Bn revenue) ⁵		tCO ₂ e / PHP	146	187		

In 2024 to 2025, BPI continued studying Philippine-based emission factors which can be used to compute for the financed emissions of its corporate loan portfolio.

Presented herewith are the highest sector-based emission factors the Bank is studying for the financed emissions computation of our corporate and SME portfolio.

Financed Emissions Factors based on the Global Trade Analysis Project (GTAP)
(in tCO₂e / Php Mn)



The accounting of BPI's GHG emissions has further guided the Bank in focusing on initiatives which ultimately impact decarbonization. As such,

the Bank has already implemented numerous initiatives to reduce our GHG emissions across Scope 1, 2, and 3.

Summarized herewith are the Bank's GHG emissions reduction initiatives, along with the affected scope and category of each initiative.

GHG EMISSION REDUCTION INITIATIVE	AFFECTED SCOPES AND CATEGORIES
Shift of three corporate offices to 100% Renewable Energy use through the Green Energy Option Program (GEOP), in partnership with ACEN	Scope 2, Purchased Electricity
Shift to energy efficient technology such as LED lights and inverter air conditioning units	Scope 2, Purchased Electricity
IFC EDGE green certification of 22 bank branches	- Scope 2, Purchased Electricity - Scope 3, Purchased Goods and Services (Category 1) - Scope 3, Capital Goods (Category 2)
Adoption of Sustainable Aviation Fuel (SAF) for documents shipping, in partnership with DHL	Scope 3, Upstream Transportation and Distribution (Category 4)
Shift to e-shuttle of the roving vehicle across the Bank's corporate offices in the Makati CBD, in partnership with Global Electric Transportation (GET)	Scope 3, Upstream Transportation and Distribution (Category 4)
Adoption of work from home arrangements	Scope 3, Employee Commuting (Category 7)
Shift of material used in credit cards to recycled Polyvinyl Chloride (rPVC)	Scope 3, End-of-Life of Sold Products (Category 12)
Recycling of plastic flyers used in document delivery, in partnership with DHL	Scope 3, End-of-Life of Sold Products (Category 12)
Exclusion of greenfield coal power generation from the financed portfolio	Scope 3, Investments (Category 15)
Exclusion of diesel-fired power generation plants for applications where diesel is the primary source of energy (except those for missionary electrification purposes) from the financed portfolio	Scope 3, Investments (Category 15)

cont...

GHG EMISSION REDUCTION INITIATIVE	AFFECTED SCOPES AND CATEGORIES
Renewable energy referral program for corporate and SME clients, in partnership with ACEN	Scope 3, Investments (Category 15)

¹ estimated with the use of publicly available emission factors from reputable data sources such as the UK Government and the California Air Resources Board
² excluding foreclosed assets and stockyards where repossessed vehicles are stored
³ cost-based data from vehicles used exclusively by Agency Banking
⁴ disclosures in 2023 only include emissions from the parent bank, excluding foreclosed assets and stockyards where repossessed vehicles are stored
⁵ total updated to include GHG emissions under Scope 1 Mobile Combustion and Scope 3 Fuel and Energy-Related Activities

Green Building Transformation

BPI set a record high of eleven additional EDGE-certified green bank branches in 2024, following five in 2022 and six in 2023. As of December 2024, BPI has a total of 22 EDGE-certified green bank branches, all achieving at least 20% savings on energy, water, and embodied energy in materials.

Electricity, Fuel, and Water Consumption Management

BPI regularly monitors the electricity, fuel, and water consumption levels of all owned and leased facilities to identify means by which the Bank can reduce consumption, and thereby mitigate our environmental impact.

PROJECT	SAVINGS		
	ENERGY	WATER	EMBODIED ENERGY IN MATERIALS
BPI Cebu Capitol	28%	40%	55%
BPI Clarkfield Balibago	40%	37%	96%
BPI Commonwealth	32%	35%	94%
BPI Davao Damosa	39%	27%	92%
BPI Dela Rosa Paseo	52%	23%	98%
BPI Grace Park 11th Ave	38%	54%	93%
BPI Iligan	50%	31%	84%
BPI Las Pinas	43%	41%	97%
BPI Pasay Buendia	34%	34%	53%
BPI Salcedo Village	43%	40%	96%
BPI UN Avenue	50%	41%	91%

INITIATIVE	REMARKS
Shift to 100% Renewable Energy (RE)	- First Philippine bank to shift corporate offices to 100% RE through the Green Energy Option Program (GEOP), in partnership with ACEN Corporation - Three corporate offices shifted to 100% RE, namely BPI Buendia Center, BPI Consumer Center, and BPI Operations Center
Shift to Energy Efficient Appliances	100% of BPI parent's branches converted to LED lights since 2021
Shift to Sustainable Aviation Fuel	First Philippine bank to join DHL's GoGreen Plus service, allowing GHG emissions reduction from documents shipping through the shift to Sustainable Aviation Fuel
E-Shuttle for Employees	E-Shuttle available for employees in the Bank's corporate offices in Makati, offering free transport in designated pick-up points (including corporate offices and nearby train stations)
Hybrid Work Arrangement	Provision of mobility work tools for hybrid work set-up that allows flexible assignment of workspaces for select head office units as suitable, reducing the Bank's: - indirect emissions from employee commuting - requirement for office space, thereby also reducing real estate footprint
Rainwater Harvesting	Implementation of a rainwater harvesting system, resulting to over 30,000 gallons of rainwater saved



In support of clean transportation, BPI has also instituted electric vehicle (EV) charging stations in three of our branches, namely:

- BPI BF Paranaque
- BPI Commonwealth
- BPI Magallanes South

ENERGY CONSUMPTION

INDICATOR	UNITS	2023	2024
Fuel Consumption ^{1 2}	liters	34,498	50,165
National Grid Electricity Consumption ^{2 5}	gigajoules	91,569	122,755
Renewable Energy Consumption	gigajoules	33,527	33,318
Total Electricity Consumption ²	gigajoules	125,096	156,073
Energy Intensity from Fuel Consumption ^{2 3}	gigajoules / PHP	10	12
Energy Intensity from Consumption of Electricity sourced through the National Grid ^{2 3}	gigajoules / PHP	662	751
Energy Intensity from Renewable Energy Consumption ³	gigajoules / PHP	242	204
Energy Intensity ³	gigajoules / PHP	914	954
Water Consumption ^{4 5}	cubic meters	308,967	758,140

¹ Fuel consumption from generator sets
² Includes consumption in ex-RBank facilities as well as all 50%+ owned subsidiaries (including LSB) starting 2024, excluding consumption emanating from foreclosed assets and stockyards where repossessed vehicles are stored; 2023 disclosure only includes consumption from the parent bank
³ Per Php 1 billion revenue
⁴ Includes consumption in ex-RBank facilities as well as all 50%+ owned subsidiaries (including LSB) starting 2024, excluding consumption emanating from BPI International Finance Limited, BPI Remittance Centre HK, Limited, and foreclosed assets and stockyards where repossessed vehicles are stored; 2023 disclosure only includes consumption from the parent bank
⁵ Historical and regional averages used, in cases wherein acquisition of physical data is not feasible or practicable

Waste Management

BPI diligently monitors waste produced from the Bank's operations, despite not having an intensive production line resulting to significant amounts of by-product.

Furthermore, the Bank works to minimize waste disposed to landfills via following the reduce, reuse, recycle hierarchy.

In 2024, BPI shifted the material used for its credit cards to recycled PVCs, in line with

the Bank's efforts on encouraging clients to shift to sustainably produced goods.

The Bank has also started exploring engaging a third-party service provider organization to augment waste diverted from landfills.

Non-Hazardous Waste Reduced	272 million pages of paper saved annually due to digitalization efforts
Non-Hazardous Waste Recycled	9,124 kg of recyclables from corporate offices
Non-Hazardous Waste Directed to Landfills	- 163,027 kg of mixed waste from corporate offices - 9,673 kg of food and drink waste from corporate offices
Hazardous Waste Stored Onsite for Disposal	- 278 kg of fluorescent lamp waste from corporate offices - 752 kg of batteries waste from corporate offices - 1,862 kg of used oil waste from corporate offices

Social Impact

As BPI further enhances its operations for continuous growth and development, the Bank ensures a positive social impact for its stakeholders, including but not limited to, employees, clients, suppliers, and local communities.

Human Rights

In 2024, BPI instituted a Human Rights Policy in accordance with international human rights principles, standards, and practices including, but not limited to, the Universal Declaration of Human Rights (UDHR).

Business Ethics

Through the Board-approved Codes of Business Conduct for directors and employees, BPI provides guidance for all actions and decisions in the performance of roles and responsibilities, including those related to interactions with various stakeholders.

The Codes list high-level ethical principles on the conduct of business activities, as well as guidance on the care for the environment, commitment to human and labor rights, customer service, protection, and privacy, as well as anti-bribery and corruption, among others. For more information, please refer to Pages 137 to 140.

Employee Welfare

Recognizing that its employees are core to the Bank's success, BPI ensures the welfare and safety of all employees across all levels through the following mechanisms:

- Providing competitive compensation packages (including non-statutory monetary and non-monetary benefits), benchmarked against industry standards
- Ensuring and maintaining safe, secure, and non-discriminative working environments
- Promoting work-life balance, by ensuring that employees'

CATEGORY	DETAILS
Monetary Benefits	• Performance Bonus • Quarterly Bonuses • Clothing Allowance • Medical Allowance
Leave Benefits	• Vacation Leaves • Sick Leaves • Parental Leaves • Emergency Leaves • Bereavement Leaves • Solo Parent Leaves
Health Benefits	• Annual Physical Examinations • Mental Health Therapy Sessions
Insurance Benefits	• Health Insurance • Life and Accident Insurance
Financial Service Benefits	• Car Loan • Housing Loan • Education Loan • Multi-Purpose Loan
Additional Benefits	• Retirement Plan (may either be Defined Contribution or Defined Benefit depending on hiring date) • Officers' Stock Purchase Plan • Long-Term Incentive Program

deliverables are commensurate to their number of work hours

In addition to the monetary benefits listed above, BPI also provides a variable bonus pay for all employees (including staff) based on the Bank's over-all performance for the year.

Furthermore, BPI also has a flexible benefits program where employees can upgrade the coverage of their existing benefits or avail additional benefits such as gym memberships. The Bank's offices are also equipped with facilities such as clinics, wellness rooms, and lactation facilities available for the use of employees.

BPI also promotes the following additional principles to ensure the well-being of its employees:

- **Work-Life Balance**
BPI acknowledges and respects the different facets of employees' lives and promotes a work environment that aims to bring fulfillment in each employee's professional and personal life.
- **Non-Discrimination**
BPI fosters a work environment that encourages respect, equal opportunity, and non-discrimination based on gender, religion, age, race, ethnicity, skin of color, disability, political views, or social background.

- **Grievance Mechanism**
BPI promptly addresses and amicably settles grievances, if any. More information on this can be found in the BPI Code of Business Conduct and Ethics on the BPI website.

Throughout the year, BPI has also hosted employee events to promote employee health and wellness through the BPI Well Program, which aims to institutionalize employee health & wellness as an organizational focus. The program touches on the six dimensions of well-being, namely:

- Physical
- Mental
- Social
- Financial
- Spiritual
- Emotional

EMPLOYEE WELLNESS INITIATIVES

INITIATIVE	DESCRIPTION
BPI Best Life Run	First-ever corporate race in the Philippines, bringing together over 4,000 runners from almost 300 institutions
Walk Back to Earth (with weekly Run Wednesdays)	• Bank-wide engagement initiative designed to encourage employees to take a more active lifestyle, following the success of the Walk to the Moon Challenge in 2023 • More than 1.9 billion steps were achieved, surpassing the number of steps needed to cover the simulated distance from the moon back to Earth
Working with Cancer	First bank to partner with Working with Cancer, promoting the early detection of cancer and ensuring that affected employees receive the care and support they need
Mind You Platform	Mental health platform where all employees can avail on-demand mental and psychosocial counselling as well as access wellness materials (including wellness webinars)
BPI Well Cup	Sportsfest open for all employees, featuring sports such as basketball and volleyball

In addition to the above-mentioned initiatives, BPI also conducts weekly Zumba sessions as well as health, wellness, and safety webinars.

In line with the employee wellness motif, BPI also employs safety mechanisms within its premises, preventing workplace injuries among employees and even clients.

EMPLOYEE SAFETY INITIATIVES

INITIATIVE	DESCRIPTION
Protection from Natural and Man-Made Hazards	• Regular work safety briefings and capacity buildings through trainings and drills, awareness campaigns, and monthly branch visits • Preparations before impact of natural disasters such as strong typhoons through weather bulletins and published emergency contact details in case needed, providing assistance up to recovery period • Regular assessment and upkeep of facility to prevent workplace accidents and damage to property
Security Protocols	• Robust protocols and safeguards on potential terrorist attacks in branches and corporate offices • Mandatory training on physical security

EMPLOYEE HEALTH AND SAFETY STATISTICS		
INDICATOR	2023	2024
No. of Disabling Work-Related Injuries	0	0
No. of Fatalities as a Result of Work-Related Injuries	0	0

Employee Engagement

To gauge employee engagement, BPI conducts biennial engagement surveys in partnership with Willis Towers Watson. This survey assesses employee satisfaction across 19 categories. In the latest edition conducted in 2023, BPI maintained its 90% engagement score—consistent with its 2021 result and three points above the global High-Performing Companies benchmark.

The survey results serve as a foundation for interventions at both the institutional and business-unit levels. Institutional-level initiatives address recurring themes across the organization or require macro-level action. Meanwhile, to tackle local engagement concerns, BPI introduced Engagement Squads in 2024. These squads, composed of representatives from each business unit, analyze engagement results, develop targeted action plans, and drive their implementation.

To foster continuous improvement, the Engagement Squads convene quarterly in town halls to build a strong engagement community, share best practices, and receive specialized training to enhance their roles as engagement ambassadors within their teams.

Additionally, BPI organizes thematic engagement activities to foster camaraderie among employees, celebrate their contributions, and create a joyful workplace environment. To kick off 2024 on a high note and keep employees informed about upcoming initiatives, BPI hosted a special town hall for all staff.

Throughout the year, the Bank highlighted unique stories of Unibankers

during thematic celebrations, including International Women's Month in March, Mother's Day in May, and Father's Day in June. BPI also organized various fun and engaging activities, such as serenades and couple stories on Valentine's Day, costume and décor contests, the annual Halloween trick-or-treat event, and a December appreciation program for outsourced utility and messenger employees, where 69 bicycles were distributed.

During its anniversary month in August, BPI partnered with the BPI Foundation and the Department of Education to support public school students. Various business units pooled resources to distribute essential schoolbags to over 5,000 children from over 20 schools, marking the occasion with a lively and meaningful program.

Talent Development

With advancing learning as one of the Bank's priority areas, efforts in enhancing

BPI also strictly upholds labor laws and regulations in the Philippines. As such, the Bank strictly enforces non-employment of minors and is against forced labor. BPI also upholds employees' rights to freedom of association and collective bargaining. In 2024, the Bank closed its Collective Bargaining Agreements (CBA) with its 5 constituent unions, covering around 8,610 or 66% of staff employees.

our learning and development through BPI University achieved unprecedented success, sustaining BPI's legacy of being known as the best in class in training employees. Through a blend of innovative approaches of offering robust training programs, expanding employee reach through investments made in our physical and digital learning spaces, and establishing an internal faculty council, BPI University revolutionized the way Unibankers have engaged with their professional development.

2024 Yearend hit rate and hours in training. At the end of 2024, 98% of employees in the Bank have gone through at least one learning activity and have invested an average of 50 hours of learning per employee.

Offering robust training programs.

With the implementation of learning programs that holistically develop technical expertise, leadership competence, and

future skills of employees, BPI University amplified its offerings that further enabled the Unibankers in 2024.

- With the merger of Robinsons Bank, all new unibankers have gone through institutional and business unit-organized onboarding training to aid them in their assimilation in the organization.
- Several academies that fortified the technical banking skills of employees were developed such as the Functional Academies that houses programs such as Sales, Credit, and Relationship Management for various business units.
- Over 6,000 officers were enrolled and a thousand completed the CHANGE Leadership Program in LinkedIn Learning that aimed to instill practical knowledge and skills necessary to carry out BPI's leadership brand.
- We have raised the bar for the top leaders in the organization by providing development programs such as:
 - Partnering with renowned learning institutions such as Asian Institute of Management (12 graduates) and Stanford University (4 enrolled) for executive leadership programs.
 - Bridging the rich expertise of senior leadership to the next-in-lines through the COALESCE Program, BPI's Internal Mentoring Program (28 mentees graduated).
- Continuous upskilling on data literacy capabilities through the FLAGS Program in Coursera (over 3217 enrolled, 2534 completed) and innovation with NUS' Digitalization Program (2 batches / 50 graduates).

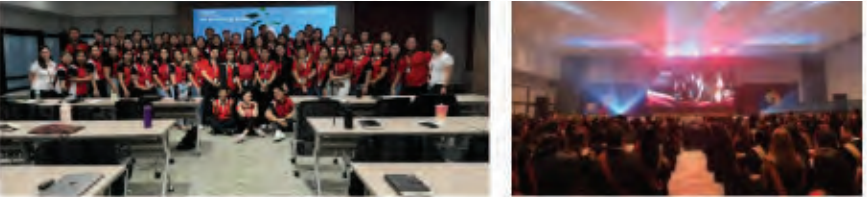
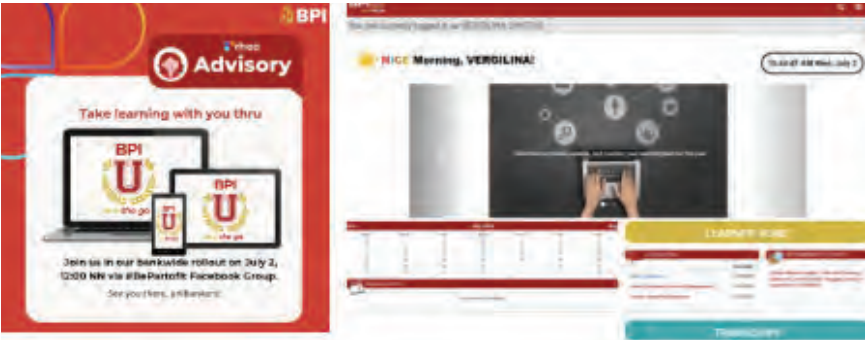


Expanding employee reach. To reach more employees, BPI U On The Go was launched. BPI U On The Go is the Bank’s learning management system that stands as Unibankers’ one-stop-shop in all their training needs. The implementation of BPI U On The Go democratized learning opportunities for every unibanker, since they were able to have access to training with just a click of a finger.

On the physical space, the renovation of the BPI University Center located at the 20th and 21st floors of BPI Buendia Center opened opportunities for unibankers to hold more conducive learning sessions with state-of-the art spaces and equipment for training. This new center is now the home of our long-awaited face-to-face comeback of institutional programs such as New Employee Orientation and the Officership Training Program.

Establishing an internal faculty council. To ensure alignment on directions and strategies to the learning teams across the Bank’s business units and spot opportunities for learning synergies, BPI’s learning council was established. The learning council is the Bank’s community of learning partners across BPI business units passionate in providing learning and development opportunities in the Bank. Quarterly meetings have been conducted to strengthen the network of the 40 council members and to continuously provide an avenue to share trends and insights on learning with each other.

Teambuilding Activities. Apart from offering skill-building programs to Unibankers, BPI University organized offsite teambuilding activities for various business units with the goal of strengthening synergies, camaraderie, and effective ways of work within the organization. Over 20 teambuilding sessions covering 1,900 employees have embarked on a teambuilding session in 2024.



MANDATORY TRAINING COURSES

COURSE NAME	FREQUENCY	DESCRIPTION
BPI Code of Business Conduct and Ethics (includes anti-bribery, anti-corruption, and conflict of interest)	Annual	An overview of key practices and behaviors that define the conduct to which employees hold themselves accountable for and the behavior that is expected from all employees at all levels in the organization
Business Continuity Management	Biennial	An overview of BPI's Business Continuity Management System (BCMS) to mitigate or avoid the impact of disruption in the delivery of BPI's services, while ensuring the safety and security of clients and employees
Data Privacy Awareness	Annual	An introduction to the basics and best practices in data privacy so that employees know how to integrate data privacy best practices in their everyday work
Enterprise Risk Management	Once	An overview of Enterprise Risk Management in the Bank, identification of key risk areas, risk management processes, and roles and responsibilities in managing the Bank's risks
Financial Consumer Protection Program	Annual	Overview of the Bank's Financial Consumer Protection Program, including: • Basic principles and ethical practices that govern the conduct in dealing with the Bank's customers • Available channels for client concerns and feedback • Guidelines on disclosure and transparency
Information Security Awareness	Biennial	An overview of the importance of information security in the operations of an organization in the aspects of technology, human actions and behavior, and the work environment
Law on Bank Secrecy	Once	An overview of different laws covering confidentiality of deposits and other accounts
Legal Risk Awareness	Once	An overview of legal risks, including its handling, its adverse financial consequences, and its prevention
Money Laundering and Terrorist Financing Prevention Program	Annual	An overview of BPI's Money Laundering and Terrorist Financing Prevention Program
Operational Risk Overview	Once	An overview of BPI's operational risks and how to manage them
ORM Basics: Risk and Control Self-Assessment	Once	A guide on how to conduct a Risk and Control Self-Assessment
Physical Security Awareness	Annual	An overview of the importance of physical security awareness, including examples of physical security incidents as well as measures to protect personnel and property from harm or damage and to prevent unauthorized access to facilities, equipment, and resources
Secure Systems Administration	Once	Covers introduction to cyber-attacks and methods for organizations and individuals to combat them
Sustainability 101	Biennial	An introduction to global and local sustainability concepts, issues, and standards, including BPI's own sustainability initiatives aimed to equip all employees in further embedding sustainability in their business activities
Workers' Occupational Safety & Health	Once	A comprehensive discussion on occupational safety and health (OSH), in compliance with Republic Act No. 11058 entitled "An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof"

ADDITIONAL INTERNAL TRAINING PROGRAMS FOR EMPLOYEES	
PROGRAM NAME	DESCRIPTION
Agriculture and Fisheries Awareness	BPI-developed training on agriculture and fisheries for officers and associates supporting the Agribusiness Division
Sustainability Boot Camp	SDF conducted two batches of the Sustainability Boot Camp for 84 new lending officers of Institutional Banking. The boot camp is a capacity-building initiative aimed at helping unibankers identify sustainable projects and market the SDF program to their clients
The Market in 30 Minutes	Weekly sessions providing key market updates and highlights to Unibankers for financial advice to clients
GM Learning Blitz	Internal learning sessions deepening employees’ appreciation on a wide-ranging set of topics including financial markets, treasury products, governance, leadership, and professional growth
Continuing Education on Derivatives Market and Products	4-part session that aims to provide better understanding on derivatives market and products and optimize them as solutions offered to clients

ADDITIONAL EXTERNAL TRAINING PROGRAMS FOR EMPLOYEES	
PROGRAM NAME	DESCRIPTION
Blue Finance Study Tour and Global Ocean Development Forum	Study tour in Qingdao, China organized by the International Finance Corporation (IFC) and the Chinese Academy of Financial Inclusion (CAFI) to provide business cases for blue finance practices in the region
Green Energy Finance Specialist Blended Learning Program	6-month program on green energy finance, including a five-day face-to-face seminar in Berlin conducted by Renewables Academy (RENAC)
Sales Management: The Leader in You	3-day Sales Management Online Program designed to provide the participants with insights on the characteristics, skills, and tools that a sales manager must possess to effectively manage both business and people
Chartered Financial Analyst (CFA) Investment Foundations Certificate Program	1-year self-paced, online program offered by the CFA Institute, designed to provide a fundamental understanding of the global investment industry’s structure, concepts, and ethical considerations
Bankers Association of the Philippines (BAP) Treasury Certification Program (TCP)	Specialized training and certification initiative jointly developed by the Ateneo Graduate School of Business Center for Continuing Education (AGSB-CCE) and the Bankers Association of the Philippines (BAP), designed to enhance the competencies of professionals in treasury operations, risk management, and financial markets, providing participants with theoretical knowledge, practical skills, and insights into global best practices in treasury management
International Finance Corporation (IFC) Managing Environmental and Social Performance	Outlines the responsibilities of environmental and social (E&S) consultants and the frameworks used by IFC to manage E&S risks in projects, emphasizing the critical role of IFC’s Sustainability Framework and Performance Standards in guiding clients to identify, mitigate, and manage environmental and social risks
International Finance Corporation (IFC) Sustainability Training and E-Learning Program (STEP)	Educational initiative tailored for financial institutions to integrate sustainable finance principles into their operations, covering the development of Environmental and Social Management Systems (ESMS), strategies to assess and manage E&S risks, and opportunities in green finance
Travel Insurance Workshop	Workshop for understanding and identifying customer pain points and insights at each journey stage
#BeFinanciallyHealthy: Financial Wellness Workshop	Workshop featuring renowned wealth coach Chinkee Tan, aimed at providing employees with knowledge about financial management including budgeting, saving, investing, and debt management, and increase awareness of the importance of financial planning that can help them make informed financial decisions

As part of talent development, BPI also annually conducts a performance management process for 100% of the Bank’s employees across all levels, including rank-and-file, officers, and executives. The performance management process starts with goal setting, wherein Key Result Areas (KRAs) and Key Performance Indicators (KPIs) are identified and approved in consideration of business objectives. Throughout the year, performance monitoring exercises are done through progress presentations within the business units and to top management. Performance feedback conversations are also employed between each immediate supervisor and direct report, as deemed necessary. Following each calendar year every January, the Bank also conducts a performance appraisal process designed according to best practices, wherein performances of employees are assessed vis-à-vis the set KRAs during goal setting as well as identified qualitative characteristics.

Employee Demographics

UNIBANK EMPLOYEES			
CATEGORY	2022	2023	2024
Direct Hires	18,201	19,522	22,599
Indirect Hires	2,610	3,424	4,678

BREAKDOWN OF DIRECT HIRES			
CATEGORY	2022	2023	2024
Gender			
Male	6,079	6,637	7,818
Female	12,122	12,885	14,781
Age			
Over 50 years old	1,528	1,674	2,386
30 - 50 years old	9,661	10,454	12,008
Below 30 years old	7,012	7,394	8,205
Region			
NCR	10,438	11,264	13,005
Luzon	4,129	4,345	5,203
Visayas	2,054	2,163	2,428
Mindanao	1,530	1,697	1,899
Hong Kong	38	37	44
London	12	16	20
Rank			
Senior Management	271	289	385
Middle Management	6,666	7,370	8,426
Rank-and-File	11,264	11,863	13,788

BREAKDOWN OF SENIOR MANAGEMENT			
CATEGORY	2022	2023	2024
Gender			
Male	134	132	175
Female	137	157	210
Age			
Over 50 years old	171	187	251
30 - 50 years old	100	102	133
Below 30 years old	0	0	1
Region			
NCR	246	259	349
Luzon	9	10	12
Visayas	6	6	9
Mindanao	3	6	7
Hong Kong	7	7	7
London	0	1	2

BREAKDOWN OF MIDDLE MANAGEMENT			
CATEGORY	2022	2023	2024
Gender			
Male	2,340	2,640	3,159
Female	4,326	4,730	5,267
Age			
Over 50 years old	829	888	1,313
30 - 50 years old	4,799	5,313	6,073
Below 30 years old	1,038	1,169	1,040
Region			
NCR	4,393	4,951	5,594
Luzon	1,204	1,299	1,544
Visayas	577	605	698
Mindanao	462	486	551
Hong Kong	24	23	29
London	6	6	10

BREAKDOWN OF RANK-AND-FILE			
CATEGORY	2022	2023	2024
Gender			
Male	3,605	3,865	4,484
Female	7,659	7,998	9,304
Age			
Over 50 years old	528	599	988
30 - 50 years old	4,762	5,039	5,804
Below 30 years old	5,974	6,225	6,996
Region			
NCR	5,799	6,054	7,065
Luzon	2,916	3,036	3,645
Visayas	1,471	1,552	1,720
Mindanao	1,065	1,205	1,341
Hong Kong	7	7	8
London	6	9	9

BREAKDOWN OF PROJECT HIRES			
CATEGORY	2022	2023	2024
Gender			
Male	0	22	1
Female	0	12	3
Age			
Over 50 years old	0	1	2
30 - 50 years old	0	18	0
Below 30 years old	0	15	2
Region			
NCR	0	34	3
Luzon	0	0	0
Visayas	0	0	0
Mindanao	0	0	0
Hong Kong	0	0	0
London	0	0	1

NEW HIRES			
CATEGORY	2022	2023	2024
No. of New Hires	922	3,718	2,682
Gender			
Male	407	1,409	1,015
Female	515	2,309	1,667
Age			
Over 50 years old	3	11	19
30 - 50 years old	306	1,007	709
Below 30 years old	613	2,700	1,954

cont...

NEW HIRES			
CATEGORY	2022	2023	2024
Region			
NCR	633	2,458	1,585
Luzon	127	533	568
Visayas	76	335	256
Mindanao	82	380	257
Hong Kong	3	5	13
London	1	7	3
Employee Category			
Senior Management	10	14	7
Middle Management	325	866	567
Rank-and-File	587	2,838	2,108

EMPLOYEE TURNOVER			
CATEGORY	2022	2023	2024
Employee Turnover	2,376	2,295	2,182
Gender			
Male	913	818	825
Female	1,463	1,477	1,357
Age			
Over 50 years old	152	158	179
30 - 50 years old	1,034	962	987
Below 30 years old	1,190	1,175	1,016
Region			
NCR	1,487	1,376	1,344
Luzon	471	487	432
Visayas	216	230	193
Mindanao	190	194	183
Hong Kong	11	5	25
London	1	3	5
Rank			
Senior Management	25	23	40
Middle Management	782	589	676
Rank-and-File	1,569	1,683	1,466
Project Hire	0	0	0
Type of Contract			
Voluntary	2,245	2,177	2,004
Involuntary	131	118	94
Retirement	0	0	84
End of Contract	0	0	0

PROMOTIONS			
CATEGORY	2022	2023	2024
To Middle Management	440	432	626
To Senior Management	0	38	37

BENEFIT AVAILMENTS	
CATEGORY	2024
Average Vacation Leave Availments per Employee	24
Average Sick Leave Availments per Employee	17
Total Maternity Leave Availments	721
Total Paternity Leave Availments	188
Total Solo Parent Leave Availments	246
No. of Returning Female Employees after Maternity Leave	721
No. of Returning Male Employees after Paternity Leave	186
No. of Returning Employees after Solo Parent Leave	188

COLLECTIVE BARGAINING			
CATEGORY	2022	2023	2024
Employees Covered by Collective Bargaining Agreements (CBAs)	7,845	7,385	8,610
Total Eligible Rank-and-File Employees	10,841	11,497	13,090
Percentage Covered	72%	64%	66%
Total Existing Labor Unions	25	25	5

Client Engagement

BPI organizes capacity-building sessions for clients which include product briefings, economic updates, and financial wellness, among others, depending on their needs.

TRAININGS FOR CLIENTS			
EVENT / TRAINING NAME	TARGET SEGMENT	MODE	DESCRIPTION
Beyond Green: Sustainable Agricultural Technologies and Poultry Practices	Agriculture Businesses	Face-to-Face	Forum held during the 2024 Sustainability Awareness Month (SAM) featuring topics such as sustainable agro-housing, multi-tier chicken production, solid waste management, and sustainable energy
BizTalk, Ka-Nego Talk, and Ka-Negososyo	SMEs	Face-to-Face	Series of events for SMEs featuring topics such as business opportunities, economic outlook, taxation, and digital banking
Financial Literacy for OFWs	OFWs	Face-to-Face	Financial literacy sessions for Overseas Filipino Workers (OFWs) held in Cambodia, Brunei, Taiwan, and Malaysia
FinTalk Sessions	Retail	Face-to-Face	Flagship financial literacy initiative on basic savings and budgeting, extended to local communities where agency partners operate
Online Capacity Building for SMEs	SMEs	Online	Online training materials for SMEs featuring topics such as future-proofing businesses, efficient cash flow management, and benefits of financial services
Sustainable Development Finance (SDF) Business Talks	Corporates and Small Business Enterprises	Face-to-Face	Seminar held in collaboration with the UN Global Compact Network Philippines (GCNP) and ACEN, designed to empower clients, partners, and other stakeholders to drive meaningful change for both their businesses and society; featured an economic briefing as well as presentations on how businesses can drive operational productivity by maximizing their energy and water resources more efficiently

ADDITIONAL EMPLOYEE STATISTICS	
CATEGORY	2024
Gender Total Pay Ratio	63% women: 37% men
Population Ratio	65% women: 35% men
No. of Vacancies filled by Internal Hires	218

AVERAGE TRAINING HOURS BREAKDOWN BY GENDER	
GENDER	AVERAGE TRAINING HOURS PER EMPLOYEE
Female	54.7
Male	42.1

AVERAGE TRAINING HOURS BREAKDOWN BY RANK	
RANK	AVERAGE TRAINING HOURS PER EMPLOYEE
Rank-and-File	49.3
Middle Management	50.4
Senior Management	86.8

The Bank has invested PHP 151 million on employee training in 2024.

Financial Consumer Protection
(Consumer Financial Protection)

BPI has a responsibility to empower customers to make informed financial decisions prior to availing any product or service, protect their rights with respect to all transactions with the Bank, and provide them with ample avenue to express their concerns about the Bank's products and services.

As such, prior to engaging in any new business activity or implementing changes in existing business activities, BPI conducts comprehensive assessment, review, and approval procedures thereby ensuring that risks to the clients and to the Bank are properly assessed and mitigated, as necessary. The approval of business activities (including product development) is governed by the following approving bodies within the Bank:

- Board-Level
 - Executive Committee
 - Risk Management Committee
- Management-Level
 - Product Approval Committee

As part of BPI's Financial Consumer Protection Policy, the Bank strictly adheres to guidelines on responsible advertising and disclosures (including those from regulators such as the BSP and the Advertising Standards Council), ensuring that all key information on product features, terms and conditions, and applicable risks, among others are transparently, clearly, and comprehensively disclosed and communicated to both existing and potential clients.

No. of Fines and Penalties related to Marketing and Labeling	0
Amount of Fines and Penalties related to Marketing and Labeling	PHP 0

Meanwhile, to help maintain our clients' financial health and prevent instances of over-indebtedness, thorough credit and financial review is always undertaken prior to providing any credit accommodation.

BPI has also established several initiatives in support of customers' financial protection and satisfaction, spearheaded by the Customer Experience Center (CXC).

INITIATIVE NAME	DESCRIPTION
Managing Financial Consumer Protection	• The policy provides a general framework on the financial consumer protection of the bank emphasizing on the rights of consumers to equitable and fair treatment, disclosure and transparency of financial products and services, protection of consumer asset against fraud and misuse, data privacy and protection, and timely handling and redress of complaints. • All employees are required to take a mandatory Financial Consumer Protection Program training course annually
Managing the BPI Financial Consumer Protection Assistance Mechanism (FCPAM)	• The FCPAM is the first level recourse mechanism for Financial Consumers who are dissatisfied with a financial product or service of the bank or its third-party agent or representative. • Institutionalized guidelines ensuring that feedback from existing and potential clients are handled appropriately • Touchpoints and channels via phone, e-mail, website, social media accounts, BEA Chatbot, branches, and offices whereby feedback, complaints, requests and inquiries are received • Customer feedback shall also include issues and concerns on Environmental and Social (E&S) risks related to the Bank's operations and services • Mechanism for elevating cases, as needed, including those referred to the Bank by the BSP
Performance Measures	• Periodic performance assessment against defined service quality goals • Product, service, or process improvements to mitigate recurrences of each type of complaint and deepen customer engagement

Customer Assistance Officers (CAOs) are assigned to each business unit to support the CXC. They are responsible for implementing, coordinating, and ensuring compliance with various consumer protection initiatives within their respective business units, branches, and/or areas. They undergo regular specialized trainings that equip them with technical and soft skills needed to address customer concerns in accordance with Bank policies.

Specialized training and recognition programs help reinforce exemplary customer service. Financial Consumer Protection (FCP) related bulletins and annual mandatory FCP training for all BPI employees, including non-client facing teams, are included in the FCP Program.

In handling complaints, the Head of the Customer Experience Center (CXC) serves as the ombudsman, overseeing the team's review of the complaint process to ensure

thoroughness, fairness, and adherence to internal procedures. A consolidated report of complaints is submitted by CXC to senior management and the Executive

Committee, ensuring the soundness and adherence to guidelines of all action steps taken to resolve customer complaints.

COMPLAINTS INTENSITY AND RESOLUTION RATE			
INDICATOR	2022	2023	2024
Number of transactions (in billions)	5.3	7.4	7.4
Number of complaints (in millions)	0.45	0.61	0.63
Complaints resolved	98.89%	98.48%	98.83%
% Increase in the No. of Transactions	49%	40%	-0.4%
% Increase in the No. of Complaints	41%	36%	3%
Unique Customer with complaints (in millions)	0.33	0.41	0.46

Through the Bank's financial consumer protection efforts, both the percentage of complaints relative to the total number of transactions and the count of unique customers with complaints showed only a minimal increase from 2023 to 2024. Furthermore, the Bank's complaint resolution rate remains high at 98.83%.

In line with BSP Circular No. 1160, BPI ensures to observe good faith and reasonable conduct in its debt collection or recovery practices. Consequently, the Bank refrains from any activities that could be perceived as abusive, unscrupulous, or improper.

On a case-to-case basis as may be allowed by credit policy and regulations, the Bank also accommodates loan modification options (e.g. income-based repayment plans and loan restructuring) for existing retail borrowing clients, as may be applicable.

Please refer to pages 143 to 144 for more information.

Supply Chain Engagement

Potential business partners undergo vendor selection, accreditation, and audit to assure the quality of suppliers that bid for projects with the Bank. Due diligence is performed prior to

engagement to manage any potential impact that may arise from the contract.

Service providers are screened for compliance with relevant government clearances, licenses, and permits covering financial, environmental, and social matters (e.g., business permit, Department of Labor and Employment certificate, and industry-specific licenses, as applicable). This also includes ensuring that all protocols and standards on conflict of interest, related party transactions, intellectual property, data privacy, and information security are enforced and complied with.

In 2024, there were a total of 700 accredited suppliers of which 92% or 641 were local vendors and the remaining 8% or 59 were foreign vendors.

Please refer to page 142 for more information.

Following ESG-themed capacity building efforts for service provider agencies in 2023, BPI further integrated ESG-specific requirements to its accreditation criteria across the value chain, including service providers, suppliers, and vendors.

Prior to onboarding, service providers, suppliers, and vendors must attest on anticipating and mitigating their exposure to environmental hazards such as earthquakes, floodings / typhoons, and volcanic eruptions. At the same time, they must attest to engage in environmental protection efforts, uphold human rights, and maintain non-discriminatory employment practices. Such attestations are required on top of statutory adherence to government rules and regulations, including regulations specifically required to their industry / sector.

Governance Matters

The BPI Board of Directors ultimately governs the Bank’s overall structure as well as principles, policies, processes, and other mechanisms for the management of the Bank, promoting accountability and alignment across the entire organization.

All engagements and transactions are guided by the BPI Code of Business Conduct and Ethics and the BPI Corporate Governance Manual.

Sustainability-related risk management and compliance measures are also highlighted as key governance considerations of the Bank.

Integration of Environmental and Social Considerations into Enterprise Risk Management

BPI integrates environmental and social (E&S) considerations into its lending,

investment activities, and day-to-day operations. E&S factors are embedded in qualitative and quantitative assessments to identify, evaluate, and address potential exposures to E&S risks.

The Bank’s key activities and initiatives to manage E&S risk exposures include:

RISK MITIGATING MEASURES	
RESPONSIBLE BANKING	RESPONSIBLE OPERATIONS
• Integration of environmental, social, and governance (ESG) criteria to provide sustainable financial products and services that are attuned to clients’ needs while enabling their achievement of long-term growth and resilience • Time-bound reduction of the Bank’s coal power generation portfolio, in support of the country’s transition toward sustainable energy sources • Consideration of sustainability-related standards in the credit evaluation processes such as checking for adherence to laws and regulations, the Bank’s exclusion list, alignment to UN SDGs, ESG-related business practices, project technical and financial viability, and resilience to E&S risks • Consideration of ESG factors in the credit risk rating process by using ESG-related warning signs and adjustments to improve monitoring of credit risks • Preparation of situational reports on borrowers affected by E&S-related disasters and emergencies • Risk mitigation through insurance to secure the Bank’s own assets and/or client collaterals which may be exposed to environmental risks • Provision of technical support, training programs, and project design enhancements to support clients’ compliance with E&S best practices	• Issuance and/or updating of policies and related guidelines on E&S risk management, good governance, code of business conduct and ethics, waste management, and physical safety and security • Implementation of Business Continuity and Operational Resiliency Plans and Programs to ascertain that products and services continue to be offered at acceptable levels at all times, as well as ensure the security and safety of stakeholders • Geohazard/Environmental Risk Assessment on the Bank’s various physical assets, client collaterals, and employee residences to determine areas susceptible to natural hazards such as earthquakes, flooding, typhoons, or volcanic eruptions. Results help the Bank determine the appropriate risk-mitigating measures such as engineering interventions or insurance coverage • Review and updating of risk categories, key risk indicators, and loss event reports to facilitate further integration of E&S risk identification and monitoring into operational risk management • Conduct of Risk and Control Self-Assessments to identify the various risks (including E&S risks) each business unit faces, along with the severity of those identified risks, and to capture and evaluate the key controls associated with the risks identified • Vendor evaluation in terms of compliance with regulatory requirements focused on ESG, as well as alignment with the Bank’s sustainability objectives • Incorporation of climate and environmental risk scenarios in the Bank’s stress testing exercises which support capital and recovery planning • Monitoring of the Bank’s environmental impact (e.g., electricity and water consumption)

Three Lines of Defense

BPI operates on the “Three Lines of Defense” model, as we manage risks through clearly delineated functions to ensure effective risk management governance and control processes across the Bank. This model defines the risk management responsibilities of each unit owning and managing the risk (1st line), overseeing the risk management function (2nd line), or providing independent assurance on the quality and effectiveness of risk management and internal controls (3rd line).

The Three Lines of Defense model is also applicable in the management of all sustainability-related initiatives of the Bank.

Environmental Risk Assessment

Environmental Risk Assessment (ERA) is a pioneer mitigation tool to assess physical climate and environmental risk exposures, introduced by BPI to the Philippine banking industry, in view of the Philippines’ location in the Typhoon Belt and the Pacific Ring of Fire. Through DOST-PHIVOLCS’ HazardHunterPH system, the Bank was able to assess risk exposures of client addresses and collaterals, as well as employee residences, bank branches, ATMs, and CAMs vis-a-vis environmental hazards:

- Climate Hazards (such as flooding, typhoons/severe winds, storm surge, and rain-induced landslides)

- Non-Climate Hazards (such as earthquakes, liquefaction, and volcanic eruptions)

ERA aims to identify, detail, measure, and mitigate physical climate and non-climate risks incurred by the Bank in its lending activities & daily operations. ERA’s integration into BPI’s processes allows the Bank to assess its specific or aggregate environmental risk exposures by industry, by city/barangay, or by type of asset which helps prevent potential losses not just in terms of income, but more importantly in terms of human lives.

MITIGATED RISK	SOLUTIONS
Credit Risk	• Integration of risk data from mapping of clients’ assets, collaterals, and locations of key business operations vis-à-vis natural hazards to the credit evaluation process of all corporate and commercial loans • Risk-mitigating measures required prior to the approval of potential borrowers with high-risk scores ◦ Project relocation ◦ Credit enhancements such as guarantees and security structures ◦ Engineering interventions aimed at damage prevention, resilience, and compliance, including project relocation and other considerations ◦ Insurance coverage
Operational Risk	• Awareness of employees on the risk exposures of their residences vis-à-vis natural hazards • Integration of risk data in the mapping of BPI’s corporate offices and branches vis-à-vis natural hazard exposures of the Bank’s processes for real estate acquisition and leasing • Application of risk-mitigating measures ◦ Relocation ◦ Engineering interventions aimed at damage prevention, resilience, and compliance ◦ Insurance coverage • Business Continuity Plans ensuring uninterrupted, resilient, and reliable operations amidst natural disasters ◦ Focus areas > Employee health and safety > Asset protection > Timely restoration of building, equipment, and technology ◦ Additional preventive measures > Regular evacuation drills > Hazard protection guidelines > Hazard awareness seminars

The Bank has established controls in place to mitigate the impact of the Bank's financed portfolio to the environment and the society.

Climate Risk Management

The Bank manages E&S risks, including those that are climate-related, in accordance with the Bank's Enterprise Risk Management framework. This framework covers the identification, measurement, monitoring, control, and reporting of risk exposures. As guided by BSP Circulars 1085 and 1128, the Bank classifies climate risks under E&S risks, which are defined as potential negative financial, legal, and/or reputational effects from E&S issues affecting our key business activities. The Bank is cognizant of the ability of climate and other E&S risks to influence and/or aggravate other functional key risk areas such as, among others, credit and operational risks.

Internal guidelines, processes, tools and risk metrics supplementing the Bank's overarching ESRMS Policy are continuously being developed and enhanced to enable the Bank to improve its understanding of its climate risk profile, and eventually fully integrate climate risk management in the delivery of products and services, as well as in the resilience of our operations.

Refer to page 165-166 for more information on Environmental and Social Risk Management

Integration of Environmental and Social Criteria into Credit Evaluation

BPI acknowledges the societal and economic risks associated with environmental degradation and climate change. As such, the Bank has established controls in place to mitigate the impact of the Bank's financed portfolio to the environment and the society.

Responsible Lending Policy

BPI institutionalized the integration of environmental and social criteria into the Bank's credit evaluation process through the Responsible Lending Policy.

In line with BSP Circulars 1085 and 1128, the Bank's Responsible Lending Policy provides a framework on how environmental and social (E&S) risk factors are considered in core lending activities, as guided by the following objectives:

- Setting of strategic objectives and targets for the Bank's credit operations covering short, medium, and long-term horizons to facilitate integration of E&S principles;
- Setting of criteria for financing sectors and borrowers with material E&S risks;
- Credit underwriting and loan pricing frameworks;
- Measurement of E&S risks at the individual and portfolio levels;
- Periodic reporting of E&S credit risk exposures to Senior Management and Board-Level Committees.

Comprehensive credit evaluations which consider E&S factors are conducted for loan proposals and credit accommodations to ensure that E&S risks are well understood, adequately addressed, or mitigated, including those arising from potential issues or violations from laws and regulations, related to:

- Environmental pollution
- Loss of biodiversity
- Hazard to human health
- Workplace safety and security concerns
- Involuntary resettlement
- Harm to indigenous communities and cultural heritage

Furthermore, disclosed ESG and sustainability initiatives of BPI's corporate clients are also monitored and considered as part of credit evaluation process.

Material E&S issues that emerge during E&S assessments require the performance of necessary actions and risk mitigations, which may include securing additional credit enhancements such as insurance or collateral top-ups, enhancing due diligence including business or financial justifications subject to the required approvals by the Bank's credit authorities, and/or submitting supplemental documentation in accordance with BPI's policies and regulatory guidelines.

BPI has also established processes for ongoing E&S assessments and reviews. This includes annual reviews of credit facilities by Business Units or more frequent assessments when significant developments affect a borrower's operations or collateral properties. These reviews also provide an opportunity for BPI to communicate potential risks to borrowers and raise awareness in alignment with the Bank's sustainability strategies.

The Bank also has credit administration, risk measurement, and reporting mechanisms in place, ensuring transparency to Senior Management and the Board, regulatory bodies and other stakeholders, where applicable. This includes addressing emerging and complex E&S issues and developing plans to manage any identified concerns.

Environmental and Social Screening for Philippine Protected Areas

Recognizing the importance of environmental protection and cultural preservation, BPI established its standards on E&S Screening for Philippine Protected Areas. These standards reinforce the Bank's responsibility in being prudent when engaging in business activities which might pose negative impacts on places of cultural, historical, or other form of significance that are legally protected by national laws or international treaties.

Environmental and Social Due Diligence for Investments

BPI has updated its investment framework to incorporate E&S due diligence requirements for the Bank's investment securities portfolios, where E&S risks associated with the investment and the issuer/borrower are assessed in consideration of the Bank's credit appetite.

Included in the Bank's E&S due diligence are considerations in the following areas:

- Compliance: Ensuring adherence to baseline environmental and social (E&S) regulations.

- Screening: Checking against the Bank's sustainability exclusion criteria and commitments.
- Verification: Conducting research and engaging with clients to detect and avoid greenwashing.
- Additional Screening (if applicable):
 - Checking against Philippine Protected Areas and Sites.
 - Conducting environmental risk assessments.

Exclusion List

As part of the Bank's strengthened commitment to sustainability, BPI has also established an exclusion list in 2023 to guide its financing activities. In 2024, BPI further enhanced its exclusion list in consideration of feedback from the Bank's continuous stakeholder engagement.

BPI's exclusion list reflects principles and standards espoused by the International Finance Corporation of the World Bank Group.

To ensure adherence to Philippine regulations, BPI further enhanced its exclusion list by specifying the national and industry-specific laws affecting the negatively tagged sectors.

- Involvement or having direct relation with the production or trade in any product or activity deemed illegal or unlawful under host country laws or regulations or international conventions and agreements
- Any business activity and/or sector prohibited under the Bank's MTPP policy
- Production or trade in arms and ammunitions, as blacklisted in the Bank's MTPP
- Production or trade of nuclear materials, processes, and devices deemed illegal
- Gambling, casinos, and equivalent enterprises as provided under the Bank's MTPP policy and any amendments or revisions thereto approved by the Bank's Board of Directors
- Any business related to pornography and/or prostitution
- Production or activities involving child labor, as deemed illegal under the Special

- Protection of Children Against Abuse, Exploitation, and Discrimination Act (RA 7610, as amended by RA 9231)
- Production or activities involving harmful or exploitative forms of forced labor (including human trafficking), as covered by the Labor Code of the Philippines and the Anti-Trafficking in Persons Act of 2003 (RA 9208, as amended by RA 10364)
- Production or trade in radioactive materials, excluding those with a duly authorized Radioactive Materials License and/or License to Operate, as applicable, from the Philippine Nuclear Research Institute (PNRI)
- Production or trade in or use of unbonded asbestos fibers, as deemed illegal under the Chemical Control Order for Asbestos (DENR Administrative Order No. 2000-02)
- Production or trade in illegal pharmaceuticals subject to international phase outs or bans
- Production or trade in illegal pesticides / herbicides subject to international phase outs or bans
- Production or trade in ozone depleting substances subject to international phase out, and as deemed illegal under the Revised Regulations on the Chemical Control Order for Ozone Depleting Substances (ODS) (DENR Administrative Order No. 2013-25)
- Production or trade in products containing Polychlorinated Biphenyls (PCBs), as deemed illegal under the Chemical Control Order for Polychlorinated Biphenyls (DENR Administrative Order No. 2004-01)
- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), as deemed illegal under the Wildlife Resources Conservation and Protection Act (RA 9147)
- Drift net fishing in the marine environment deemed illegal under the Philippine Fisheries Code of 1998 (RA 8550, as amended by RA 10654), as augmented by Fisheries Administrative Order No. 155 and the Fisheries Administrative Order Series of 2022
- Purchase of logging equipment for use in protected areas¹

- Commercial logging operations in protected areas¹
- Production or trade in wood or other forestry products from protected areas¹
- Greenfield coal power generation²
- Diesel-fired power generation plants for applications where diesel is the primary source of energy, except projects aimed at missionary electrification³
- Mining, processing, and refining of oil sands or tar sands
- Mining, processing, and refining of Arctic oil
- Mining, processing, and refining of fracked shale oil

1 This refers to protected areas, as cited under the Expanded National Integrated Protected Areas System (E-NIPAS)
2 Part of BPI's existing Coal Phase Out Policy
3 Missionary Electrification refers to the provision of basic electricity service in unviable areas with the ultimate aim of bringing the operations of these areas to viability levels, as stated in RA 10531

Free Prior and Informed Consent

BPI ensures that its lending portfolio adheres to relevant and applicable laws and regulations, including the Revised Guidelines on Free and Prior Informed Consent (FPIC) and Related Processes of 2012 from the National Commission on Indigenous Peoples (NCIP)¹.

As such, the Bank ensures that Indigenous Cultural Communities and Indigenous Peoples are able to exercise their right to FPIC, whenever applicable.

1 NCIP Administrative Order No. 3

Compliance

For BPI, compliance does not only refer to adherence to laws, regulations, and standards, but also aims to ensure integrity in our conduct of business. The Bank values and protects the trust we have been given by our stakeholders such as investors, clients, employees, regulators, partners, and communities.

The Compliance section communicates the Bank's policies, processes, and standards on governance areas such as but not limited to:

- Business ethics – refer to pages 137 to 140
- Conflict of interest, anti-bribery, and anti-corruption – refer to page 139
- Anti-money laundering – refer to page 154
- Insider trading – refer to page 140
- Related party transactions – refer to pages 140 to 142
- Whistleblowing – refer to page 140
- Anti-competition laws – refer to page 142

The BPI Sustainability Agenda and ESRMS Policy comply with Bangko Sentral ng Pilipinas (BSP) Circular 1085 Sustainable Finance Framework and Circular 1128 Environmental and Social Risk Management Framework.

Data Privacy

In compliance with the Data Privacy Act of 2012 (DPA) and the various circulars of the National Privacy Commission (NPC), BPI established the Data Privacy Office to manage the fulfillment of data privacy requirements throughout the organization.

The Data Privacy Office is led by the Data Protection Officer (DPO), who also concurrently serves as the Enterprise Information Security Officer:

- Has extensive qualifications and experience in data privacy and information security;
- Performs all the responsibilities and tasks of a Chief Information Security Officer.
- Is a Certified Data Protection Officer (TUV) and DPO ACE (NPC)

The Data Protection Officer and Enterprise Information Security Officer regularly reports to the Board's Audit and Risk

Management Committees. All security incidents, particularly those that impact information assets and personal data, are reported to these Board-level committees.

The Bank's Data Protection Officer is tasked to lead the Bank in complying with applicable laws and regulations for personal data protection. The Data Protection Officer develops, maintains, and promotes the effective implementation of the Bank's Data Privacy Management Program.

The Privacy Framework and Management Program details the Bank's strategy for upholding stakeholders' rights to data privacy. It specifies the duties and responsibilities of business units, guidelines for implementing the Framework, and assessing internal processes in ensuring the protection of clients' personal information.

The Framework makes reference to BPI's Data Privacy Policy and Information Security Policy which govern BPI's business lines and operations. Both policies are reviewed annually to ensure its relevance vis-à-vis the threat landscape, best practices, emerging technologies as well as its alignment to relevant regulatory requirements. Furthermore, the Bank's Data Privacy and Information Security programs are audited by internal audit, external audit and regulators every two years. Periodic maturity level assessments are also conducted by third party consultants, in accordance with best practices. Under the Framework, BPI grants access, rectification, and deletion rights to all clients.

The BPI Data Privacy Policy is posted on the BPI website (www.bpi.com.ph/privacy).

BPI follows the Privacy-by-Design principle in developing and implementing products, services and the systems and processes that support these services. Data privacy regulatory, compliance,

and legal requirements are embedded in the Bank's systems, products, and processes. All new products, services, and processes trigger the Privacy Impact Assessment, a due diligence tool containing a privacy risk assessment.

BPI maintains playbooks for handling incidents, serving as both proactive and

reactive measures in mitigating the risk of data breaches and validated through an annual table-top exercise for data breach prevention and response. Furthermore, the Bank has an in-depth documentation on the handling of data breaches in the form of policies, standards, and guidelines.

Data Privacy and Information Security Awareness are mandatory courses for all BPI employees and employees of critical service providers, and are supplemented by sustained awareness campaigns. The DPO facilitates seminars for employees featuring industry experts who share best practices on cyber security and data privacy.

DATA PRIVACY INITIATIVES

INITIATIVE NAME	DESCRIPTION
Privacy Awareness Week (PAW)	BPI, together with participating subsidiaries and affiliates, celebrate the Privacy Awareness Week annually in May.
Privacy Risk Management System	Automated and streamlined conduct of Privacy Impact Assessments and improved monitoring of privacy-related risks across the Bank.
"Data Privacy in BPI" training for OTPs, Branches, and other Business Units	• Integration of data privacy training on the onboarding of incoming officers and staff • Refresher training for branches and other business units • Release of regular internal bulletins
Data Privacy Awareness for Third-Party Service Providers	Data privacy training for third-party service providers (TPSPs)
Data Privacy Awareness for External Stakeholders	Data privacy awareness efforts for the public and external stakeholders through social media campaigns, seminars and conferences
Data Privacy Forum for DPOs of BGC, GCOs, and GCCOs	Avenue where the Data Privacy Office shares relevant news, announcements, and updates to stakeholders
Simulated Social Engineering for Employees and Third Parties	Social engineering attack simulations performed on BPI employees and employees of critical third-party service providers to determine their level of awareness and resilience against different forms of social engineering attacks.

Political Involvement

As stated in the BPI Code of Business Conduct and Ethics, the Bank is nonpartisan and does not contribute or solicit political contributions, funds, assets, or resources to any political candidate, party, or similar organization.

Employees are allowed to engage in public service following internal

procedures and in alignment with the Bank's standards for Conflict of Interest.

Tax Strategy

BPI upholds full and timely compliance to tax laws and regulations in all jurisdictions wherein it operates, in support of the government's pursuit of further economic growth and development.

The Bank maintains transparent and clear tax disclosures, as required by relevant regulatory bodies. Furthermore, the Bank has dedicated Tax Compliance, Tax Advisory, and Tax Risk Management units, providing in-depth and comprehensive guidance and advisory on tax and tax-related matters.

For the Bank's full disclosures on taxes paid for 2024, please refer to pages 195 to 196, 199, 219 to 220, and 234.

For further disclosures on tax risk management, please refer to page 163.

Disclosure and Transparency

BPI values opportunities to communicate its initiatives, policies, operations, financial, non-financial performance, and goals to all of its stakeholders.

The Bank believes that dialogue is essential in maintaining a healthy relationship with

all stakeholders. This provides them with timely, balanced, and understandable information, which is also integral in fulfilling the Bank's role and responsibilities as a global financial institution.

BPI consistently ensures that its corporate disclosures meet the following purposes:

- Compliance with regulatory requirements
- Investor protection, market efficiency, and corporate governance

- Demonstrative of concern for other corporate constituencies such as customers, creditors, employees, service providers, as well as the broader public.

The Bank continuously enhances its disclosure and transparency levels to address the different needs of stakeholders..

PUBLIC DISCLOSURE	FREQUENCY	DESCRIPTION
Integrated Report	Annual	• Contains BPI's financial and non-financial performance as well as management discussions for the reporting year • Aligned with global and local financial and sustainability reporting frameworks and standards • Includes audit statements for financial disclosures and external assurance statements for sustainability and non-financial disclosures • Available for download from the BPI website
Audited Financial Statements	Annual	• In compliance with BSP, BIR, SEC, PSE, PDEx, and SGX requirements • Includes detailed management discussions and analyses presented to the Audit Committee and the Board before disclosure • Filed within the mandated 105 calendar days from the end of the reporting period • Available to investors and analysts through the BPI website and the websites of the various exchanges where BPI's capital market issuances are traded
Quarterly Financial Statements	Quarterly	• In compliance with BSP, BIR, SEC, PSE, PDEx, and SGX requirements • Includes detailed management discussions and analyses presented to the Audit Committee and the Board before disclosure • Filed within the mandated 45 calendar days from the end of the reporting period • Available to investors and analysts through the BPI website and the websites of the various exchanges where BPI capital market issuances are traded
Institutional Website	As Needed	• A comprehensive, cost-efficient, and timely communication channel for the Bank's corporate information, its various initiatives, products and services, and other relevant disclosures and reports for easy access to all stakeholders • Aligned with the SEC-prescribed format and template

The Bank recognizes its continuous disclosure obligations under PSE Listing Rules and the Securities Regulation Code (SRC). As a Publicly-Listed Company (PLC), the Bank's corporate actions are disclosed to SEC, PSE, PDEx, and SGX. In adherence to Recommendation 8.1 of the SEC Corporate Governance Code for PLCs, the Policy of Disclosure and Transparency is disclosed in its Manual on Corporate Governance, published in the BPI website.

Key Disclosure Principles

BPI is committed to provide clear, timely, accurate, and balanced disclosures of all material information about the Bank and to provide fair and equal access to such information. BPI, however, treats all information pertaining to the Bank, business transactions and operations, and products and services as strategic in nature. Therefore, the Bank, in the provision of its disclosures, safeguards its proprietary information and competitive position.

The Board requires that management has processes in place to support its policy on full, comprehensive, understandable, and timely disclosures of financial and non-financial results, significant developments, and other material information to both its internal and external stakeholders, such as clients, investors, regulators, employees, suppliers, rating agencies, analysts, and securities exchanges.

Required disclosures of market sensitive information are coursed through the proper regulatory channel and released to the public through various cost-efficient and appropriate modes of communication.

Disclosures should be consistent over time, unbiased, and comparable across the industry.

BPI is guided by internal governance, risk, and compliance standards which serve to ensure that information disclosures comply with the Bank's established rules and procedures to identify, assess, mitigate, monitor, and report any possible risks or damages to the Bank, its counterparties, or partners.

BPI considers violation of policies and standards related to the confidentiality of any information affecting clients' or counterparties' interests as serious matters subject to the immediate attention of designated authorities to evaluate the case. The Bank respects the rights of its clients and counterparties as related to the protection of confidential information.

SUSTAINABLE DEVELOPMENT GOALS



PHP 14.54 billion
Microfinance Portfolio

Over 5.4 million
Beneficiaries of BPI Foundation



PHP 180 billion
Portfolio in support of Zero Hunger



PHP 24 billion
Portfolio in support of
Good Health and Well-Being



PHP 3 billion
Portfolio in support of
Quality Education



63% Women Employees
In BPI's workforce



PHP 28 billion
Portfolio in support of
Clean Water and
Sanitation



PHP 128 billion
Renewable Energy Portfolio

100% Renewable Energy
Electricity use of 3 Corporate Offices



PHP 105 billion
Portfolio in support of
Decent Work and
Economic Growth

839,990
Self-Employed
Micro-Entrepreneurs
Served by BPI BanKo



PHP 409 billion
Portfolio in support of
Industry, Innovation,
and Infrastructure



100% of the Work Environment
Practicing Non-Discrimination and Equal Opportunity



PHP 57 billion
Climate Resilience Portfolio

22 Branches
IFC EDGE-Certified Green
Bank Branches

e-Shuttle Free transport for BPI employees



272 million
Paper Consumption
Reduced due to
Digitalization



PHP 9 billion
Energy Efficiency Portfolio

100% Branches
Using LED Lights



PHP 5.4 billion
Portfolio in support
of Fisheries and
Aquaculture



100% of Business Lending Segments

Including Biodiversity
Considerations in Credit
Evaluation



100% of the BPI Group

Covered by the Anti-Money
Laundering Program



Over 50 Memberships
Memberships in Reputable
Industry
Associations

Corporate Governance bridges together BPI's vision, mission, purpose, strategy, brand, core values, and conduct.

CORPORATE GOVERNANCE

A robust risk, compliance and control framework is not only crucial to day-to-day decision-making within the Bank, it is also essential in bridging together BPI's vision, mission, purpose, strategy, brand, core values, and behaviors, to form a solid foundation for the business of banking and financial services at the highest standards of corporate governance and stewardship.

In this respect, the first key element for BPI's continued embodiment and evolution of a strong culture of ethics and integrity is the Board's regular refreshment. In 2024, the Board gained two new members, affirming that skills and expertise needs of the Board are assessed and monitored, that there is continuity and transfer of knowledge and that a prudent and structured approach is taken to managing board succession risk.

A second key element towards promoting responsive and dynamic corporate governance processes is ensuring that compliance, risk, and audit functions are not only resourced adequately but are also empowered properly. In 2024, BPI amended its policy on interlocking positions to further safeguard against creating excessive concentration of economic power, unfair competitive advantage, and abusive practices in respect of directors' and officers' positions. BPI's Anti-Bribery and Corruption policy was also enhanced to reinforce the Bank's adoption of and

commitment to principles of the UN Global Compact, improve policy implementation, monitoring and compliance and meet due diligence requirements of business partners.

A third key element in building resilience and agility into BPI's corporate governance structure is factoring in stakeholder and investor priorities, with special emphasis on the importance of environmental, social and governance (ESG) matters. In 2024, the Board approved the reconstitution of the board-level Corporate Governance Committee as the Corporate Governance and Sustainability Committee, in order to establish an observable, formal ESG mandate, i.e., proof that the Board is indeed providing focused oversight with respect to sustainability governance. This also involved the amendment of the committee charter as well as the committee performance evaluation template under the Board Self-Assessment Framework.

Our corporate governance policies and practices comply with the Manual of Regulations for Banks (MORB) of the Banko Sentral ng Pilipinas (BSP). We also comply, in most material aspects, with the Code of Corporate Governance for Publicly Listed Companies issued by the Philippine Securities and Exchange Commission. These policies and practices are embodied in our Manual on Corporate Governance (MCG) and disclosed in the Integrated – Annual Corporate Governance Report, both of which are available on our website at www.bpi.com.ph.

We have described our corporate governance practices for our financial year ended 31 December 2024 with specific reference to the above-mentioned MORB and SEC CG Code.



LEADERSHIP

Board of Directors

The Board ensures that BPI maintains an effective, high-level risk management, and oversight process across all companies in the group, with due consideration for the group's business and reputation, the materiality of financial and other risks inherent in the business, and the relative costs and benefits of implementing specific controls.

The Board also decides on all other important matters that pertain to the entire group, in view of the strategic, financial, regulatory, and reputational implications.

Chairman. The Board is headed by a competent and qualified Chairman.¹

Vice Chairman. The Board also has a Vice Chairman who, in the absence of the Chairman of the Board, assumes and performs all the powers and duties of the Chairman.

See Appendix for full biographies of the Chairman, Vice Chairman, and Board of Directors.

Role and Independence of the Chairman. The Chairman and Vice Chairman are both Non-Executive Directors. The Board does not encourage CEO duality. The Chairman, who has not served as CEO of the Bank within the past three years, is separately appointed from the President and CEO. The Chairman and the President and CEO positions are currently held by two individuals who are not related to each other and have defined roles and responsibilities that are separate and distinct, as set in our Amended By-Laws and MCG.²

Under the leadership of the Chairman, the Board creates the framework within which the Bank's executive team, headed by the President and CEO, steers the business. As stated in the Bank's MCG, the Chairman: (1) provides leadership and governance to create an environment for the overall Board's and individual Director's effectiveness, and ensures that all key and appropriate issues are discussed by the Board in a timely manner, (2) ensures that the Board is able to actively participate in the development and determination of the

Bank's strategies and policies, and that Board decisions are made in the Bank's best interests and fairly reflect Board's consensus, (3) forges a positive and constructive working relationship between the Board and management, and (4) establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity, and corporate governance throughout the Bank and particularly at Board level.

Chief Executive Officer. The CEO reports directly to, and is accountable to, the Board for the performance of the Bank. As defined in the MCG, the CEO (1) leads the development and execution of short-and long-term strategies, (2) communicates on behalf of the Bank with shareholders, regulators, and the public, (3) evaluates the work of other executive leaders within the Bank, (4) implements the Bank's vision and mission, and (5) ensures that management's reports to the Board provide relevant, accurate, timely, and clear information necessary for the Board to fulfill its duties.³

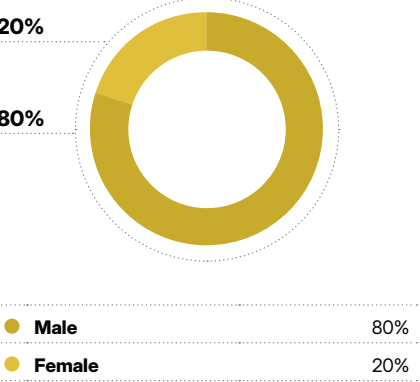
There is a very positive and constructive working relationship between our Chairman and CEO Jose Teodoro K. Limcaoco, who was appointed as CEO in April 2021. The Board is confident that this will continue after the conclusion of the ASM in April 2025.

Lead Independent Director. At the Organizational Meeting of the Board, following the 2024 ASM, Rizalina G. Mantaring was appointed as Lead Independent Director.⁴

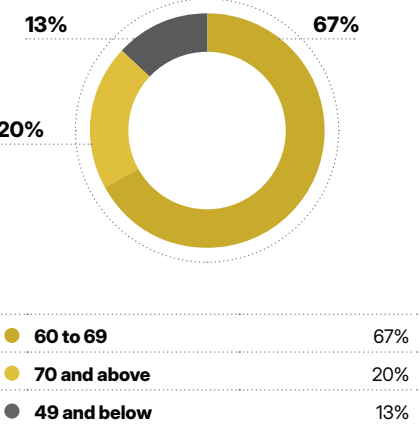
Board Charter. The Board Charter is incorporated in our MCG, both of which are reviewed annually. The Bank's updated and revised MCG was approved and adopted by our Executive Committee in its entirety on Dec. 4, 2024.⁵ The Board Charter is also disclosed on the company website at www.bpi.com.ph.

In the Board strategy session last Dec. 10, 2024, the Board and the Senior Management committee reviewed and approved the Bank's mission and vision and strategic plans for the coming years.⁶

Gender Diversity



Age Diversity



¹ Recommendation 2.3, SEC CG Code for PLCs
² Recommendation 5.4, SEC CG Code for PLCs

³ Recommendation 5.4, SEC CG Code for PLCs
⁴ Recommendation 5.5, SEC CG Code for PLCs
⁵ Recommendation 2.12, SEC CG Code for PLCs
⁶ Recommendation 2.1, 2.2, 2.12, 8.7, SEC CG Code for PLCs

COMPOSITION AND QUALIFICATION

Board Composition.

In compliance with BSP regulations, BPI maintains a 15-member board. The size of the 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. No director or small group of directors can dominate the decision-making process. The only Executive Director is the Bank's President and CEO.⁷

Board membership was reinvigorated during the Bank's ASM on Apr. 23, 2024, with 14 of the newly-refreshed 15-member board comprised of Non-Executive Directors, safeguarding independent oversight of management. There are no alternate Directors on our Board.

In 2024, the following board membership changes occurred:

- During the Organizational Meeting of the Board immediately after the ASM, Mr. Mario Antonio V. Paner was appointed as new member of the Audit Committee, joining Ms. Maria Dolores V. Yuvienco and Mr. Cesar V. Purisima. Mr. Paner was likewise appointed as a member of the Risk Management Committee. Mr. Fernando Zobel de Ayala was appointed as new member of the Personnel and Compensation Committee vice Mr. Romeo L. Bernardo. Ms. Janet Guat Har Ang, Independent Director, was appointed as new Chairperson of the Related Party Transactions Committee. Mr. Karl Kendrick T. Chua was appointed member of the Retirement/Pension Committee.

- At the Annual Stockholders' Meeting on Apr. 23, 2024, Mr. Wilfred T. Co and Mr. Mario Antonio V. Paner were elected as new members of the Board.

Director Qualifications.

As a financial institution imbued with public interest and a publicly listed company, qualifications for membership in the Board are dictated by our Amended By-Laws, MCG, the Revised Corporation Code, and relevant regulations of the BSP, PSE and the SEC. Directors comply with all fit and proper qualifications and requirements of the BSP, SEC, and PSE and must remain qualified throughout the one-year term. Comprehensive profiles of the Directors are disclosed in the Bank's annual reports and on the company website. See [Appendix](#) for full biographies of the Directors. ⁷

POLICY ON BOARD DIVERSITY

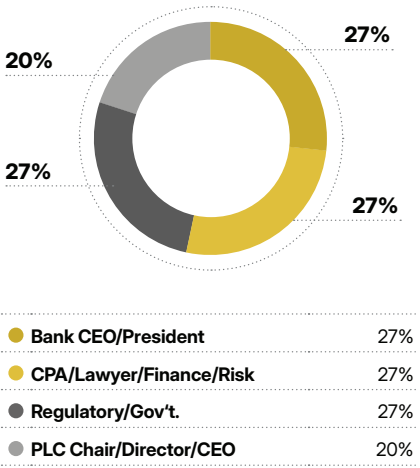
The Bank's Board Diversity Policy, adopted in 2015, underscores diversity at the Board level as an essential element of sound corporate governance, risk management, sustainable and balanced development, and effective business strategy.

Our leadership model ensures an appropriate balance of power, accountability, and independence in decision-making. Diversity—in terms of gender, age, cultural background, education, professional experience, engagement in sustainability and ESG initiatives, skills, knowledge, length of service, and other regulatory requirements—is duly considered in the design and selection of the Board's composition.⁸

⁷ SEC Memo. Cir. No. 11, s2014, Recommendation 8.3 SEC CG Code for PLCs

⁸ Recommendation 1.4 of the SEC CG Code for PLCs, Recommendation 11, SEC CG Code for PLCs

Skill and Expertise



APPOINTMENT AND YEARS OF SERVICE OF BOARD OF DIRECTORS

as of Dec. 31, 2024

Director's Name	Type of Director ¹	Date First Elected ²	2024	Manner of Election	No. of Years as Director of BPI
Jaime Augusto Zobel de Ayala	NED	03/13/1990	04/23/2024	Annual Meeting	34.8
Fernando Zobel de Ayala	NED	10/19/1994	09/12/2022	Annual Meeting	27.9
		09/20/2023	04/23/2024		1.3
Janet Guat Har Ang	ID	05/19/2021	04/23/2024	Annual Meeting	3.6
René G. Bañez	NED	08/18/2021	04/23/2024	Annual Meeting	3.4
Ignacio R. Bunye ³	ID	04/14/2016	04/27/2023	Annual Meeting	7.7
Karl Kendrick T. Chua	NED	04/27/2023	04/23/2024	Annual Meeting	1.7
Wilfred T. Co	NED	04/23/2024	04/23/2024		0.7
Cezar P. Consing	NED	02/01/1995	Jan-00	Annual Meeting	5.0
	ID	08/18/2004	12/31/2006		2.4
		01/01/2007	04/17/2013		6.3
	ED	04/19/2013	04/21/2021		8.0
	NED	04/22/2021	04/23/2024		3.7
Emmanuel S. De Dios	ID	04/28/2022	04/23/2024	Annual Meeting	2.7
Octavio Victor R. Espiritu ³	NED	04/07/2000	04/03/2003	Annual Meeting	3.0
	ID	04/03/2003	05/18/2021		18.1
	NED	05/19/2021	04/27/2023		2.6
Rizalina G. Mantaring	ID	04/27/2023	04/23/2024	Annual Meeting	1.7
Jose Teodoro K. Limcaoco	NED	02/20/2019	04/21/2021	Annual Meeting	2.2
	ED	04/22/2021	04/23/2024	Annual Meeting	3.7
Aurelio R. Montinola III	ED	01/14/2004	04/17/2013	Annual Meeting	9.3
	NED	04/18/2013	04/23/2024		11.7
Cesar V. Purisima	ID	01/20/2021	04/23/2024	Annual Meeting	3.9
Mario Antonio V. Paner	ID	04/23/2024	04/23/2024	Annual Meeting	0.7
Jaime Z. Urquijo	NED	09/21/2022	04/23/2024	Annual Meeting	2.3
Maria Dolores B. Yuvienco	NED	04/10/2014	04/13/2016	Annual Meeting	2.0
	ID	04/14/2016	04/23/2024		8.7

¹Type: Executive (ED), Non-Executive (NED), Independent (ID)

²Based on Type of Director

³Director until Apr. 22, 2024

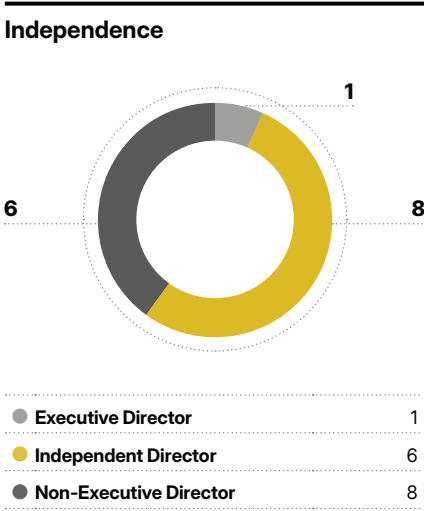


Measurable Diversity Objectives or Targets. Best practice under the SEC Code of Corporate Governance for Publicly Listed Companies recommends the establishment of measurable objectives or targets for achieving board diversity. In this respect, the following are the Board's diversity goals, approved in 2021 and considered as rolling targets over a five-year period, that, together with the Board Skills and Expertise Matrix, are reviewed annually and updated as needed:

1. At least two Female Directors on the Board.
2. At least five Independent Directors on the Board
3. At least one director with knowledge of IT systems and technology governance in the financial services industry.
4. At least one director with marketing and customer management expertise.

- Progress towards the diversity goals are also made through one or more of the following activities:
- Increasing the number of female candidates to be considered for the shortlist of nominees for the election of the board of directors at the annual stockholders' meeting.
 - Conduct a regular review of list of retired bank employees for consideration of directorship positions within parent, subsidiaries, and affiliates.
 - Close coordination within Ayala Group of Companies for information on and shortlisting of independent candidates.
 - Liaison and relationship development with regulators for information on possible candidates for directorship.
 - Use of professional search firms/ industry databases and associations to shortlist candidates.

Our full Board Diversity Policy may be read on our website at www.bpi.com.ph.



Security Ownership of Directors and Officers. Beneficial ownership and control structures of the Bank are disclosed in the table below. 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.⁹

As of Dec. 31, 2024, the following are known to BPI to be directly the record and/or beneficial owners of BPI voting securities:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	DEC 2023		DEC 2024		Nature of Ownership (D) Direct (I) Indirect	CITIZENSHIP
			NO. OF SHARES	PERCENT OF HOLDINGS	NO. OF SHARES	PERCENT OF HOLDINGS		
Common	Jaime Augusto Zobel de Ayala	Chairman, NED	10,402	0.00%	10,402	0.00%	D / I	Filipino
Common	Cezar P. Consing	Vice Chairman, NED	3,062,734	0.06%	3,062,734	0.06%	I	Filipino
Common	Jose Teodoro K. Limcaoco	ED, President & CEO	314,925	0.01%	327,625	0.01%	D / I	Filipino
Common	Janet Guat Har Ang	ID	10	0.00%	10	0.00%	D	Singaporean
Common	René G. Bañez	NED	10	0.00%	10	0.00%	D	Filipino
Common	Ignacio R. Bunye	ID	10	0.00%	N/A	N/A	D	Filipino
Common	Karl Kendrick T. Chua	NED	10	0.00%	10	0.00%	D	Filipino
Common	Wilfred T. Co	NED	N/A	N/A	12,529	0.00%	D / I	Filipino
Common	Emmanuel S. De Dios	ID	10	0.00%	10	0.00%	D	Filipino
Common	Octavio Victor R. Espiritu	NED	1,064,583	0.02%	N/A	N/A	D	Filipino
Common	Rizalina G. Mantaring	ID	9,973	0.00%	6,483	0.00%	D / I	Filipino
Common	Aurelio R. Montinola III	NED	1,956,471	0.04%	1,956,471	0.04%	D / I	Filipino
Common	Mario Antonio V. Paner	ID	N/A	N/A	271,858	0.01	D / I	Filipino
Common	Cesar V. Purisima	ID	10	0.00%	10	0.00%	D	Filipino
Common	Jaime Z. Urquijo	NED	10	0.00%	10	0.00%	D	Filipino
Common	Maria Dolores B. Yuvienco	ID	6,331	0.00%	6,331	0.00%	D / I	Filipino
Common	Fernando Zobel de Ayala	NED	96,327	0.00%	96,327	0.00%	D / I	Filipino
	SUB-TOTAL		6,521,816		5,750,820			

⁹ Recommendation 8.2 SEC CG Code for PLCs

Security Ownership of Directors and Officers.

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	DEC 2023		DEC 2024		NATURE OF OWNERSHIP (D) DIRECT (I) INDIRECT	CITIZENSHIP
			NO. OF SHARES	PERCENT OF HOLDINGS	NO. OF SHARES	PERCENT OF HOLDINGS		
Common	Maria Cristina L. Go	EVP	59,741	0.00%	72,710	0.00%	I	Filipino
Common	Maria Theresa D. Marcial	EVP	326,309	0.01	347,974	0.01%	I	Filipino
Common	Eugenio P. Mercado	EVP	68,005	0.00%	73,005	0.00%	I	Filipino
Common	Marie Josephine M. Ocampo	EVP	227,427	0.01%	N/A	N/A	D	Filipino
Common	Elfren Antonio S. Sarte, Jr.	EVP	N/A	N/A	12,000	0.00%	I	Filipino
Common	Juan Carlos L. Syquia	EVP	28,080	0.00%	42,130	0.00%	I	Filipino
	SUB-TOTAL		709,562		547,819			
	TOTAL		7,231,378		6,298,639			

As of Dec 31, 2024, the following are known to BPI to be the record and/or beneficial owners of BPI voting securities:

INDEPENDENCE

For the 2024 to 2025 Board term, BPI meets both the minimum BSP regulatory and SEC CG Code requirements with six out of the 15–member board elected or 40% of the Board being classified as Independent, or having no interest or relationship with BPI at the time of election, appointment, or re-election, as defined under Rule 38 of the Securities Regulation Code. Fourteen or 93% of the Board are Non-Executive Directors, who are not involved in the day-to-day management of banking operations.¹⁰

BPI submits the required certifications of its Independent Directors annually to the BSP for confirmation of the election or appointment.¹¹

Term limits of Independent Directors.

BPI is compliant with BSP and SEC rules which prescribe a maximum cumulative term of nine years for Independent Directors, reckoned from 2012.¹²

POWERS OF THE BOARD OF DIRECTORS

As stated in the BSP MORB, the “corporate powers of a bank shall be exercised, its business conducted, and all its resources controlled through its board of directors. The powers of the board, as conferred by law, are original and cannot be revoked by the stockholders. The directors shall

¹⁰ Recommendation 1.2, 5.1, SEC CG Code for PLCs
¹¹ Recommendation 5.2, SEC CG Code for PLCs
¹² SEC Mem.Cir.No. 9, Series of 2011 and No. 4, Series of 2017, Recommendation 5.3, SEC CG Code for PLCs

hold their office, charged with the duty of exercising sound and objective judgment for the best interest of the institution.”

Duties and Responsibilities. The Board bears the primary responsibility for creating and enhancing the long-term shareholder value of BPI, and performs the following to generate reasonable and sustainable returns on shareholder capital:

- Monitors the responsibilities delegated to the Board committees to ensure proper and effective oversight and control of BPI's activities;
- Establishes an enterprise-wide framework for risk assessment and setting risk appetite;
- Monitors business and financial performance;
- Reviews CEO and management performance;
- Determines BPI's values and standards (including ethical standards) and ensures that these underpin the conduct of BPI's business and that obligations to stakeholders are understood and met;
- Develops succession plans for the Board and CEO;
- Fosters regulatory compliance;
- Considers sustainability issues (including environmental and social factors) as part of BPI's strategy.

The Directors have healthy communication lines across various levels and functions within the Bank and the BPI group. In particular, BPI Directors who also sit on the boards of the Bank's subsidiaries or affiliates have first-hand access and insight into their operations and business activities, which allows for better assessment of Bank strategy and performance.

BOARD NOMINATION AND SELECTION POLICY

All written nominations for directors are submitted to the Nomination Committee. Nominations may be presented not later than the date prescribed by law, rules and regulations or at such earlier or later date before the date of the next annual meeting of the stockholders. All recommendations shall be signed by the nominating stockholders together with the written acceptance and conformity of the would-be nominees.

Transparent Nomination Process.

Shareholders, including minority shareholders, may recommend candidates for board membership for consideration by the Nomination Committee. Such recommendations are sent to the Committee through the Office of the Corporate Secretary. Candidates recommended by shareholders are evaluated in the same manner as Director candidates identified by any other means.

The Committee itself may identify and recommend qualified individuals for nomination and election to the Board.

For this purpose, the Committee utilizes information from professional search firms or external director databases when possible and maximizes all available information resources to search for qualified candidates. Members of the Committee recuse themselves in case of deliberations on their nomination.¹³

In 2024, in accordance with the resolution of the Board dated Dec. 13, 2023, which was disclosed and reported to PSE and SEC, all nominations for election of Directors for the term 2024 to 2025 were required to be submitted to the Corporate Secretary not later than Mar. 05, 2021. 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. René G. Bañez was nominated by the Roman Catholic Archbishop of Manila, Mr. Wilfred T. Co was nominated by Mr. Gabriel A. Dee, a stockholder of BPI who is not related to Mr. Co, and the rest of the nominees were nominated by Ms. Josenia Jessica D. Nemeño, a long-time stockholder of BPI who is 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 that 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 laws, rules, regulations, BPI's By-Laws and MCG, and no provision on disqualification would apply to any of them. None of the nominees, directors and officers of the Bank works for the government.

Vetting of Directors. In the case of incumbent directors, the Nomination Committee reviews each director's overall service during his or her current term, including the number of meetings attended, level of participation, quality of performance, and, if any, transactions between the director and the Bank. Apart from the annual accomplishment reports of all board-level committees, inputs to the Committee review include, but are not limited to, the results of the regular board self-assessment, updated directors'

biographies, written affirmation to the BPI Director's Code of Conduct and MCG, and relevant disclosures such as conflicts of interest or related party transactions, if any.

Selection Criteria. The Board, through the Nomination Committee, ensures the Fit and Proper requirements for the position of a director of a bank and assesses candidates in terms of integrity or probity, competence, education, diligence and experience or training. These are dictated by Banking Laws, BPI's Amended By-Laws, MCG, Board Diversity Policy, Board and Committee Charters, the rules and regulations of the BSP, SEC, and PSE as well as the Corporation Code. A Skills and Expertise matrix prepared by the Corporate Governance Committee also provides recommendations for the desired competency profile of the Board, which includes the alignment of qualifications with the strategic direction of the Bank. The Board also reviews candidate directors with respect to their skills, engagement and past or present work or board experience that considers ESG factors.¹⁴

The General Banking Law of 2000 (Republic Act 8791) provides the BSP with powers to prescribe, pass upon, and review the qualifications and disqualifications of individuals elected or appointed as bank directors or officers and the power to disqualify those found unfit for positions of bank directors and officers.

ELECTION OF DIRECTORS

The Nomination Committee pre-screens the candidates and prepares a final list of candidates prior to the ASM. Only nominees whose names appear on the final list of candidates are eligible for election to the Board. No other nomination shall be entertained after the final list of candidates are drawn up. No nomination shall be entertained or allowed on the floor during the ASM.

One Share, One Vote Rule. The Bank's Amended By-Laws state that elections for the Board will be held yearly during the ASM. Voting for the election of members of the Board is considered on a poll, by shares of stock, that is, one share entitles the holder to one vote. Under this rule, any minority shareholder can nominate individuals and has the power to cumulate voting rights. The right to cumulative

voting is a statutory right granted by the Corporation Code of the Philippines. The Bank also has no current practice that awards disproportionate voting rights to select shareholders. The fifteen nominees receiving the highest number of votes are declared elected.

Electronic Voting in Absentia. In its meeting held on Feb. 14, 2024, the Board approved Management's recommendations for BPI to provide the Bank's shareholders with the option to vote in absentia in the 2024 ASM. Whether made in person or in absentia, the votes carry equal effect. This also allows shareholders who are unable to attend the ASM the opportunity to participate and vote. Hence, at the Apr. 23, 2024 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code.

Voting Process. No meeting of stockholders shall be conducted 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 ASM. Votes are cast and counted for each agenda item. The Office of the Corporate Secretary tabulates all votes received and the Bank's external auditor validates the results. Voting results are presented for each agenda item during the meeting to inform the participants of such outcome. 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 and appointment of directors and officers, which includes the Chairperson of the Board, is confirmed by the Monetary Board of the BSP. Elected or appointed directors and officers also submit required certifications and other documentary proof of qualifications to the BSP for the confirmation of their election or appointment.

The nomination and election processes and their effectiveness, including committee performance, are reviewed annually by the Nomination Committee during its review of the committee charter and its self-assessment.

These nomination and election policies are disclosed in the Bank's MCG and Nomination Committee Charter at www.bpi.com.ph.¹⁵

Term of Directors. Directors are to hold office for a term of one year immediately upon their election and until the next election when their successor shall have been elected and qualified in accordance with the Bank's Amended By-Laws and the Corporation Code. In case any vacancy or vacancies should occur on the Board during the period between two ASMs, due to death, resignation or other causes, except removal, the remaining members of the Board, if still constituting a quorum, may fill said vacancy or vacancies by electing from among the stockholders. The stockholder or stockholders so elected shall act as a member or members of said Board until the election of a new Board of Directors.

POLICIES ON DIRECTORSHIPS

With a rigorous nomination process, close monitoring and reporting of board and committee meeting attendance, an annual performance evaluation which includes affirmative determination of time commitments and a review of board committee chairmanships and memberships, adequate safeguards against over boarding or over commitment are in place. Directors must notify the Board of their intention to accept a directorship in another company.¹⁶

BPI directors are bound by the Board of Director's Code of Conduct to consider their individual circumstances and the nature, scale and complexity of the Bank's activities in showing full commitment. They should be able to devote the time, schedule, and attention necessary to its business interests, to properly and effectively perform their duties and responsibilities, to avoid conflicts of interest, and to affirm this in writing annually.

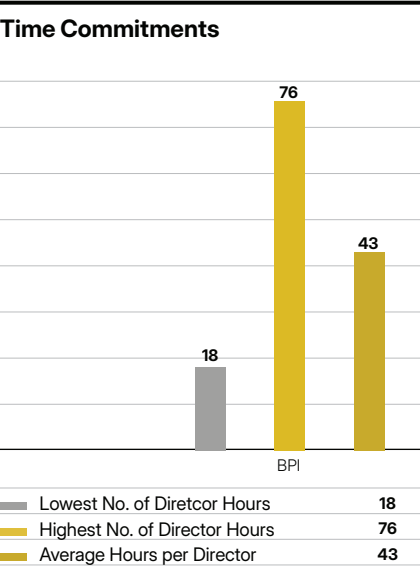
Directorships in PLCs. The Bank applies a limit of five on directorships of Non-Executive Directors and Independent Directors in publicly listed companies and within conglomerates.¹⁷ Internally, the Bank ensures that the policy does not impinge on or violate a shareholder's ownership rights and legal right to vote and be voted upon as directors.

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.

Time Commitments. Through the annual Board performance evaluation exercise and review of the Board size, structure and composition, the Board ensures that Directors' time commitments allow them to fulfill their Board roles to an appropriate standard and that the Board's quality of performance as a body, is high.¹⁸

Director Education and Training. The Board ensures that directors acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.¹⁹

Directors, senior management, and key officers, in their own capacity or as sponsored by the Bank, are able to attend the requisite programs, seminars and roundtables with accredited service providers during the year.



Likewise, internal meetings with senior executives and operational or functional heads, and dedicated briefings on specific areas of responsibility within the business and special presentations on current issues or regulatory initiatives in cooperation with external technical and subject matter experts are arranged as needed. Directors also regularly attend governance fora, conferences, and summits. New Directors are briefed on BPI's background, organizational structure, and on general and specific duties and responsibilities of the Board. They are given an overview of the industry, regulatory environment, business of banking, strategic plans of the Bank, its governance framework, including support from the Corporate Secretary and Senior Management. New directors submit a certification to the BSP that they have received a copy of the general responsibility and specific duties and responsibilities of the Board and of a Director.²⁰

In this respect, 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 Corporate Governance Department conducted several on-boarding/orientation sessions throughout 2024, for Mario Antonio V. Paner and Wilfred T. Co, respectively.

¹³ Recommendation 2.6, SEC CG Code for PLCs

¹⁴ Recommendation 1.1, 2.6, SEC CG Code for PLCs

¹⁵ Recommendation 2.6, SEC CG Code for PLCs

¹⁶ Recommendation 4.3, SEC CG Code for PLCs

¹⁷ BSP Cir. 969 and Recommendation 4.2 SEC CG Code for PLCs

¹⁸ Recommendations 4.1, 4.2 and 4.3, SEC CG Code for PLCs

¹⁹ Recommendation 1.3 and 1.5, SEC CG Code for PLCs

²⁰ BSP Circular No. 758, Recommendation 1.3, 2.1, SEC CG Code for PLCs

The following table shows the training received by the Board of Directors and Key Officers:

DIRECTOR	2023	2024
Jaime Augusto Zobel de Ayala	2023 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Oct. 3	2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 5
Cezar P. Consing		
Janet Guat Har Ang		
René G. Bañez		
Ignacio R. Bunye*		
Karl Kendrick T. Chua		
Emmanuel S. de Dios		
Rizalina G. Mantaring		
Aurelio R. Montinola III		
Cesar V. Purisima		
Jaime Z. Urquijo		
Maria Dolores B. Yuvienco		
Fernando Zobel de Ayala		
Wilfred T. Co**	N/A	Corporate Governance Orientation Program by Institute of Corporate Directors on Jun. 4-5 2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 5
Mario Antonio V. Paner**	N/A	Corporate Governance Orientation Program by Institute of Corporate Directors on Jun. 4-5
Jose Teodoro K. Limcaoco	2023 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on October 03 ICD Masterclass: The Third Series – Session 6 “The Brand Architecture: A Valuable Framework for Setting Strategy” by Institute of Corporate Directors on December 15	2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 5
Octavio Victor R. Espiritu*		N/A

* Board member until Apr. 22, 2024
** Board member effective Apr. 23, 2024

SENIOR MANAGEMENT	2023	2024
Eugenio P. Mercado (EVP)	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Oct. 03	Deploying a Data-first Strategy: Separating Fact Versus Fiction by Institute of Corporate Directors on Dec. 4
Marie Josephine M. Ocampo* (EVP)		N/A
Maria Cristina L. Go (EVP)		Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Nov. 5
Juan Carlos L. Syquia (EVP)	- Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Oct. 03 - ICD Masterclass: The Third Series – Session 6 “The Brand Architecture: A Valuable Framework for Setting Strategy” by Institute of Corporate Directors on Dec. 15	
Maria Theresa D. Marcial (EVP)	BPI AIA IC Mandated Training by Quisumbing Torres on Oct. 26	
Elfren Antonio S. Sarte (EVP)	N/A	
Eric Roberto M. Luchangco (Chief Finance Officer and Chief Sustainability Officer)	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Oct. 03	
Anna Liza O. Bobadilla (Chief Audit Executive)		
Ma. Cristina F. Asis (Chief Risk Officer)		
Maria Paz A. Garcia (Chief Compliance Officer)		
Maria Lourdes P. Gatmaytan (Corporate Secretary)		

*Retired effective Oct. 1, 2024

POLICY ON REMUNERATION

BPI's remuneration policy for the Board and management is aligned with risk incentives and supports sustainable, long-term value creation. Apart from ensuring that Board and management pay appropriately reflects market and industry conditions and drives business strategy and financial performance, the policy likewise applies performance-based remuneration that rewards employees for their commitment to Bank's strategy.

Remuneration Principles. In proposing the remuneration policy, the Personnel and Compensation Committee (PerCom) ensures that the mix of fixed and variable pay, in cash and other elements:

- Meets the Bank's needs and strategic objectives based on targets that are stretched, verifiable, and relevant;
- Accurately reflects recorded performance measures and promotes a pay-for-performance culture;

- Governs vesting of long-term incentives that are monitored and tied to risk-assessments to align remuneration with the Bank's long-term strategy and shareholder interests and encourage the long-term commitment of employees.²¹
- Reflects market rates and the challenge of attracting, retaining and competitively rewarding key staff with the ability, experience, skills, values, and behaviors to deliver bank goals.

These principles of paying competitively and paying for performance applies equally to the Board, President & CEO, officers, employees, and staff. BPI's employee remuneration is aligned with the principle of non-discrimination in respect of equal remuneration for men and women who produce work of equal value and where remuneration is based not on an employee's gender but on an objective evaluation of the work performed.

²¹ Recommendation 2.5, SEC CG Code for PLCs

- Other remuneration policies include:
- All salary programs are subject to the approval of the PerCom and the Board.
 - 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.

Total Compensation Elements. The PerCom ensures that a transparent compensation structure is in place, with a clear link between compensation and the Bank's objectives as well as a strong emphasis on the interests of the shareholders.

Fixed Pay Element. The fixed pay component is set at an appropriate level and considers industry and market rates as well as skills, competencies, responsibilities, and performance of the employee. It is reviewed at least annually.

- In this respect, salary surveys conducted by external compensation consultants are also used as references for employee salary benchmarking purposes.
- An annual merit increase may be granted upon Management's discretion based on the employee's performance.

Variable Pay Element. The variable pay component is performance-linked and based on the Bank, business or support unit and individual performance towards attainment of the overall Bank goals.

- It is measured against a balanced scorecard which includes financial and strategic metrics such as: revenues, loan volume, earnings, earnings per share, return on equity, return on assets, capital strength, and risk containment, as well as non-financial metrics like corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement, including any ESG factors which may be relevant to the evaluation of an employee's performance in the context of the Bank's sustainability objectives.
- All employees' performances are assessed by what is achieved and how it is achieved in line with BPI's core values.
- This performance bonus may be given upon management's discretion, subject to the endorsement of the PerCom and approval of the Board.

Director Remuneration. 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.²² The PerCom recommends to the Board the fees and other compensation for Directors, ensuring fair remuneration for work required in a company of BPI's size and scope, and alignment with the long-term interests of the Bank.²³

- As provided by the Amended By-Laws and pursuant to a Board resolution, each director is entitled to receive fees and other compensation for services as director. The Board has 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 the Board exceed 1% of the Bank's net income before income tax during the preceding year.

Remuneration Structure. Directors receive per diems for each occasion of attendance at meetings of the Board or of a board 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 to the compensation of directors, directly or indirectly, for any other service provided by the directors for the last completed fiscal year.

- All fixed or variable remuneration paid to directors may be given, upon recommendation of the PerCom.
- Directors with executive responsibilities within the BPI group are compensated as full-time officers of the company, not as 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.

In 2024, the Board of Directors, as a whole, received a total of Php 85.34 million as fees and other compensation for the services they rendered.

Directors receive per diem allowances of Php 70K for attendance at board meetings and Php 30K for attendance at committee meetings. No distinction is made between per diem allowances for committee chairmen and members. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments. The total compensation for each director for 2024 is disclosed in Annex A-3(b) of the 2024 Definitive Information Statement.

President & CEO and Senior Management Remuneration. The Board, through the PerCom, annually approves the remuneration payable to the President & CEO and Senior Management, which includes Executive Vice Presidents and Senior Vice Presidents who have the authority and responsibility for the Bank's overall direction and strategy execution. The PerCom monitors and assesses how the remuneration was implemented each year and ensures that it corresponds to the remuneration policy.

Remuneration Structure. Remuneration for the President & CEO and Senior Management is set in the same way as for all employees being contractually fixed, based on the role, the skills and experience of the individual, and reviewed annually with reference to relevant market benchmarks. Remuneration for Senior Management, as reflected in the ratio between fixed and variable components of their total compensation, changes according to performance, rank, and function.²⁴

- Apart from the key performance indicators discussed in the foregoing section on Total Compensation Elements, the Percom ensures that Senior Management remuneration and incentives reflect prudent risk-taking and effective control.

- Salary reviews (covering fixed and variable compensation) are done at least annually to ensure market competitiveness of the senior officers' total remuneration. The Bank also participates in Executive and Total Remuneration Surveys to benchmark on its market positioning.

The remuneration of the Chief Risk Officer (CRO) and that of the Chief Compliance Officer (CCO) and Chief Audit Executive (CAE) are reviewed and endorsed by the Risk Management Committee and the Audit Committee respectively and subsequently approved by the Board. The performance of control functions (Audit, Compliance and Risk) are assessed independently from the business units they support to prevent any conflicts of interests.

Alignment with Long-term Shareholder Interests. The Board, through the PerCom, also established long-term incentive programs, which are aligned with shareholder interests. The Executive Stock Option Plan (ESOP) and Executive Stock Purchase Plan (ESPP) give officers the opportunity to buy shares of stock in BPI at a discounted price. Details on the ESOP and ESPP can be found in [Note 18](#) of the Audited Financial Statements.²⁵

In 2024, the level of remuneration for the most senior executive officers of the Bank is as follows:

NAME AND PRINCIPAL POSITION	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Jose Teodoro K. Limcaoco President and CEO			
Maria Cristina L. Go Executive Vice President			
Maria Theresa D. Marcial Executive Vice President			
Marie Josephine M. Ocampo* Executive Vice President	Php156.98M	Php190.05M	None
Elfren Antonio S. Sarte, Jr.** Executive Vice President			
Juan Carlos L. Syquia Executive Vice President			

* Up to Sept. 2024
** Starting from Jan. 2025

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.

POLICIES ON MEETINGS AND ATTENDANCE

Our Directors make significant time commitments, not only in preparing for and attending Board and board committee meetings, but also to initial induction, continuing education, training, and engagement with the executive team and stakeholders, as needed.²⁶

²² Recommendation 8.4, SEC CG Code for PLCs
²³ Recommendation 2.5, SEC CG Code for PLCs

²⁴ Recommendation 8.4, SEC CG Code for PLCs

²⁵ Recommendation 2.5 SEC CG Code for PLCs

²⁶ Recommendation 4.1, SEC CG Code for PLCs

Scheduling of Meetings. The Board and the board committees conduct business through meetings for the effective discharge of obligations. Regular board meetings are convened monthly, scheduled at the beginning of the year to cover the full term of the newly elected or re-elected Directors, reckoned from the date of the current year’s ASM to that of the following year. Special meetings may be called as needed.

Board Meetings in 2024 were held on the following dates:

DATE OF MEETING	NATURE OF MEETING
January 17	Regular
February 21	Regular
March 20	Regular
April 17	Regular
April 23	Organizational
May 15	Regular
June 19	Regular
July 17	Regular
August 22	Regular
September 18	Regular
October 16	Regular
November 20	Regular
December 11	Regular

Conduct of Meetings. The Chairman presides over meetings of the Board. The Vice Chairman presides in the absence of the Chairman. Board and committee meetings are conducted consistent with the Bank’s Amended By-Laws.

During every Board meeting:

- As needed, the Chairperson of each Board committee provides an update on significant matters discussed at Board committee meetings;
- the CFO presents the financial performance for the applicable period and significant financial highlights;
- the CEO gives an update on certain aspects of the Group’s business and operations and/ or a macro perspective on industry trends and developments;
- the Board holds a private, executive sessions for Directors, as needed.

Discussions during board meetings are open and independent views are given due consideration. When necessary, the Board holds executive sessions to discuss highly sensitive matters. If there is a conflict of interest, the Director in question will recuse himself or herself from the discussions and abstain from participating in any Board decision.

Agenda Setting. Items placed on the board agenda are those that have the most fundamental importance and broad policy implications for the Bank. Directors are free to suggest items for inclusion in the agenda, and are free to raise at any board meeting topics that are not on the agenda for that meeting. At the Chairman’s discretion, any agenda items may also be referred for discussion in the respective committees.

Director Attendance. In 2024, average attendance of elected Directors of the Board’s 15 meetings was 96%. When exigencies prevent a Director from physically attending a Board or board committee meeting, facilities for telephone conferencing are made available. In instances when a Director is unable to attend meetings even through teleconferencing due to prior commitments or unavoidable events, the said Director provides input to the chairman so that his views can be known and considered.

Meetings Held Remotely. Consistent with its digitalization strategy, the Bank has adopted virtual meeting platforms and invested in the necessary equipment, including video and web conferencing software. In addition to training, virtual meeting protocols for both the Board and Management have also been established accordingly. These alternative means of communication for Board and board committee meetings follow BSP and SEC guidance on the conduct of meetings held remotely by electronic means. Likewise, rules and procedures relating to presence of a quorum, notices, agenda setting, voting, conflicts of interest, when meetings can be called and held, etc., continue to follow rules and procedures for meetings held in person. All directors in attendance at the meetings held remotely by electronic means are able to hear, participate and communicate ‘live’ in the discussions and decisions made at the meetings.

Minutes of Meetings. Minutes of Board and committee meetings are prepared with due regard to legal requirements. Key points and decisions taken have been summarized. The Board generally acts by consensus rather than on an adversarial basis, so that abstentions and rare instances of formal dissent are duly recorded. Further, Directors take the initiative to have high-level discussions outside the Board meetings, including separate discussions with Senior Management on its proposals. The Chairman likewise ensures that there is a fair and honest exchange of ideas and opinions by and between the Directors and Senior Management in board meetings.

Meeting Materials. Directors are provided with complete information related to agenda items in a timely manner. As an innovation to board governance, all materials for Board and board committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Directors to ensure immediate receipt and quick access.

Annual Strategic Planning Meeting. The Board and senior executives attend each year, a strategy session, held offsite when possible, to engage in dynamic and in-depth strategic discussion on the Bank’s medium and long-term plans. For last year, this was held on Dec. 10, 2024.

NO. OF MEETINGS ATTENDED IN 2024		
Name	Attended/Total	In Percentage (%)
Jaime Augusto Zobel De Ayala	13/13	100%
Cezar P. Consing	13/13	100%
Jose Teodoro K. Limcaoco	13/13	100%
Janet Guat Har Ang	12/13	92%
René G. Bañez	13/13	100%
Ignacio R. Bunye*	4/4	100%
Karl Kendrick T. Chua	13/13	100%
Wilfred T. Co**	9/9	100%
Emmanuel S. de Dios	13/13	100%
Octavio Victor R. Espiritu*	4/4	100%
Rizalina G. Mantaring	11/13	85%
Aurelio R. Montinola III	12/13	92%
Mario Antonio V. Paner**	9/9	100%
Cesar V. Purisima	12/13	92%
Jaime Z. Urquijo	11/13	85%
Maria Dolores B. Yuvienco	13/13	100%
Fernando Zobel De Ayala	12/13	92%

*Board Member until Apr. 22 2024
**Elected as Board Member effective Apr. 23, 2024

Non-Executive Directors (NED) Meeting. Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management.

The NED meeting held on Nov. 18, 2024 facilitated an open discussion of ongoing initiatives and semestral performance of the Bank. The meeting was chaired by the Lead Independent Director and was also attended by the control heads – Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer as well as the external auditor.

Two-thirds (2/3) Quorum. The minimum quorum requirement for board decisions is set at two-thirds (2/3) of the Board as provided by the Bank’s Amended By-Laws. Any meeting for the transaction of corporate business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act, unless otherwise provided in the Amended By-Laws.

External Audit and Assurance Statement
The Board has separate and independent access to the Corporate Secretary, who serves as an adviser to the Directors on their responsibilities and obligations and oversees the adequate flow of information to the Board prior to meetings.²⁷

The Corporate Secretary attends all Board meetings and minutes are prepared to record key deliberations and decisions taken during the meetings. The Corporate Secretary facilitates communication between the Board, its committees and management and generally assists Directors in the discharge of their duties.

All directors also have access to Senior Management. Directors and board committees also have unrestricted access to company records and information, in addition to regular detailed financial and operational reports from Senior Management.

²⁷ Recommendation 1.5, SEC CG Code for PLCs

Board Access to External Advice.

The Board, if 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.

Role of the Corporate Secretary. Our Corporate Secretary, who is a senior, strategic-level corporate officer, not a member of the Board, and a separate individual from the Chief Compliance Officer, plays a leading role in the Bank’s corporate governance, and as such, attends corporate governance training annually. The Corporate Secretary’s functions are stated in the Bank’s Amended By-laws and Manual on Corporate Governance.

The Corporate Secretary is suitably trained and experienced in legal, accountancy, and company secretarial practices and is professionally qualified for these responsibilities. She is Co-Head of Legal and Head of Corporate Legal Affairs of the Bank and also the Corporate Secretary of various BPI subsidiaries and affiliates.

See [Appendix](#) for the full biography of our Corporate Secretary.

PERFORMANCE EVALUATION AND SELF-ASSESSMENT

The Board annually conducts a self-assessment to ascertain the alignment of leadership fundamentals and issues, validate the Board’s appreciation of its roles and responsibilities and confirm that the Board possesses the right mix of background and competencies.²⁸

Board Self-Evaluation. Performance is assessed 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.

In this respect, the Board conducted its 2024 annual performance evaluation in Dec. 2024. Directors assessed that the Board as well as its committees and individual directors had performed their duties and responsibilities effectively for the past year and that there were no material issues with respect to membership, governance, and operations. This also included an assessment of the President and CEO.

Third-Party External Performance Evaluation. In pursuit of best practices, the Bank engaged in 2023 a third-party external facilitator, Aon Hewitt Singapore Pte. Ltd., to conduct a separate Board Assessment covering the 2021 to 2022 board term.²⁹

The results of the second triennial external assessment (the “Aon Report”), which forms part of BPI’s compliance with BSP Cir. 969 and SEC Memorandum Circular 19, Series of 2016, were presented to the Corporate Governance Committee at its meeting on Nov. 23, 2023, which endorsed the same to the Board. Subsequently, the Board noted the results and recommendations in the Aon Report in its meeting on Jan. 17, 2024.

²⁹ Recommendation 6.1, SEC CG Code for PLCs, BSP Cir. 969

²⁸ Recommendation 6.1, SEC CG Code for PLCs

Board Performance Evaluation and Self-Assessment³⁰

	PROCESS	CRITERIA
Board of Directors	The Board shall be given sufficient time to accomplish the self-assessments. Each individual director performs the four (4) levels of self-assessment using the prescribed forms, applying the rating scale and predetermined evaluation criteria for each level. For the Board and Committee-level assessments, while the directors will be rating the Board’s or Committee’s performance as a body, the accomplishment of the assessment forms is meant to be done individually, on a per director basis. This is to secure an honest, unbiased, independent, and anonymous view from each director rather than a collective assessment that may already be subject to filtering and pre-agreement. Each director shall submit the completed forms on or before the deadline set by the Corporate Governance Committee or at such earlier or later date as the Board may agree upon. The Corporate Governance and Sustainability Committee processes the results of the assessments and communicates this to the Board through a Summary Report.	1. Strategic Foresight 2. Board Structure and Committee Effectiveness 3. Board Meetings and Procedures 4. Board and Management Relations 5. Induction and Continuing Education 6. Performance Evaluation 7. Value Creation General and specific leadership standards under the above criteria are considered in evaluating the Board as a body such as: adequacy of the processes which monitor business performance; board member interaction with management; adequacy of board knowledge; appropriateness of balance and mix of skills; size of board; contribution of individual directors; board’s effectiveness in use of time; if board allows sufficient opportunity to adequately assess management performance; board’s ability to keep abreast of developments in wider environment which may affect BPI; working relationship between chairman and chief executive officer; segregation of duties between board and management; ability of directors to express views on each other and to management in constructive manner, etc.
Board Committees	Submission of Accomplishment Reports to the Board by the different committees. In addition, the Audit Committee submits the “Self-Assessment in the Performance of the Audit Committee” to the SEC	General and specific factors relating to Committee role, membership, procedure and practice, structure, collaboration and style and effectiveness. 1. General 2. Committee Charter and Governance Each committee’s assessment template is now based on their specific charter and manner of governance. Sample factors: • Use of committee time • Adequacy of committee papers and frequency of meetings • Ability to access resources • Ability to keep informed in relevant areas; provision for continued development; working relationship between committee chairman and members; segregation of duties between committee and management; ability of directors to express views on each other and to management in a constructive manner, etc.
Individual Director	Each director is required to fill-up a Self-Assessment Form annually.	Evaluation criteria focuses on best practice benchmarking and specific director roles in the board and in committees: 1. Company Strategy, Developmental Role and Reputation 2. Board Engagement and Attendance 3. Performance and Governance Role In addition, the template includes separate question(s) for executive directors, independent directors and committee chairmen
CEO/ President	Each director fills up an evaluation form based on the relevant criteria. These are then submitted to the Chairman. The CEO/ President’s performance is also evaluated at least once a year by the Personnel and Compensation Committee and Executive Committee	For the CEO assessment, questions revolve around these criteria: 1. Leadership 2. Working with the Board 3. Managing Execution 4. Communication/External Relations

³⁰ Recommendation 6.2 SEC CG Code for PLCs

SKILLS AND EXPERTISE MATRIX	BOARD TERM: 2024-2025														
Competency Area	JAZA	CPC	JTKL	JHA	RGB	FZA	WTC	KTC	ESD	RGM	ARM	MVP	CVP	JZU	DBY
Core Personal Attributes ¹	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Board/ Corporate Governance experience ²	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Executive Leadership/ Management Skills ³	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Specialized Skills or expertise ⁴															
• Accounting or Internal Control - Ability to understand financial statements, assess adequacy and integrity of financial controls and reporting	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
• Risk Management – Technical knowledge of or expertise with risk management models, methods		✓	✓	✓					✓	✓	✓	✓	✓	✓	✓
• Technology – Expertise in information technology systems, or experience in technology governance in the financial services industry			✓	✓				✓							
• Marketing/Sales and Customer Management – Technical background in marketing with strategic focus on customer issues and perspectives; customer advocacy and/or engagement.				✓						✓					
• Organizational Development - organizational/talent development, including executive performance, change management, remuneration frameworks	✓	✓	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓	✓
• Public and Regulatory - regulatory policy or working in government, public administration				✓	✓			✓					✓		✓
• Sustainability – familiarity with mapping supply chain risks, conduct of safety and environmental due diligence audits, renewable energy procurement/contracting; developing, directing sustainability initiatives, programs and practices	✓	✓	✓											✓	
• General Banking (Industry knowledge)	✓	✓	✓	✓		✓	✓	✓			✓	✓	✓		✓

Endnotes

¹ History of ethical behavior (prior or current directorships in other publicly-listed companies or confirmation from regulatory bodies such as the BSP and SEC), availability (based on number of current directorships), relevant and distinguished professional career (as may be determined from bio-data).

² Knowledge and experience in a system for the oversight of decision-making, actions and behavior and governance structures (as may be determined from candidate's bio-data/professional career); Commitment to high standards of corporate governance (prior or current directorships and if publicly- listed companies, classification as a director).

³ Senior executive perspective of running a large organization or bank; Experience with stakeholder management. (as may be determined from bio-data/professional career).

⁴ Experience or education

CEO and Senior Management. As stated in the Bank's Amended By-Laws and MCG, the board-level Personnel and Compensation Committee oversees the performance evaluation process within the Bank which includes the annual review and approval of corporate goals, strategic objectives, and standards relevant to the CEO, Senior Management, and other key officers of the Bank. Performance is generally measured based on achievements and output of the officer, business unit, or the Bank as a whole, or using a combination of all as the executive's responsibilities may dictate.³¹

The performance management framework considers strategies and goals or actual results of a given period's business objectives and core competencies. It also looks into the behavior, technical competencies, and soft skills exhibited by the officer during the period under review, as well as fitness and propriety. The performance of control function heads for audit, risk management, and compliance are also evaluated by the Audit Committee and Risk Management Committee.

The framework also follows a performance management cycle: Goal setting, Performance monitoring, Performance appraisal, Performance reinforcement, and Performance improvement.

POLICIES ON SUCCESSION PLANNING AND TALENT MANAGEMENT

The Board is committed to a process of orderly succession and acknowledges that a succession plan for the Board and its leadership positions is in the best interest of the Bank and its stakeholders. Leadership changes are not only carefully considered and planned, but are also part of a comprehensive risk management strategy that is guided by clear and transparent governance policies, processes, and laws.

Board Succession. The Board is regularly refreshed in a continuing cycle. The Nomination Committee and the Corporate Governance and Sustainability Committee within a general board succession plan framework to ensure that: 1) appropriate governance processes are in place and ongoing, for identifying, assessing, and monitoring future needs of the Board; 2) there is continuity and transfer of knowledge in the Board so that it may effectively fulfill its role and responsibilities to BPI, as that may evolve over time, and; 3) the Board is taking a prudent and structured approach to managing succession risk. ³²

The Corporate Governance and Sustainability Committee assists the Nomination Committee in the annual review and assessment of the structure, size, and composition of the Board and Board-level committees. The committees take into consideration the Bank's current strategy and business, regulatory requirements on independence and diversity, as well as comparative benchmark and peer group analysis.

The Corporate Governance and Sustainability Committee also utilizes a Skills and Expertise Matrix to proactively shape board composition, identify competency gaps, if any, and build the desired or required competency profile against which candidate directors will be assessed. Using a point system, succession planning priorities are then determined to guide the Nomination Committee in the assessment of candidates and in managing current and future requirements of the Board.

President & CEO Succession. As part of the executive planning process, the PerCom as a whole or a part thereof, in consultation with the Board, the Nomination Committee and the President and CEO, evaluates and nominates potential successors to the President and the CEO.³³ Succession planning has effectively ensured leadership continuity through four President and CEO changes in the last three decades, marked by early planning and mentoring, smooth organizational and operational transitioning, and prudent but progressive institutional building at BPI and across the BPI group.

Senior Management Succession. The Board, through its PerCom, manages the talent pipeline and assembles the required personnel capable of navigating such changes. In consultation with the President and CEO, the PerCom reviews the Bank's succession development process for proper management. Senior Management provides a report to this Committee on the results of its talent and performance review process for key management positions and other high potential individuals. Aside from ensuring that there is a sufficient pool of qualified internal candidates to fill senior leadership positions, this review process identifies opportunities, performance gaps, and proactive measures in the Bank's executive succession planning.

Selection Process. The selection process involves a number of steps, including:

- Identifying candidates for the talent pipeline and market mapping to gain an understanding of current offerings in the marketplace in relation to the roles, skills, knowledge, and experience needed; this also involves actively building and nurturing relationships with talent in order to create a list of roles that are key to the Bank's success; the Bank also utilizes referrals, and industry platforms as it tailors skillset requirements;
- Screening and vetting candidates once the requirements have been identified, through a variety of methods, such as reviewing resumes, conducting interviews, or administering online assessments; the focus here is on the fit and suitability of the candidate to the role, the current and future business directions, and the Bank's company culture, beyond the minimum fit and proper requirements and qualifications stated in the BSP Manual of Regulations for Banks;
- Making the selection decision: The final step is to make the selection decision. This decision should be based on the information gathered during the screening and interviewing process.

More information on Succession Planning and Talent Management can be read on the company website at www.bpi.com.ph.

POLICIES ON RETIREMENT

Director Retirement. The best interests of BPI are served by retention of directors that make meaningful contributions to the Board and the organization, regardless of age. 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 deeply ingrained appreciation of corporate governance principles.

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.

Retirement Age. Nevertheless, the Bank has set a retirement age for Directors at 80 years old.³⁴

Retirement of Senior Management. The requisite succession planning for key officers as well as employees is done 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 old.

The Retirement Policy and other board governance policies may be viewed on the company website at www.bpi.com.ph. See [Appendix](#) for full biographies of our Principal Officers.

Contact our Board. Communications to the Directors, including any concerns regarding BPI's risk management, governance, accounting, internal controls, auditing or other matters, may be addressed to the Board through the Office of the Corporate Secretary.

Board of Directors
Bank of the Philippine Islands
Office of the Corporate Secretary
28/F Tower Two, Ayala Triangle Gardens
Paseo de Roxas corner Makati Avenue
Bel-Air, Makati City 1226

Concerns may be submitted anonymously or confidentially by any shareholder, customer, supplier, or other interested party. Communications relating to the Bank's risk management will be endorsed to the Risk Management Committee. Accounting, internal controls, or auditing matters will be relayed to the Audit Committee. Other matters will also be handled by the appropriate Board committee. In the same manner, communications will be referred to other areas of the Bank for handling as appropriate under the facts and circumstances outlined in the communications.

BOARD COMMITTEES

The Board has established Committees to heighten the efficiency of Board operations and assist in exercising its authority for oversight of internal control, risk management, and performance monitoring of the Bank.

The committees provide organized and focused means for the Directors to achieve specific goals and address issues, including those related to governance.

In particular, the committees enhance the objectivity and independence of the Board's judgment, insulating it from undue influence of management and major shareholders. In 2024, the Bank had eight Board-level committees. The chairmen and members of the different committees were elected by the Board during the Organizational Meeting on Apr. 23, 2024, after the ASM. Any subsequent changes in membership of the respective committees are made upon approval by the Board.³⁵

We strive to comply with the BSP regulations and the SEC Code of Corporate Governance for PLCs with respect to the chairmanships and memberships of the committees. All committee chairmanships and memberships are compliant with their respective committee charters and the Manual on Corporate Governance.

Committee chairs and vice chairs provide leadership to their respective committees and guide members in translating the Board's goals for the committee into meeting agendas and work plans for the year. They work with the Corporate Secretary, management and committee secretariats to prepare the agendas, discussion materials and reports, and schedules of meetings set at the beginning of the year, for guidance of the members. Committee meetings are recorded and minutes are prepared by the Corporate Secretary. The work, accomplishments, and minutes of the meetings of the committees are regularly reported to the Board. Policies approved at committee level are confirmed by the Executive Committee or the Board.

As part of the annual Board effectiveness review, committees conducted self-assessment exercises for 2024 in at end-2024 to early 2025. The review found all committees to have performed their respective duties and responsibilities effectively. There were no material issues with respect to committee memberships, governance, and operations.

Attendance of the members of our Board in their respective committee meetings in 2024 are shown on page xxx.

Committee Charters. All the board-level committees have Committee Charters which state their respective purposes, memberships, structures, duties and responsibilities, operations, reporting processes, resources, and other relevant information which may serve as a basis for the performance evaluation of each committee. In 2024, all committees conducted the annual review of their charters as well as the self-assessment exercise.³⁶

Committee Charters are fully disclosed in the Manual on Corporate Governance and on the company website at www.bpi.com.ph.

Executive Committee. The Board appoints from its members an Executive Committee composed of not less than five members, one of which shall be an Independent Director.

At the Organizational Meeting of the Board of Directors held immediately after the Bank's 2024 ASM, Mr. Jaime Augusto Zobel de Ayala was elected as Chairman of the Executive Committee. Joining Mr. Zobel de Ayala as members were Mr. Cezar P. Consing, Mr. Jose Teodoro G. Limcaoco, Mr. Rene G. Banez, Mr. Fernando Zobel de Ayala, Mr. Aurelio R. Montinola, and Mr. Cesar V. Purisima. Membership of the committee remained in compliance with its updated charter in the latest version of the Manual on Corporate Governance.

The Executive Committee, between meetings of the Board, possesses and exercises all powers of the Board in the management and direction of the affairs of the Bank subject to the provisions of the Bank's Amended By-Laws, and the limitations of the law and other applicable regulations.

The Executive Committee serves as the operating arm of the Board, approves all major policies and oversees all major risk-taking activities. A majority of all the members of the Executive Committee shall constitute a quorum.

BPI BOARD AND BOARD-LEVEL COMMITTEES

	Board	Executive	Corporate Governance & Sustainability	Risk Management	Audit	Related Party Transactions	Personnel and Compensation	Nomination	Retirement / Pension
Number/Composition of Committee Members	15	7	3	5	3	3	5	3	4
Frequency of Meetings ¹	Every 3rd Wednesday of the month	Every Wed. except 3 rd Wednesday	Quarterly	Every month	Once a month	Monthly or As needed	As needed	Twice a year or as needed	At least twice a year or as needed
Name of Members									
Jaime Augusto Zobel de Ayala	X-C	X-C					X-C	X	
Cezar P. Consing	X-VC	X-VC		X			X	X	
Jose Teodoro K. Limcaoco (President & CEO)	X	X							
Janet Guat Har Ang (ID)	X			X		X-C ²			
René G. Bañez	X	X				X			X
Ignacio R. Bunye (ID)	X ³					X-C ³			
Karl Kendrick T. Chua	X								X
Wilfred T. Co	X ²								
Emmanuel S. de Dios (ID)	X		X-C						
Octavio Victor R. Espiritu	X ³			X ³	X ³				
Rizalina G. Mantaring (ID)	X		X	X-C					X
Aurelio R. Montinola III	X	X					X		X-C
Mario Antonio V. Paner (ID)	X ²			X ²	X ²				
Cesar V. Purisima (ID)	X	X		X	X			X-C	
Jaime Z. Urquijo	X		X						
Maria Dolores B. Yuvienco (ID)	X				X-C	X	X		
Fernando Zobel de Ayala	X	X					X		

¹Based on committee charter or current practice
² Board/Committee member effective Apr. 23, 2024
³ Board/Committee member until Apr. 22, 2024

Legend:
C-Chairman
VC-Vice Chairman

³⁴ Recommendation 2.4 SEC CG Code for PLCs

³⁵ Recommendations 31- 3.6 SEC CG Code for PLCs

³⁶ Recommendation 3.6, SEC CG Code for PLCs

In 2024, the Executive Committee approved major credit risk exposures, major policies and, corporate actions, including contracts, sale of real properties, HR Matters (such as compensation, hiring, promotions, terminations), and branch relocations.

Audit Committee. The Board appoints from its members an Audit Committee composed of at least three (3) NEDs, of which majority must be Independent Directors including the Chairman. Members of the committee must have accounting, auditing, or related financial management expertise, or experience commensurate with the size, complexity of operations, and risk profile of the Bank. The Chairperson of the Audit Committee shall not be the Chairperson of the Board or of any other board-level committees.³⁷

Committee membership remained in compliance with its charter for the year. For 2024, the Audit Committee monitored and evaluated the adequacy and effectiveness of the Bank's internal control systems, risk management, compliance, and governance practices. It provided oversight on the integrity of the Bank's financial statements and financial reporting process, performance of the internal and external audit functions and compliance with bank policies, applicable laws, and regulatory requirements. The Committee also approved the external auditor's annual audit plan and scope of work, and assessed its overall performance and effectiveness. In consultation with management, this Committee also approved the external auditor's terms of engagement and audit fees.

For more details, please read the Audit Committee Report for the year ended Dec. 31, 2024. The report is also posted on the company website at www.bpi.com.ph.

Corporate Governance and Sustainability Committee. The Board appoints from its members a Corporate Governance and Sustainability Committee composed of at least three (3) NEDs, of which majority must be Independent Directors including the Chairman.³⁸ In the Organizational Meeting of the Board of Directors immediately after the 2024 Annual Stockholders' Meeting, elected Independent Director Emmanuel de Dios, Rizalina G. Mantaring and Director Jaime G. Urquijo were re-appointed as chairman and members of the committee, respectively. Committee membership remained in compliance with its charter for the year.

In 2024, the Corporate Governance and Sustainability Committee carried out its regular mandate as set in its charter, to offer recommendations for the Bank's corporate governance framework and to address, in particular, BPI's conformance to BSP Circular 969, BSP Circular 900, SEC Memorandum Circular 19, Series of 2016, as well as best practices espoused by the ASEAN Corporate Governance Scorecard (ACGS). This included remedial action for regulatory compliance, policy development, oversight of the corporate governance framework and practices as well as compliance testing of Bank subsidiaries. The Committee also provided guidance with respect to regulatory matters concerning the BSP and SEC.

Nomination Committee. The Board appoints from its members a Nomination Committee composed of at least three (3) directors, of which majority must be Independent or Non-Executive, including the Chairman.

In this respect, membership of the committee remained in compliance with its charter.

During the year, the Nomination Committee convened to vet candidates for nomination to be elected at the 2024 ASM and guided election activities, appointments and re-composition of committee memberships as part of its charter responsibilities, the succession planning process and to align with best practices.

Risk Management Committee. The Board appoints from among its members a Risk Management Committee (RMCom) composed of at least three Directors, the majority of whom must be Independent, including the Chairperson. Committee members should possess a diverse range of knowledge and expertise in risk management issues and best practices. The Chairperson shall not serve as the Chairperson of the Board or of any other board-level committee.³⁹

In the Organizational Meeting of the Board of Directors immediately after the 2024 Annual Stockholders' Meeting, after the 2024 Annual Stockholders' Meeting, Lead Independent Director Rizalina G. Mantaring was re-appointed as Chairperson of the committee. In this respect, membership of the committee remained in compliance with its charter.

The RMCom is responsible for nurturing a risk-aware culture throughout the organization. It supports the Board by overseeing and managing the Bank's exposures to financial and non-financial risks, evaluating new and emerging risk issues, and regularly reviewing the Bank's risk appetite, limits, policies, methodologies, structures, and metrics. These efforts align with the Bank's business strategies and comply with regulatory requirements and international risk management standards.

Personnel and Compensation Committee. The Board appoints from its members a PerCom composed of four (4) members of the Board who are not officers of the Bank plus one (1) member who is an Independent Director. At the Organizational Meeting of the Board of Directors immediately after the 2024 ASM, the Board elected Mr. Jaime Augusto Zobel de Ayala as PerCom's Chairman. Joining Mr. Zobel de Ayala as members of the PerCom are Mr. Fernando Zobel de Ayala, Mr. Cezar P. Consing, Mr. Aurelio R. Montinola III, and Independent Director Maria Dolores B. Yuvienco. Membership of the Committee remained in compliance with the PerCom charter.

In 2024, the PerCom directed and ensured the implementation of various programs of the Human Resources Management Group such as: Leadership and Talent Development, Compensation and Total Rewards Review, the Performance Level Ranking Program for officers, Collective Bargaining Agreements (CBA) settlements, as well as promotions and organizational changes during the year.

Related Party Transaction Committee. The Board appoints from its members a Related Party Transactions Committee (RPTCom) composed of at least three Independent and/or Non-Executive Directors, of which the majority must be Independent, including the Chairperson.

In the Organizational Meeting of the Board following the 2024 Annual Stockholders' Meeting, Independent Director Janet Guat Har Ang was appointed by the Board as the Chair of the RPTCom on Apr. 23, 2024. Likewise, the other members of the committee were retained, and the membership of the Committee remained in compliance with the RPTCom Charter, with the Chief Audit Executive (CAE) and Chief Compliance Officer (CCO) sitting as resource persons.

The RPTCom is tasked to assist the Board in fulfilling its responsibility to strengthen corporate governance and practices particularly on related party transactions (RPTs). It supports the Board by assessing material agreements of any kind with a related party, determining whether to approve, ratify, disapprove, or reject an RPT, and overseeing the implementation of the Bank's RPT framework, as aligned with internal and regulatory guidelines.

Retirement and Pension Committee. The Board appoints from its members a Retirement and Pension Committee composed of at least three directors, of which majority must be Independent or Non-Executive, including the Chairman. The Human Resources Head shall also be a non-voting member of the Committee. Membership of the Committee remained in compliance with its Charter for the year.

For 2024, the Retirement and Pension Committee convened to oversee and discuss matters relative to its fiduciary, administrative, and investment portfolio responsibilities under its charter, as well as manage the non-investment aspects of the Bank's retirement plan.

COMMITTEE APPOINTMENTS, ATTENDANCE AND YEARS OF SERVICE (2024)

COMMITTEE	POSITION	NAME	DATE OF APPOINTMENT	ATTENDANCE/ MEETINGS ¹	%
Executive Committee	Chairman (NED)	Jaime Augusto Zobel de Ayala	April 06, 2006	24/30 ⁴	80%
	Vice Chairman (NED)	Cezar P. Consing	April 18, 2013	29/30 ⁴	97%
	Member (ED)	Jose Teodoro K. Limcaoco	April 25, 2019	25/30 ⁴	83%
	Member (NED)	Rene G. Bañez	August 18, 2021	28/30 ⁴	93%
	Member (NED)	Aurelio R. Montinola III	March 25, 2004	23/30 ⁴	77%
	Member (ID)	Cesar V. Purisima	April 28, 2022	30/30 ⁴	100%
	Member (NED)	Fernando Zobel de Ayala	September 20, 2023	24/30 ⁴	80%
Audit Committee	Chairman (ID)	Maria Dolores B. Yuvienco	October 21, 2020	17/17 ⁵	100%
	Member (NED)	Octavio Victor R. Espiritu ²	April 15, 2010	6/6	100%
	Member (ID)	Mario Antonio V. Paner ³	April 23, 2024	11/11 ⁵	100%
	Member (ID)	Cesar V. Purisima	April 22, 2021	17/17 ⁵	100%
Risk Management Committee	Chairman (ID)	Rizalina G. Mantaring	April 27, 2023	13/13 ⁶	100%
	Member (ID)	Janet Guat Har Ang	May 19, 2021	11/13 ⁶	85%
	Member (NED)	Cezar P. Consing	April 27, 2023	11/13 ⁶	85%
	Member (NED)	Octavio Victor R. Espiritu ²	May 15, 2000	4/4	100%
	Member (ID)	Mario Antonio V. Paner ³	April 23, 2024	9/9 ⁶	100%
	Member (ID)	Cesar V. Purisima	April 22, 2021	13/13 ⁶	100%

³⁷ Recommendation 3.2 SEC CG Code for PLCs

³⁸ Recommendation 3.3 SEC CG Code for PLCs

³⁹ Recommendation 3.4, SEC CG Code for PLCs

COMMITTEE	POSITION	NAME	DATE OF APPOINTMENT	ATTENDANCE/ MEETINGS ¹	%
Corporate Governance and Sustainability Committee	Chairman (ID)	Emmanuel S. de Dios	April 28, 2022	4/4	100%
	Member (ID)	Rizalina G. Mantaring	April 27, 2023	4/4	100%
	Member (NED)	Jaime Z. Urquijo	April 27, 2023	4/4	100%
Nomination Committee	Chairman (ID)	Cesar V. Purisima	April 22, 2021	1/1	100%
	Member (NED)	Jaime Augusto Zobel de Ayala	April 14, 2011	1/1	100%
	Member (NED)	Cezar P. Consing	September 21, 2022	1/1	100%
Personnel and Compensation Committee	Chairman (NED)	Jaime Augusto Zobel de Ayala	September 21, 2022	6/7 ⁴	86%
	Member (NED)	Cezar P. Consing	April 27, 2023	7/7 ⁴	100%
	Member (NED)	Aurelio R. Montinola III	April 18, 2013	6/7 ⁴	86%
	Member (ID)	Maria Dolores B. Yuvienco	April 23, 2020	7/7 ⁴	100%
	Member (NED)	Fernando Zobel de Ayala	September 20, 2023	6/7 ⁴	86%
Related Party Transactions Committee	Chairman (ID)	Ignacio R. Bunye ²	April 20, 2017	4/4	100%
	Chairman (ID)	Janet Guat Har Ang ³	April 23, 2024	8/8	100%
	Member (NED)	Rene G. Bañez	August 18, 2021	12/12	100%
	Member (ID)	Maria Dolores B. Yuvienco	April 25, 2019	12/12	100%
Retirement Pension Committee	Chairman (NED)	Aurelio R. Montinola III	May 19, 2021	4/4	100%
	Member (NED)	Rene G. Bañez	August 18, 2021	4/4	100%
	Member (NED)	Karl Kendrick T. Chua	May 17, 2023	4/4	100%
	Member (ID)	Rizalina G. Mantaring	April 27, 2023	3/4	75%

¹ For the period of Jan. 1 to Dec. 31, 2024
² Committee member until Apr. 22, 2024
³ Committee member effective Apr. 23, 2024
⁴ Includes Joint Audit, Executive, and Personnel & Compensation Committee
⁵ Includes Joint Audit, Executive, and Personnel & Compensation Committee, and Joint Audit Committee and Risk Management Committee
⁶ Includes Joint Audit Committee and Risk Management Committee

MANUAL ON CORPORATE GOVERNANCE

The Bank has a Manual on Corporate Governance (MCG) which, together with the board and board-level committee charters, supplements and complements BPI's Articles of Incorporation and Amended By-Laws. It sets forth the underlying principles of good and transparent governance through a framework of policies, rules, systems, and processes for the Board and Management's performance of their respective duties and responsibilities to stakeholders.

The manual is accessible to all employees via the internal electronic database and is likewise published on the company website.⁴⁰

The MCG, reviewed annually, was last approved for amendment in Dec. 4, 2024. Upon amendment, BPI submits the updated MCG, bearing the signatures of the Chairman of the Board and the Chief Compliance Officer, to the SEC.

Compliance with the SEC Code of Corporate Governance for PLCs. A certification on the Bank's full compliance with the BPI Manual on Corporate Governance, containing relevant provisions of the SEC Code of Corporate Governance for PLCs, signed and issued by the Chief Compliance Officer, is posted on the company website.

ASEAN CORPORATE GOVERNANCE SCORECARD

BPI actively measures its governance practices against its counterparts in the region, having adopted the rigorous benchmarking framework of the ASEAN Corporate Governance Scorecard (ACGS).

In 2024, BPI received the ICD's Golden Arrow Award as a Top Performing Company in the domestic assessment of the ACGS.

The Bank's ASEAN Corporate Governance Scorecard is posted on the company website at www.bpi.com.ph.

⁴⁰ Recommendation 8.7 SEC CG Code for PLCs

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

SEC Memorandum Circular No. 15, Series of 2017 and PSE Memorandum CN No. 2017-0079 mandate all companies listed in the PSE to submit the Integrated Annual Corporate Governance Report (I-ACGR) on or before May 30th of every year that the company remains listed on the PSE.

The I-ACGR covers (1) Recommendations from SEC CG Code for Publicly Listed Companies, (2) Supplemental provisions from PSE CG Guidelines Disclosure Survey, (3) Additional requirements not in SEC CG Code/PSE CG Guidelines but expected of PLCs, and (4) Requirements from the ASEAN CG Scorecard (optional).

BPI's latest I-ACGR as well as that of previous years' may be viewed on the company website at www.bpi.com.ph.

CODES OF BUSINESS CONDUCT AND ETHICS

BPI has Codes of Business Conduct and Ethics, providing the key practices and behaviors for its directors, officers, and employees. The codes serve as guidance so that the right decisions are made in the performance of their respective roles and responsibilities across various functions in the Bank.⁴¹

Employee Code of Business Conduct and Ethics. Built around BPI's Mission and Vision, Credo and Core Values, the Code lists the high-level ethical principles that guide the Bank's business, how its employees must treat its clients, and the conduct expected from them. The Code also includes guidance on care for the environment, labor rights, customer service and protection, commitment to human rights, the right to privacy, and anti-bribery and anti-corruption. The Code of Business Conduct and Ethics is a declaration of principles and, more so, a vital part of the Bank's risk management strategy. Annually reviewed, the Code was refreshed and approved by the PerCom in October 2022.⁴²

⁴¹ Recommendation 71 SEC CG Code for PLCs
⁴² Recommendations 71 and 72., SEC CG Code for PLCs

THE CODE OF BUSINESS CONDUCT AND ETHICS

OUR CLIENTS

[N.I.C.E.] Values at work: Nurturing, Integrity, Customer-Obsessed, Excellence

- Building Client Relationships
- Safeguarding Privacy and Security of Client Information
- Promoting and Strengthening Consumer Protection

OUR EMPLOYEES

Values at work: Nurturing, Integrity, Excellence

- Adhering to Company Rules and Workplace Policies
- Creating Dignity and Unity in the Workplace
- Contributing to Workplace Health & Safety
- Following Limits of Authority
- Avoiding Conflict of Interest
- Protecting Property and Assets of BPI and Others
- Recognizing Privacy of Employee Information

OUR SHAREHOLDERS

Values at work: Integrity, Excellence

- Upholding the Bank's Reputation, Service Quality and Trust
- Transparency, Liaison and Coordination with Regulators
- Maintaining Company Records and Reporting Requirements
- Supporting Investors and the Market
- Encouraging and Assisting Whistleblowing
- Handling Related Party Transactions

OUR COUNTRY

Values at work: Nurturing, Integrity, Excellence

- Compliance with KYC, Anti-Money Laundering and FATCA Regulations
- Preventing Insider Trading
- Enforcing Anti-Corruption and Anti-Bribery
- Dealing with Suppliers and Business Partners
- Caring for Sustainability and Communities

Applicability of Code. The Code is applicable to and mandatory for all employees of the BPI group. As no code could address every situation an employee may encounter, all employees are required to follow both the spirit and the letter of the Code, its policies, and procedures. Annually, all BPI employees are required to read, understand, and comply with the Code of Business Conduct and Ethics.

All others who work for, or on behalf of, BPI are also required to demonstrate the highest standards of professional business conduct. In general, this includes consultants, agents, contract or temporary workers, and business partners.

Guidance on the Code. Throughout the Code, employees will find information, key terms, and links to related policies on BPI's internal electronic database, to guide them in making ethical decisions. In the absence of a specific policy, employees have a responsibility to use good judgment, comply with the spirit of the Code, and seek help from their immediate superior, the Human Resources Management Group, or HR Employee Care Unit if they have any questions or concerns.

Reporting Violations. All employees must report to management any information they may have about any offense or Code violation which has been, is being, or is about to be committed. Failure to do so will subject the employee to the appropriate disciplinary action. Protection of the reporting party's identity will be maintained to the extent possible, within the legitimate needs of law and the fact-finding process. Where appropriate, BPI may apply the protected disclosure protocols of our Whistleblower Policy. Employees are also expected to cooperate with any investigation, inquiry, examination, or litigation related to the offense or Code violation.

Director's Code of Conduct. BPI has a Code of Conduct for its Board, adopted in Sept. 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, the upholding of BPI's reputation for integrity, and compliance with applicable laws and regulations. The principles outlined in the Director's Code of Conduct: (1) codify a standard of conduct for which directors are to abide throughout their term of service, from the date of their appointment; (2) set out a range of matters relating to the director's role and the behavior expected of them to properly undertake their fiduciary duties, protect the business interests of BPI, and maintain its reputation for integrity, and; (3) emphasize BPI's commitment to compliance with regulatory guidelines, rules and laws. In contrast to the Board Charter and MCG, which sets out the qualifications, role, composition, duties, and responsibilities of the Board within the governance structure of the Bank, the Code governs the behavior and conduct of the directors.

The Director's Code, therefore, sets forth policies 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. These basic areas include: (1) leadership and stewardship; (2) diligence, care, and skill; (3) upholding the law; (4) conflict of interest; (5) competition and fair dealing; (6) confidentiality; and (7) corporate disclosure. The Director's Code also discusses directors' time commitments, training and development, personal investments and insider trading, political activity and involvement, gifts policy, anti-bribery and anti-corruption, related party transactions, competition and fair-dealing, and public communication.⁴³

Dissemination of the Codes. The Bank's codes of conduct are embodied in the Bank's MCG and the internal electronic databases readily accessible for all Bank employees. Advisories on the employee code are also regularly communicated on electronic mail messages group and bank-wide. Directors are provided with hard copies as well as electronic copies of the Director's Code. Both the Employees' and Directors' Codes of Conduct are disclosed in the MCG and on the company website.⁴⁴

Training on the Codes of Conduct. Employees are required annually to take the mandatory Code of Business Conduct (COBC) Course which includes training sections on other CG policies of the Bank such as the Insider Trading Policy, Whistleblower Policy and the Anti-Bribery and Anti-Corruption Policy. -

Annual Affirmation to the Codes. All directors and employees acknowledge annually, through a Statement of Affirmation, that they have read and understood the Director's Code and/or the employee Code of Conduct, respectively, as well as the MCG, and fully comply and adhere to the principles, standards, and policies therein.

Notices on the Employee Affirmation and COBC Course are broadcast group-wide and bank-wide to remind employees of their need to comply with the mandatory training and affirmation. The Board monitors compliance with the code through its various board-level committees.⁴⁵

COMPANY POLICIES AND STANDARDS

Conflict of Interest Standards.

The Bank has 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:

- prohibit directors and employees from using their position of authority or rank to directly or indirectly derive personal gain or advantage;
- expect all directors and employees to refrain from any conduct that could be viewed unfavorably by the Bank's clients, co-employees, competitors, suppliers, investors, regulators, or the public;
- require full cooperation and provision of complete and accurate information from employees during government, regulatory or internal enquiries, investigations, and audits;
- require directors to disclose any conflicts of interests such as cross-board memberships, cross-shareholdings with suppliers and other stakeholders, and related party issues;-
- cover specific conflict-of-interest situations such as receipt of gifts from third parties, respect for trade secrets, use of non-public information, and use of company funds, assets, and information.

Employee Awareness and Training.

Employee bulletins on Conflict of Interest are regularly issued by the Human Resources Group and the Corporate Governance Department to increase awareness and ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.⁴⁶

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

Through its Anti-Bribery and Anti-Corruption (ABC) Policy, the Bank puts the highest premium on sound, responsible, and effective corporate governance. The Bank advocates that directors and employees do not tolerate corruption or any form of bribery nor provide or accept improper inducements in the course of any business dealing.⁴⁷

Aligned with the Bank's commitment to act fairly and with integrity in all business dealings and relationships, the ABC Policy complements the Bank's financial crime policies and programs such as the Money Laundering and Terrorism Financing Prevention Program (MTPP) and Whistleblower Policy.

Bribes. Employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor). Specifically, employees must not bribe public officials in all dealings.

Gifts policy. (Request or Acceptance of Commission, Kickbacks, Gift or Gratuities from those who have dealings with Bank).

Guidance on the Bank's ABC Policy is supplemented by the Standards on Conflict of Interest, Gifts Policy, which prohibits employees from making direct or indirect requests or acceptance of any gift, share, percentage, discounts, special privileges, or benefit for oneself or any other person in an employee's past, present or intended intervention in any dealings between the Bank and any other party with the exception of, but not limited to, the following:

- Receipt of gifts during the Christmas season or any occasion from clients or suppliers which should be in view or due to one's position of the bank, unless said gifts are of considerable monetary value, i.e., above Php 5,000.00;
- Receipt of unsolicited gifts of a token nature, promotional items

Employees are required to: 1) Disclose items received in any occasion except during Christmas; 2) Turn over the gift to the Division Head, who subsequently endorses such to the Group Head for proper disposition when it is not practical to return a gift.

The following are prohibited or considered violations:

- Acceptance of fees, commissions, or kickbacks from clients, suppliers, in consideration of patronizing their products or services in connection with their dealings with the Bank
- Solicitation from clients, suppliers in favor of patronizing their products or services in connection with their dealings with the Bank
- Receipt of commission from insurance agents whenever premiums are paid on account of insurance policies covering properties mortgaged to the Bank

Political contributions. The Bank 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.

Compliance. Monitoring of and compliance with the Code of Conduct and related policies are undertaken by the Human Resources Management Group and in part by the Corporate Governance Department of the Compliance Division.

⁴⁴ Recommendation 71, 8.7 SEC CG Code for PLCs
⁴⁵ Recommendation 7.2 SEC CG Code for PLCs

⁴⁶ Recommendation 71, 8.7 SEC CG Code for PLCs

⁴⁷ Recommendation 15.2, 71, 8.7 SEC CG Code for PLCs

Employee Awareness and Training.

Employee bulletins are regularly issued by the Human Resources Group and Corporate Governance Department to increase awareness and ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.

2024 Reports. For the year 2024, there are no confirmed incidents of bribery or corruption.

INSIDER TRADING POLICY

The Bank has an Insider Trading Policy which prohibits its covered persons or directors, employees, and other parties who are considered to have knowledge of material facts that have not been disclosed to the public, including any information that will likely affect the market price of BPI's securities, from buying or selling these securities for their own personal account during periods of structured and non-structured disclosure (trading blackout). This prohibition includes passing on material and non-public information relating to BPI or its clients to anybody who may buy or sell securities.⁴⁸

Employee Awareness and Training.

Employee bulletins are regularly issued by the Compliance Office before, during, and after trading blackout periods to ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.

Disclosure and Reporting. All Directors and Senior Management are required to comply with regular reportorial requirements of and disclosure to the SEC and the PSE for the purchase and sale of BPI shares.

Violation of the policy shall be subject to disciplinary action as may be determined by management or the Board, without prejudice to any civil or criminal proceedings which BPI or the regulators may file. Under the law, insider trading may be subject to penalty for damages or fine and/ or imprisonment.

⁴⁸ Recommendation 71, 8.2, 8.7 SEC CG Code for PLCs

2024 Reports. For the year 2024, there are no confirmed incidents of insider trading.

WHISTLEBLOWING POLICY

The Bank has an established whistleblower program, which is an important mechanism to prevent and detect fraud or misconduct, and enable fast and coordinated incident responses, remedial actions, and damage control procedures.⁴⁹

Applicability of Policy. The Whistleblower Policy is applicable to both internal and external stakeholders. All directors and employees, as well as clients, suppliers, and other stakeholders can report any violation. These can include violations of policies, procedures, and applicable laws and regulations such as fraud, sexual harassment, theft, stealing, conflict of interest, information security breach, and any other acts which are inimical to the interests of the Bank and the BPI group.

Reporting Procedure. The whistleblower may approach any of the following officers who are the designated contacts for the Bank and the primary reporting line: Chief Human Resources Officer, Chief Audit Executive, and Chief Risk Officer. Under extraordinary circumstances, the whistleblower may also course the complaint through other reporting lines, like the President and CEO or the Chairman of the Bank's Audit Committee.

The whistleblower may report formally or anonymously to the primary contacts. Reporting can be done in writing, by telephone, in person, or through eye_report@bpi.com.ph.

Upon receipt of the whistleblower report, the personnel to whom the report was disclosed shall immediately initiate the investigation by turning over the details and documents, if any, to the investigating unit of the Bank. The investigation of the whistleblower report shall follow due process as stipulated in the Bank's manual of operations for handling fraud and irregularities.

⁴⁹ Recommendation 71, 8.7, 15.3 SEC CG Code for PLCs

Non-Retaliation. The Whistleblower Policy emphasizes the Bank's commitment to non-retaliation. It fosters and maintains an environment of utmost confidentiality where all whistleblowers may act appropriately without fear of reprisal, and are treated with utmost confidentiality. An individual who makes a protected disclosure shall not suffer harassment, retaliation, or adverse employment consequences. Any person who retaliates against any individual who makes a protected disclosure shall be subject to discipline, including termination.

In case the whistleblower believes he/she has been subjected to retaliation, he/she may seek redress or file a formal complaint to the three primary contacts for whistleblowing.

Employee Awareness and Training. Employee bulletins are regularly issued by the Human Resources Group to increase awareness and ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.-

2024 Reports. In 2024, BPI received a total of thirty (30) reports through its BPI Eye Report Box, of which 3 were unsubstantiated or invalid queries/allegations while 1 with ongoing civil case. The remaining twenty-six (26) were verified and/or referred to concerned bank units for proper disposition and were subsequently fully resolved except for some reports that are still under investigation/verification. The nature of the reports included: customer complaints (27%), administrative matters (37%), conflict of interest issues (13%) and operational lapses (23%).

RELATED PARTY TRANSACTIONS POLICY

Our Related Party Transactions Policy aims to further strengthen the BPI Group's corporate governance over related party transactions by imposing rigorous guidelines and measures to avoid the occurrence of abusive RPTs.⁵⁰

⁵⁰ Recommendation 2.7 SEC CG Code for PLCs

The policy identifies persons and companies that are considered the Bank's related parties. Management periodically reviews and updates the inventory of related parties to capture organizational and structural changes in the Bank, the BPI Group, and its related parties. Covered transactions are those that not only give rise to credit and/or counterparty risks, but also those that could pose material/special risk or potential abuse to BPI and its stakeholders.

Through this policy, the Bank also institutionalized a sustainable framework for the identification, assessment, and reporting of related party transactions, aimed at achieving an increased degree of transparency and integrity.

Related Party Transactions Committee. BPI established a Board-level Related Party Transactions Committee (RPTCom) to assist the Board in assessing material agreements of any kind with a related party and determine whether to approve, ratify, disapprove or reject a transaction. Directors with material interest in any transaction affecting the Bank abstain from taking part in deliberations for the same. Currently composed of independent and/or non-executive directors, the RPTCom meets regularly to vet credit and non-credit related party transactions of significant amounts that meet the materiality threshold per transaction type as established per Bank's policy on RPTs. The Bank's CAE and CCO sit as resource persons of the RPTCom. Internal Audit, under the CAE, performs post-transaction reviews to ensure proper implementation of related party transactions endorsed by the RPTCom.⁵¹

Vetting Process. The RPTCom is guided by the following:

- The RPTCom evaluates the fairness and reasonability of the terms of the RPT and ensures that RPT terms are dealt at arm's length (i.e., considers whether the RPT is entered into on terms no less favorable to the Bank than terms generally available to non-related parties under the same or similar circumstances).
- For a transaction involving a sale of Bank's assets, the Committee reviews the results of the appraisal or valuation methodology used, as well as alternative approaches to valuation.

⁵¹ Recommendation 5.6 SEC CG Code for PLCs

- The Committee assesses the details of the related party transaction:
 - Term of the transaction;
 - The related party's interest in the transaction;
 - Purpose and timing of the transaction;
 - Whether the Bank is a party to the transaction and, if not, the nature of the Bank's participation in the transaction;
 - If the transaction involves the sale of an asset, a description of the asset including date acquired and costs basis;
 - Information concerning potential counterparties in the transactions;
 - Approximated value of the transaction and the approximated value of the related party's interest in the transaction;
 - Description of provisions or limitations imposed as a result of entering into proposed transaction;
 - Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
 - Potential benefits to the Bank.

- If needed, the RPTCom may also call on independent experts to help with valuation issues to ensure that the interests of the Bank and its stakeholders are protected.
- The RPT Vetting Department, which is part of the Risk Management Office, acts as the RPTCom Secretariat, assisting the Committee in carrying out its responsibilities as defined in the RPTCom Charter.

RPTs that are classified as a material transaction must be approved by the Board and submitted for confirmation by majority vote of the stockholders in the ASM.

Materiality Threshold. RPTs involving amounts below the materiality threshold must be approved by the proper authority and submitted for confirmation by the respective Board of Directors. All transactions involving Directors, Officers, Shareholders, and Related Interests (DOSRI), and credit transactions of subsidiaries, and affiliates, must at all times be submitted to the appropriate Board for approval.

SEC Material RPT Policy. In compliance with SEC Memorandum Circular No. 10, Series of 2019 on Rules of Material RPTs for publicly listed companies (PLC), the Bank also incorporated additional guidelines on materiality threshold, defined as related party transaction/s, either individually, or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of the company's total assets based on its latest audited financial statement. If the reporting PLC is a parent company (e.g., BPI), the total assets shall pertain to its total consolidated assets.

Management Vetting Committee. The Bank has a Management Vetting Committee (MVCom), currently composed of the Executive Vice Presidents, the Chief Finance Officer, and the Treasurer of the Bank, to review Related Party Transactions which are below the materiality threshold, and, as may be designated, the notation of post-transaction reports on exempted RPTs. The Compliance Office, under the CCO, is responsible for the post-review of all MVCom-endorsed transactions. All transactions vetted by the MVCom are submitted to the RPTCom for its information and notation.

All Directors, Officers, and Employees are also required to disclose conflicts and potential conflicts, as well as relationships with clients, prospects, suppliers, and other interests. Companies within the BPI Group, notwithstanding its respective RPT policies, standards, and materiality thresholds at the subsidiaries' level, are also covered by this overarching Related Party Transactions Policy of the Bank under an enterprise oversight.

Disclosure of Related Party Transactions. Related party transactions are properly disclosed in the Bank's audited financial statements, and other applicable filings in accordance with the relevant rules and issuances of the BSP, SEC, and other regulatory bodies. Disclosures on related party transactions can be found in Note 25 of the 2024 Audited Financial Statements.

Employee Awareness and Training. Employee bulletins are issued to increase awareness and ensure compliance. The policy itself is also disclosed in the MCG and on the company website.⁵²

MERGERS, ACQUISITIONS, AND/OR TAKEOVERS

The Board and Senior Management exercise appropriate due diligence and good faith in the review and consideration of all material issues with respect to strategy, opportunities and risks, pricing or valuation, compliance and legal obligations, including diligence on the parties involved before entering into extraordinary transactions, such as mergers, acquisitions, and takeovers. The Bank engages the service of independent and qualified third-party firms and consultants to evaluate the fairness of the transaction price and terms and conditions.⁵³

The Board of Directors in its meeting on Sep. 30, 2022 approved the proposed merger between Robinsons Bank Corporation (RBC) and BPI, with BPI as the surviving bank, subject to shareholders' and regulatory approvals. JG Summit Capital Services Corp. and Robinsons Retail Holdings, Inc. currently own approximately 99.9984% of the outstanding capital stock of RBC. In relation thereto, the Board approved:

- a. The execution of an Agreement for the Merger of Bank of the Philippine Islands and Robinsons Bank Corporation, among BPI, RBC and JG Summit Capital Services Corp. and Robinsons Retail Holdings, Inc. as the RBC Shareholders (the "Agreement");
- b. The execution of the Plan of Merger and Articles of Merger by and between BPI and RBC, with BPI as the surviving bank;

- c. Designation of certain authorized signatories and representatives to give effect to the aforementioned resolutions; and
- d. Calling for a special stockholders' meeting.

On the same day and after the Board approval, BPI executed the Agreement.

Following this, during its regular meeting held on Nov. 16, 2022, the Board of Directors approved the calling of a Special Stockholders' Meeting to be held on Jan. 17, 2023, for purposes of securing the required shareholders' approval for execution of the Plan of Merger and Articles of Merger for purposes of the proposed merger between BPI and RBC, with BPI as the surviving bank.

The merger is expected to unlock various synergies across several products and service platforms, 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.

COMPLIANCE WITH ANTI-COMPETITION LAWS

BPI observes compliance with anti-competition laws and regulations, including but not limited to Republic Act No. 10667 or the Philippine Competition Act. As such, the Bank values the benefits of having an efficient market competition, allowing consumers to exercise their right of choice over the available goods and services offered in the market, towards further economic development.

For the year 2024, the Bank has not received any fines or penalties related to anti-competition.

POLICY ON SUPPLIERS AND CONTRACTORS

BPI has established processes for accreditation, vendor selection, and suppliers audit to ensure qualified suppliers are given equal opportunity when bidding for projects with the Bank. All employees, departments, and divisions are also regularly advised to update and review their respective lists of suppliers to meet accreditation requirements. Employees must also review the Bank's detailed policies on outsourcing services where applicable.

BPI complies with outsourcing regulations mandated by the BSP which requires banks to put in place appropriate processes, procedures, and information systems that can adequately identify, monitor, and mitigate operational risks arising from the outsourced activities.

In this regard, BPI's Board and Senior Management established policies on outsourcing to ensure that all outsourced activities are conducted in a safe and sound manner and in compliance with applicable laws, rules, and regulations.

From a governance standpoint, commercial transactions with suppliers should be economically beneficial to all parties involved and relationships should be based on the principle of fair and honest dealings. Compliance with internal policies must be in place to stop fraud, money laundering, bribery, and corruption and adhere to local or international laws and regulations. From an ESG standpoint, the Bank's goal is to work collaboratively with supply chain partners on sustainability. BPI's supply chain management policies ensure that the Bank's supply chain is not only sustainable but is also geared towards improving the lives of workers, their communities, and the environment. The Bank also engages suppliers who promote sustainable development and who comply with national laws and internationally recognized standards and conventions for ethical, environmental, and social conditions.

POLICY ON CREDITORS

As a financial institution and an active participant in the capital markets, BPI respects the rights of its creditors. In 2024, the Bank continued diversifying its funding sources and lengthening the maturity profile of its borrowings through a fundraising activity, via the onshore debt market. For details of the Bank's issuance in 2024, please refer to pages xx to xx.

BPI attributes the success of this issuances to the robust demand from both institutional investors as well as high-net worth and retail clients. This issuance supports the Bank's drive to diversify its investor base and fund its asset expansion, particularly loan growth, digitalization initiatives, and general corporate purposes.

The Bank complies with all covenants of its debt and equity issuances and respects the rights of its bondholders and stockholders.

BPI also complies with statutory requirements with respect to post-issuance continuing disclosures, tax compliance, and other duties, responsibilities, or actions it is obligated to perform or is prohibited from performing, for the outstanding capital market issuances. The Bank also has an Investor Relations Office to respond to investors' need for information. It keeps rating agencies informed of material events and responds to other requests for information.

FINANCIAL CONSUMER PROTECTION

The Bank has in place a Financial Consumer Protection Assistance Mechanism (FCPAM), which was established by the Client Experience Center (previously Customer Experience Management Office or CXMO) to institutionalize guidelines that will help ensure that feedback from existing and potential clients are handled appropriately, as required by the Bank's consumer protection policies.

The Board and Senior Management are responsible for the development of the Bank's consumer protection strategy and establishment of an effective oversight over the Bank's consumer protection programs. The Board of Directors is ultimately responsible for ensuring that consumer protection practices are embedded in the Bank's various business operations and include the following:

- Approval of the Bank's consumer protection policies as well as the mechanism to ensure compliance with the said policies, including policies and mechanisms related to the consumer assistance management process;
- Oversight on the implementation of and compliance with the Bank's consumer protection activities;
- Promotion of a culture of ethical behavior and adherence to the highest standards of fair and responsible dealing with consumers and relationships with third parties that may give rise to consumer protection risks;
- Ensuring that adequate information and actions taken are reported on a regular basis in terms of the measurement of consumer protection related risks, as well as other material consumer related developments that will impact the Bank;
- Delegation of other duties and responsibilities to a Board-level Committee or to Senior Management

but not the function of overseeing compliance with the prescribed consumer protection framework/policies.

The Board-level Executive Committee exercises the powers and fulfills the duties and responsibilities of the Board in the management of the Bank's consumer protection activities, including other duties and responsibilities delegated by the Board. Senior Management ensures that the approved policies and procedures on consumer protection and consumer assistance are clearly documented, properly understood and appropriately implemented across all levels and business units through:

- Establishment of an effective monitoring and management information system to regularly measure, aggregate and analyze consumer related issues to determine level of consumer protection risk;
- Integration into the risk governance framework of appropriate and clear reporting and escalation mechanisms;
- Putting in place of adequate systems and controls to promptly identify issues that affect the consumer across all phases of the relationship.

In July 2020, CXMO became Client Experience Center (CXC) and integrated all the major customer touchpoints to strengthen our focus on customer experience. CXC is now composed of four units: Customer Care, Governance, Service Quality and FCP Customer and Insights. These four units work together to safeguard the interests and well-being of our customers as we address their financial needs. There are also related policies in place such as the BPI Financial Consumer Protection Program and Complaints Management and Reporting to properly equip our bank personnel in the handling of customer feedback. Preventive measures and treatment plans from business units with top customer concerns are presented to senior management regularly for appropriate service improvements and customer satisfaction.

A new and more robust system to gather complaints data was acquired for the use of the bank in the last quarter of 2021, to replace the Customer Feedback Database created in 2017. This is a vital tool in identifying areas of concern and process improvements which is part of the FCP program.

As part of our FCPAM, different touch points or channels are in place where clients can file their feedback. These include our Contact Center via phone, e-mail, and social media accounts, CX Customer Care, branches, and the business units. Our employees are guided by the internal bank policies on FCP where client feedback, specifically complaints, are classified according to complexity which will determine the turnaround time within which the complaint should be addressed and resolved.

We maintain a vigilant approach in addressing feedback and concerns regarding our products and services. Throughout 2024, we diligently addressed and resolved issues, achieving a 98.2% compliance rate for complaint resolution, consistent with our previous performance of 98.6%. By year-end 2024, reported complaints had been effectively resolved, reflecting our dedication to swift and satisfactory resolutions. Our adherence to regulatory standards remains steadfast, with no confirmed incidents of non-compliance in 2024, underscoring our unwavering commitment to product and service excellence. We continuously uphold our enterprise-wide complaint reporting to BPI Management, ensuring transparency and accountability across our operations. Notably, our efforts have contributed to a decrease in complaint intensity by __% from 2023 to 2024. This is calculated as every one complaint per 1,000 transactions.

The designated Customer Assistance Officers (CAOs) undergo training to ensure that they are equipped to address customer issues and ensure compliance with the Bank's Consumer Protection Program. Employees are made aware of the FCP Program through a continuous information and education campaign. Since 2018, the CXC has conducted roll-outs and training sessions on FCP and held alignment meetings with the CAOs in various business areas.

Employees also take the mandatory FCP Training course annually available via e-learning. With the revision of the FCP module in __, there has been a notable improvement in performance among Unibankers, evidenced by a completion rate of __%, which surpasses the __% achieved in __. To further improve service and align with the customer obsessed culture of the Bank, Human Resource – Learning & Development Department provides soft-

⁵² Recommendation 7.1, 8.5, 8.7 SEC CG Code for PLCs
⁵³ Recommendation 8.6 SEC CG Code for PLCs

skills trainings such as business writing, oral communications, problem solving, professional image development, and collections overview, among others. FCP is also embedded in the employee code of conduct.

For the awareness of our customers, we regularly update our product features and services in our website and social media pages. This also includes frequent reminders on phishing, vishing and other forms of fraudulent schemes in order to warn and protect our customers. Marketing materials and offerings involving our customers are also reviewed for proper and necessary disclosure and transparency. Our social media team closely monitors customer engagements in our social media pages and the data collected is regularly reported to management.

Since the establishment of the FCP Framework in 2017, we have maintained full compliance with product and service regulations, bolstering trust and confidence in our brand with a commitment to customer satisfaction.

Data Privacy. BPI has a strong Data Privacy Policy in place. This policy describes to whom it applies to, what personal data the Bank collects, and how such data is collected, and how the Bank may use personal data for core business and marketing purposes. The policy also covers how the Bank may disclose and share such personal data, how such personal data is stored and retained, and how such data can be accessed or corrected. The Data Privacy Policy or Statement is posted on the company website and complies with the requirements of the Data Privacy Act and the NPC.

OPERATING MANAGEMENT

Organization. BPI's President and CEO is responsible for formulating the business strategy and the overall management of the Bank in fulfilling objectives to achieve the desired outcomes of its strategy. The Bank's senior executive officers are each responsible for an area of the Bank's business and report directly to the President and CEO.

In 2024, the senior executive officers of the Bank included:

- Dino R. Gasmen, Treasurer, Senior Vice President and Head, Global Markets

- Ramon L. Jocson, Executive Vice President, Chief Operating Officer and Head, Enterprise Services Segment
- Juan Carlos L. Syquia, Executive Vice President and Head, Corporate Client Segment
- Marie Josephine M. Ocampo, Executive Vice President and Head of the Mass Retail Segment
- Maria Theresa D. Marcial, Executive Vice President and Head of BPI Wealth
- Eric Roberto M. Luchangco, Senior Vice President, Chief Finance Officer, Chief Sustainability Officer, Head, Strategic and Finance

The senior executive officers are responsible for ensuring:

- Development and expansion of the Bank's client relationships;
- Service quality and innovation in its products and services;
- Enterprise asset-liability management and flows business;
- Reliability, productivity, and efficiency of the operating infrastructure;
- Financial strategy formulation and execution;
- Sustainable investor and stakeholder relations

Planning and Performance Management. BPI articulates its strategy in periodic planning exercises, realizes plans in formal budgets, and conducts periodic performance reviews against budget and past performance. We act in accordance with well-defined operating policies and procedures, as well as ensure the accuracy and transparency of operational and financial reporting to further solidify our reputation on integrity and fair dealing. We also strive to achieve accountability in revenue performance, efficiency in resource expenditures, and customer satisfaction in the delivery of services. Management is regularly reviewed and rewarded according to their performance relative to assigned targets, taking into account innovation, customer feedback, peer performance and Board evaluation.

We place a strong emphasis on prudent risk-taking and risk management. Specific management committees ensure that major risks are identified, measured, and controlled against established limits. These key management committees include:

- Assets and Liabilities Committee
- Credit Committees

- Crisis Resiliency Committee
- Finance Committee
- Fraud and Irregularities Committee
- Information Technology (IT) Steering Committee
- IT Infrastructure Governance
- IT Project Steering
- Management Vetting Committee
- Money Laundering Evaluation Committee
- Money Service Business Governance
- Operational Risk Management Committee
- Opex Accreditation
- Real and Other Properties Acquired (ROPA)
- Sustainability Council

Members of these committees are senior officers (in the case of the Information Technology Steering Committee, includes a non-executive Director) who are subject matter experts in areas of knowledge relevant to the respective committees. Members may include client specialists, product specialists, senior officers of the Risk Management Office, and other senior executives, as applicable.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights

BPI treats capital as a valuable asset and seeks to generate superior returns for its shareholders, while being prudent in risk-taking, spending, and investment. The Bank treats all its shareholders equitably and equally, whether they have majority or minority interest. The Board is committed to respect the rights of shareholders, recognized in the Corporation Code, including, among others:

Voting rights. Shareholders have the right to elect, remove, and replace directors and vote on certain corporate acts.

- Electronic Voting in Absentia. In its meeting held on Feb. 14, 2024, the Board approved Management's recommendations for BPI to provide the Bank's shareholders with the option to vote in absentia in the 2024 ASM. Hence, at the Apr. 23, 2024 ASM, BPI shareholders 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.
- Cumulative voting is used in the election of directors, who may be removed with or without cause. Directors shall not be

removed without cause if it would deny minority shareholders representation in the Board. Removal of directors requires an affirmative vote of two-thirds of the outstanding capital of BPI.

- No stockholders' meeting may conduct business unless a majority of the outstanding and subscribed capital stock entitled to vote is represented, except to adjourn from day to day until such time may be deemed proper.
- The Bank also strictly complies with the rules and regulations of the SEC and the BSP, in relation to sending out the notice of meeting at least two weeks prior to the meeting, right to vote, and right to appoint a proxy.
- BPI adheres to the "One Share, One Vote" rule. Its Amended By-Laws state that shareholders are entitled to voting rights equivalent to the number of shares they hold, i.e., voting is by shares of stock and not "per capita".

Pre-emptive rights. All shareholders have preemptive rights, unless there is a specific denial of this right in the Articles of Incorporation or an amendment thereto. They have the right to subscribe to the capital stock of BPI. The Bank's Articles of Incorporation lays down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which are protected by law as long as they are not in conflict with the Corporation Code.

Right of inspection. Shareholders shall be allowed, within certain reasonable limits, to inspect corporate books and records including minutes of Board meetings and

stock registries in accordance with the Corporation Code. They shall be provided with an annual report, including financial statements.

Right to information. Upon request and for a legitimate purpose, a shareholder shall be provided with periodic reports which disclose personal and professional information about the directors and officers, and certain other matters such as their holdings of BPI's shares, dealings with BPI, relationships among directors and key officers, and the aggregate compensation of directors and officers. The Information Statement and Proxy Forms where these are stated must be distributed to the shareholders before ASMs and in the Registration Statement and Prospectus in case of registrations of shares for public offering with the SEC.

Right to dividends. Shareholders have the right to receive dividends subject to the discretion of the Board. However, the SEC may direct BPI to declare dividends when its retained earnings is in excess of 100% of its paid-in capital stock, except:

- When justified by definite corporate expansion projects or programs approved by the Board;
- When BPI is prohibited under a loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without the creditors' consent, and such consent has not been secured; or
- When it can be clearly shown that retention of earnings is necessary under special circumstances, such as when

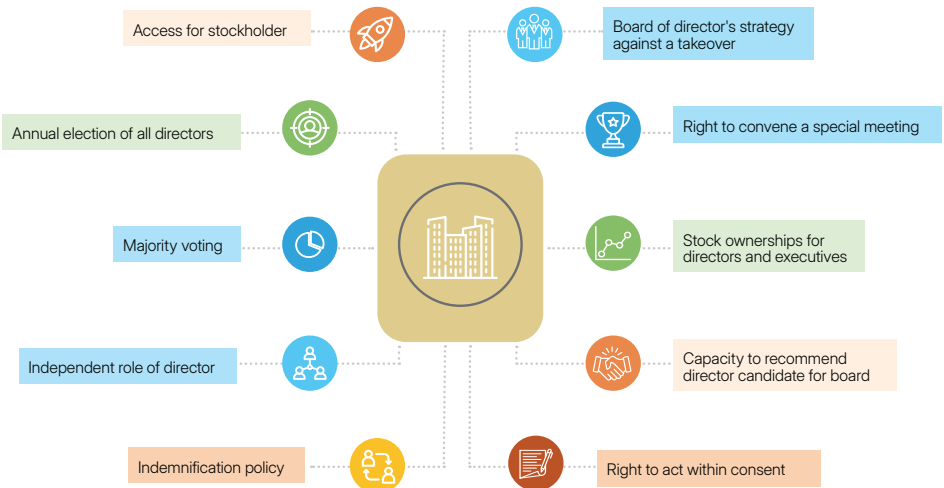
there is a need for a special reserve for probable contingencies.

Appraisal right. In accordance with the Corporation Code, shareholders may exercise appraisal rights under the following circumstances:

- In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any shareholders 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;
- In case of a sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of a merger or consolidation.

Alternative Dispute Mechanism. It is the policy of the Bank to resolve disputes or differences with shareholders, regulatory authorities and other third parties, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation or arbitration. If the agreement between the Bank and third parties has an arbitration clause, arbitration is the ADR system being adopted. If none, the Bank initiates conciliation-earnest effort to arrive at amicable settlement. If everything fails, and the dispute progresses into court litigation, the Bank strictly adheres to and complies with Supreme Court A.M. No. 11-1-6-SC-PHILJA dated Jan. 11, 2011 [Consolidated and Revised Guidelines to Implement the Expanded Coverage of Court-Annexed Mediation (CAM) and Judicial Dispute Resolution (JDR)].⁵⁴

Relative to regulatory authorities, the Bank adopts and complies with the alternative modes of dispute resolution they are using or promoting such as, but not limited to, mediation, conciliation, and arbitration, in compliance with Republic Act No. 9285 (Alternative Dispute Resolution Act of 2004).



⁵⁴ Recommendation 13.1, 13.4 SEC CG Code for PLCs

Investor Relations.

BPI believes that transparent and accurate reporting of operating and financial results, major business decisions, and developments gives shareholders and investors the relevant inputs to their investment decisions. In addition, such reporting provides the basis for the sound and robust market valuation of its shares and a proper view to all stakeholders of possible future losses or gains.

The Investor Relations Office, which is part of the Corporate Strategy, Investor Relations and Sustainability Division, is tasked with a program of proactive, uniform, appropriate, and timely communication and reporting. Full disclosure is done in compliance with the BSP, Securities Regulation Code (SRC), SEC, PSE, PDEx, and SGX rules, regulations, and disclosure guidelines in light of the Bank's capital market issuances.⁵⁵ European investors who are covered by the Markets in Financial Instruments Directive II (MiFID II) regulations are also engaged directly by the Investor Relations Office.

Information not required under these disclosure rules, if such matters are estimated to have an impact on investment decisions by interested parties, are disclosed as promptly and comprehensively as possible by appropriate methods.

The Investor Relations Office has sustained an active level of engagement with the Bank's local and foreign analysts, investors, and shareholders through a mix of in-person and online activities. Face-to-face meetings are regularly hosted onsite and senior management travel to participate in both local and international conferences. Virtual meetings and events are conducted on communication platforms such as Zoom and Microsoft Teams.

For the year, BPI senior leadership and investor relations officers hosted 24 one-on-one meetings, attended 21 investor conferences, and met almost 364 individual participants in these events. Further, the Investor Relations Office also submitted about 240 structured and unstructured disclosures to various Exchanges.

The Investor Relations Office also provides quarterly investor presentations and collaborates with the Public Affairs and Communications Office for media briefings and press releases. Such information about the Bank is shared regularly with the investing public, analysts, and members of the media. Statements in these presentations describing BPI's objectives, projections, estimates, and expectations may be forward-looking.⁵⁶

Actual results may differ from the statements made in the presentations, whether expressed or implied. Select regulatory disclosures, the Bank's share information, dividends, credit ratings, and all investor presentations and press releases distributed, including presentations of the Chairman and the President and CEO at the ASM, may be viewed at www.bpi.com.ph

Annual Stockholders' Meeting.-

The ASM allows the Bank's shareholders to advise and adopt resolutions on important matters affecting the Bank on which they have legal sovereignty, such as: the appropriation of profit; ratification of all acts and resolutions of the Board and Management adopted during the preceding year; approval of the Report of the President and the Bank's Statement of Condition; amendments to the Articles of Incorporation or By-Laws; and election of Board of Directors and external auditor, as well as measures to amend the shareholders' equity.

The ASM also continues to be a key communications event for our Board and Management. It is a primary opportunity for

- meaningful discussion of the company's narrative
- to engage with its shareholders and investors on key issues facing the Bank
- the review of fiscal information for the past year,
- response to any questions regarding the Bank's goals and directions moving forward

BPI's Board, including the Chairman, Chairman of the Audit Committee, Independent Directors, and senior executive officers are always in attendance and available for informal discussion before and after the formal business of the ASM. The Chairman and members of the Board, chairmen and members of the Board-level Committees, and senior executive officers led by the President and CEO, CFO, and Heads of Risk, Control, and Compliance, including the Corporate Secretary, and the Investor Relations Officer attended the 2024 ASM.⁵⁷

For the benefit of all the stockholders, the Chairman of the Board and the Corporate Secretary discussed the Rules of Conduct and Procedures for the meeting after the requisite call to order, certification of notice of meeting, and determination of quorum. The Rules of Conduct and Procedures were also detailed in the explanations of agenda items in the Notice of ASM. All items in the agenda requiring approval by the shareholders, including the election of the Board, need the affirmative vote of shareholders representing at least a majority of the issued and outstanding voting stock. Voting is considered on a poll, by shares of stock; that is, one share entitles the holder to one vote, two shares to two votes. Cumulative voting as provided for in the Corporation Code may be applied in the election of the Board. The Office of the Corporate Secretary tabulates all votes received and the Bank's external auditor validates the results.

The Bank proactively encourages the full participation of its shareholders, including institutional shareholders, at the ASM. Shareholders may participate in person or through their authorized representative.

For the 2024 ASM, only shareholders of record as of Mar. 4, 2024 were entitled to receive the notice and to vote at the meeting. Due to the pandemic, the Bank conducted a virtual ASM and shareholders could not physically attend the meeting. However, they could still participate through the livestreamed webcast of the meeting and the option to vote in absentia through an online electronic system or by appointing the Chairman of the meeting as their proxy.

Duly accomplished proxies were to be submitted to the Office of the Corporate Secretary, Ayala North Exchange Tower 1, 6796 Ayala Avenue cor. Salcedo St., Legaspi Village, Makati City or by email to bpi-asm@bpi.com.ph not later than 5:00 P.M. of Apr. 12, 2024. Validation of proxies was set for Apr. 15, 2024 at 2:00 P.M.

Shareholders are encouraged, recognized, and given sufficient time to ask questions at the ASM to ensure accountability and identification with the Board's and Management's strategy and goals of the Bank. Questions or comments of shareholders, as well as responses of the Board and management, were duly recorded in the Minutes of the Meeting.

The Board ensures that the ASM is held in an easy to reach and cost-efficient venue and location in Metro Manila. In 2024, however, the Annual Stockholders Meeting was conducted virtually via <http://www.ayalagroupshareholders.com/> Shareholders intending to participate by remote communication were requested to notify the Bank by email to bpiasm@bpi.com.ph on or before Apr. 12, 2024.

Notice of ASM and Definitive Information Statement. The Bank sends the Notice of the ASM to its shareholders well before the meeting date to give them ample time to review the meeting's agenda as well as to provide them with sufficient information regarding issues to be decided on during the meeting.

The Bank's Notice of ASM and Definitive Information Statement is written in English as this is an official language in the Philippines. The Bank provides the rationale and explanation for each agenda item which requires shareholders' approval in the Notice of ASM. In the same way, each resolution in the ASM deals with only one item, i.e., there is no bundling of several items into the same resolution. The profiles of directors seeking election or re-election (including information such as age, qualifications, date of first appointment, experience, and directorships in other listed companies) are included in the Notice of ASM. The external auditor seeking appointment or re-appointment is also clearly identified.

When dividends are one of the agenda items, an explanation of the dividend practice is also included. The Notice of ASM also includes proxy forms which can be downloaded by shareholders from www.bpi.com.ph. For the 2024 ASM, the proxy forms included instructions as well as the deadline for submission of proxies to the Office of the Corporate Secretary, which was on Apr. 12, 2024.

The Definitive Information Statement (DIS), or SEC Form 20-IS is issued in accordance with the Bank's Amended By-laws and SRC Rule 20. Shareholders as of record date of the annual or special stockholders meeting are sent the DIS or SEC Form 20-IS at least 15 business days before the meeting. The Bank, as an issuer subject to the reporting requirements of SRC Section 17, must issue the DIS to notify shareholders of the written notice of the date, time, place, and purpose of the meeting; the DIS provides other specific information relevant to the meeting.

The Bank is always transparent on matters of this nature and encourages shareholders, including institutional investors, to attend the meeting via individual notices, newspaper publication, the company website, and notices to various Exchanges. The DIS or SEC Form 20-IS is deemed to have been given at the time when delivered personally, deposited in the post office, or sent via e-mail. Shareholders who prefer to receive hard copies of the DIS can request this from the Office of the Corporate Secretary.

In 2024, the Notice, including the DIS, was sent out to shareholders of record by Mar. 26, 2024, 28 days before the ASM. The SEC Form 20-IS was also sent out to shareholders of record by Mar. 26, 2024, and disclosed via PSE EDGE on the same date. No new item was included in the agenda at the 2024 ASM. Likewise, no amendments were made to the SEC Form 20-IS after the aforementioned disclosure on the PSE EDGE.

The Notice of ASM for the stockholder's meeting on Apr. 23, 2024, included explanations for all agenda items: (1) Calling of the Meeting to Order, (2) Certification of Notice of the Meeting, Determination of Quorum, and Rules of Conduct and Procedures, (3) Approval of the Minutes of the Annual Meeting of the Stockholders on Apr. 27, 2023 (4) Approval of the Annual Report and Audited Financial Statements, (5) Ratification of the Acts of the Board of Directors and Officers, (6) Election of the Board of Directors (including the Independent Directors), (7) Election of the External Auditor and Fixing of Remuneration, (8) Consideration of Such Other Business as May Properly Come Before the Meeting, (9) Adjournment.⁵⁸

The Notice of ASM and DIS or SEC Form 20-IS for the current and prior years may be viewed at www.bpi.com.ph.

Minutes of the ASM. The Minutes of the ASM includes all information pertinent to the meeting: date, time, and location of the annual meeting; qualified participants, attendance, and quorum present to conduct business; approval of prior minutes; general report of the President and CEO; record of action items in the meeting including election of the Board, any pertinent discussions, and actual votes; and corporate resolutions that were adopted. The minutes also records the dialogue between shareholders and the Board and Management, including their responses to shareholders' questions and clarifications, as well as any follow up actions that need to be taken by the Board and Management in the future.

Minutes of the previous year's ASM are provided to shareholders prior to the start of the meeting of the current year. Minutes of the 2024 ASM were likewise posted on the company website within five calendar days from the date of the ASM. Minutes of the ASM for the current and prior years may be viewed at www.bpi.com.ph.⁵⁹

⁵⁵ (Recommendation 13.5 SEC CG Code for PLCs)

⁵⁶ (Recommendation 11.1 SEC CG Code for PLCs)

⁵⁷ Recommendation 13.3, 13.5 SEC CG Code for PLCs

⁵⁸ Recommendation 13.2 SEC CG Code for PLC
⁵⁹ Recommendation 13.3 SEC CG Code for PLCs

Voting Results. The results of the voting during the ASM are counted and tabulated by an independent external third-party auditor. For the 2024 ASM, the Bank's independent external third-party auditor, Isla Lipana & Co., performed this task. Voting results for the 2024 ASM are as follows:

BPI Annual Stockholders' Meeting (Voting Results)*
23 April 2024

Total Number of Shares (Present and Proxy) – **4,145,657,664**
Total Issued and Outstanding Shares – **5,259,201,283**
Percentage of Attendees – **78.83%**

RESOLUTION	FOR	AGAINST	ABSTAIN
Approval of the Minutes of the Annual Meeting of the Stockholders on April 27, 2023	4,145,321,264 99.99%	- 0.00%	336,400 0.01%
Approval of Annual Report and Audited Financial Statements	4,144,538,963 99.97%	- 0.00%	1,118,701 0.03%
Ratification of the Acts of the Board of Directors and Officers	4,141,122,182 99.89%	3,301,635 0.08%	1,233,847 0.03%
Election of External Auditors and Fixing of their Remuneration	4,111,717,693 99.18%	33,458,976 0.81%	480,995 0.01%
Election of the Board of Directors			
Jaime Augusto Zobel de Ayala	3,887,653,465 93.78%	51,109,922 1.23%	206,894,277 4.99%
Fernando Zobel de Ayala	4,018,492,296 96.93%	32,622,528 0.79%	94,542,840 2.28%
Janet Guat Har Ang	4,141,846,549 99.91%	856,960 0.02%	2,945,155 0.07%
René G. Bañez	4,086,405,856 98.57%	28,706,591 0.69%	30,545,217 0.74%
Karl Kendrick T. Chua	4,073,455,812 98.26%	29,974,142 0.72%	42,227,710 1.02%
Wilfred T. Co	4,083,754,965 98.51%	31,357,482 0.76%	30,545,217 0.74%
Cezar P. Consing	3,853,282,651 92.95%	43,048,258 1.04%	249,326,755 6.01%
Emmanuel S. de Dios	4,132,097,476 99.67%	4,272,186 0.10%	9,288,002 0.22%
Jose Teodoro K. Limcaoco	4,116,121,903 99.29%	27,423,781 0.66%	2,111,980 0.05%
Rizalina G. Mantaring	4,079,579,376 98.41%	26,316,321 0.63%	39,761,967 0.96%
Aurelio R. Montinola III	3,915,519,570 94.45%	33,295,528 0.80%	196,842,566 4.75%
Mario Antonio V. Paner	4,139,293,647 99.85%	2,739,351 0.07%	3,624,666 0.09%
Cesar V. Purisima	3,679,362,133 88.75%	45,889,844 1.11%	420,405,687 10.14%
Jaime Z. Urquijo	4,061,729,676 97.98%	35,435,009 0.85%	48,492,979 1.17%
Maria Dolores B. Yuvienco	3,988,706,331 96.21%	48,465,175 1.17%	108,486,158 2.62%

*As validated by the auditors

Voting results are submitted to the SEC and disclosed on the websites of the various Exchanges, where BPI capital market issues are traded, and made publicly-available on the company website by the next working day or sooner (Recommendation 13.3 of the SEC CG Code for PLCs). The voting results for the 2024 ASM, as well as that of prior years, may be viewed at www.bpi.com.ph.

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 SRC Section 17, which also prescribes format and content.

These Reports are also disclosed on the websites of the various Exchanges, as previously mentioned. These may also be viewed at www.bpi.com.ph.

General Information Sheets. Under Sections 26 and 141 of the Corporation Code, corporations are required to submit the General Information Sheet (GIS) annually to the SEC, within 30 days after the corporation's annual or special stockholders' meeting. Containing, among other information, the names, nationalities, and addresses of the directors, trustees, and officers of the company, the GIS is accompanied by a certification under oath by the Corporate Secretary, President or CEO.

The Bank's latest GIS, as well as that of prior years, may be viewed at www.bpi.com.ph.

SHARE INFORMATION

Stock Information. BPI common shares are listed in the PSE under the ticker symbol of BPI. At PHP 643.20 billion as of Dec. 31, 2024, its market capitalization is among the largest in the Philippine banking industry. BPI is a member of the benchmark Philippine Stock Exchange Composite Index (PSEi).

Listing Date: Oct. 12, 1971
Class of Shares: Common shares
Voting Rights: One vote per share
Authorized: 5,460,000,000 shares as of Dec. 31, 2024
Outstanding: 5,272,095,143 shares as of Dec. 31, 2024

Rights, obligations, and restrictions attaching to shares. The rights and obligations attaching to each class of ordinary, common, and non-cumulative preference shares in BPI's share capital are set out in full in its Articles of Incorporation which may be amended by special resolution of the shareholders and can be found on www.bpi.com.ph.

Minimum Public Ownership. As of Dec. 31, 2024, listed securities held by the public were at 48.79% of BPI's issued and outstanding shares. This is well above the minimum required public float level of 10%.

Ownership Structure. BPI's founding shareholders were primarily charities and endowments associated with the Roman Catholic Church, and its directors consisted of government officials and prominent businesspersons, including Antonio de Ayala, a partner in the predecessor firm of today's Ayala Corporation.

Sharelots Statistics as of Dec. 31, 2024

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1-100	1,639	14.08%	59,576	0.00%
101-500	3,939	33.84%	1,038,964	0.02%
501-1,000	1,776	15.26%	1,267,238	0.02%
1,001-5000	2,902	24.93%	6,148,944	0.12%
5,001-10,000	519	4.46%	3,601,385	0.07%
10,001-50,000	584	5.02%	12,368,348	0.23%
50,001-100,000	115	0.99%	7,944,288	0.15%
100,001-500,000	127	1.09%	26,328,768	0.50%
500,001-1,000,000	16	0.14%	11,336,619	0.22%
1,000,001-5,000,000	11	0.09%	32,510,695	0.62%
5,000,001-10,000,000	5	0.04%	40,436,671	0.77%
10,000,001-50,000,000	1	0.01%	12,843,860	0.24%
50,000,001-UP	7	0.06%	5,116,209,787	97.04%
Grand Total	11,641	100.00%	5,272,095,143	100.00%

Equity Ownership of Foreigners on Common Shares as of Dec. 31, 2024

NATIONALITY	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Filipino	11,460	98.45%	4,278,416,446	81.15%
Non-Filipino	181	1.55%	993,678,697	18.85%
Grand Total	11,641	100.00%	5,272,095,143	100.00%

Shareholdings of Directors and Management as of Dec. 31, 2024. Please see table under Corporate Governance section which sets forth the beneficial ownership of shares of the Company's common stock as of Dec. 31, 2024, by the Bank's current directors and named executive officers and as a group.

Beneficial Ownership Reporting Compliance. Under SRC Section 23, the SEC requires a PLC's directors. and executive officers, and persons who beneficially own: (1) qualifying but not more than 100 shares; (2) more than 100 shares but less than 5% of the outstanding common stock; or (3) more than 5% but less than 10% of the outstanding common stock, to file reports with the SEC regarding initial ownership and changes in ownership of the common stock.

In this respect, the PSE also requires, under Section 13.1 of the Revised Disclosure Rules on Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities, that the Exchange be furnished with a copy of the respective SEC filing within five trading days. In this respect, the PSE also requires, under Section 13.1 of the Revised Disclosure Rules on Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities, that the Exchange be furnished with a copy of the respective SEC filing within five trading days.

As a practical matter, the Bank assists its directors and officers in the filing of the required SEC Form 23-A or B reports on their behalf.

Security Ownership of Certain Record and Beneficial Owners of more than 5% as of Dec. 31, 2024.

TITLE OF CLASS	NAME/ADDRESS OF RECORD OWNER & RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES	PERCENT OF HOLDINGS
Common	PCD Nominee Corporation ⁶⁰ 37/F Tower 1, The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City Stockholder	PCD Participants acting for themselves or for their customers	Filipino	1,167,286,526	22.1408%
			Non-Filipino	990,208,462	18.7821%
				2,157,494,988	40.9229%
Common	Ayala Corporation ⁶¹ 37 th to 39 th Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue, Makati City Stockholder	Ayala Corporation ⁶²	Filipino	1,515,177,839	28.7396%
Common	Liontide Holdings, Inc. ⁶³ 38 th Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue , Brgy. Bel-Air, Makati City Stockholder	Liontide Holdings, Inc. ⁶⁴	Filipino	823,218,041	15.6146%
Common	Roman Catholic Archbishop of Manila 121 Arzobispo St., Intramuros Manila Stockholder	Roman Catholic Archbishop of Manila ⁶⁵	Filipino	357,297,439	6.7771%
Common	Robinsons Retail Holdings, Inc. 43 rd Floor Robinsons Equitable Tower, ADB Ave. corner Poveda St., Ortigas Center, Pasig City Stockholder	Robinsons Retail Holdings, Inc. ⁶⁶	Filipino	162,028,250	3.0733%
		PCD Nominee Corporation	Filipino	125,599,249	2.3823%

⁶⁰ PCD Nominee Corporation (PCD), now known as the Philippine Depository and Trust Corporation (PDTC), Non-Filipino and Filipino, is the registered owner of the shares beneficially owned by participants in the PDTC. The Board of Directors of each participant generally has the power to decide on how shares are to be voted. Out of the 2,157,494,988 common shares registered in the name of PCD, 524,536,279 shares (or 9.9493% of the total outstanding shares), 436,997,741 shares (or 8.2889% of the total outstanding shares), and 393,316,460 shares (or 7.4603% of the total outstanding shares) are for the accounts of The Hongkong and Shanghai Banking Corporation, Citibank N.A., and BPI Securities Corporation, respectively.

⁶¹ Mermac, Inc. owns 475669% of common shares and 575376% of total voting shares, while Mitsubishi Corporation owns 4.6708% of common shares and 5.3666% of total voting shares, respectively, of the outstanding shares of Ayala Corporation (AC).

⁶² The Board of Directors of AC has the power to decide how AC's shares in BPI are to be voted.

⁶³ AC owns 95.51% of the outstanding shares of Liontide Holdings, Inc. (formerly Ayala DBS Holdings, Inc.), which translates to 93.44% effective ownership.

⁶⁴ The Board of Directors of Liontide Holdings, Inc. ("Liontide") has the power to decide how Liontide's shares in BPI are to be voted.

⁶⁵ The Archbishop of Manila has the power to decide how the Roman Catholic Archbishop of Manila's shares in BPI are to be voted.

⁶⁶ As of December 31, 2024, JE Holdings, Inc. owns 34.49% of common shares, GCH Investments Pte Ltd owns 22.14 % of common shares, PCD Nominee Corporation (Filipino) owns 14.72 % of common shares, PCD Nominee Corporation (Non- Filipino) owns 9.12% common shares, Lance Y. Gokongwei owns 6.45% common shares, and Robina Gokongwei Pe owns 6.45% common shares of the outstanding shares of Robinsons Retail Holdings, Inc. (RRHI).

Payment of dividends. Dividend declaration is ultimately the responsibility of the Bank and the Board which has the authority to declare dividends as it may deem appropriate. Under BSP regulations, no bank shall declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts. The net amount available for dividends shall be the amount of unrestricted or free retained earnings less loss provisioning which takes into account relevant capital adjustments including losses, bad debts, and unearned profits or income.

Per BSP Circular 888, banks that meet the prequalification criteria including capital adequacy requirements and applicable laws and regulations of the BSP can declare and pay dividends without prior BSP verification. However, banks must ensure compliance with the minimum capital requirements and risk-based capital ratios even after the dividend distribution.

In 2022, a review of the Bank’s dividend practice was conducted for the purpose of improving the Bank’s capital management and efficiency while providing shareholders with a sustainable dividend yield consistent with the Bank’s long-term growth.

At the regular meeting of BPI’s Board of Directors held on 18 May 2022, the Board approved a dividend policy based on a dividend payout ratio of 35% to 50% of previous year’s earnings.

The final dividend payout ratio will be determined subject to:

- Compliance with regulatory limits
- Compliance with internal thresholds on capital and liquidity
- Maintaining sufficient capital to support the Bank’s medium-term growth targets, with a buffer for a possible downturn scenario, and
- Board approval

This dividend policy replaces the fixed Php1.80 per share in annual dividends, and is designed to provide shareholders the balance that they seek between current income and capital appreciation. The Bank’s ability to return capital to shareholders while adhering to risk and capitalization standards, is a testament to BPI’s fiduciary prudence.

Upon Board approval, the Bank then declares cash dividends to its common shareholders, who can now have their BPI cash dividends credited directly to their bank account.

Under BPI’s Electronic Cash Dividend Payment Program (ECDP), the payment of cash dividends is facilitated through electronic fund transfer or direct credit to a stockholder’s nominated bank account. Available to certificated BPI stockholders for their BPI or non-BPI bank accounts, the ECDP has been launched in line with the sustainability and digitalization efforts of the Bank and for the convenience of BPI stockholders, who will reap the following benefits:

- Safe, secure, and immediate crediting of cash dividends to a nominated bank account;
- Receipt of cash dividends without the need to visit a bank branch to encash or deposit the check; and
- Reduction in waiting time and elimination of risk of lost/undelivered/stale cash dividend checks.

While the Bank does not foresee any impediments to its ability to pay dividends on common equity in the medium-term, it cannot make explicit warranties about the quantum of future dividend payments.

Dividend Distribution

Cash dividends declared and paid during the years 2020 to 2024 are as follows:

DATE DECLARED	DATE OF PAYMENT	DIVIDEND AMOUNT	
		PER SHARE	TOTAL (IN PHP MN)
May 20, 2020	Jun 26, 2020	0.90	4,062
Oct 21, 2020	Nov 26, 2020	0.90	4,062
May 19, 2021	Jun 23, 2021	0.90	4,062
Nov 17, 2021	Dec 24, 2021	0.90	4,062
May 18, 2022	Jun 22, 2022	1.06	4,784
Nov 17, 2022	Dec 23, 2022	1.06	4,784
May 18, 2023	Jun 22, 2023	1.68	7,626
Nov 16, 2023	Dec 22, 2023	1.68	8,308
May 15, 2024	Jun 28, 2024	1.98	10,439
Nov 20, 2024	Dec 20, 2024	1.98	10,439

No stock dividends were distributed during the period.

Investment Ratings

Credit Ratings

BPI has upheld its investment-grade ratings as reaffirmed by the following international credit rating agencies:

CREDIT RATING	RATING		OUTLOOK	REPORT DATE
S&P	BBB+	Long term issuer Credit Rating	Stable	Dec. 2024
Fitch	BBB-	Long term issuer Default Rating	Stable	April 2024
Moody’s	Baa2	Baseline Credit Assessment	Stable	May 2024

In 2024, all three major international Credit Rating Agencies reaffirmed BPI’s Credit Ratings. In May 2024, Moody’s affirmed its Baseline Credit Assessment of “Baa2”. In April 2024, Fitch affirmed its Long-term Issuer Default Rating of “BBB-”. Most recently, S&P affirmed the Bank’s Long term Issuer Credit Rating of “BBB+” (same as the agency’s rating for the Philippine Sovereign).

COMPLIANCE, RISK MANAGEMENT AND INTERNAL CONTROL

The Bank’s compliance, risk management, and internal control agenda is a key priority. In this respect, BPI:

- continuously enhances governance and oversight of the control, risk management and compliance environment group-wide;
- simplifies and de-risks operations via investments in financial, technology and human capital;
- partners and engages in constructive dialogue, shares efforts and seeks proper clearance in designing adjustments and remediation plans with our regulators;
- builds and strengthens the culture and infrastructure to support risk management, compliance, and assurance activities.

In 2024, the Board, through its various board-level committees, reviewed the Bank’s overall control, risk management and compliance systems covering operational and financial areas and determined these to be adequate and operating effectively.⁶⁷

COMPLIANCE

In step with the regulatory shift of the BSP, the Bank’s Compliance Office functions as the second line of defense, embracing a more forward-thinking, risk-based, and stress-tested approach to continuously monitor, evaluate, and improve compliance amidst a banking landscape experiencing disruption and rapid change.

Chief Compliance Officer

Oversight of the Bank’s compliance, ensuring that it operates in adherence to regulatory and legal requirements, internal policies and by-laws, and compliance programs is the responsibility of the Board through the Audit Committee, and of management through the Compliance Office, led by the Chief Compliance Officer (CCO).⁶⁸

Designated by the Chairman of the Board, the CCO is not a member of the Board and has the rank of at least a Vice President. The CCO’s qualifications are subject to the applicable provisions of the BSP Manual of Regulations for Banks, on Fit and Proper criteria. The CCO annually attends training on corporate governance.⁶⁹

The Compliance Office is currently organized to cover Regulatory Compliance with includes RPT Post-Review and FATCA, Corporate Governance and Subsidiaries Regulatory Oversight, Anti-Money Laundering Compliance, Compliance Systems, Projects and Analytics, and the Enterprise Information Security Management & Data Privacy Office.

The Compliance Office is also empowered by Group Compliance Officers (GCOs), who are embedded in operational units throughout the Bank, to enforce initiatives, and provide timely reports.

The Compliance Office applies a three-layered compliance testing and monitoring process while overall enforcement is through self-regulation within the business units:

- Self-assessment testing conducted by GCOs
- independent random testing, conducted by the Compliance Office
- independent periodic review conducted by the Internal Audit Division.

Compliance testing results are regularly reported and elevated to the Audit Committee. Governance related issues are also reported to the Corporate Governance Committee.

The Compliance Office promotes adherence and awareness to laws, rules, and regulations by electronically posting information and documents in a compliance database that is accessible to all employees. Regular meetings are conducted by the Compliance Office with the GCOs to discuss the impact of new regulations, decide on the required compliance measures, and amend compliance matrices as necessary. Through continued liaison and dialogue with regulators, the Compliance Office ensures prompt dissemination of new regulations and other developments affecting bank operations.

Regulatory Compliance. The Regulatory Compliance Department (RCD) covers adherence to all relevant and applicable Philippine banking laws and regulations and manages the Bank’s requirements under the BSP’s institutional compliance rating system, which comprehensively evaluates the effectiveness of a bank’s compliance system in mitigating business risk. Regulatory compliance also involves collaborative partnership-building with the regulators, external auditor, and industry organizations such as the Association of Bank Compliance Officers and the Bankers Institute of the Philippines.

The department is also responsible in developing and managing the Foreign Account Tax Compliance Act (FATCA) Compliance Program of the bank and is headed by the FATCA Compliance Officer who has established a program to ensure the effective implementation of FATCA compliance initiatives and also in charge of overseeing the Bank’s compliance with FATCA regulations and accomplishing certifications with the US Internal Revenue Service (IRS). The FATCA compliance program provides additional requirements on customer due diligence and documentation, as well as additional reporting guidelines to relevant tax authorities.

The Bank appears in the IRS official list of participating financial institutions with the Global Intermediary Identification Number (GIIN) CUC04I.00000.LE.608. Type of Financial Institution (FI): Lead of an Expanded Affiliated Group

FATCA Classification and Date of Registration:

- Participating Foreign Financial Institution: Apr. 23, 2014
- Registered Deemed-Compliant Financial Institution/ Reporting Financial Institution under a Model 1 IGA: Mar. 23, 2015.

Corporate Governance and Subsidiaries Regulatory Oversight. The Corporate Governance and Subsidiaries Regulatory Oversight Department covers internal and external compliance of the Bank’s governance framework both as a bank and as a PLC as well as manages the Bank’s participation in the ASEAN Corporate Governance Scorecard. The department also assists the Board, through the Corporate Governance and Sustainability Committee, in developing and establishing the governance policies, mechanisms and practices required by regulation or recommended as best practice.

The department is also primarily responsible for overseeing group-wide regulatory compliance risk management by monitoring the compliance exposures of BPI subsidiaries/affiliates, tracking updates on actions taken on BSP directives and alignment of the subsidiaries/affiliates’ compliance program/policy with BPI.

Anti-Money Laundering Compliance.

The Anti-Money Laundering Department is the “watch dog” in preventing and detecting potential money laundering and suspicious financial activities of customers. It maintains and regularly updates a comprehensive and risk-based Money Laundering and Terrorism Financing/Proliferation Financing Prevention Program (MTPP), which is consists of various policies which includes, but not limited to, customer due diligence, sanctions screening, risk profiling, and ongoing monitoring. This MTPP is aligned with the Anti-Money Laundering Act, its implementing rules and regulations, Part 9 of BSP Manual of Regulations, and all other amendments thereto. The AML Department uses automated tools to identify, detect and report financial transactions of a suspicious nature; while test checking is regularly conducted to ensure employees’ compliance with the MTPP. Results of test checking conducted, suspicious transactions reported, any emerging typology, and summary of all other activities of the AML Department are reported to the Audit Committee every quarter.

A comprehensive and mandatory MTPP training is provided at least once a year to all employees to ensure each understands the policy and strictly observes their respective responsibilities.

An Institutional Risk Assessment (IRA) is carried out at least once every two (2) years to provide a comprehensive analysis, as well as an aggregate evaluation of the Money Laundering, Terrorism Financing and Proliferation Financing (ML/TF/PF) risks that are present across the Bank and its majority-owned subsidiaries covered by the MTPP. The result of each IRA is presented to the Board of Directors for articulation and approval. The IRA drives improvements in the overall risk management of ML/TF/PF which is documented in the MTPP.

Compliance Analytics. The Compliance Analytics Department supports the Compliance Division by providing proactive data science analytics in identifying and managing various risk and compliance issues to help create pre-emptive and sustainable environments for existing compliance functions. In particular, it is responsible for the over-all design and delivery of various data science analytics initiatives of the Division, which may cover AML, Data Privacy, and other compliance-related matters. The Department ensures continuous training and development of its Data Science Officers under Compliance Analytics to ensure that the Department produces high level tactical data analytics and models.

Manned by an Analytics Team Head and a Data Science Officer, the Compliance Analytics Department also helps BPI differentiate itself from industry peers by using the most advanced technologies as part of a comprehensive effort to improve regulatory compliance while protecting customers’ funds and data, as well as the Bank’s brand and reputation.

Enterprise Information Security Management & Data Privacy. BPI has established an Enterprise Information Security Management to manage the development, implementation and maintenance of the Bank’s information security management system to ensure the attainment of information security objectives and to align initiatives to overall business and risk management strategies.

Moreover, BPI has also established a comprehensive Data Privacy Program utilizing a combination of policies, organizational structure, access controls, and technologies designed for risk reduction. The Bank has a Data Privacy Office, headed by a Board-appointed Data Protection Officer (DPO), a senior management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks for the organization, consistent with the Data Privacy Act rules and regulations, issuances by the NPC, and other applicable laws. Management has also appointed Compliance Officers for Privacy (COP) for major business units of the Bank to augment the Data Privacy Office and ensure the sustained implementation of the Data Privacy Management Program across business lines. To promote transparency and to comply in part with the Data Privacy Act, BPI has published online and prominently displaced inside its branches the Data Privacy Statement that discloses how BPI collects, protects, uses, and shares personal data across its operations.

The Data Privacy Statement applies to 100% of BPI’s operations.

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⁶⁷ Recommendation 12.1 SEC CG Code for PLCs
⁶⁸ Recommendation 2.10 SEC CG Code for PLCs

⁶⁹ Recommendation 1.6 SEC CG Code for PLCs

Risk Management

Comprehensive Framework. BPI adopts best practices in Enterprise Risk Management (ERM) across its businesses and processes. Our established ERM and capital management framework enables us to systematically identify, measure, monitor, and control our significant financial and non-financial risk exposures while ensuring adequate liquidity and sufficient capital to support growth and business resilience.

The framework covers traditional risks such as credit, market and liquidity, and operational and information technology (IT) risks, as well as other risks, including reputational, conduct, model, legal and tax, and environmental and social risks. It is anchored on the regulatory guidance set by the BSP, which emphasizes effective risk management governance, robust business continuity and operational resilience standards, financial viability, and soundness. These principles are reinforced through internal capital adequacy assessments and the adoption of various risk management processes and methodologies that are regularly reviewed and updated. (Recommendation 2.11, 12.4 SEC CG Code for PLCs).

Cultivating a Risk-Aware Culture. Our risk culture is anchored on our vision of transparency, and integrity in the workplace, sustainable value creation, and delivering maximum returns to stakeholders. To fulfill our responsibilities to clients, employees, stakeholders, regulators, and the country, we exercise proactive and prudent risk management. The Bank actively promotes a culture of ethical behavior and risk management best practices, emphasizing that risk management is a shared responsibility that is integral in our day-to-day operations.

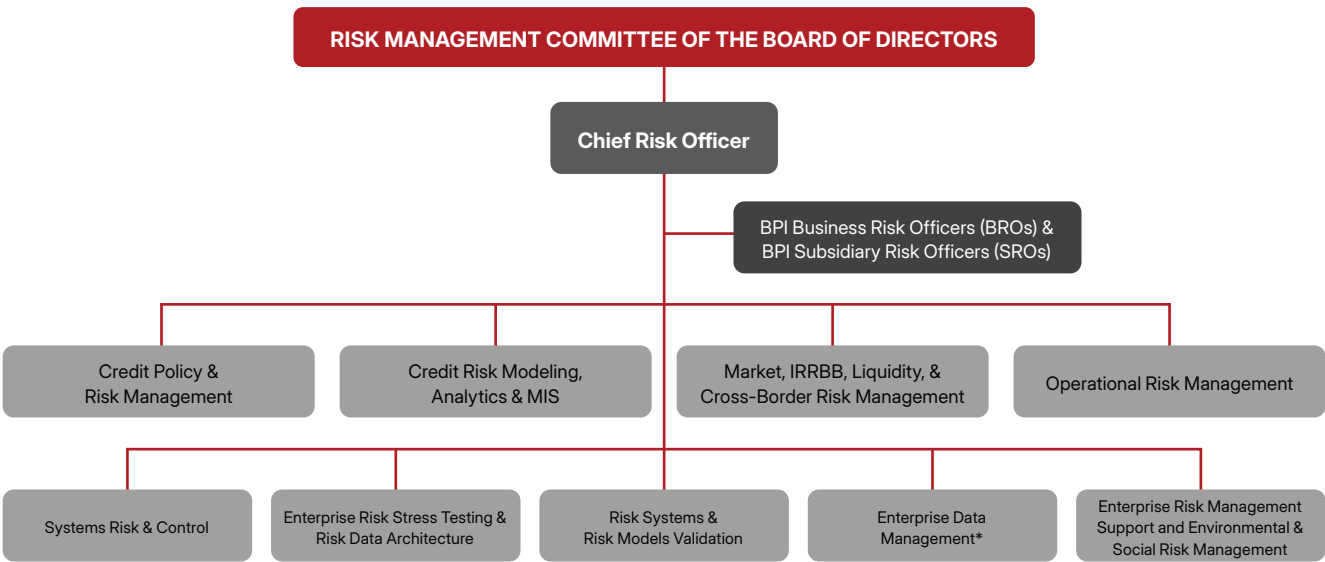
Integrated Approach. BPI employs a top-down approach to risk management, with the Board driving risk appetite setting and overall risk strategy. The Board fulfills its risk management responsibilities through the Risk Management Committee (RMCom). The RMCom defines risk appetite statements at both functional and enterprise levels, oversees and reviews risk management structures, metrics, limits, and emerging issues across the BPI Group of Companies (BPI Group).

The RMCom guides our risk strategy framework by emphasizing:

- Sound risk management governance
- Value-enhancing and business-enabling risk methods and processes
- Risk-intelligent data and technologies

It ensures oversight on risk exposures, monitors regulatory and internal capital adequacy, and fosters a strong risk culture across the BPI Group through the Subsidiary Board-level RMComs. Operating on the “Three Lines of Defense” model, we manage risks through clearly delineated functions to ensure effective risk management governance and control processes across the Bank. This model defines the risk management responsibilities of each unit owning and managing the risk (1st line), overseeing the risk management function (2nd line), or providing independent assurance on the quality and effectiveness of risk management and internal controls (3rd line).

Management-level Committees are also established to further strengthen the Bank’s risk management by aligning strategies with organizational goals and enhancing decision-making in specific business areas. Through transparent reporting, these committees cultivate a risk-aware culture, improve operational resilience, enhance crisis preparedness, and ensure strategic alignment (refer to Operating Management on page 128).



* Effective Jan. 01, 2025, the Enterprise Data Management (EDM) was consolidated into a new organization called the Center of Enterprise Data and Analytics (CEDA) under Enterprise Technology, fostering new synergies and ways of working, and accelerating the vision for data within BPI.

Leveraging on Data, Risk Systems, and Technology. We continuously enhance and upgrade our risk systems and invest in cloud hosted technologies, data, reporting and analytics capabilities, and enhance our processes to promote efficiencies, accuracy of data, 360° risk perspective, and timely reporting. With our Risk Data Architecture system leveraging on our Enterprise Data platform, the availability of a reliable, accessible, integrated, secured and comprehensive view of enterprise and risk data not only strengthens our risk management processes and capabilities, but also supports business-enabling analytics empowering users to optimize usage of data, and facilitates data servicing to various business and support units of the Bank.

Chief Risk Officer (CRO). The CRO of the BPI Group reports directly to the RMCom and is responsible in leading the formulation of risk management policies and methodologies, aligned with the Bank’s overall business strategies, ensuring a prudent and rational approach to risk-taking that is commensurate with returns on capital, and remains within our defined risk appetite. Our risk appetite represents a carefully measured level of risk we are willing to assume to achieve business objectives. Risk appetite statements are regularly reviewed and approved by the

Board through the RMCom (refer to the full biography of the BPI CRO on page 316).

The CRO is supported by the Risk Management Office (RMO), a team of skilled risk managers dedicated to identifying, measuring, controlling, and monitoring the BPI Group’s risk exposures. Through continuous training and development programs, including risk awareness campaigns, our risk managers stay informed about industry developments, emerging risks, and risk management best practices. The CRO and the RMO actively engage the RMCom, Management, and business units to effectively communicate our risk culture and best practices. (Recommendation 12.5 of the SEC CG Code for PLCs).

We identify risks according to three major classifications:

- Credit Risk (including concentration and cross-border risks)
- Market (including foreign exchange, interest rate, and equity price risks) and Liquidity Risks
- Operational and Information Technology Risks

Credit Risk refers to the risk of default on obligations that may arise if a borrower or counterparty fails to make required payments such as principal and/or interest on an agreed date; market risk is due to price movements/fluctuations in trading and distribution activities of credit securities, foreign exchange, and derivative instruments (as allowed by regulation); liquidity risk is from the management of our cash flows and balance sheet; and operational and IT risks from inadequate or failed internal processes, people, information technology and systems, and threats from external events that pose risks of financial losses and damage to our reputation. We are likewise cognizant of other risks (e.g., environmental, social, legal and tax risks, etc.) that we may be exposed to in our day-to-day business activities and operations. In managing our financial and non-financial risks, we have established risk management processes and controls, and use various methodologies, metrics, tools, and systems to identify, measure, monitor and control our risk exposures.

In compliance with BSP Circular 989 (Conduct of Stress Testing Exercises), the RMO and the Corporate Strategy, Investor Relations, and Sustainability group have employed a formal integrated risk and capital stress testing framework, with a forward-looking assessment of risks under given stressed scenarios identified or developed by our experts. Among others, these stress testing scenarios include the impact of possible economic crisis through stressed macroeconomic variables forecasts, impacts of climate and environmental risk, and reputational risks to the Bank's portfolio. These scenarios are carefully considered to assess the financial and capital impact and to facilitate the development of the Bank's capital contingency and recovery plans.

Independent reviews are regularly conducted by our internal audit, external auditors, and regulatory examiners to verify the effectiveness of controls and risk mitigation measures. We also engage various risk management experts to independently evaluate our risk maturity across key areas, including business continuity, cyber and information security, and ERM.

All these efforts have been undertaken and conscientiously practiced in recognition of BSP Circular 971 (Risk Governance) and are benchmarked against the Committee of Sponsoring Organization's (COSO) ERM integrated framework. Our commitment to a robust risk management system has proven indispensable, ensuring the continued delivery of value to our stakeholders especially during periods of unprecedented uncertainties and economic downturns.

Credit Risks. BPI's Credit Policy and Risk Management (CPRM) Division is responsible for the overall management of the Bank's credit risks. CPRM is accountable to the RMCom in risk-managing BPI's loan book and overall asset quality, in line with its set credit risk appetite. In addition, CPRM supports Senior Management in ensuring the overall quality of our loan and investment portfolios by adopting proper risk control strategies

and proactive monitoring and reporting. CPRM ensures that our prudent credit evaluation and underwriting standards and rating parameters are complied with by the various business lending units through the conduct of independent business portfolio and product credit reviews. The Bank also has a cross-border risk management team tasked to independently monitor and evaluate country and cross-border credit risks facing the BPI Group.

In 2024, the Bank experienced significant growth in loan volumes, following the Bank's effort to expand its portfolio particularly its consumer segment also in line with the BPI and ex-Robinsons Bank (xRB) merger, but is able to manage overall credit risk profile and maintain overall asset quality as evidenced by acceptable levels of non-performing loans (NPLs), albeit with year-on-year increase in NPLs both coming from xRB and new problem credits, but still generally at par or lower-than-industry NPLs, and adequate reserves cover), and does so in general compliance with internal and prudential requirements relating to credit risk management, (including compliance to Related Party Transaction (RPT) guidelines, single borrower's limits, credit risk concentration, and internal and regulatory stress tests, among others). We continue to maintain a diversified loan portfolio with no significant concentrations. The Bank's top borrower-group and large exposures, which operate in diversified industries, remain within the internal and prudential regulatory limits.

We regularly review the appropriateness of the credit risk ratings of non-default accounts and the classification and impairment rates of defaulted or impaired accounts. Corporate credit risk exposures are assessed individually using internal credit risk rating models that generate a probability of default per rating grade and take into account credit risk mitigation. Credit risk rating models are developed

internally by our Credit Risk Modeling, Analytics and MIS (CRMA & MIS) Division using statistical methods on quantitative and qualitative risk factors, including credit judgment overlays to account for borrower-specific factors and such other factors that cannot be modeled statistically. The credit risk ratings of corporate accounts are generally updated on an annual basis. Each rating grade has a corresponding probability of default that exponentially increases as a rated account moves across the rating scale. The migration of accounts between rating grades is regularly monitored. Loss provisioning also takes into account the rating grade of each exposure. Provisioning for non-default exposures is based on expected credit loss (ECL), while specific reserves are set up for defaulted exposures and reviewed regularly. For cross-border accounts, we utilize credit assessment scorecards that take into account risk factors inherent to cross-border exposures. The credit risk rating process for cross-border accounts combines qualitative and quantitative factors while incorporating available collateral, enabling outputs to be benchmarked against global ratings. Such risk rating components enable the Bank to properly and uniformly assess the creditworthiness of cross-border accounts. For consumer credit risk exposures, we adopt credit risk scorecards to assess borrowers' credit worthiness. Both financial and non-financial variables were considered in the scorecard development process, and all scorecards were subjected to expert judgment meetings with key business lending units. The models undergo independent validation as well as regular monitoring for predictive power and performance.

We fully implemented Philippine Financial Reporting Standards 9 (PFRS 9)-based policies, models, and ECL methodologies for all our credit and investment portfolios, rendering them compliant to both the BSP and PFRS. Loss provisioning for consumer and corporate loan and investment exposures are based on ECL, which is a function of the Probability of Default, Loss

Given Default, and Exposure at Default. Any additional reserves are provided as qualitative management overlay, based on forward-looking moderate and/or adverse stress scenarios simulated by the Bank.

We also regularly conduct credit reviews to assess that the credit processes - loan origination, credit analyses, approval, implementation, and administration - conforms to the standards set in the Bank's internal policies and complies with regulatory requirements. For the year, a review of various credit products, portfolios, and lending programs revealed generally acceptable credit performance and overall portfolio quality.

We measure our credit risk exposures in terms of regulatory capital requirements using the standardized approach in compliance with Basel III and BSP standards on minimum capital requirements. Using this approach, our credit exposures to sovereigns, corporates, and banks are risk-weighted to reflect the credit assessment from reputable credit ratings agencies (Moody's Ratings, Standard & Poor (S&P) Global Ratings, Fitch Ratings, and PhilRatings, where applicable). This approach also allows for the use of eligible collaterals and securities (cash, financial instruments, and guarantees) to mitigate credit risks.

We are committed in integrating environmental and social standards in our lending activities and credit risk management principles. We continuously enhance our credit policies, processes, guidelines, and lending programs to conform with sound credit risk management, including practices that conform to the Bank's sustainability agenda not only to manage environmental and social risks, but also to pursue opportunities that would add and/or enable value for the Bank's various stakeholders by positively impacting the environment and society. Existing credit manuals are regularly revisited and updated to reflect new developments and are aligned with the Bank's financial inclusion programs and business sustainability practices.

We regularly conduct stress tests on our loan portfolio to determine the impact of changes in various macroeconomic and/or industry scenarios, surface any undue credit concentration risk, and to comply with regulatory reporting. Assessment of stress testing impact to the Bank's financials is also performed simultaneously. In the most recent exercise, results showed that the Bank's Capital Adequacy Ratio (CAR) and Common Equity Tier 1 Ratio (CET1) generally remain above or at about the minimum regulatory capital requirements, even with assumed write-downs on the Bank's large exposures and consumer portfolios, and even with the economic scenario analyses of rising interest and inflation rates and Peso depreciation affecting the Bank's borrowers.

All these efforts have been undertaken in recognition of BSP guidelines, including BSP Circular 855 on Sound Credit Risk Management Practices, Sustainable Finance Framework, Environmental and Social Risk Management Framework, Prudential Framework for Large Exposures, and Mandatory Agriculture, Fisheries and Rural Development Financing), and other related regulatory standards and guidelines.

Market, Interest Rate Risk in the Banking Book (IRRBB), and Liquidity Risks. BPI's RMO exercises its market, IRRBB, and liquidity risk management duties and responsibilities through its Market, IRRBB, and Liquidity Risk Management (MLRM) Division. The Division employs various risk metrics commensurate to the size and sophistication of the Bank's business operations which guide us to effectively manage risks arising from position-taking, trading and investing strategies. Our risk exposures are continuously monitored against approved risk limits which are regularly reviewed and updated to align with our business objectives, strategies, and overall risk appetite. We also conduct forward-looking scenario analyses, risk simulations, and stress tests to complement our risk metrics to provide a broader and holistic risk perspective to the RMCom and

Management. The year is marked by a mix of volatility and cautiousness, driven by a combination of a general shift by central banks towards lowering interest rates after having raised rates sharply over the years to combat inflation, with uncertainties of a possible "higher for longer" interest rate environment due to the fear of inflation resurgence, divergence in global economic recovery, as well ongoing geopolitical tensions. Despite these uncertainties, our market, IRRBB, and liquidity risk exposures were prudently managed and controlled within the RMCom-approved limits.

We closely monitor the risk exposures of both trading and non-trading portfolios. Assets in both on- and off-balance sheet trading portfolios are marked-to-market and the resulting gains and losses are recognized through profit or loss. Market risk from our trading portfolios is measured using the Historical Simulation Value-at-Risk (HS VaR) model complemented by several risk metrics such as Stop Loss and Dollar Duration (DV01). The Bank calculates VaR using the Historical Simulation (HS) approach, wherein the one-day changes in risk factors in the past 250 days (e.g., one year) are considered to estimate the risk of loss at a 99% confidence level. In terms of regulatory capital requirements, market risk exposures are measured using the Standardized Approach in compliance with Basel and BSP standards on minimum capital requirements. Currently, we have exposures in credit securities, foreign exchange, and financial derivatives such as interest rate swaps, currency swaps, futures, and securitization structures as part of our trading and position-taking activities. Financial derivatives are also used to hedge exposures to mitigate price risk inherent in our portfolios. Where hedging strategies are performed, hedge effectiveness assessments are regularly performed to ensure that the hedging relationship still meets the risk management objective set at the inception of the deal.

IRRBB is the current and prospective risk to our capital and earnings arising from adverse movements in interest rates that affect our banking book positions. Since excessive levels of interest rate risks in the banking book can pose a significant threat to our earnings and capital base, we have established adequate risk management policies and procedures, appropriate risk measurement models, risk limit structures, and a robust risk management system to manage our IRRBB.

Interest rate exposures from banking book activities are measured through (a) Earnings-at-Risk (EaR), or the potential deterioration in net interest income over the short- to medium- term horizon (i.e., those occurring in the next one to three years) due to adverse movements in interest rates, and (b) Balance Sheet Value-at-Risk (BSVaR), or the impact on the economic value of future cash flows in the banking book due to changes in interest rates. The EaR is calculated using the parametric approach based on the volatility of the daily year-on-year rate movements for the short- to medium- term horizon (i.e., one to three years) at a 99% confidence level. The BSVaR, on the other hand, is measured using the historical simulation approach based on the daily year-on-year rate movements in the historical window at a 99% confidence level. BSVaR considers both principal and interest payments while EaR considers principal payments only. Both metrics are built on the repricing profile of a static balance sheet and utilize certain assumptions based on behavioral/historical patterns such as for deposit accounts which do not have specific maturity dates or repricing schedules (i.e., current and/or savings accounts), and accounts that are subject to embedded optionality (i.e., time deposit pretermination and fixed-rate loan prepayment). The Bank may also hedge its IRRBB risk through financial instruments. Where there are transactions qualified as hedges, these shall follow the Bank's hedge accounting policies. IRRBB levels are measured and monitored daily against RMCom-approved limits and regularly reported to the RMCom and Senior Management.

We ensure adequate levels of liquidity at all times and that contingency plans are in place in the event of liquidity stress. Our liquidity profile is measured and monitored through our internal metrics - the Minimum Cumulative Liquidity Gap (MCLG) and Intraday Liquidity Ratio (ILR), and the regulatory metrics - Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The MCLG measures the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months. This indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the Bank. In view of further improving our ability to identify and measure potential intraday liquidity risks, we enhanced our intraday liquidity risk monitoring tool, the ILR, in 2024 aligning with the components utilized in regulatory reporting frameworks. The LCR determines the short-term resilience of our liquidity risk profile, requiring financial institutions to hold adequate levels of high-quality liquid assets to cover net cash outflows in the next 30 days. We, on a solo and consolidated basis, maintain adequate levels of liquidity to provide a sufficient buffer for critical liquidity situations. The Bank monitors and reports its significant currencies to identify potential currency mismatches that could impact the LCR. The NSFR complements the LCR by limiting the overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

We supplemented our static ALM risk monitoring with a dynamic balance sheet for our liquidity and IRRBB metrics by considering future business plans and projections, enabling a more comprehensive understanding of our immediate and potential future risk exposures. We also perform regular stress testing activities to determine our ability to withstand and evaluate the impact of financial crises and other types of stress events. We conduct price stress tests in both the trading and banking books using a variety of interest rate shock scenarios to identify the impact of adverse movements in interest rates on

our economic value, earnings and non-interest income. The design of the trading and banking book stress tests includes various interest rate shock scenarios such as steepening and flattening yield curves, parallel up/down and short rate up/down, forward-looking and other notable historical stressed events that have occurred in the financial industry. The interest rate shocks applied are calibrated for all significant currencies in which we have significant positions. We conduct liquidity stress tests using different risk events, scenario types, and stress horizons to assess our liquidity position and determine potential liquidity shortfalls during stress events. Scenario analysis and simulations are performed to provide forward-looking liquidity conditions and anticipate potential liquidity and funding requirements. The results of the stress tests are presented to the RMCom and Management as part of our overall risk management process. All these initiatives are undertaken to ensure that the relevant market, IRRBB, and liquidity risks are identified and controlled.

We have in place escalation procedures in handling potential and/or actual limit breaches in our market, IRRBB and liquidity risk metrics, enabling timely identification and reporting of risks and the formulation of appropriate action plans and strategies to prudently manage such risks and contain them at acceptable levels.

The risk management process, including its various components, is subject to regular monitoring and periodic independent review (i.e., internal/regulatory audit and model validation), and regularly updated to ensure accuracy, propriety, and timeliness of data and assumptions employed.

Operational and Information Technology Risks. BPI's Operational Risk Management (ORM) Division monitors risks arising from inadequate or failed internal processes, people, and systems or from external threats and events such as cybercrime that led to financial losses, pandemics, natural disasters that damage physical assets, or electronic or telecommunication failures that disrupt our operations. Operational

risk is inherent in all banking products and services and may include risks that give rise to adverse legal, tax, regulatory, or reputational consequences. Information Technology (IT) is a significant risk factor subsumed under operational risk, given the highly automated nature of our processes and services. We define IT risk as the risk of any potential adverse outcome arising from the use of or reliance on IT (e.g., computer hardware, software, devices, systems, applications, and networks). IT risk includes, but is not limited to, information security, service availability, reliability and availability of IT operations, completion on specification of IT development projects, and regulatory compliance pursuant to the BSP's guidelines on Information Technology Risk Management. Our ORM Committee (ORMC) provides Senior Management oversight over the ORM Division, in accordance with regulatory requirements.

The Business Risk Officer (BRO) is central to the execution of the Bank's risk management program. We have BROs collaborating with and overseeing key functional areas and business units throughout the organization. They are responsible for fostering a strong risk management culture, applying ERM best practices, and ensuring the timely submission of operational and other risk reports as part of the first line of defense.

We have an established operational risk management framework that clearly defines responsibilities related to the performance of the risk management function, as well as the accountabilities, processes, and tools employed to identify and mitigate operational and IT risks in our operating units.

Subject to regular monitoring and reporting, tools include Key Risk Indicators (KRIs), loss events, incident management, Risk & Control Self-Assessment (RCSA), Risk Assessment for Business Activity (RABAct), and Outsourcing and Materiality Risk Assessment (OMRA). KRIs are used to monitor risk profiles, trigger early-warning alerts, and prompt mitigating actions. Operational loss events data collection and analysis provide meaningful information to assess the Bank's exposure to risks and the effectiveness of its controls. Operating units are required to conduct regular

self-assessments to identify, assess, and mitigate risks in the processes that they perform, which include the assessment of inherent and residual risks, identification of controls, and the assessment of the design and performance effectiveness of these controls. RABAct and OMRA are conducted to provide information on the anticipated risks prior to implementation of new or changes to existing business activities (e.g., product development and service offerings, process changes/enhancements) and outsourcing engagements, respectively. These risk assessments are aimed at safeguarding both the Bank and our clients from the risks of economic loss, operational disruption, third-party failures and damages, or compromise of personal or financial data.

To support our aggregation and reporting process, we have established risk categories and implemented a risk and control library that offers a consistent taxonomy of risks and controls. Regular training on the various ORM tools and processes is conducted and bulletins/ advisories are shared with stakeholders to enhance the Bank's risk awareness and appreciation programs.

In our push for digitalization, we have deployed an ORM System (ORMS) that seamlessly integrates various tools and processes, such as Loss Events, Metrics/ KRIs, Incident Management, Exception Approvals, Findings, Risk and Control Self-Assessments (RCSA) and Risk Aggregation.

The ORMS eliminates manual processes and enables the correlation of all tools, offering improved visibility to Management and empowering them to make data-driven decisions.

To support the Bank's Environmental, Social, and Governance (ESG) initiatives, we have integrated E&S risks in our tools. Our risk library was expanded to tag operational risk titles with potential E&S-related risks. Operational loss events monitoring captures actual occurrence of E&S risks that has resulted to, or has the potential to result to, a financial or regulatory impact. In collaboration with our ESRM unit, we are consistently working to establish key metrics that provide the RMCom

and ORMC with visibility into E&S risks. Localized sustainability initiatives in the workplace (e.g., lights off on lunch break) were implemented. Continuous support in the Group-wide sustainability programs (e.g., recyclables drive) is also observed.

Our exposures to operational risks are identified, assessed, and monitored as an integral part of the risk assessment processes. We are currently using the Basel II regulatory Basic Indicator Approach to quantify operational risk weighted assets, using the historical total annual gross income as the main measure of risk.

We regularly perform operational risk stress tests through scenario analysis to support the internal capital assessment for operational and IT Risks, as part of our initiatives to advance risk management methodologies. Through a series of stress scenarios, we can identify, analyze, and assess the impact of unexpected and extreme operational risk events. This exercise ensures that high impact events are captured during risk assessment, especially those not yet reflected in our existing historical loss data.

Our Board-level RMCom is regularly apprised of operational and IT risks through comprehensive reporting and discussions during monthly meetings. They are also regularly updated on the latest cybercrime trends, emerging risks, industry developments, and the Bank's implemented migration measures.

Business Continuity Risk. BPI maintains its business continuity capability and organizational resilience by means of an effective and global best practice Business Continuity Management (BCM) program. As self-assessed by the Bank, and a third-party consulting firm, this program is aligned with ISO 22301, BSP Circular 951 (Business Continuity Management), and Good Practice Guidelines of Business Continuity Institute (BCI) UK. This program includes: (1) Business Impact Analysis (BIA) methodology, (2) prioritization of products and services, (3) recovery plans, and (4) response structures to provide adequate level of services until normal operations resume. The BIA methodology determines

which products, services, processes, and resources should be prioritized during a disruption. Risk Assessment for Business Continuity (RABCon) identifies the most probable threats to the Bank and assesses the likelihood of their occurrences and their impact to key areas. Business Recovery Plan (BRP) provides a suitable solution that focuses on the impact of events and the timely restoration of building, equipment and supplies, technology, vital documents, human resources, and third-party vendors.

The resilience framework is established, and business groups/subsidiaries have been designated to achieve business continuity objectives and support the agreed recovery solution. Each business group has a designated Group Business Continuity Coordinator who handles localized risk events impacting business units in the business areas, with the support and guidance of tactical teams such as the Incident Management Teams and the Corporate BCM Unit. Should incidents escalate into a true crisis, the Crisis Resiliency Committee (CRC), consisting of senior management officers, is activated to establish command and control.

To ensure effective crisis communication, the Bank has implemented an Automated Call Tree Process, enabling immediate communication with all affected employees across business units. This system allows for rapid dissemination of critical information, ensuring that key personnel are notified of disruptions in real time.

To further improve the Bank's resilience, we have set up alternate command centers in Metro Manila and in provincial areas, which also provides additional seats that can be used for business recovery. We have also designated various evacuation sites, equipped with food, blankets, and other supplies, to assist employees during natural calamities.

The Bank employs a hybrid remote working and equips its employees with necessary access and tools that to support a flexible work arrangement for a diversified BCP. Through the Bank's digital transformation

journey, we have also digitized BCM processes, campaigns, business recovery plans, and other BCM documentations through the Bank's workflow management tool. This shift to digital platforms has streamlined workflows, improved real-time accessibility, and enhanced the overall efficiency of our business continuity efforts, ensuring that our teams can respond quickly to any disruption, all while maintaining a high level of preparedness for potential crises.

Information and Physical Security Risks. As we continue to transform customer experience, meet the growing demand for digital financial services, and promote financial inclusion, safeguarding the data of our customers and stakeholders remains a top priority. Protecting their information is fundamental to building and maintaining trust and confidence in our services.

Our information security management system integrates people, processes, and technology to ensure the confidentiality, integrity, and availability of our information assets. This system is built on a robust framework of continuous risk identification, assessment, treatment, and monitoring. Our information security and data privacy programs comply with industry standards and adhere to laws and regulations covering data protection, customer rights, cyber security, and risk management. Aligned with sustainability objectives, these programs aim to optimize resources in ways that effectively mitigate risks, limit costs, and maximize impact.

In the face of rising cyber threats, we are committed to continually enhancing our security infrastructure and implementing advanced technical controls to protect our physical and digital environments. Our approach includes a comprehensive suite of prevention, detection, and recovery mechanisms to manage threats proactively and respond promptly to incidents. We subject our security controls to regular assessments, both internally and through independent third-party evaluations, to ensure their relevance, effectiveness, and adherence to standard practices.

Additionally, we conduct a routine reviews and simulation tests of our incident response plans to validate their viability and ensure organizational preparedness for service disruptions or cyberattacks.

Recognizing the importance of supply chain security, we maintain a comprehensive third-party and vendor risk management program. This program incorporates a rigorous vetting process for service providers and IT suppliers, followed by ongoing performance monitoring, to ensure compliance with information security and data privacy requirements. To ensure efficiency and consistency of conduct, we are investing in automation and streamlining of our third-party risk management processes.

To address the growing risks of online banking fraud, we have intensified our informational security awareness campaigns for customers. These campaigns, delivered through traditional and social media, our websites and channels, and direct customer communication, empower customers to safeguard their personal information and combat increasingly sophisticated cyber threats and modus operandi. A robust fraud management system that seeks to identify potential fraud through transaction profiling helps to mitigate risk exposure of our clients.

Internally, we aim to foster a strong culture of security by implementing continuous and timely employee awareness initiatives designed to drive behavioral change. These initiatives educate employees on current and emerging cybercrime tactics, equipping them to identify threats, and reinforcing the vital role they play in mitigating risks. We extend these awareness efforts to service provider employees to ensure they are aligned with our security practices and expectations. Additionally, we conduct regular social engineering simulations to determine employee susceptibility to these tactics. The insights gained allow us to deliver targeted training, enabling employees to recognize and respond effectively to suspicious activities.

Through these efforts, we reaffirm our commitment to protecting information assets, maintaining customer trust, and supporting the secure delivery of innovative financial services.

BPI's Facilities Services and Management (FSM) Group takes a leading role in ensuring a secure, safe, and inspiring environment for both BPI clients and personnel. Tasked with building, maintaining, and ensuring the physical security and safety of all BPI branches and campuses, FSM employs a proactive and integrated approach encompassing people, infrastructure, and security. This strategy addresses the increasingly sophisticated needs of BPI sites. In harmony with our sustainability agenda, FSM is proactive in implementing initiatives to counter the impact of climate change. These measures include embracing initiatives focused on renewable energy such as electric vehicles and other projects. FSM also reduces its footprint where it can, as seen with its pursuit of Excellence in Design for Greater Efficiencies (EDGE) certifications. Finally, FSM is also supported by a well-established Physical Security Response Plan. With properly trained personnel and proper equipment, FSM is equipped to handle various emergencies and calamities such as typhoons, earthquakes, and other natural disasters.

Legal and Tax Risks. BPI has two specialized legal services divisions composed of highly trained legal professionals with experience in banking, corporate law and litigation that serve as BPI Group's main legal resource. These divisions play critical roles that enable us to carry out our operations while minimizing legal issues and risks.

Our Corporate Legal Affairs Division (CLAD) composed of the Documentation, Legal Risk and Advisory, Tax Compliance, Tax Advisory and Tax Risk Management units provide proactive guidance and support to effectively manage our legal and tax risks. The Documentation and Legal Advisory units ensure that our rights and obligations are protected in its contractual relations, and

that we are abreast of legal developments and requirements, respectively. We also conduct a legal risk assessment of potential claims against us and recommend legal risk mitigation measures. We further empower our units by issuing legal and tax advisory bulletins, providing supporting training seminars that highlight legal and tax issues, new laws, and regulatory fiats that impact our products and services, and promote awareness initiatives of various regulatory agencies.

We provide legal direction and support, working closely with Management, Risk and Compliance Offices, and the various business segments in monitoring, interpreting, and implementing laws, government regulations, and pandemic related issuances.

Our Dispute Resolution Division (DRD) plays a significant role in protecting our rights and interests and in avoiding losses when the Bank is involved in disputes or cases filed by the Bank against clients and third parties or filed by clients and third parties against the Bank, before regulatory entities, quasi-judicial bodies and judicial cases in all levels of the judicial proceedings as well as from trial courts to the Supreme Court. The division handles cases that involve large enterprise loans, retail loans, and trade financing. We specialize in criminal cases, cybercrime cases, and administrative cases (including BSP and SEC cases) filed on behalf of or against the Bank. We likewise handle defensive cases filed by any party against the Bank for any reason and play a significant role in the Bank's AML Compliance and the Labor Relations Compliance.

Part of the Bank's robust legal risk management is the Dispute Resolution Division's advisories on what areas of improvements should be made in various operations of the Bank based on the learnings from the cases that it handled.

The Corporate Legal Affairs (CLAD) and Dispute Resolution Divisions (DRD) accomplished the following program highlights in 2024: CLAD lectured on

Back to Basic Concepts of Local Business Tax (LBT) of Banks; Market Research & Competitive Intelligence on Tax Complications, Real Property Valuation and Assessment Reform Act (RPVARA), VAT on Digital Services Law, round table discussions on RR 16-2023, BIR ORUS | Branch Account Enrollment Registration, RMC 48-2024 (DST Return), Ease of Paying Taxes (EOPT), and BPI Investments, Inc. (BII) VAT preparation. Meanwhile, the DRD held seminars on Occupational Safety and Health Standards, Sexual Harassment In The Workplace, Legal Aspects of Remedial Account Management & Permissible Collection Processes, Data Privacy, writs, warrants, subpoenas and court witnessing, garnishments for the Bank's business units; collaborated with the Department of Justice (DOJ) in lecturing in the National Prosecutors Training on Anti-Cybercrime and also conducted seminars on cybercrime-related laws and procedures to equip BPI branch personnel and other client-facing units the capability to respond and assist on cybercrime complaints and incidents; disseminated numerous videos-on-demand (VODs) and tax infographics to update and inform BPI employees of the latest banking and tax laws and trends.

Sustainability programs were successfully implemented in 2024 as part of the team's capacity building initiatives and programs to help raise awareness, knowledge, familiarity of the legal principles and to provide appropriate legal guidance to relevant business units of BPI and the BPI Group on the proper disposition and management of common and recurring legal documentation issues and concerns which have been observed to arise from time to time. Our capacity building initiative resulted in the successful conduct of lecture sessions on Bank Exposures to DOSRI and on the Applicable Security/Collateral for Project and Financing, to participants of the Retail Banking Group numbering more than 400. The lectures of DRD mentioned above that relate to OSHA standards, sexual harassment, data privacy, among others, aspire to avoid or mitigate environmental and social risks to comply with the regulations of governing bodies.

We continually pursue the digitalization imperatives of the Bank by enhancing the Centralized Legal Automated Request (CLeAR) system in SharePoint by implementing improvements based on feedback from our fellow Unibankers. CLeAR provides a much faster and better customer experience for our internal clients, and it also gives us the opportunity to gather and analyze data on the current concerns of the Bank and anticipate future trends where we can better allocate our legal resources. Through this, legal risks are properly grouped, defined, and identified and proposed solutions and opinions contribute to further ensure that the Bank has a robust legal risk management response.

The BPI Cybercrime Assistance Response (BPI CARes) Team continues to assist Bank clients who are victimized by third-party scammers and online fraudsters which has contributed to the deterrence and prevention of cybercrime attacks against BPI clients by obtaining conviction of, causing the arrest, and assisting in the investigation of cyber fraudsters.

Reputational Risk. BPI defines reputational risk as the risk of potential negative public perception or uncontrollable events and developments that would have an adverse impact on our brand and reputation that can affect the Bank's ability to maintain existing business relationships or establish new business relationships and continued access to sources of funding.

We regard the Bank's reputation as a very valuable asset, since a negative reputation can harm client and investor trust, erode client base, and hinder sales. Poor reputation also correlates with increased costs for hiring and retention that can degrade operating margins and prevent higher returns. Furthermore, reputational damage increases liquidity risk which impacts stock price and ultimately causes market capitalization to decline.

We have an established Reputational Risk Management framework that provides consistent standards for the identification, assessment, and management of reputational risk issues. While all our employees have a responsibility to protect our reputation, which forms part of our Code of Business Conduct and Ethics, the primary responsibility for managing and reporting reputational risk matters lies with our business and operating units as the first line of defense. The Public Affairs and Communications unit, on the other hand, is the risk control owner of reputational risk, promoting awareness and application of our policies and standards regarding reputational risk and encouraging business units to take account of our reputation in all decision-making activities, as well as dealings with clients, suppliers, co-employees, and all other stakeholders.

Our policies ensure that reputational risk matters are managed in a consistent manner and aligned with our strategic priorities. We have established risk indicators for reputational risks that are regularly monitored and reported. These include events and developments related to products and services, channels, financial performance, human resources, brand equity, customers' awareness and loyalty that are further amplified through traditional and social media coverage.

Model Risk. BPI maintains an active and robust model risk management system supported by well-defined review standards and methodologies. Our RMCom establishes and ensures a strong model risk management structure that seamlessly integrates into the organization's broader risk management culture and processes. The CRO is responsible for reviewing and endorsing all model risk reports submitted to the RMCom, while model owners are tasked with managing the risks associated with their respective models throughout their lifecycle from initiation to retirement.

The Risk Models Validation (RMV) Department serves as the Bank's model risk manager which oversees the model governance framework and model inventory, as well as conduct of independent model validation activities.

Our framework encompasses key governance and control mechanisms such as Board and Senior Management oversight, policies and procedures, controls and compliance, and organizational structure; with controls carried out across all stages of the model lifecycle. To ensure relevance, comprehensiveness, and usability across various functional risk areas, a semi-annual inventory of the Bank's models is conducted. These models are independently validated prior to implementation and are subject to re-validation when necessary.

Given the growing regulatory expectations on model risk management and independent validation, RMV continuously tests the quality and robustness of our risk models. In 2024, RMV engaged a third-party consultant to conduct a maturity assessment of the current state of the Bank's model risk management benchmarked against global standards and leading industry practice to further enhance their framework and methodology.

In response to the Bank's commitment to data-driven analytics and decision-making, we continuously update and utilize automation tools for recurring models undergoing annual validation, develop applications to provide our stakeholders accessibility to real-time model information, consider the impact of stress and macroeconomic scenarios on the latest modeling methodologies employed, and place a strong emphasis on models supporting financial inclusion and sustainability initiatives.

Environmental and Social Risks. Despite contributing less than 1% to global CO₂ emissions¹, the Philippines faces high vulnerability to the impacts of climate change and natural disasters, emerging as one of the most-at-risk countries in the world in 2024². Situated in the Pacific Ring of Fire, the proactive management of challenges arising from climate change and evolving social landscapes is crucial for the Philippines as it pursues advanced economic development. The Bank is cognizant of these challenges and has been a sustainability advocate with our commitment to integrate sustainability into our business and operational activities.

We recognize the presence of environmental and social (E&S) risks inherent in our core operations and daily activities. To safeguard the best interests of our stakeholders, we commit to a risk management strategy centered on creating long-term stakeholder value and promoting shared value for a sustainable future.

Under the Enterprise Risk Management (ERM) framework and guided by BSP Circulars 1085 and 1128, we established the Bank's general policy on environmental and social risk management system (ESRMS) which integrates environmental and social (E&S) risk management in our risk governance structure and promotes the updating and/or establishment of policies, processes, methods, and tools that integrate E&S risk management in our main business activities and decision making processes. It is designed to support the two sustainability pillars of Responsible Banking and Responsible Operations and is critical in achieving our strategic sustainability objectives and targets.

We define E&S risks as potential negative financial, legal, and/or reputational effects from such issues affecting our key business activities³.

- Environmental risks can be categorized as either physical or transition. Physical risk is the potential loss or damage to tangible assets arising from climate change, weather-related disturbances, and other environmental hazards. This can either be acute events which are event-driven risks that have an immediate adverse impact, or chronic events which are shifts in climate patterns that are long-term in nature⁴. Transition risk is the potential economic adjustment cost resulting from policy, legal, technology, and market changes to meet climate change mitigation and adaptation requirements.
- Social risks are potential negative social impacts including, amongst others, hazards to human health, safety and security, as well as threats to communities, biodiversity, and cultural heritage.

We recognize that E&S risks can influence and/or aggravate the Bank's existing traditional financial and non-financial risks such as credit, market, operational and reputational risks.

¹CO₂ emissions www.ourworldindata.org/co2-emissions
² WorldRiskReport 2024 <https://reliefweb.int/report/world/worldriskreport-2024-focus-multiple-crises>

³ E&S risks definitions based on BSP Circular 1085
⁴ Recommendations of the Task-Force on Climate-related Financial Disclosures (TCFD)

RISK CATEGORY	EXAMPLES OF ENVIRONMENTAL RISK DRIVERS	
	PHYSICAL RISK	TRANSITION RISK
Credit	Deterioration in the repayment capacity of borrowers due to reduced or limited operations, profitability or value of collateral, and returns on transactions caused by climatic shifts or extreme weather events	Failure to consider the shifting regulatory and policy landscape in credit quality assessment (e.g., carbon taxes on emissions, total outright ban in activities driving E&S risk events, shift in consumer preferences, etc.) resulting to a deterioration in loan portfolio and asset quality
Market	Reduced value and marketability of our assets due to physical impacts	Shift in demand and preferences of clients and other stakeholders for the Bank's products and services
Operational	Business interruptions due to extreme weather events and its resulting damage to physical assets	Increased operating costs and higher capital expenditures to ensure resilience and carbon reduction measures
Reputational	Negative public reaction due to perceived inadequate support for clients and communities affected by extreme weather (and other environmental) events	Damage to our brand, reputation, and social capital due to potential perceptions of our inadequate support to transition to a low-carbon economy
	Negative public reaction due to perceived increase in exposure to environmental hazards	

Our approach to managing E&S risks will evolve as we progress in our integration efforts. We continuously strive to improve our E&S risk assessment methodologies and capabilities, strengthening both our qualitative and quantitative analyses. Implementation of new or enhanced policies and processes will support these activities, ensuring alignment with relevant laws and regulations such as BSP Circulars 1085, 1128, and 1149, as well as local and relevant global best practices. All these efforts are aimed at not only meeting regulatory expectations but also adding value for our various stakeholders by positively impacting the environment and society.

RELATED PARTY TRANSACTIONS

In the normal course of business and under the overall purview of the Related Party Transactions Committee (RPTCom) of the Board, BPI transacts with related parties which include its directors, officers, stockholders and related interests, subsidiaries and affiliates (including those under the Ayala Group of Companies), as well as other related parties defined in the Bank's internal policy and aligned with regulatory standards and guidelines.

Controls are in place to ensure compliance with Related Party Transactions (RPT) processes, a basic element of which are RPT guidelines published in the Bank's policy databases as further communicated through briefing sessions and regular advisories. Another control mechanism requires the RPTCom Secretariat to verify if there is prior vetting of RPT proposals submitted for Board-level approval and/or prior to implementation of the transaction. Moreover, post-verification of vetted RPTs is conducted by both Internal Audit and Compliance Office, results of which are reported to the RPTCom. Review of RPTs is likewise part of the external audit assurance process.

RPTs are monitored through various reports such as the regulatory and internal limits monitoring for related party (RP) exposures, reports on RPTs reviewed by the vetting committees, as well as the regulatory reporting for material RPTs.

The Bank maintains a registry of RPs which is regularly updated based on the results of RP analyses, as part of the Know-Your-Customer process, conducted by the business units. Likewise, regular updating is done following the (a) annual preparation of the BPI and Ayala Group's conglomerate map and (b) any Board composition changes effected during the Annual Stockholders' Meeting and/or intra-year Board changes. Updates are also sourced from other information gathered from internal Bank units and reputable external sources. Updating of the RP database for the BPI officers' data is regularly conducted in coordination with the Bank's Human Resource Management Group for proper tagging in the system. The Bank's RP database is accessible to business units to serve as a tool in the RP identification process across the Group.

As in the past years, RPTs involve credit and non-credit transactions such as loan accommodations and guarantees, agreements for the periodic provision of leases or other services, asset purchases and sales, trust transactions, and investments, among others. Vetting is done either by the RPTCom or the Management Vetting Committee (MVCom) prior to implementation, depending on set materiality thresholds, to ensure that transactions with RPs are standard banking activities and are done at arm's length basis particularly on terms and conditions comparable to those offered to non-RPs or to similar transactions in the market. In line with this, the Bank continues to review and enhance its vetting process by defining standardized terms and/or parameters for select transactions applicable to both RPs and non-RPs alike, as approved by management and subjected to vetting by the RPTCom, thereby strengthening non-preferential treatment to its RPs. During the year, the RPT vetting requirement for certain transactions were reassessed, and corresponding proposals to streamline and simplify internal processes were recommended to and approved by the RPTCom, as aligned with existing internal RP policies and regulatory guidelines. Key BPI subsidiaries have likewise updated their respective RPT policies to align with the Parent's.

In 2024, both the RPTCom and the MVCom had fully and consistently carried out the Committees' responsibilities in the evaluation of various RPT proposals and the monitoring and review of other RPT-related matters. Regular RPTCom meetings were held during the year, ensuring that business transactions with RPs are duly executed as needed with utmost independence, fairness, and integrity.

The RPTCom is composed of three independent and/or non-executive directors, majority of whom are independent including its Chairperson, and two resource persons from Management (i.e., the Chief Audit Executive and the Chief Compliance Officer). The RPTCom Secretariat, which is part of the Credit Policy and Risk Management (CPRM) Division of the Risk Management Office, assists the Committee in carrying out its role and responsibilities as defined in the RPTCom Charter, particularly on strengthening corporate governance and RPT practices. The MVCom, on the other hand, is composed of the Executive Vice Presidents, the Chief Finance Officer, and the Treasurer of the Bank.

The Bank is committed in ensuring strict compliance with laws, regulations, and reporting requirements relating to DOSRI and RPTs by instituting rigorous vetting processes and establishing adequate controls and oversight mechanisms. Improvements in the RPT framework are continuously pursued with the aim of enhancing corporate governance measures including greater information awareness initiatives.

Internal Control

Internal Audit. Our Internal Audit Division is an independent body that supports the Audit Committee in fulfilling its oversight responsibilities by providing an objective assessment on the adequacy and effectiveness of the Bank's risk management, internal controls, and governance processes, including adherence to internal process and procedures, regulatory, and legal requirements, through well-established risk-based audit plans.

The annual audit work plan is developed using the Audit Risk Assessment Methodology or scoring model, and reviewed and approved by the Board through the Audit Committee. The workplan is dynamic and subject to periodic review. Internal Audit follows the Committee of Sponsoring Organizations of the Treadway Commission (COSO)⁵ internal control framework which includes Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities, and the Control Objectives for Information and Related Technology (COBIT) frameworks in its assessment of the effectiveness of the internal control system.

Internal Audit 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 of 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.⁶

Internal Audit has an established quality assurance and improvement program (QAIP) that ensures its continued conformance with Institute of Internal Auditors' (IIA's) International Standards for the Professional Practice of Internal Auditing, and Code of Ethics. The program includes annual internal self-assessment conducted by IA's QAIU Team, and external assessment every 5 years conducted by a qualified independent assessor. The Audit Committee ensures that IA undergoes the external quality assessment review to confirm that audit activities conform to International Standards. IA has maintained a rating of "generally conforms" on both internal and external assessments, since its establishment of QAIP.

Internal Audit Charter. Empowered by the Internal Audit Charter, the internal audit function is granted free access to all records, properties, and personnel. In this respect, the Audit Committee reviews the internal audit function, including its independence and the authority of its reporting relationships. The Internal Audit Division continuously improves the capabilities of its auditors through continuous education on specialized areas of knowledge, auditing techniques, regulations, banking products and services, and information technology. The Board, through the Audit Committee, periodically reviews and approves the Internal Audit Charter which is published on the company website at www.bpi.com.ph.⁷

Chief Audit Executive. The Internal Audit Division is headed by a Chief Audit Executive (CAE) who is appointed by the Board and reports functionally to the Board through the Audit Committee and administratively to the President and CEO. This ensures that the CAE is not dependent on any bank executive or operating officer for the security of his or her position.

The CAE has unrestricted access to all functions, records, property, and personnel. Additionally, the Audit Committee ensures that the CAE has access to the Board, on a confidential basis, and that the Internal Audit Division is independent of bank management. The Board, through the Audit Committee, evaluates the performance of the CAE.⁸

See page 318 for the full biography of the CAE.

Independent External Auditor. The Audit Committee recommends to the Board the appointment of a BSP-accredited external auditor. The appointment, reappointment, and removal of the Bank's external auditor is subject to the approval and endorsement of the Audit Committee, for subsequent approval and confirmation by the Board and stockholders and is also done pursuant to the General Requirements of Securities Regulation Code (SRC) Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors).⁹

⁸ Recommendation 2.8, 91, 9.2, 12.3 SEC CG Code for PLCs
⁹ Recommendation 2.8, 91, 9.2, SEC CG Code for PLCs

The Audit Committee also:

- assesses the external auditor's effectiveness, integrity, independence, and objectivity in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines. The Committee shall review the external auditor's suitability and effectiveness on an annual basis, including the rotation of the key partners and quality control partners of the audit firm and removal of the external auditors, if circumstances warrant.
- reviews the external auditor's annual plan and scope of work, and in consultation with management, approves the external auditor's term of engagement and all audit and non-audit services, including fees, to be provided by the external auditor to the Bank and its subsidiaries and recommends the same for approval by the Board;
- oversees resolution of disagreements between management and the external auditors in the event that these arise;
- ensures that the external auditor and its audit team members adhere to the highest standards of professional conduct, integrity, and objectivity.

The external auditor reviews and discusses the financial statements and reports, including results of operations, with Management and the CAE, and endorses the same to the Board for approval. Audited Financial Statements are signed by the Chairman of the Board, the President and CEO, and the CFO. The Audit Committee also holds executive or private meetings with the external auditors without the presence of Management.

BPI has paid the following fees, inclusive of taxes, to its external auditor in the past two (2) years:

FISCAL YEAR	AUDIT FEES	AUDIT-RELATED FEES (VAT & OPE)
2022 paid in 2023	P19.037M	P3.674M
2023 paid in 2024 Quarterly reviews	P21.584M 3.644M	P4.103M .621M
Approved for 2024 (not yet paid)	P27.022M	-

Audit Fees. The audit and audit-related fees cover services by the external auditor that are reasonably related to the performance of the audit or review of the annual, half year or quarter end financial statements for BPI and its subsidiaries.

In addition to the audit services, the external auditor was also engaged to perform SOC2 (Service Organization Controls) Type 1 attestation for P2.100M.¹⁰

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. There were no disagreements with Isla Lipana & Co. on any accounting and/or financial disclosures.

¹⁰ Recommendation 9.3 SEC CG Code for PLCs

CAPITAL ADEQUACY

The Bank's Corporate Strategy and Planning division oversees the management of the Bank's capital adequacy. Capital adequacy ratio, or CAR, is a measure of the Bank's total qualifying capital relative to its risk-weighted assets, and indicates the ability of its capital funds to cover various business risks.

This division also ensures compliance with regulatory capital adequacy requirements, as well as internal capital thresholds, referred to as the Bank's internal minimum Common Equity Tier 1 (CET1) ratio, or IMCET1, and the CET1 management action trigger, or CET1MAT, which incorporate the Bank's internal capital buffers and limit triggers, and capture risks beyond Pillar 1 (credit, market, and operational).

Furthermore, as the central planning unit of the Bank, this division is responsible

Sound Capital Management. Effective capital management supports the Bank's assets and absorbs losses that may arise from credit, market and liquidity, operational and IT, and other risk exposures. The Bank's capital management framework ensures that on stand-alone and group bases, there are sufficient capital buffers at all times to support the respective risk profiles of the various businesses of the Bank, as well as changes in the regulatory and accounting standards and other future events.

BPI submits a comprehensive internal capital adequacy assessment process, or ICAAP, document annually to the Bangko Sentral ng Pilipinas, in accordance with the Pillar 2 guidelines of the Basel framework.

As of Dec 31, 2024, BPI's solo (parent) and consolidated CAR stood at 13.9% and 14.6% respectively, higher than the minimum regulatory requirement of 10.0%. The Bank's solo and consolidated CET1 capital ratio at 13.1% and 13.9%, respectively, likewise compare favorably with regulatory and internal limits and buffers.

The table below shows the Bank's CAR components for December 2024 and 2023:

RISK	REGULATORY CAPITAL	
(Php Mn)	2024	2023
Credit Risk	2,360,288	1,876,399
Market Risk	35,141	39,572
Operational Risk	246,244	202,346
Total	2,641,674	2,118,317
Capital Adequacy (Php Mn)	2024	2023
CET1/Net Tier 1 ^{1/}	366,045	323,944
T2/Net Tier 2 ^{2/}	20,480	18,792
Total QC ^{3/}	386,525	342,736
Total CRWA ^{4/}	2,360,288	1,876,399
Total MRWA ^{5/}	35,141	39,572
Total ORWA ^{6/}	246,244	202,346
TRWA ^{7/}	2,641,674	2,118,317

Consolidated Ratios (%)	2024	2023
CAR	14.63	16.18
CET1	13.86	15.29
CCB ^{8/}	7.85	9.29
Solo (Parent) Ratios (%)	2024	2023
CAR	13.91	15.48
CET1	13.14	14.59
CCB ^{8/}	7.14	8.59

^{1/} Common Equity Tier 1 Capital

^{2/} Tier 2 Capital

^{3/} Qualifying Capital

^{4/} Credit Risk-Weighted Assets

^{5/} Market Risk-Weighted Assets

^{6/} Operational Risk-Weighted Assets

^{7/} Total Risk-Weighted Assets

^{8/} Capital Conservation Buffer

SUPPLEMENTARY SCHEDULES ON CAPITAL AND RISK MANAGEMENT DISCLOSURES PURSUANT TO THE BANGKO SENTRAL'S MEMORANDUM M-2014-007

Capital Structure

The Bank's qualifying capital for the years ended 2024 and 2023 were PHP 386.5 billion and PHP 342.7 billion, respectively. The Bank's total qualifying capital for 2024 and 2023 were largely composed of CET1 capital at 94.7% and 94.5%,respectively.

The table below shows the composition of the Bank's capital structure and total qualifying capital.

Capital Structure (Php Mn)	Dec. 31, 2024			Dec. 31, 2023		
	CET1/ Tier 1	Tier 2	TOTAL	CET1/ Tier 1	Tier 2	TOTAL
Core Capital	418,664	20,480	439,145	355,303	16,929	366,089
Paid-up common stock	52,610		52,610	49,307		49,193
Additional paid-in capital	143,278		143,278	113,414		104,123
Retained earnings	174,013		173,371	152,437		170,327
Undivided profits	61,818		61,818	51,572		39,556
Net unrealized gains or losses on AFS securities	-5,034		-5,034	-3681		-8,665
Cumulative foreign currency translation	203		203	-146		0
Remeasurement of net defined benefit liability (asset)	-8,339		-8,339	-7885		-5,373
Minority interest ^{1/}	0		0	0		0
General loan loss provision ^{2/}		20,480	20,480	0	16,929	16,929
Gains/(Losses) on Fair Value Adjustments of Hedging Instruments	-1		-1			
Others	117		117	283		
Deductions	52,620	0			0	31,359
Common Stock treasury shares ^{3/}	0			-		-
Total O/S unsecured credit accommodations ^{4/}	509			431		431
Total O/S unsecured loans ^{5/}	76			48		48
Deferred tax assets	17,875			18,012		18,012
Goodwill	9,518			0		0
Other intangible assets	9,206			854		854
Defined benefit pension fund assets	82			40		40
Investments in equity ^{6/}	4,081			3,321		3,321
Significant minority investments ^{7/}	8,784			6,359		6,359
Other equity investments ^{8/}	2,490			2,295		2,295
TOTAL QUALIFYING CAPITAL	366,045	20,480	386,525	323,944	18,792	342,736
% to Total	94.7%	5.3%	100.0%	94.5%	5.6%	100.0%

^{1/} Minority interest in subsidiary banks, which are less than wholly-owned

^{2/} General loan loss provision, limited to a maximum of 1% of credit risk-weighted assets, and any amount in excess thereof shall be deducted from the credit risk-weighted assets in computing the denominator of the risk-based capital ratio

^{3/} Including shares that the Bank could be contractually obliged to purchase. Treasury shares are: (1) shares of the parent bank held by a subsidiary financial allied undertaking in a consolidated statement of condition, or (2) the reacquired shares of a subsidiary bank/quasi-bank that is required to compute its capital adequacy ratio in accordance with the risk-based capital adequacy framework.

^{4/} Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)

^{5/} Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates

^{6/} Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers/brokers and insurance companies), after deducting related goodwill, if any (for solo basis only and as applicable) and investments in equity of unconsolidated subsidiary securities dealers/brokers and insurance companies after deducting related goodwill, if any (for both solo and consolidated bases and as applicable)

^{7/} Significant minority investments (10%-50% of voting stock) in banks and quasi-banks, and other financial allied undertakings after deducting related goodwill, if any (for both solo and consolidated bases) and significant minority investments (10%-50% of voting stock) in securities dealers/brokers and insurance companies after deducting related goodwill, if any (for both solo and consolidated bases)

^{8/} Other equity investments in non-financial allied undertakings and non-allied undertakings

Credit risk-weighted assets. Using the Basel regulatory standardized approach, our total credit risk-weighted assets as of Dec. 31, 2024 amounted to Php 2.4 trillion, and are composed of on-book credit exposures after risk mitigation of Php 2.3 trillion, off-balance sheet risk-weighted assets of Php 46.3 billion, counterparty risk-weighted assets in the banking book of Php 105 million, counterparty risk-weighted assets in the trading book of Php 8.1 billion, and risk-weighted securitization exposures of Php 1.1 billion.

The table below provides a summary of the Bank’s credit risk-weighted assets for 2024 and 2023:

Credit RWAs (PHP Mn)	Amount	
	2024	2023
Total RWA (On-balance sheet) ^{0/}	2,304,599	1,831,249
Total RWA (Off-balance sheet) ^{0/}	46,364	40,093
Total counterparty RWA (banking book) ^{1/}	105	453
Total counterparty RWA (trading book) ^{1/}	8,100	6,108
Total risk-weighted credit linked notes (banking book)	0.00	-
Total risk-weighted securitization exposures	1,119	1,292
Total Gross RWA	2,360,288	1,879,195
Deductions: General loan loss provision ^{2/}	0	-2,795
Total Credit RWAs	2,360,288	1,876,399

^{0/} Risk-weighted assets
^{1/} For derivatives and repo-style transactions
^{2/} In excess of the amount permitted to be included in upper Tier 2

The Bank’s credit risk exposures on both on- and off-balance sheet assets after mitigation, broken down by risk buckets, for 2024 and 2023 are as follows:

Dec. 31, 2024								
(PHP Mn)	Exposure after risk mitigation	Risk Weights						
		0%	20%	50%	75%	100%	150%	Total CRWA ^{1/}
Cash on hand	49,492	49,492						49,492
Checks and other cash items	270		270					270
Due from BSP	164,576	164,576						164,576
Due from other banks	70,678		9,482	60,341		855		70,678
Available-for-sale (AFS)	265,129	214,528	134	24,564		25,903	0	265,129
Held-to-maturity (HTM)	343,099	229,252	9,541	65,460		38,364	482	343,099
UDSCL ^{2/}	0							0
Loans and receivables ^{3/}	2,219,689	7,506	47,055	154,925	53,122	1,943,695	13,386	2,219,689
Sales contract receivables	113					72	41	113
ROPA ^{4/}	7,437						7,437	7,437
Sub-total	3,120,483	665,353	66,482	305,290	53,122	2,008,890	21,346	3,120,483
Other assets	53,951					53,951		53,951
Total exposures, plus other assets	3,174,433	665,353	66,482	305,290	53,122	2,062,840	21,346	3,174,433
Total risk-weighted OBSA (no CRM) ^{0/ 5/}		0	13,296	152,645	39,841	2,062,840	32,019	2,300,642
Total risk-weighted OBSA (with CRM) ^{5/}		0	874	4	0	3,079	0	3,957
Total RWA (On-Balance Sheet)		0	14,170	152,649	39,841	2,065,920	32,019	2,304,599

Schedule A

Dec. 31, 2023								
(PHP Mn)	Exposure after risk mitigation	Risk Weights						
		0%	20%	50%	75%	100%	150%	Total CRWA ^{1/}
Cash on hand	34,634	34,634	0	0	0	0	0	34,634
Checks and other cash items	208	0	208	0	0	0	0	208
Due from BSP	199,625	199,625	0	0	0	0	0	199,625
Due from other banks	35,346	0	1,838	33,357	0	150	0	35,346
Available-for-sale (AFS)	215,315	184,772	467	14,110	0	15,966	0	215,315
Held-to-maturity (HTM)	382,706	260,843	3,954	59,892	0	58,017	0	382,706
UDSCL ^{2/}	0	0	0	0	0	0	0	0
Loans and receivables ^{3/}	1,874,504	15,186	152,151	107,536	110,864	1,477,979	10,789	1,874,504
Sales contract receivables	0	0	0	0	0	0	0	0
ROPA ^{4/}	3,886	0	0	0	0	0	3,886	3,886
Sub-total	2,746,225	695,060	158,618	214,895	110,864	1,552,112	14,675	2,746,225
Other assets	31,307	0	0	0	0	31,307	0	31,307
Total exposures, plus other assets	2,777,532	695,060	158,618	214,895	110,864	1,583,419	14,675	2,777,532
Total risk-weighted OBSA (no CRM) ^{0/ 5/}		0	31,724	107,448	83,148	1,583,419	22,013	1,827,751
Total risk-weighted OBSA (with CRM) ^{5/}		0	846	4	0	2,647	0	3,498
Total RWA (On-Balance Sheet)		0	32,570	107,452	83,148	1,586,067	22,013	1,831,249

^{0/} On-balance sheet assets
^{1/} Credit Risk-Weighted Assets
^{2/} Unquoted debt securities classified as loans
^{3/} Inclusive of loans and receivables arising from repurchase agreements, certificate of assignment/participation with recourse, and securities lending and borrowing transactions
^{4/} Real and other properties acquired
^{5/} Not covered by, and covered by credit risk mitigants, respectively

Schedule B

Dec. 31, 2024								
RWA (Off-Balance Sheet) (PHP Mn)	CEA ^{0/}	Risk Weights						
		0%	20%	50%	75%	100%	150%	Total CRWA ^{1/}
Direct credit substitutes ^{2/}	39,658	0	0	0	3,983	34,348	0	38,330
Transaction-related contingencies ^{3/}	5,614	0	0	0	400	5,081	0	5,481
Trade-related contingencies ^{4/}	2,625	0	0	0	216	2,337	0	2,553
Total RWA (Off-Balance Sheet)		0	0	0	4,599	41,766	0	46,364

Dec. 31, 2023								
RWA (Off-Balance Sheet) (PHP Mn)	CEA ^{0/}	Risk Weights						
		0%	20%	50%	75%	100%	150%	Total CRWA ^{1/}
Direct credit substitutes ^{2/}	32,993	0	0	0	1,500	30,993	0	32,493
Transaction-related contingencies ^{3/}	5,448	0	0	0	396	4,921	0	5,317
Trade-related contingencies ^{4/}	2,361	0	0	0	234	2,049	0	2,283
Total RWA (Off-Balance Sheet)		0	0	0	2,130	37,963	0	40,093

^{0/} Credit equivalent amount
^{1/} Credit risk-weighted assets
^{2/} Such as general guarantees of indebtedness and acceptances
^{3/} Such as performance bonds, bid bonds, warranties and stand-by LCs related to particular transactions
^{4/} Arising from movement of goods, such as documentary credits collateralized by the underlying shipments, and commitments with an original maturity of up to one year

Schedule C

Dec. 31, 2024							
Counterparty Assets Banking Book (PHP Mn)	Net Amount ^{0/}	Risk Weights					Total CRWA ^{1/}
		0%	20%	50%	100%	150%	
Derivative exposures:							
Interest rate							
Exchange rate							
Equity contracts							
Credit derivatives							
Counterparty Exposures arising from Financial Assets ^{2/}							
Available-for-Sale							
Held-to-Maturity	105	0	0	0	105	0	105
Total RWA ^{3/} (Off-Balance Sheet)		0	0	0	105	0	105

Dec. 31, 2023							
Counterparty Assets Banking Book (PHP Mn)	Net Amount ^{0/}	Risk Weights					Total CRWA ^{1/}
		0%	20%	50%	100%	150%	
Derivative exposures:							
Interest rate							
Exchange rate							
Equity contracts							
Credit derivatives							
Counterparty Exposures arising from Financial Assets ^{2/}							
Available-for-Sale							
Held-to-Maturity	500	0	0	47	407	0	453
Total RWA ^{3/} (Off-Balance Sheet)		0	0	47	407	0	453

^{0/} Net Exposures After CRM (Uncovered Portion)
^{1/} Credit risk-weighted assets
^{2/} Sold/Lent under Repurchase Agreements, Certificates of Assignment/Participation with Recourse, Securities Lending and Borrowing Agreement (Repo-style Transactions)
^{3/} Risk-weighted assets

Schedule D

Dec. 31, 2024							
Counterparty Assets Trading Book (PHP Mn)	Net Amount ^{0/}	Risk Weights					Total CRWA ^{1/}
		0%	20%	50%	100%	150%	
Derivative exposures:							
Interest rate	2,196	0	0	0	96	2004	2,100
Exchange rate	7,834	0	36	1690	4275	0	6,001
Equity contracts	0.00	0	0	0	0	0	0
Credit derivatives	0.00	0.00	0.00	0.00	0.00	0.00	0
Total counterparty RWA ^{2/} of derivatives transactions		0	36	1690	4,371	2004	8,100

Dec. 31, 2023							
Counterparty Assets Trading Book (PHP Mn)	Net Amount ^{0/}	Risk Weights					Total CRWA ^{1/}
		0%	20%	50%	100%	150%	
Derivative exposures:							
Interest rate	2,788	0	0	96	2,595	0	2,692
Exchange rate	3,992	0	1	572	2,843	0	3,416
Equity contracts	0	0	0	0	0	0	0
Credit derivatives					0		0
Total counterparty RWA ^{2/} of derivatives transactions		0	1	669	5,438	0	6,108

^{0/} Credit equivalent amount
^{1/} Credit risk-weighted assets
^{2/} Risk-weighted assets

Market risk-weighted assets. In terms of capital usage following the Basel standardized approach, total market risk-weighted assets stood at PHP 35.1 billion as of end-2024, of which foreign exchange exposures accounted for more than 80%, followed by interest rate exposures and equity exposures, respectively.

The table below presents the breakdown of the Bank’s market risk-weighted assets for 2024 and 2023:

MARKET RWA (PHP Mn)	AMOUNT	
	2024	2023
Using standardized approach:		
Interest rate exposures	5,800	7,408
Equity exposures	258	222
Foreign exchange exposures	29,084	31,942
Options	-	-
TOTAL MARKET RWA ^{0/}	35,141	39,572

^{0/} Risk-weighted assets

Operational risk-weighted assets. BPI currently uses the Basel regulatory basic indicator approach to quantify operational risk-weighted assets, by using the historical total annual gross income as the main measure of risk. In 2024, the Bank’s total operational risk-weighted assets stood at PHP 246.2 billion.

The table below presents the Bank’s operational risk-weighted assets for the years 2024 and 2023:

OPERATIONAL RWA (PHP Mn)	AMOUNT	
	2024	2023
Gross income ^(a)	155,666	119,940
Capital requirement ^{1/}	23,350	17,991
Average capital requirement (b) ^{2/}	19,700	16,188
Adjusted capital charge (c) ^{3/}	24,624	20,235
TOTAL OPERATIONAL RWA ^{4/}	246,244	202,346

^{0/} Risk-weighted assets
^{1/} (a) multiplied by 15 percent
^{2/} Average of 15 percent of (a) for the past 3 years
^{3/} (b) multiplied by 125 percent
^{4/} (c) multiplied by factor 10

Full reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements follows (amounts in millions):

	Dec. 31					
	2024			2023		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common Stock	52,610	-	52,610	49,307	-	49,307
Additional paid-in capital	143,278	-	143,278	113,414	-	113,414
Retained earnings	235,831	(11,390)	247,221	204,010	(1,600)	205,610
Other Comprehensive Income	(13,054)	(414)	(12,640)	(11,428)	(301)	(11,127)
Non-controlling interest	-	(2,221)	2,221	-	(2,166)	2,166
Deductions	(52,620)	(52,620)	-	(31,359)	(31,359)	-
Tier I (CET I) capital/Total equity	366,045	(66,645)	432,690	323,944	(35,426)	359,370
Tier 2	20,480	20,480	-	18,792	18,792	-
Total qualifying capital/Total equity	386,525	(46,165)	432,690	342,736	(16,634)	359,370

Supplementary Schedules on Basel III Leverage Ratio Disclosure Requirements

I. The Basel III Leverage ratios of the BPI Group and the Parent Bank as reported to the BSP as of December 31, 2023 and 2024 are shown in the table below:

Consolidated			Parent	
In PHP Mn	2023	2024	2023	2024
A. Capital Measure	323,944	366,045	300,215	336,547
B. Exposure Measure	2,957,335	3,403,607	2,892,222	3,315,223
B.1 Total On-Balance Sheet Exposures	2,865,211	3,298,521	2,803,331	3,217,771
B.1.1 On-balance sheet items ^{1/}	2,896,570	3,351,140	2,858,371	3,299,198
B.1.2 Regulatory Adjustments ^{2/}	31,359	52,620	55,040	81,427
B.2 Total Derivative Exposures	7,067	10,706	7,039	10,646
B.3 Total Securities Financing Transaction Exposures	18,608	11,962	15,413	4,462
B.4 Off-balance Sheet Exposures	66,449	82,418	66,440	82,344
C. BASEL III LEVERAGE RATIO (Ratio of A to B)	10.95%	10.75%	10.38%	10.15%

^{1/} Gross of General Loan Loss Provision (GLLP) and excluding derivatives and SFTs
^{2/} Deductions from Basel III Tier 1 capital are excluded from the leverage ratio exposure measure

II. Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure
As of Dec. 31, 2023 and 2024
Amounts in Million Pesos

Consolidated			Parent		
Item		2023	2024	2023	2024
1	Total consolidated assets as per published financial statements ^{1/}	2,893,961.79	3,354,289.98	2,853,267.24	3,295,752.08
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation ^{2/}				
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure ^{2/}				
4	Adjustments for derivative financial instruments	3,265.36	4,849.69	3,242.39	4,813.02
5	Adjustments for securities financial transactions (i.e., repos and similar secured lending)	3,430.50	4,462.25	3,430.50	4,462.25
6	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	66,449.31	82,418.24	66,439.93	82,344.42
7	Other adjustments	-9,771.70	-42,413.23	-34,157.71	-72,148.40
8	Leverage ratio exposure ^{3/}	2,957,335.26	3,403,606.93	2,892,222.35	3,315,223.37

^{1/} Refers to total on-balance sheet assets per quarterly published balance sheet
^{2/} Not included under the framework
^{3/} Sum of Items 1 to 7. Should be consistent with item 21 of the Basel III Leverage Ratio Common Disclosure Template

III. Basel III Leverage Ratio Common Disclosure Template
As of Dec. 31, 2023 and 2024
Amounts in Million Pesos; Ratios in Percent

		Consolidated		Parent	
Item		2023	2024	2023	2024
On-balance sheet exposures					
1	On-balance sheet items ^{1/}	2,896,570.00	3,351,140.42	2,858,371.17	3,299,198.40
2	(Asset amounts deducted in determining Basel III Tier 1 Capital)	-31,358.95	-52,619.63	-55,040.29	-81,427.45
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2,865,211.05	3,298,520.79	2,803,330.88	3,217,770.95
Derivative exposures					
4	Replacement Cost associated with all derivatives transactions	3,801.55	5,855.96	3,796.42	5,832.73
5	Add-on amounts for Potential Future Exposure associated with all derivative transactions	3,265.36	4,849.69	3,242.39	4,813.02
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework ^{2/}				
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions) ^{2/}				
8	(Exempted CCP leg of client-cleared trade exposures) ^{2/}				
9	Adjusted effective notional amount of written credit derivatives	0.00	0.00	0.00	0.00
10	(Adjusted effective offsets and add-on deductions for written credit derivatives)				
11	Total derivative exposures (sum of lines 4 to 10)	7,066.91	10,705.65	7,038.81	10,645.75
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting)	15,177.49	7,500.00	11,982.23	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets) ^{2/}				
14	CCR exposures for SFT assets	3,430.50	4,462.25	3,430.50	4,462.25
15	Agent transaction exposures ^{3/}				
16	Total securities financing transaction exposures (sum of lines 12 to 15)	18,608.00	11,962.25	15,412.73	4,462.25
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	312,158.32	409,222.28	312,064.59	408,484.13
18	(Adjustments for conversion to credit equivalent amounts)				
19	Off-balance sheet items	66,449.31	82,418.24	66,439.93	82,344.42
Capital and total exposures					
20	Tier 1 capital	323,943.57	366,044.81	300,214.76	336,547.33
21	Total exposures (sum of lines 3, 11, 16 and 19)	2,957,335.26	3,403,606.93	2,892,222.36	3,315,223.37
Leverage ratio					
22	Basel III leverage ratio	10.95%	10.75%	10.38%	10.15%

^{1/} Gross of General Loan Loss Provision (GLLP) and excluding derivatives and SFTs
^{2/} Not included under the framework
^{3/} When a bank/non-bank acting as an agent in an SFT provides an indemnity or guarantee to a customer or counterparty for any difference between the value of the security or cash the customer has lent and the value of the collateral the borrower has provided

There is no significant difference between the Bank's total balance sheet assets in its published financial statements and the on-balance sheet exposures in the Leverage Ratio Report.

External Audit and Assurance Statements

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EXTERNAL AND ASSURANCE STATEMENTS

SUMMARY OF FINANCIAL PERFORMANCE

BPI delivered another year of solid performance with record full year net income of PHP62.0 billion, up 20% year-on-year, driven by revenues which was partly offset by higher operating expense and provisions. Return on Equity stood at 15.1% and Return on Assets at 2.0%.

The Bank generated robust revenue of PHP170.1 billion, up 23.0% from the previous year, attributable to the 22.3% increase in net interest income to PHP127.6 billion, as the average asset base expanded 16.8% and net interest margin widened 22 basis points to 4.31%. Further boosting revenues was the 25.3% increase in non-interest income to PHP42.6 billion, driven by higher income from the credit card, wealth management and bancassurance businesses, as well as gains from securities trading.

Operating expenses for the year stood at PHP83.8 billion, up 21.3% year-on-year, on higher manpower, technology, and volume-related expenses. Cost-to-income declined 71 bps to 49.3%.

The Bank booked full year provisions of PHP6.6 billion, up 65.0% from last year. NPL ratio was at 2.13%, with the NPL coverage ratio at 106.2%.

Total loans stood at PHP2.3 trillion, a 18.2% increase over the previous year, inclusive of the portfolio acquired from the merger with Robinsons Bank Corporation. Excluding this, organic loan growth remained strong at 13.0%, with growth in both our institutional and non-institutional segments. Institutional loans grew 11.1%, while non-institutional loans soared 41.7%, driven by strong growth across all portfolios led by Business Banking, up 126.0%, Personal Loans, up 92.1%, and Microfinance, up 62.3%.

Total Funding grew 14.2% to reach PHP2.78 trillion, driven by a shift from time deposits to bonds issuance as a more cost-efficient funding source, leading Other Borrowed Funds to rise 19.0%. Total deposits stood at PHP2.6 trillion, up 13.9% year-on-year, mainly from the growth in time deposits. The Bank's CASA Ratio was 63.2%, with the Loan-to-Deposit Ratio at 87.5%, while CASA vs Total Funding was at 59.5% and Loan-to-Total Funding was at 82.3%.

Total assets stood at PHP3.3 trillion, up 14.9% year-on-year. Total equity stood at PHP430.5 billion, with an indicative Common Equity Tier 1 Ratio of 13.8% and a Capital Adequacy Ratio of 14.5%, both above regulatory requirements.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Bank of the Philippine Islands (the "Bank") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

Isla Lipana & Co., the independent auditor appointed by the stockholders, has audited the financial statements of the Bank in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Jaime Augusto Zobel de Ayala
Chairman of the Board

Jose Teodoro K. Limcaoco
President and Chief Executive Officer

Eric Roberto M. Luchangco
Senior Vice President
and Chief Finance Officer

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this 14 MAR 2025,
affiants exhibited to me their Passport with the following details:

Name	Passport No	Date/Place of Issue	Valid Until
Jaime Augusto Zobel de Ayala	P9640299A	21 NOV 2018/ DFA MANILA	20 NOV 2028
Jose Teodoro K. Limcaoco	P8809036C	16 JAN 2025/ DFA MANILA	15 JAN 2035
Enr Roberto M. Luchanoco	P7095342B	02 JUL 2021/ DFA MANILA	01 JUL 2031

Doc No _____
Page No _____
Book No _____
Series of 2025

ATTY. CESARY VERANO

NOTARY PUBLIC MAKATI CITY

APPOINTMENT NO: M-029

APPOINTMENT NO. M4029
VALID UNTIL DECEMBER 31, 2025

ISSUED ON: DECEMBER 15, 2023

PTB NO.: MKT 10465510 / 01-02-2025 / MAKAT / LIT

IBP NO.: #B4720 ROLL NO. 29024

IBP F.O.: 484/20 ROLL NO: 29024
MCLE COMPLIANCE NO: VII-0023845

BANK OF THE PHILIPPINE ISLANDS

Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makapuu 1 Mid of CARREON BLDG
Phone Banking: +632 889-10000, 0925 210 1818 POBLACION MAKATI CITY

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

The role and responsibilities of the Audit Committee are defined in the Board-approved Audit Committee charter. In accordance with this charter, the Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to:

- systems of internal controls, risk management, and governance process of the Bank
- integrity of the Bank's financial statements and its financial reporting process
- performance of the internal audit function and the external auditor
- compliance with bank policies, applicable laws, rules and regulatory requirements

The Committee is composed of three (3) qualified independent directors. All members have the necessary background, knowledge, skills, and/or experience to carry out their functions.

For 2024, the Committee held 12 regular and four (4) special meetings including one (1) joint session with the Risk Management Committee. Highlights of its activities were as follows:

1. Financial Statements:

- Reviewed and discussed with Management and the external auditor, Isla Lipana & Co./PwC, the audited consolidated financial statements of Bank of the Philippine Islands (BPI) and the related disclosures for the year ended December 31, 2024, including the assessment of the internal controls relevant to the financial reporting process. The review was performed in the following context:

- that Management is responsible for the preparation and fair presentation of the financial statements in accordance with the prescribed financial reporting framework, and
- that Isla Lipana has audited the financial statements in accordance with the Philippine Standards on Auditing and is responsible for expressing an opinion on the fairness of the Bank's financial records, including the results of its independent review of the Bank's valuation models and methodology particularly on the loan loss provisioning in relation to requirements of PFRS 9 and related accounting treatment on significant bank transactions.

After obtaining assurance on the external auditor's independent review of the financial statements, the Committee endorsed the 2024 audited financial statements for approval of the Board.

- Discussed with Management and the internal auditors, the quarterly unaudited consolidated financial reports of BPI Group including the results of operations and endorsed the financial statements to the Board of Directors for approval.

2. External Audit:

- Reviewed the 2024 audit plan and the scope of work of the external auditors, ensuring that areas of focus were appropriately covered and there were no significant gaps in the scope between external and internal audits to ensure effective use of resources.

The Committee also discussed the external auditor's report, focusing on the items with material financial impact and key control issues through its Management Letter of Comments. The Audit Committee also held an annual executive session with the external auditor to discuss any concern relative to its engagement and assessment on the key areas of focus and ensuring that risks identified in these areas are appropriately addressed.

- Assessed the overall performance of the external auditor, Isla Lipana/PwC and its audit process. The Committee ensures that lead audit partner is rotated, and that Isla Lipana & Co. had reaffirmed its independence from BPI and its subsidiaries and had complied with the ethical and professional standards.
- In consultation with Management, the Audit Committee endorsed for approval by the Board of Directors and the stockholders, the re-engagement of Isla Lipana & Co. for BPI and its subsidiaries/ affiliates for year 2024 and the related audit fees. The Audit Committee also approved the non-audit service performed by Isla Lipana & Co. in 2024.

3. Internal Audit:

- Reviewed and approved the annual work plan of Internal Audit including its charter, risk assessment model and rating framework. The Committee ensures that the internal audit function is independent, has adequate and competent resources, and has appropriate authority to be able to effectively discharge its duties.
- Reviewed and discussed the reports from internal audit and other management assurance units ensuring that Management is taking the appropriate corrective actions on the issues on a timely manner and open/outstanding issues are tracked and monitored until full resolution.

(Internal Audit – cont'd)

- Discussed regular updates from Management on key IT initiatives to manage audit issues, cybersecurity threats, and regulatory requirements, and other pertinent technology matters ensuring that risks are effectively addressed or mitigated.
- Reviewed the minutes of meetings of the different Audit Committees of the BPI subsidiaries and affiliates, and discussed the significant control, risk and compliance issues and ensuring that these are monitored and acted upon.
- Evaluated the performance of the Chief Audit Executive. The Committee also ensures that Internal Audit activities continuously conform with the International Standards for the Professional Practice of Internal Auditing, and Code of Ethics through internal and external quality assessment reviews.

4. Regulatory Compliance:

- Reviewed and approved the annual compliance and AML plan of the Group Compliance Office including amendments of its manuals. The Committee also discussed the quarterly compliance update reports and the status of the 2022 BSP Report of Examination directives.
- Discussed the results of the post-implementation reviews of related party transactions (RPTs), conducted by Internal Audit and Compliance Office to ensure that any significant issues had been appropriately addressed.

In compliance with the SEC requirement and the BPI Corporate Governance Manual, the Audit Committee:

- Attended the required annual SEC accredited workshop on corporate governance, risk management and sustainability, and training on Anti-Money Laundering and Terrorist Financing Prevention. The Committee also received updates on the new relevant law and regulations, accounting standards, and tax rules.
- Reviewed the Audit Committee Charter to ensure that it is updated and aligned with the regulatory requirements.
- Performed the annual self-assessment and reviewed its performance against its charter and other regulatory mandates. The result was validated by the Compliance Officer and discussed in the Corporate Governance Committee meeting. The process confirmed a satisfactory performance of the Audit Committee.

Based on the results of the assurance activities performed by the Bank's Internal Audit, compliance reviews and the external auditor's unqualified opinion on the financial statements, the Committee assessed that the Bank's systems of internal controls, risk management, and governance processes continue to be adequate and generally effective. This overall assessment states, among others, that the audit scope and coverage are sufficient, comprehensive, and risk-based, that Management is aware of its responsibility for internal control, and that there is no interference with the accomplishment of audit activities and reporting of issues and other relevant information to Management, Audit Committee, and the Board of Directors.


MA. DOLORES B. YUVIENCO
Chairman


CESAR V. PURISIMA
Member


MARIO ANTONIO V. PANER
Member

Bank of the Philippine Islands

Financial Statements

As at December 31, 2024 and 2023 and for each of the three
years in the period ended December 31, 2024



Independent Auditor's Report

To the Board of Directors and Shareholders of
Bank of the Philippine Islands
Ayala Triangle Gardens Tower 2
Paseo De Roxas corner Makati Ave., Bel-Air
Makati City

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") and the parent financial statements of the Bank of the Philippine Islands (the "Parent Bank") present fairly, in all material respects, the financial position of the BPI Group and of the Parent Bank as at December 31, 2024 and 2023, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

What we have audited

The financial statements comprise:

- the consolidated and parent statements of condition as at December 31, 2024 and 2023;
- the consolidated and parent statements of income for each of the three years in the period ended December 31, 2024;
- the consolidated and parent statements of total comprehensive income for each of the three years in the period ended December 31, 2024;
- the consolidated and parent statements of changes in capital funds for each of the three years in the period ended December 31, 2024;
- the consolidated and parent statements of cash flows for each of the three years in the period ended December 31, 2024; and
- the notes to the consolidated and parent financial statements, comprising material accounting policy information.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas, 1226 Makati City, Philippines
T: +63 (2) 8845 2728, www.pwc.com/ph

Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine member firm, and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.





Independence

We are independent of the BPI Group and the Parent Bank in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics), together with the ethical requirements that are relevant to our audit of the consolidated and parent financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and parent financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated and parent financial statements as a whole, taking into account the structure of the BPI Group and the Parent Bank, the accounting processes and controls, and the industry in which the BPI Group and the Parent Bank operate.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and parent financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in our audit pertains to the impairment losses on loans and advances, which applies to both the BPI Group’s and the Parent Bank’s financial statements.



Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment losses on loans and advances We focused on this account because of the complexity involved in the estimation process, and the significant judgments that management makes in ascertaining the provision for loan impairment. The calculation of impairment losses is inherently judgmental for any bank. As at December 31, 2024, the total allowance for impairment for loans and advances amounted to PHP54,102 million for the BPI Group and PHP50,379 million for the Parent Bank while provision for loan losses recognized in profit or loss for the year then ended amounted to PHP4,693 million for the BPI Group and PHP1,513 million for the Parent Bank. Refer to Notes 10 and 26 of the financial statements for the details of the impairment losses on loans and advances. Provision for impairment losses on loans that are assessed to be individually credit impaired is determined in reference to the estimated future cash repayments and proceeds from the realization of collateral held by the BPI Group and the Parent Bank. For other loan accounts which are not individually credit impaired, these are included in a group of loans with similar risk characteristics and are collectively assessed on a portfolio basis using internal models developed by the BPI Group and the Parent Bank.	We assessed the design and tested the operating effectiveness of key controls over loan loss provisioning. These key controls included: - governance over the development, validation and approval of the BPI Group’s ECL models to assess compliance with PFRS 9, including continuous re-assessment by the BPI Group that the impairment models are operating in a way which is appropriate for the credit risks in the BPI Group and the Parent Bank’s loan portfolios; - review and approval of key judgments, assumptions and forward-looking information used in the ECL models; - review of data from source systems to the detailed ECL model analyses; - assessment of credit quality of loans and advances relative to the established internal credit risk rating system; - the review and approval process for the outputs of the impairment models; and - the review and approval process over the determination of credit risk rating, performance of credit reviews and calculation of required reserves for loans assessed as credit-impaired. Our work over the impairment of loans and advances included: - independent assessment of the methodology applied by the BPI Group and the Parent Bank in the development of the ECL models vis-a-vis the requirements of PFRS 9;



Key Audit Matter	How our audit addressed the Key Audit Matter
(cont'd.)	
Key elements in the impairment of loans and advances include: - the application of appropriate impairment models for the collectively assessed accounts. This includes the use of key assumptions in the impairment models (i.e., staging of accounts, significant increase in credit risk, forward-looking information), the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD); and - the identification of credit-impaired loans, and estimation of cash flows (including the expected realizable value of any collateral held) supporting the calculation of individually assessed provisions. The impairment losses include both quantitative and qualitative components. In calculating the loan loss provisioning, the BPI Group and the Parent Bank applied the expected credit loss (ECL) calculation and post-model adjustments as allowed by Philippine Financial Reporting Standard (PFRS) 9, <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.	- independent testing of key assumptions in the ECL models such as PD, LGD, EAD built from historical data, including segmentation. Our assessment included the involvement of our internal specialist. - assessment of the appropriateness of the BPI Group's and the Parent Bank's definition of significant increase in credit risk and staging of accounts through analysis of historical trends and past credit behavior of loan portfolios; - independent comparison of economic information used within, and weightings applied to, forward-looking scenarios in the ECL calculation which includes assumptions used in the post-model adjustments, against available macro-economic data; - testing of the accuracy and completeness of data inputs in the ECL models and in the ECL calculation by comparing them with the information obtained from source systems; - testing the accuracy and reasonableness of the outputs of the ECL models through independent recalculation; - for a sample of individually assessed loans identified as credit-impaired, examined relevant supporting documents such as the latest financial information of the borrower or valuation of collateral used as a basis in estimating the recoverable amount and measuring the loan loss allowance; and - recalculation of the loan loss allowance for selected accounts and portfolios at reporting date using the ECL methodology adopted by the BPI Group and the Parent Bank.



Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report, but does not include the consolidated and parent financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated and parent financial statements, our responsibility is to read the other information identified above when these become available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and parent financial statements in accordance with PFRS Accounting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and parent financial statements, management is responsible for assessing the ability of each entity within the BPI Group and of the Parent Bank to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the BPI Group and the Parent Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the BPI Group's and the Parent Bank's financial reporting process.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Bank of the Philippine Islands
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and parent financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the BPI Group's and of the Parent Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the BPI Group and the Parent Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the BPI Group and the Parent Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent financial statements, including the disclosures, and whether the consolidated and parent financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Bank of the Philippine Islands
Page 7

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent financial statements of the current period and is therefore the key audit matter. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report
To the Board of Directors and Shareholders of
Bank of the Philippine Islands
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Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 in Note 31 and Bureau of Internal Revenue (BIR) Revenue Regulations No. 15-2010 in Note 32 to the financial statements is presented for the purposes of filing with the BSP and the BIR, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management of the BPI Group and the Parent Bank. The supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements, and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Roderick M. Danao.

Isla Lipana & Co.

Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280; issued on January 3, 2025, Makati City
T.I.N. 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2025

Makati City
February 19, 2025

BANK OF THE PHILIPPINE ISLANDS

Statements of Condition

December 31, 2024 and 2023
(In Millions of Pesos)

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
ASSETS					
CASH AND OTHER CASH ITEMS	4	49,762	34,843	49,136	34,444
DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)	4	164,571	199,619	161,247	192,246
DUE FROM OTHER BANKS	4	72,060	36,292	68,439	33,081
INTERBANK LOANS RECEIVABLE AND SECURITIES					
PURCHASED UNDER AGREEMENTS TO RESELL, net	4,5	16,715	20,643	9,093	17,342
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR					
LOSS	6,7	47,308	23,654	39,757	17,456
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER					
COMPREHENSIVE INCOME	8	268,202	218,654	263,212	214,183
INVESTMENT SECURITIES AT AMORTIZED COST, net	9	343,108	382,711	336,233	377,120
LOANS AND ADVANCES, net	10	2,238,765	1,882,007	2,186,928	1,849,840
ASSETS HELD FOR SALE, net		8,411	4,743	8,154	4,646
BANK PREMISES, FURNITURE, FIXTURES					
AND EQUIPMENT, net	11	21,209	19,751	19,759	18,401
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, net	12	10,904	8,287	19,165	15,526
ASSETS ATTRIBUTABLE TO INSURANCE OPERATIONS	2	20,995	19,067	-	-
DEFERRED INCOME TAX ASSETS, net	13	18,201	18,185	17,183	17,536
OTHER ASSETS, net	14	38,602	19,916	38,772	20,001
Total assets		3,318,813	2,888,372	3,217,078	2,811,822

(forward)

Statements of Condition

December 31, 2024 and 2023
(In Millions of Pesos)

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
LIABILITIES AND CAPITAL FUNDS					
DEPOSIT LIABILITIES	15	2,614,802	2,295,106	2,564,135	2,264,133
DUE TO BSP AND OTHER BANKS		3,135	1,881	3,135	1,881
DERIVATIVE FINANCIAL LIABILITIES	7	4,976	2,821	4,913	2,774
BILLS PAYABLE AND OTHER BORROWED FUNDS	16	163,182	137,104	163,083	133,726
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		9,941	8,463	9,935	8,431
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		17,327	14,973	15,061	13,543
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS	2	16,541	15,202	-	-
DEFERRED CREDITS AND OTHER LIABILITIES	17	56,219	53,452	53,050	51,031
Total liabilities		2,886,123	2,529,002	2,813,312	2,475,519
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI					
Share capital	18	52,610	49,307	52,610	49,307
Share premium		143,278	113,414	143,248	113,383
Treasury shares		-	-	-	-
Reserves		10,889	643	43,217	32,975
Accumulated other comprehensive loss		(12,640)	(11,127)	(10,722)	(9,076)
Surplus		236,332	204,967	175,413	149,714
		430,469	357,204	403,766	336,303
NON-CONTROLLING INTERESTS					
Total capital funds		432,690	359,370	403,766	336,303
Total liabilities and capital funds		3,318,813	2,888,372	3,217,078	2,811,822

(The notes on pages 1 to 112 are an integral part of these financial statements.)

Statements of Income

For each of the three years in the period ended December 31, 2024
(In Millions of Pesos)

	Notes	Consolidated			Parent	
		2024	2023	2022	2024	2023
INTEREST INCOME						
On loans and advances		159,594	120,900	84,909	148,062	114,050
On investment securities		27,251	21,737	16,863	26,834	21,466
On deposits with BSP and other banks		3,109	2,935	1,496	2,240	2,460
		189,954	145,572	103,268	177,136	137,976
INTEREST EXPENSE						
On deposits	15	53,181	36,027	14,821	50,659	34,934
On bills payable and other borrowed funds	16	9,187	5,195	3,381	9,045	4,956
		62,368	41,222	18,202	59,704	39,890
NET INTEREST INCOME		127,586	104,350	85,066	117,432	98,086
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	26	6,600	4,000	9,167	3,428	2,202
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES		120,986	100,350	75,899	114,004	95,884
OTHER INCOME						
Fees and commissions	19	15,162	12,717	11,339	13,744	11,166
Income from foreign exchange trading		3,474	3,223	2,617	3,361	3,205
Securities trading gain		3,293	1,919	857	3,017	1,827
Income attributable to insurance operations	2	3,011	1,843	1,379	-	-
Net gains on disposals of investment securities at amortized cost	9	4	2	214	5	2
Other operating income	19	17,609	14,267	17,053	13,572	12,741
		42,553	33,971	33,459	33,699	28,941
OTHER EXPENSES						
Compensation and fringe benefits	21	28,939	23,221	19,528	25,214	20,310
Occupancy and equipment-related expenses	11,20	25,132	22,012	18,761	22,648	20,139
Other operating expenses	21	29,725	23,877	19,701	27,404	22,142
		83,796	69,110	57,990	75,266	62,591
PROFIT BEFORE INCOME TAX		79,743	65,211	51,368	72,437	62,234
INCOME TAX EXPENSE	22					
Current		16,757	13,934	12,438	14,993	12,600
Deferred	13	746	(635)	(906)	1,060	(419)
		17,503	13,299	11,532	16,053	12,181
NET INCOME AFTER TAX		62,240	51,912	39,836	56,384	50,053
Attributable to:						
Equity holders of BPI		62,049	51,687	39,605	56,384	50,053
Non-controlling interests		191	225	231	-	-
		62,240	51,912	39,836	56,384	50,053
Basic and diluted earnings per share attributable to the equity holders of BPI during the year	18	11.78	10.90	8.78	10.71	10.56
						8.20

(The notes on pages 1 to 112 are an integral part of these financial statements.)

Statements of Comprehensive Income

For each of the three years in the period ended December 31, 2024
(In Millions of Pesos)

	Note	Consolidated			Parent	
		2024	2023	2022	2024	2023
NET INCOME FOR THE YEAR		62,240	51,912	39,836	56,384	50,053
OTHER COMPREHENSIVE INCOME (LOSS)	18					
Items that may be subsequently reclassified to profit or loss						
Share in other comprehensive (loss) income of associates		(175)	405	(1,015)	-	-
Net change in fair value reserve on investments in debt instruments measured at FVOCI, net of tax effect		(810)	556	(1,525)	(891)	546
Fair value reserve on investments of insurance subsidiaries, net of tax effect		24	90	(225)	-	-
Currency translation differences and others		349	(54)	(65)	-	-
Cash flow hedge, net of tax effect		(1)	-	-	(1)	-
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit obligation		(474)	(2,476)	(8)	(397)	(2,395)
Share in other comprehensive (loss) income of associates		(45)	49	687	-	-
Net change in fair value reserve on investments in equity instruments measured at FVOCI, net of tax effect		(360)	4,609	(3,503)	(357)	4,616
Total other comprehensive (loss) income, net of tax effect		(1,492)	3,179	(5,654)	(1,646)	2,767
Total comprehensive income for the year		60,748	55,091	34,182	54,738	52,820
Attributable to:						
Equity holders of BPI		60,536	54,816	34,019	54,738	52,820
Non-controlling interests		212	275	163	-	-
		60,748	55,091	34,182	54,738	52,820

(The notes on pages 1 to 112 are an integral part of these financial statements.)

Statements of Changes in Capital Funds

For each of the three years in the period ended December 31, 2024
(In Millions of Pesos)

	Attributable to equity holders of BPI (Note 18)						Total	Non-controlling interests	Total capital funds
	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive loss	Surplus			
Consolidated									
Balance, January 1, 2022	45,131	74,934	-	564	(8,670)	181,101	293,060	2,096	295,156
Comprehensive income									
Net income for the year	-	-	-	-	-	39,605	39,605	231	39,836
Other comprehensive loss for the year	-	-	-	-	(5,586)	-	(5,586)	(68)	(5,654)
Total comprehensive income for the year	-	-	-	-	(5,586)	39,605	34,019	163	34,182
Transactions with owners									
Issuance of shares as consideration of the merger	4,062	28,981	(33,043)	-	-	-	-	-	-
Executive stock plan amortization	-	208	-	(8)	-	-	200	-	200
Cash dividends	-	-	-	-	-	(9,568)	(9,568)	(177)	(9,745)
Total transaction with owners	4,062	29,189	(33,043)	(8)	-	(9,568)	(9,368)	(177)	(9,545)
Other movements									
Transfer from surplus to reserves	-	-	-	73	-	(73)	-	-	-
Transfer from reserves to surplus	-	-	-	(2)	-	2	-	-	-
Others	-	-	-	17	-	(6)	11	-	11
Total other movements	-	-	-	88	-	(77)	11	-	11
Balance, December 31, 2022	49,193	104,123	(33,043)	644	(14,256)	211,061	317,722	2,082	319,804
Comprehensive income									
Net income for the year	-	-	-	-	-	51,687	51,687	225	51,912
Other comprehensive income for the year	-	-	-	-	3,129	-	3,129	50	3,179
Total comprehensive income for the year	-	-	-	-	3,129	51,687	54,816	275	55,091
Transactions with owners									
Executive stock plan exercise and amortization	114	342	-	(84)	-	-	372	-	372
Cash dividends	-	-	-	-	-	(15,934)	(15,934)	(191)	(16,125)
Dividends - treasury shares	-	8,949	33,043	-	-	(42,364)	(372)	-	(372)
Total transaction with owners	114	9,291	33,043	(84)	-	(58,298)	(15,934)	(191)	(16,125)
Other movements									
Transfer from surplus to reserves	-	-	-	13	-	(13)	-	-	-
Others	-	-	-	70	-	530	600	-	600
Total other movements	-	-	-	83	-	517	600	-	600
Balance, December 31, 2023	49,307	113,414	-	643	(11,127)	204,967	357,204	2,166	359,370
Comprehensive income									
Net income for the year	-	-	-	-	-	62,049	62,049	191	62,240
Other comprehensive loss for the year	-	-	-	-	(1,513)	-	(1,513)	21	(1,492)
Total comprehensive income for the year	-	-	-	-	(1,513)	62,049	60,536	212	60,748
Transactions with owners									
Issuance of shares as consideration of the merger	3,140	29,453	-	-	-	-	32,593	-	32,593
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)	(157)	(21,035)
Total transaction with owners	3,303	29,864	-	(32)	-	(20,878)	12,257	(157)	12,100
Other movements									
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-	-	-
Others	-	-	-	4	-	468	472	-	472
Total other movements	-	-	-	10,278	-	(9,806)	472	-	472
Balance, December 31, 2024	52,610	143,278	-	10,889	(12,640)	236,332	430,469	2,221	432,690

(The notes on pages 1 to 112 are an integral part of the financial statements.)

Statements of Changes in Capital Funds

For each of the three years in the period ended December 31, 2024
(In Millions of Pesos)

Parent (Note 18)	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive loss	Surplus	Total capital funds
Balance, January 1, 2022	45,131	74,934	-	160	(6,825)	130,100	243,500
Comprehensive income							
Net income for the year	-	-	-	-	-	36,999	36,999
Other comprehensive loss for the year	-	-	-	-	(5,018)	-	(5,018)
Total comprehensive income for the year	-	-	-	-	(5,018)	36,999	31,981
Transactions with owners							
Issuance of shares as consideration of the merger	4,062	28,981	(33,043)	-	-	-	-
Executive stock plan amortization	-	208	-	(10)	-	-	198
Cash dividends	-	-	-	-	-	(9,568)	(9,568)
Total transactions with owners	4,062	29,189	(33,043)	(10)	-	(9,568)	(9,370)
Other movements	-	-	-	32,905	-	13	32,918
	4,062	29,189	(33,043)	32,895	-	(9,555)	23,548
Balance, December 31, 2022	49,193	104,123	(33,043)	33,055	(11,843)	157,544	299,029
Comprehensive income							
Net income for the year	-	-	-	-	-	50,053	50,053
Other comprehensive income for the year	-	-	-	-	2,767	-	2,767
Total comprehensive income for the year	-	-	-	-	2,767	50,053	52,820
Transactions with owners							
Executive stock plan exercise and amortization	114	342	-	(80)	-	-	376
Cash dividends	-	-	-	-	-	(15,934)	(15,934)
Dividends - treasury shares	-	8,918	33,043	-	-	(42,364)	(403)
Total transactions with owners	114	9,260	33,043	(80)	-	(58,298)	(15,961)
Other movements	-	-	-	-	-	415	415
	114	9,260	33,043	(80)	-	(57,883)	(15,546)
Balance, December 31, 2023	49,307	113,383	-	32,975	(9,076)	149,714	336,303
Comprehensive income							
Net income for the year	-	-	-	-	-	56,384	56,384
Other comprehensive loss for the year	-	-	-	-	(1,646)	-	(1,646)
Total comprehensive income for the year	-	-	-	-	(1,646)	56,384	54,738
Transactions with owners							
Issuance of shares as consideration of the merger	3,140	29,454	-	-	-	-	32,594
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)
Total transactions with owners	3,303	29,865	-	(32)	-	(20,878)	12,258
Other movements							
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-
Others	-	-	-	-	-	467	467
Total other movements	-	-	-	10,274	-	(9,807)	467
Balance, December 31, 2024	52,610	143,248	-	43,217	(10,722)	175,413	403,766

(The notes on pages 1 to 112 are an integral part of these financial statements.)

Statements of Cash Flows

For each of the three years in the period ended December 31, 2024
(In Millions of Pesos)

	Notes	Consolidated			Parent	
		2024	2023	2022	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before income tax		79,743	65,211	51,368	72,437	62,234
Adjustments for:						
Impairment losses	26	6,600	4,000	9,167	3,428	2,202
Depreciation and amortization	11,14	5,257	6,615	5,445	4,786	6,195
Share in net income of associates	12	(2,738)	(1,372)	(1,055)	-	-
Dividend and other income	19	(93)	(100)	(60)	(1,505)	(3,066)
Share-based compensation	18	(32)	(84)	(8)	(32)	(80)
Profit from asset sold		(134)	(139)	(5,392)	(134)	(126)
Realized gain - investment securities		(2,314)	(949)	(189)	(2,317)	(949)
Interest income		(189,954)	(145,572)	(103,268)	(177,136)	(137,976)
Interest received		183,606	142,013	98,874	178,854	134,880
Interest expense		62,740	41,543	18,503	59,997	40,171
Interest paid		(61,860)	(38,683)	(17,238)	(59,560)	(37,801)
Decrease (increase) in:						
Interbank loans receivable and securities purchased under agreements to resell		5,651	4,117	(2,612)	5,395	4,058
Financial assets at fair value through profit or loss		(23,569)	(1,455)	(801)	(22,288)	(450)
Loans and advances, net		(244,187)	(181,412)	(231,573)	(230,778)	(170,155)
Assets held for sale		(1,678)	(761)	(914)	(1,706)	(773)
Assets attributable to insurance operations		(1,504)	254	(2,316)	-	-
Other assets		1,061	(5,752)	540	219	(6,564)
Increase (decrease) in:						
Deposit liabilities		173,533	199,096	140,855	157,817	181,540
Due to BSP and other banks		1,126	(1,151)	1,680	1,126	(1,075)
Manager's checks and demand drafts outstanding		358	1,708	(176)	383	1,680
Accrued taxes, interest and other expenses		(587)	798	1,382	(882)	730
Liabilities attributable to insurance operations		1,346	306	1,693	-	-
Derivative financial liabilities		2,155	(1,476)	665	2,139	(1,479)
Deferred credits and other liabilities		(695)	213	4,950	(1,477)	353
Net cash (absorbed by) from operations		(6,169)	86,968	(30,480)	(11,234)	73,549
Income taxes paid		(16,084)	(14,004)	(12,938)	(14,379)	(12,712)
Net cash (used in) from operating activities		(22,253)	72,964	(43,418)	(25,613)	60,837
(forward)						

Statements of Cash Flows

For each of the three years in the period ended December 31, 2024
(In Millions of Pesos)

		Consolidated			Parent		
	Notes	2024	2023	2022	2024	2023	2022
(forwarded)							
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of bank premises, furniture, fixtures and equipment		(3,416)	(4,778)	(1,657)	(3,267)	(4,578)	(1,580)
Disposal of bank premises, furniture, fixtures and equipment		849	2,144	1,200	835	2,127	1,191
Placements in investment securities		(201,348)	(248,565)	(95,218)	(200,635)	(247,299)	(94,789)
Proceeds from:							
Maturities/sales of investment securities		227,374	171,331	49,008	227,205	171,332	49,008
Sale of investment properties		-	-	4,721	-	-	4,721
Decrease (increase) in:							
Investment in subsidiaries and associates, net		53	769	694	(2,182)	(120)	-
Assets attributable to insurance operations		(418)	(270)	474	-	-	-
Impact of merger	29	22,071	-	-	20,572	-	78,200
Dividends received		93	100	60	1,505	3,066	880
Net cash from (used in) investing activities		45,258	(79,269)	(40,718)	44,033	(75,472)	37,631
CASH FLOWS FROM FINANCING ACTIVITIES							
ACTIVITIES							
Cash dividends paid	17,18	(21,034)	(16,125)	(9,745)	(20,877)	(15,934)	(9,568)
Issuance cost of treasury shares as dividends	18	-	(372)	-	-	(403)	-
Proceeds from share issuance	18	573	456	208	573	456	208
Increase in bills payable and other borrowed funds	16,29	11,127	39,601	2,464	14,405	40,724	868
Payments for principal portion of lease liabilities		(2,066)	(1,893)	(1,624)	(1,803)	(1,652)	(1,417)
Net cash (used in) from financing activities		(11,400)	21,667	(8,697)	(7,702)	23,191	(9,909)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		11,605	15,362	(92,833)	10,718	8,556	(19,880)
CASH AND CASH EQUIVALENTS							
January 1	4,5	288,482	273,120	365,953	274,005	265,449	285,329
December 31		300,087	288,482	273,120	284,723	274,005	265,449

Non-cash financing and investing activities 11,16,18

(The notes on pages 1 to 112 are an integral part of these financial statements.)

Notes to Financial Statements

As at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022

1 General information

Bank of the Philippine Islands (“BPI” or the “Parent Bank”) is a domestic commercial bank with an expanded banking license and was registered with the Securities and Exchange Commission (SEC) on January 4, 1943. The Parent Bank’s license was extended for another 50 years on January 4, 1993.

The Parent Bank’s office address, which also serves as its principal place of business, is located at Ayala Triangle Gardens Tower 2, Paseo De Roxas corner Makati Ave., Bel-Air, Makati City.

BPI and its subsidiaries (collectively referred to as the “BPI Group”) offer a whole breadth of financial services that include corporate banking, consumer banking, investment banking, asset management, corporate finance, securities distribution and insurance services. At December 31, 2024, the BPI Group has 22,062 employees (2023 - 18,982 employees) and operates 1,266 branches (2023 - 1,187 branches) and 1,876 automated teller machines (ATMs) and cash accept machines (CAMs) (2023 - 1,530) to support its delivery of services. The BPI Group also serves its customers through alternative electronic banking channels such as telephone, mobile phone and the internet.

The Parent Bank is a public company under Rule 3.1 of Implementing Rules and Regulations of the Securities Regulation Code (SRC), which, among others, defines a public company as any corporation with a class of equity securities listed on an exchange, or with assets of at least P50 million and having 200 or more shareholders, each of which holds at least 100 shares of its equity securities.

On September 30, 2022, the Board of Directors (BOD) of BPI approved the execution of an agreement between the Parent Bank and Robinsons Bank Corporation (“RBC”) and Robinsons Retail Holdings, Inc. and JG Summit Capital Services Corporation, as RBC shareholders, for the merger of BPI and RBC, with BPI as the surviving entity. As at December 31, 2023, all corporate and regulatory approvals have been obtained, and the Parent Bank and RBC merged, effective January 1, 2024 (Note 29). The comparative figures presented in the financial statements and notes to financial statements as at December 31, 2023 and for the years ended December 31, 2023 and 2022 exclude RBC balances.

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issuance by the BOD on February 19, 2025.

The consolidated financial statements comprise the financial statements of the Parent Bank and the following subsidiaries:

Subsidiaries	Country of incorporation	Principal activities	% of ownership	
			2024	2023
BPI Capital Corporation	Philippines	Investment house	100	100
BPI Direct BanKo, Inc., A Savings Bank	Philippines	Banking	100	100
BPI Asset Management and Trust Corporation operating under the trade name, BPI Wealth	Philippines	Asset management	100	100
BPI Wealth Hong Kong Ltd. (formerly BPI International Finance Limited)	Hong Kong	Financing	100	100
BPI Europe Plc.	England and Wales	Banking (deposit)	100	100
BPI Securities Corp.	Philippines	Securities dealer	100	100
BPI Payments Holdings Inc. (BPHI)	Philippines	Financing	100	100
Filinvest Algo Financial Corp.	Philippines	Financing	100	100
BPI Investments, Inc. (formerly BPI Investment Management, Inc.)	Philippines	Mutual fund distribution	100	100
Santiago Land Development Corporation	Philippines	Land holding	100	100
BPI Computer Systems Corp.	Philippines	Business systems service	100	100
BPI Forex Corp.	Philippines	Foreign exchange	100	100
BPI Remittance Centre (HK) Ltd.	Hong Kong	Remittance	100	100
BPI Wealth Singapore Pte. Ltd.	Singapore	Asset management	100	100
First Far East Development Corporation	Philippines	Real estate	100	100
FEB Stock Brokers, Inc.	Philippines	Securities dealer	100	100
FEB Speed International	Philippines	Remittance	100	100
Legazpi Savings Bank, Inc. (LSB)	Philippines	Banking	99.94	-
Ayala Plans, Inc.	Philippines	Pre-need	98.93	98.93
FGU Insurance Corporation	Philippines	Non-life insurance	94.62	94.62
BPI/MS Insurance Corporation	Philippines	Non-life insurance	50.85	50.85

2 Assets and liabilities attributable to insurance operations

Details of assets and liabilities attributable to insurance operations at December 31 are as follows:

Note	2024	2023
	(In Millions of Pesos)	
Assets		
Cash and cash equivalents	4	175
Insurance balances receivable, net		7,137
Investment securities		
Financial assets at fair value through profit or loss		1,954
Financial assets at fair value through other comprehensive income		7,256
Financial assets at amortized cost		359
Investment in associates		167
Accounts receivable and other assets, net		3,856
Land, building and equipment		91
	20,995	19,067
	2024	2023
	(In Millions of Pesos)	
Liabilities		
Reserves and other balances		14,682
Accounts payable, accrued expenses and other payables		1,859
	16,541	15,202

Details of income attributable to insurance operations before income tax and minority interest for the years ended December 31 are as follows:

	2024	2023	2022
	(In Millions of Pesos)		
Premiums earned and related income	3,481	3,312	3,016
Investment and other income	3,019	1,675	1,070
	6,500	4,987	4,086
Benefits, claims and maturities	1,673	1,573	1,280
Decrease in actuarial reserve liabilities	(208)	(288)	(336)
Commissions	1,053	954	924
Management and general expenses	946	876	811
Other expenses	25	29	28
	3,489	3,144	2,707
Income before income tax and minority interest	3,011	1,843	1,379

3 Business segments

Operating segments are reported in accordance with the internal reporting provided to the Chief Executive Officer (CEO), who is responsible for allocating resources to the reportable segments and assessing their performance. All operating segments used by the BPI Group individually meet the definition of a reportable segment under Philippine Financial Reporting Standards (PFRS) 8, *Operating Segments*.

The BPI Group has determined the operating segments based on the nature of the services provided and the different clients/markets served representing a strategic business unit.

The BPI Group's main operating business segments follow:

- Consumer banking - this segment serves the individual and retail markets. Services cover deposit taking and servicing, consumer lending such as home mortgages, auto loans and credit card finance as well as the remittance business. The segment also includes the entire transaction processing and service delivery infrastructure consisting of network of branches and ATMs as well as phone and internet-based banking platforms for individual customers.
- Corporate banking - this segment caters both high-end corporations and middle market clients. Services offered include deposit taking and servicing, loan facilities, trade, cash management and internet-based banking platforms for corporate and institutional customers.
- Investment banking - this segment includes the various business groups operating in the investment markets and dealing in activities other than lending and deposit taking. These services cover corporate finance, securities distribution, asset management, trust and fiduciary services as well as proprietary trading and investment activities.

The performance of the Parent Bank is assessed as a single unit using financial information presented in the separate or Parent only financial statements. Likewise, the CEO assesses the performance of the insurance business as a standalone business segment separate from the banking and allied financial undertakings. Information on the assets, liabilities and results of operations of the insurance business is fully disclosed in Note 2.

The BPI Group and the Parent Bank mainly derive revenue within the Philippines; accordingly, no geographical segment is presented.

The segment report forms part of management's assessment of the performance of the segment, among other performance indicators.

There were no changes in the reportable segments during the year. Transactions between the business segments are carried out at arm's length. Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in inter-segment net interest income.

Internal charges and transfer pricing adjustments have been reflected in the performance of each business. Revenue-sharing agreements are used to allocate external customer revenues to a business segment on a reasonable basis. Inter-segment revenues, however, are deemed insignificant for financial reporting purposes, thus, not reported in segment analysis below.

The BPI Group's management reporting is based on a measure of operating profit comprising net interest income, impairment charge, fees and commission income, other income and operating expenses.

Segment assets and liabilities comprise majority of operating assets and liabilities, measured in a manner consistent with that shown in the statement of condition, but exclude items such as taxation.

The segment assets and liabilities as at December 31 and the results of the operations of the reportable segments of the BPI Group for the years ended December 31 follow:

	2024			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 (reversal of) credit and impairment losses	7,711	(3,837)	140	4,014
Net interest income after provision for credit and impairment losses	57,560	31,945	14,977	104,482
Fees, commissions and other income, net	20,328	2,932	8,749	32,009
Total income	77,888	34,877	23,726	136,491
Compensation and fringe benefits	19,375	3,314	1,786	24,475
Occupancy and equipment-related expenses	10,144	1,089	865	12,098
Other operating expenses	26,485	4,082	3,221	33,788
Total other expenses	56,004	8,485	5,872	70,361
Operating profit	21,884	26,392	17,854	66,130
Income tax expense				13,299
Net income				51,912
Share in net income of associates				1,372
Total assets	644,092	1,505,254	717,734	2,867,080
Total liabilities	1,670,879	687,265	163,858	2,522,002

	2022			Total per management reporting
	Consumer banking	Corporate banking	Investment banking	
	(In Millions of Pesos)			
Net interest income	49,614	26,746	12,281	88,641
Provision for credit and impairment losses	2,808	6,326	25	9,159
Net interest income after provision for credit and impairment losses	46,806	20,420	12,256	79,482
Fees, commissions and other income, net	17,017	2,847	7,064	26,928
Total income	63,823	23,267	19,320	106,410
Compensation and fringe benefits	14,698	2,459	1,162	18,319
Occupancy and equipment-related expenses	5,471	115	646	6,232
Other operating expenses	25,215	3,211	1,484	29,910
Total other expenses	45,384	5,785	3,292	54,461
Operating profit	18,439	17,482	16,028	51,949
Income tax expense				11,532
Net income				39,836
Share in net income of associates				1,056
Total assets	579,926	1,390,803	658,828	2,629,557
Total liabilities	1,534,471	618,008	142,236	2,294,715

Reconciliation of segment results to consolidated results of operations:

	2024		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	133,176	(5,590)	127,586
Provision for credit and impairment losses	6,627	(27)	6,600
Net interest income after provision for credit and impairment losses	126,549	(5,563)	120,986
Fees, commissions and other income, net	38,910	3,643	42,553
Total income	165,459	(1,920)	163,539
Compensation and fringe benefits	26,615	2,324	28,939
Occupancy and equipment-related expenses	10,763	14,369	25,132
Other operating expenses	39,851	(10,126)	29,725
Total other expenses	77,229	6,567	83,796
Operating profit	88,230	(8,487)	79,743
Income tax expense	17,503		17,503
Net income	62,240		62,240
Share in net income of associates	2,738		2,738
Total assets	3,256,400	62,413	3,318,813
Total liabilities	2,852,576	33,547	2,886,123

	2023		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	108,496	(4,146)	104,350
Provision for credit and impairment losses	4,014	(14)	4,000
Net interest income after provision for credit and impairment losses	104,482	(4,132)	100,350
Fees, commissions and other income, net	32,009	1,962	33,971
Total income	136,491	(2,170)	134,321
Compensation and fringe benefits	24,475	(1,254)	23,221
Occupancy and equipment-related expenses	12,098	9,914	22,012
Other operating expenses	33,788	(9,911)	23,877
Total other expenses	70,361	(1,251)	69,110
Operating profit	66,130	(919)	65,211
Income tax expense	13,299		13,299
Net income	51,912		51,912
Share in net income of associates	1,372		1,372
Total assets	2,867,080	21,292	2,888,372
Total liabilities	2,522,002	7,000	2,529,002

	2022		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	88,641	(3,575)	85,066
Provision for credit and impairment losses	9,159	8	9,167
Net interest income after provision for credit and impairment losses	79,482	(3,583)	75,899
Fees, commissions and other income, net	26,928	6,531	33,459
Total income	106,410	2,948	109,358
Compensation and fringe benefits	18,319	1,209	19,528
Occupancy and equipment-related expenses	6,232	12,529	18,761
Other operating expenses	29,910	(10,209)	19,701
Total other expenses	54,461	3,529	57,990
Operating profit	51,949	(581)	51,368
Income tax expense	11,532		11,532
Net income	39,836		39,836
Share in net income of associates	1,056		1,056
Total assets	2,629,557	(25,596)	2,603,961
Total liabilities	2,294,715	(10,558)	2,284,157

“Consolidation adjustments/Others” pertain to amounts of insurance operations and support units and inter-segment elimination in accordance with the BPI Group's internal reporting.

4 Cash and cash equivalents

The account at December 31 consists of:

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
Cash and other cash items		49,762	34,843	49,136	34,444
Due from Bangko Sentral ng Pilipinas (BSP)		164,571	199,619	161,247	192,246
Due from other banks		72,060	36,292	68,439	33,081
Interbank loans receivable and securities purchased under agreements to resell (SPAR)	5	13,519	17,535	5,901	14,234
Cash and cash equivalents attributable to insurance operations	2	175	193	-	-
		300,087	288,482	284,723	274,005

5 Interbank loans receivable and SPAR, net

The account at December 31 consists of transactions with:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
BSP	7,500	15,177	-	11,982
Other banks	9,227	5,483	9,111	5,379
	16,727	20,660	9,111	17,361
Accrued interest receivable	31	26	25	24
	16,758	20,686	9,136	17,385
Allowance for impairment	(43)	(43)	(43)	(43)
	16,715	20,643	9,093	17,342

As at December 31, 2024, interbank loans receivable and SPAR maturing within 90 days from the date of acquisition amounting to P13,519 million (2023 - P17,535 million) for the BPI Group and P5,901 million (2023 - P14,234 million) for the Parent Bank are classified as cash equivalents in the statements of cash flows (Note 4).

Government bonds are pledged by the BSP as collateral under reverse repurchase agreements. The aggregate face value of securities pledged approximates the total balance of outstanding placements as at reporting date.

The range of average interest rates (%) of interbank loans receivable and SPAR for the years ended December 31 are as follows:

		Consolidated		Parent	
		2024	2023	2024	2023
Peso-denominated		4.95 - 8.37	4.75 - 8.50	4.95 - 8.37	4.75 - 8.50
US dollar-denominated		4.10 - 5.70	4.85 - 5.25	4.40 - 5.41	4.85 - 5.15

6 Financial assets at fair value through profit or loss (FVTPL)

The account at December 31 consists of:

		Consolidated		Parent	
	Note	2024	2023	2024	2023
(In Millions of Pesos)					
Debt securities					
Government securities		35,942	15,928	33,548	13,654
Commercial papers of private companies		5,159	3,813	376	6
Listed equity securities		351	111	-	-
Derivative financial assets	7	5,856	3,802	5,833	3,796
		47,308	23,654	39,757	17,456

All financial assets at FVTPL held by the BPI Group and the Parent Bank are classified as current.

7 Derivative financial instruments

Derivatives held by the BPI Group consist mainly of the following:

- Foreign exchange forwards represent commitments to purchase or sell one currency against another at an agreed forward rate on a specified date in the future. Settlement can be made via full delivery of forward proceeds or via payment of the difference (non-deliverable forward) between the contracted forward rate and the prevailing market rate at maturity.
- Foreign exchange swaps refer to spot purchase or sale of one currency against another with an offsetting agreement to sell or purchase the same currency at an agreed forward rate in the future.
- Interest rate swaps refer to agreement to exchange fixed rate versus floating interest payments (or vice versa) on a reference notional amount over an agreed period.
- Cross currency swaps refer to an exchange of notional amounts on two currencies at a given exchange rate where the parties on the transaction agree to pay a stated interest rate on the received notional amount and accept a stated interest rate on the delivered notional amount, payable and receivable or net settled (non-deliverable swaps) periodically over the term of the transaction.

The BPI Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfill their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the BPI Group assesses counterparties using the same techniques as for its lending activities.

The fair values of derivative financial instruments as at December 31 are set out below:

Consolidated

	Assets		Liabilities	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Held for trading				
Foreign exchange derivatives				
Currency swaps	127	174	160	53
Currency forwards	3,967	1,309	3,743	1,262
Options	-	-	-	-
Interest rate swaps	1,760	2,317	1,069	1,506
Warrants	2	2	-	-
Held for hedging				
Interest rate swap	-	-	4	-
	5,856	3,802	4,976	2,821

Parent

	Assets		Liabilities	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Held for trading				
Foreign exchange derivatives				
Currency swaps	127	173	160	53
Currency forwards	3,944	1,304	3,680	1,215
Options	-	-	-	-
Interest rate swaps	1,760	2,317	1,069	1,506
Warrants	2	2	-	-
Held for hedging				
Interest rate swap	-	-	4	-
	5,833	3,796	4,913	2,774

Cash flow hedge of floating rate securities

Consistent with its established risk management framework and asset liability management strategies, the Parent Bank decided to hedge the interest rate exposure arising from the floating rate securities (hedged item) acquired in 2024.

The Parent Bank aims to minimize or reduce the variability in cash flows arising from the floating rate securities through the float-for-fix interest rate swap (IRS) hedging instrument. Under the terms of the IRS, the Parent Bank agrees to receive a fixed rate in exchange a floating rate which coincides with the interest from the hedged item. The hedge ratio of 1:1 is observed so as not to create an imbalance that would create hedge ineffectiveness. The hedge has been assessed to be effective as of reporting date.

As of December 31, 2024, the Parent Bank's IRS hedging instrument notional amount is P587 million.

Critical accounting estimate - Determination of fair value of derivatives and other financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using generally accepted valuation techniques. Where valuation techniques (for example, discounted cash flow models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. Inputs used in these models are from observable data and quoted market prices in respect of similar financial instruments.

All models are approved by the BOD before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. Changes in assumptions about these factors could affect reported fair value of financial instruments. The BPI Group considers that it is impracticable, however, to disclose with sufficient reliability the possible effects of sensitivities surrounding the fair value of financial instruments that are not quoted in active markets.

8 Financial assets at fair value through other comprehensive income (FVOCI)

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities				
Government securities	231,908	191,506	229,754	188,459
Commercial papers of private companies	28,852	21,732	27,496	21,452
	260,760	213,238	257,250	209,911
Accrued interest receivable	3,598	2,542	3,584	2,531
	264,358	215,780	260,834	212,442
Equity securities				
Listed	2,293	1,266	2,094	1,043
Unlisted	1,551	1,608	284	698
	3,844	2,874	2,378	1,741
	268,202	218,654	263,212	214,183

The BPI Group has designated a small portfolio of equity securities from listed and unlisted private corporations as financial assets at FVOCI. The BPI Group adopted this presentation as the investments were made for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

Debt securities classified as financial assets at FVOCI are classified as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	55,200	40,551	83,578	38,990
Non-current (over 12 months)	209,158	175,229	177,256	173,452
	264,358	215,780	260,834	212,442

The range of average interest rates (%) of financial assets at FVOCI for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Peso-denominated	2.25 - 8.57	2.20 - 8.57	2.25 - 8.57	2.20 - 8.57
Foreign currency-denominated	0.24 - 7.00	0.24 - 7.00	0.24 - 7.00	0.24 - 7.00

Interest income from debt instruments recognized in the statement of income for the year ended December 31, 2024 amounts to P11,569 million (2023 - P6,176 million; 2022 - P1,987 million) and P11,394 million (2023 - P6,060 million; 2022 - P1,945 million) for the BPI Group and Parent Bank, respectively.

As at December 31, 2024, government securities aggregating P4.80 billion (2023 - nil) are used as security for bills payable of the Parent Bank (Note 16).

Dividend income from equity instruments recognized in the statement of income under other operating income for the year ended December 31, 2024 amounts to P93 million (2023 - P100 million; 2022 - P60 million) and P65 million (2023 - P66 million; 2022 - P36 million) for the BPI Group and Parent Bank, respectively (Note 19).

9 Investment securities at amortized cost, net

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Government securities	285,396	320,808	284,620	320,161
Commercial papers of private companies	54,186	58,326	48,142	53,448
	339,582	379,134	332,762	373,609
Accrued interest receivable	3,642	3,608	3,554	3,542
	343,224	382,742	336,316	377,151
Allowance for impairment	(116)	(31)	(83)	(31)
	343,108	382,711	336,233	377,120

The range of average effective interest rates (%) for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Peso-denominated	2.48 - 8.13	2.09 - 8.13	2.48 - 8.13	2.09 - 8.13
Foreign currency-denominated	0.13 - 8.13	0.13 - 7.32	0.80 - 5.92	0.80 - 6.07

In 2024, the BPI Group and the Parent Bank recognized a net gain of P4 million and P5 million, respectively, from the sale of investment securities that are close-to-maturity and an insignificant amount of debt securities. In 2023, the Parent Bank recognized a net gain of P2 million resulting from sale of close-to-maturity debt securities. In 2022, the Parent Bank recognized a net gain on disposal of P214 million resulting from sale of an insignificant amount of debt securities.

As at December 31, 2024, government securities aggregating P30.37 billion (2023 - P3.43 billion) are used as security for bills payable of the Parent Bank (Note 16).

Interest income from these investment securities recognized in the statement of income for the year ended December 31, 2024 amounts to P14,444 million (2023 - P14,678 million; 2022 - P14,514 million) and P14,282 million (2023 - P14,549 million; 2022 - P14,388 million) for the BPI Group and the Parent Bank, respectively.

Investment securities at amortized cost are expected to be realized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	30,866	64,063	29,364	63,742
Non-current (over 12 months)	312,242	318,648	306,869	313,378
	343,108	382,711	336,233	377,120

As at December 31, 2024, the Parent Bank has P5,593 million (2023 - P6,459 million) outstanding securities overlying securitization structures measured at amortized cost. The securities are held for collection of contractual cash flows until maturity and those cash flows represent solely payments of principal and interest.

Critical accounting judgment - Classification of investment securities at amortized cost

The BPI Group classifies its financial assets at initial recognition as to whether it will be subsequently measured at FVOCI, at amortized cost, or at FVTPL. The BPI Group determines the classification based on the contractual cash flow characteristics of the financial assets and on the business model it uses to manage these financial assets. The BPI Group determines whether the contractual cash flows associated with the financial asset are solely payments of principal and interest (the “SPPI”). If the instrument fails the SPPI test, it will be measured at FVTPL.

10 Loans and advances, net

Details of this account at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Corporate loans				
Large corporate customers	1,618,027	1,446,426	1,613,767	1,442,251
Small and medium enterprise	103,138	79,097	103,119	79,093
Retail loans				
Credit cards	180,830	137,889	180,830	137,889
Real estate mortgages	236,089	171,495	234,520	170,321
Auto loans	98,166	71,896	98,161	71,895
Others	50,797	28,536	2,459	229
	2,287,047	1,935,339	2,232,856	1,901,678
Accrued interest receivable	18,115	12,943	16,598	12,006
Unearned discount/income	(12,295)	(8,801)	(12,147)	(8,795)
	2,292,867	1,939,481	2,237,307	1,904,889
Allowance for impairment	(54,102)	(57,474)	(50,379)	(55,049)
	2,238,765	1,882,007	2,186,928	1,849,840

Others include personal loans, microfinance loans and bills purchased for the BPI Group and the Parent Bank as at December 31, 2024 and 2023.

As at December 31, 2024 and 2023, the BPI Group has no outstanding loans and advances used as security for bills payable (Note 16).

Loans and advances include amounts due from related parties (Note 25).

Loans and advances are expected to be realized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	798,681	776,788	781,931	766,284
Non-current (over 12 months)	1,494,186	1,162,693	1,455,376	1,138,605
	2,292,867	1,939,481	2,237,307	1,904,889

The range of average interest rates (%) of loans and advances for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Commercial loans				
Peso-denominated loans	6.24 - 6.44	5.44 - 6.13	6.24 - 6.44	5.44 - 6.13
Foreign currency-denominated loans	6.38 - 6.81	5.80 - 6.63	6.38 - 6.81	5.80 - 6.63
Real estate mortgages	7.17 - 8.23	6.63 - 7.32	7.17 - 8.23	6.72 - 7.31
Auto loans	11.03 - 11.99	9.76 - 10.32	11.08 - 11.75	9.76 - 10.32

Interest income from loans and advances recognized in the statement of income for the year ended December 31, 2024 amounts to P159,594 million (2023 - P120,900 million; 2022 - P84,909 million) and P148,062 million (2023 - P114,050 million; 2022 - P80,724 million) for the BPI Group and the Parent Bank, respectively.

Details of the loans and advances portfolio at December 31 as to collateral (amounts net of unearned discounts and exclusive of accrued interest receivable) are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	348,232	304,090	346,616	302,870
Project assets	162,641	138,915	162,641	138,915
Chattel mortgage	94,493	75,028	94,488	75,028
Others	48,507	25,912	48,482	25,757
	653,873	543,945	652,227	542,570
Unsecured loans	1,620,879	1,382,593	1,568,482	1,350,313
	2,274,752	1,926,538	2,220,709	1,892,883

Others represent loans secured mainly by hold-out deposits, mortgage trust indentures, government and corporate securities and bonds, quedan/warehouse receipts, standby letters of credit, trust receipts, deposit substitutes and inventories.

11 Bank premises, furniture, fixtures and equipment, net

The details of and movements in the account are summarized below:

Consolidated

	2024			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
	(In Millions of Pesos)			
Cost				
January 1, 2024	2,983	34,293	16,389	53,665
Additions	23	3,538	1,716	5,277
Disposals	(29)	(636)	(1,462)	(2,127)
Transfers	-	228	(4)	224
Other changes	-	(42)	2	(40)
Impact of merger*	9	741	299	1,049
December 31, 2024	2,986	38,122	16,940	58,048
Accumulated depreciation				
January 1, 2024	-	19,388	14,526	33,914
Depreciation and amortization	-	3,026	1,185	4,211
Disposals	-	(530)	(779)	(1,309)
Transfers	-	1	(4)	(3)
Other changes	-	24	2	26
December 31, 2024	-	21,909	14,930	36,839
Net book value, December 31, 2024	2,986	16,213	2,010	21,209

*The impact of merger includes the fair value of bank premises, furniture, fixtures and equipment of LSB. This is presented as part of Investments in subsidiaries and associates, net, under net assets acquired disclosed in Note 29.

	2023			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
	(In Millions of Pesos)			
Cost				
January 1, 2023	3,015	31,087	16,400	50,502
Additions	-	3,523	2,954	6,477
Disposals	(30)	(330)	(2,946)	(3,306)
Transfers	-	(30)	(19)	(49)
Other changes	(2)	43	-	41
December 31, 2023	2,983	34,293	16,389	53,665
Accumulated depreciation				
January 1, 2023	-	16,622	14,525	31,147
Depreciation and amortization	-	2,922	989	3,911
Disposals	-	(244)	(980)	(1,224)
Transfers	-	4	(8)	(4)
Other changes	-	84	-	84
December 31, 2023	-	19,388	14,526	33,914
Net book value, December 31, 2023	2,983	14,905	1,863	19,751

Parent

	2024			
	Land	Buildings and leasehold improvements	Furniture and equipment	Total
	(In Millions of Pesos)			
Cost				
January 1, 2024	2,982	30,974	15,627	49,583
Additions	23	3,078	1,634	4,735
Disposals	(28)	(512)	(1,424)	(1,964)
Transfers	-	230	2	232
Other changes	-	(9)	-	(9)
Impact of merger	-	663	290	953
December 31, 2024	2,977	34,424	16,129	53,530
Accumulated depreciation				
January 1, 2024	-	17,295	13,887	31,182
Depreciation and amortization	-	2,628	1,121	3,749
Disposals	-	(407)	(756)	(1,163)
Transfers	-	3	-	3
Other changes	-	-	-	-
December 31, 2024	-	19,519	14,252	33,771
Net book value, December 31, 2024	2,977	14,905	1,877	19,759

	2023			Total
	Land	Buildings and leasehold improvements	Furniture and equipment	
	(In Millions of Pesos)			
Cost				
January 1, 2023	3,015	28,880	15,693	47,588
Additions	-	3,167	2,870	6,037
Disposals	(30)	(294)	(2,936)	(3,260)
Transfers	-	(30)	-	(30)
Other changes	(3)	(749)	-	(752)
December 31, 2023	2,982	30,974	15,627	49,583
Accumulated depreciation				
January 1, 2023	-	14,934	13,933	28,867
Depreciation and amortization	-	2,567	928	3,495
Disposals	-	(209)	(974)	(1,183)
Transfers	-	3	-	3
Other changes	-	-	-	-
December 31, 2023	-	17,295	13,887	31,182
Net book value, December 31, 2023	2,982	13,679	1,740	18,401

As at December 31, 2024, the BPI Group has recognized construction-in-progress amounting to P2.10 billion (2023 - P1.45 billion) in relation to the redevelopment of its main office, of which P650.84 million relates to costs during 2024 (2023 - P535 million).

In 2022, the Parent Bank entered into a contract of lease with Ayala Land, Inc., a related party, for the lease of office space at Ayala Triangle Gardens Tower 2. In 2023, the Parent Bank assigned a portion of its office unit to BPI Securities Corporation, BPI Capital Corporation and BPI Wealth, effective July 1, 2023.

Other changes pertain to additions and remeasurement of right-of-use assets due to lease modification, renewal of lease agreements, modification of lease terms and deferral of escalation clause on existing lease contracts.

Depreciation and amortization charges are included in "Occupancy and equipment-related expenses" category in the statements of income.

In 2024, the Parent Bank realized a gain of P216 million (2023 - P420 million) (Note 19) from the disposal of certain bank premises, furniture, fixtures and equipment.

In 2022, the Parent Bank sold two properties located at Pasong Tamo, Makati City with a net book value of P126 million for a purchase price of P5.49 billion resulting in a gain on sale of P4.99 billion, net of gross receipts tax, which forms part of the realized gain recorded within Other operating income (Note 19). Out of the total gain of P4.99 billion, P4.31 billion pertains to the portion of the property classified as investment property under Other assets (Note 14).

Critical accounting estimate - Useful lives of bank premises, furniture, fixtures and equipment

The BPI Group determines the estimated useful lives of its bank premises, furniture, fixtures and equipment based on the period over which the assets are expected to be available for use. The BPI Group annually reviews the estimated useful lives of bank premises, furniture, fixtures and equipment based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of assets tempered by related industry benchmark information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

The BPI Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the carrying values of bank premises, furniture, fixtures and equipment.

12 Investments in subsidiaries and associates, net

This account at December 31 consists of investments in shares of stock as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Carrying value (net of impairment)				
Investments at equity method	10,904	8,287	-	-
Investments at cost method	-	-	19,165	15,526
	10,904	8,287	19,165	15,526

Investments in associates accounted for using the equity method in the consolidated statement of condition are as follows:

Name of entity	Place of business/ country of incorporation	Percentage of ownership interest		Acquisition cost	
		2024	2023	2024	2023
		(in %)		(In Millions of Pesos)	
Global Payments Asia-Pacific Philippines, Incorporated	Philippines	49.00	49.00	1,342	1,342
AF Payments, Inc. (AFPI)	Philippines	20.00	20.00	1,140	1,060
BPI AIA Life Assurance Corporation (formerly BPI-Philamlife Assurance Corporation)	Philippines	47.97	47.96	390	389
BPI Century Tokyo Lease and Finance Corporation	Philippines	49.00	49.00	316	316
Beacon Property Ventures, Inc.	Philippines	20.00	20.00	72	72
CityTrust Realty Corporation	Philippines	40.00	40.00	2	2
Unicon Insurance and Reinsurance Brokers Corporation	Philippines	40.00	-	148	-
				3,410	3,181

The movements in investments in associates accounted for using the equity method in the consolidated financial statements are summarized as follows:

	2024	2023
	(In Millions of Pesos)	
Acquisition cost		
At January 1	3,181	3,061
Impact of merger	148	-
Additions during the year	81	120
At December 31	3,410	3,181
Accumulated equity in net income		
At January 1	4,920	4,437
Share in net income for the year*	2,738	1,372
Dividends received	(134)	(889)
At December 31	7,524	4,920
Accumulated share in other comprehensive income		
At January 1	326	(131)
Share in other comprehensive (loss) income for the year	(216)	457
At December 31	110	326
Allowance for impairment	(140)	(140)
	10,904	8,287

*The share in net income for the year is presented as part of miscellaneous income under other operating income in the statement of income.

No associate is deemed individually significant for financial reporting purposes. Accordingly, the relevant unaudited financial information of associates as at and for the years ended December 31 are aggregated as follows:

	2024	2023
	(In Millions of Pesos)	
Total assets	137,610	129,429
Total liabilities	114,882	111,601
Total revenues	30,386	24,198
Total net income	5,556	2,924

The details of equity investments accounted for using the cost method in the separate financial statements of the Parent Bank follow:

	Acquisition cost		Allowance for impairment		Carrying value	
	2024	2023	2024	2023	2024	2023
	(In Millions of Pesos)					
Subsidiaries						
BPI Europe Plc.	7,180	7,180	-	-	7,180	7,180
BPI Direct BanKo, Inc., A Savings Bank (BanKo)	2,509	2,009	-	-	2,509	2,009
Legazpi Savings Bank (LSB)	2,050	-	-	-	2,050	-
BPI Wealth	1,512	1,502	-	-	1,512	1,502
BPI Payments Holdings Inc.	893	813	(700)	(672)	193	141
BPI Wealth Singapore Pte. Ltd.	878	-	-	-	878	-
Ayala Plans, Inc.	864	864	-	-	864	864
BPI Capital Corporation	623	623	-	-	623	623
FGU Insurance Corporation	303	303	-	-	303	303
BPI Forex Corp.	195	195	-	-	195	195
BPI Wealth Hong Kong Ltd.	143	143	-	-	143	143
Santiago Land Development Corporation	140	140	-	-	140	140
BPI Remittance Centre (HK) Ltd.	132	132	-	-	132	132
First Far East Development Corporation	91	91	-	-	91	91
FEB Stock Brokers, Inc.	25	25	-	-	25	25
BPI Computer Systems Corp.	23	23	-	-	23	23
Others	35	35	-	-	35	35
Associates	2,269	2,120	-	-	2,269	2,120
	19,865	16,198	(700)	(672)	19,165	15,526

In 2024, the Parent Bank made additional capital infusion to Legazpi Saving Bank, BPI Direct BanKo, and BPI Wealth Singapore Pte. Ltd. amounting to P750 million, P500 million and Singaporean Dollars (SGD) 20 million equivalent to P878 million, respectively. Further, the Parent Bank entered into an Assignment Agreement with BPI Wealth to transfer the trust accounts acquired from merger of with RBC accounted for as additional capital contribution of P10 million. In 2023, the Parent Bank made additional capital infusions to BPHI amounting to P120 million.

The merger between BPI and RBC involves the acquisition of RBC's investments in various entities. Investments in associate and subsidiary consists of investments in Unicon Insurance Brokers Corporation (UIBC) and LSB. UIBC is an insurance brokerage company while LSB, a wholly owned entity by the bank, is a thrift bank with teacher's loans as its main product offering.

In June 2023, BPI Wealth Singapore Pte. Ltd. was incorporated with the Accounting and Corporate Regulatory Authority of Singapore with BPI Parent as the sole owner of its share amounting to SGD1. In 2024, BPI Wealth Singapore Pte. Ltd. issued the SGD20 million ordinary shares to Parent Bank. As at December 31, 2024, the entity is non-operational and awaiting approval of its Capital Market Services license by the Monetary Authority of Singapore.

No non-controlling interest arising from investments in subsidiaries is deemed material to the BPI Group.

Critical accounting judgment and estimate - Impairment of investments in subsidiaries and associates

The BPI Group assesses impairment on non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the BPI Group considers important which could trigger an impairment review include the following:

- significant decline in market value;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and,
- significant negative industry or economic trends.

The BPI Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Management has not identified any indicators of impairment as at December 31, 2024 and 2023 in its subsidiaries apart from BPHI.

In 2024, the Parent Bank recognized an impairment loss of P28 million in its investment in BPHI due to financial losses incurred by BPHI's associate, AFPI (2023 - nil).

For the 2024 and 2023 reporting periods, the recoverable amount of the subsidiary was determined based on the higher between fair value less cost to sell and value-in-use (VIU) calculations which require the use of assumptions. The VIU calculations use cash flow projections based on financial budgets approved by management.

The BPI Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the recoverable amount of the subsidiary.

13 Deferred income taxes

Details of deferred income tax assets and liabilities at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Deferred income tax assets				
Allowance for credit and impairment losses	14,879	15,277	13,916	14,607
Pension liability	2,319	2,499	2,254	2,419
Provisions	832	644	767	595
Others	480	(62)	476	24
Total deferred income tax assets	18,510	18,358	17,413	17,645
Deferred income tax liabilities				
Unrealized gain on assets	(103)	(39)	(39)	(39)
Others	(206)	(134)	(191)	(70)
Total deferred income tax liabilities	(309)	(173)	(230)	(109)
Deferred income tax assets, net	18,201	18,185	17,183	17,536

Movements in net deferred income tax assets are summarized as follows:

		Consolidated		Parent	
	Note	2024	2023	2024	2023
(In Millions of Pesos)					
Beginning of the year		18,185	16,752	17,536	16,356
Impact of merger	29	860	-	782	-
Amounts recognized in statement of income		(746)	635	(1,060)	419
Amounts recognized in other comprehensive income		(98)	798	(75)	761
End of the year		18,201	18,185	17,183	17,536

Details of deferred income tax items recognized in the statement of income are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
(In Millions of Pesos)						
Allowance for impairment	1,286	99	(1,164)	1,580	280	(1,152)
Pension	155	(629)	33	144	(606)	46
Others	(695)	(105)	225	(664)	(93)	163
	746	(635)	(906)	1,060	(419)	(943)

Critical accounting judgment - Realization of deferred income tax assets

Management reviews at each reporting date the carrying amounts of deferred tax assets. The carrying amount of deferred tax assets is reduced to the extent that the related tax assets cannot be utilized due to insufficient taxable profit against which the deferred tax assets will be applied. Management believes that sufficient taxable profit will be generated to allow all or part of the deferred income tax assets to be utilized.

14 Other assets, net

The account at December 31 consists of the following:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
Goodwill	29	9,518	-	9,518	-
Intangible assets		9,206	854	8,636	831
Accounts receivable		3,806	2,780	6,058	4,118
Sundry debits		3,197	10,025	3,196	9,988
Prepaid expenses		2,926	1,991	2,842	1,924
Rental deposits		905	828	851	782
Accrued trust and other fees		857	673	134	138
Creditable withholding tax		557	428	367	286
Investment properties		62	69	51	58
Miscellaneous assets		9,563	3,376	9,038	2,895
		40,597	21,024	40,691	21,020
Allowance for impairment		(1,995)	(1,108)	(1,919)	(1,019)
		38,602	19,916	38,772	20,001

Intangible assets comprise computer software costs, contractual customer relationships, management contracts and identifiable intangible assets acquired from the merger with RBC which consist of core deposits, customer relationships and branch licenses (Note 29).

Core deposits refer to stable, long-term funding sources for a bank that provide a reliable and lower-cost source of funds.

Customer relationships refer to the expected future economic benefits that result from customer loyalty, repeat business, and long-term relationships of RBC.

Branch licenses represent the cost of acquired branches from the merger with RBC equivalent to the processing fees paid to the BSP to obtain these licenses.

Accounts receivable includes non-loan related receivables from merchants and service providers, litigation related receivables and receivables from employees.

Sundry debits are float items caused by timing differences in recording of transactions. These float items are normally cleared within one day.

Prepaid expenses include Philippine Deposit Insurance Corporation (PDIC) assessment dues, prepayments for rent, allowances and taxes.

Miscellaneous assets include postage stamps, stationery and supplies.

The allowance for impairment pertains mainly to accounts receivable. The reconciliation of the allowance for impairment at December 31 is summarized as follows:

		Consolidated		Parent	
	Note	2024	2023	2024	2023
(In Millions of Pesos)					
Beginning of the year		1,108	1,189	1,019	1,135
Provision for impairment losses	26	1,064	61	1,044	40
Transfer/reallocation		(38)	(6)	(5)	(20)
Write-off		(139)	(136)	(139)	(136)
End of the year		1,995	1,108	1,919	1,019

Other assets are expected to be realized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Current (within 12 months)	21,581	20,040	22,340	20,117
Non-current (over 12 months)	19,016	984	18,351	903
	40,597	21,024	40,691	21,020

Critical accounting estimate - Useful lives of intangible assets

The Parent Bank estimates the useful life of the core deposits intangible to be at 18 years and the customer relationship at 9 years. The Parent Bank amortizes intangible assets with a finite useful life, using the straight-line method.

Critical accounting judgment - Impairment of goodwill

The Parent Bank recognized goodwill amounting to P9,518 million from the merger with RBC equivalent to the excess of the purchase price over the fair value of net assets acquired. The goodwill is attributable to the expected synergies from combining the operations of RBC with BPI.

As at December 31, 2024, management assessed that the goodwill is not impaired as there are no significant events or changes in circumstances from January 1, 2024 that affects the expected benefit coming out of the merger.

15 Deposit liabilities

The account at December 31 consists of:

	Consolidated		Parent	
	2024	2023	2024	2023
		(In Millions of Pesos)		
Demand	426,789	379,076	428,977	382,443
Savings	1,225,451	1,158,548	1,207,114	1,148,770
Time	962,562	757,482	928,044	732,920
	2,614,802	2,295,106	2,564,135	2,264,133

Deposit liabilities include amounts due to related parties (Note 25).

Deposit liabilities are expected to be settled as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
		(In Millions of Pesos)		
Current (within 12 months)	1,465,575	1,392,507	1,425,359	1,368,484
Non-current (over 12 months)	1,149,227	902,599	1,138,776	895,649
	2,614,802	2,295,106	2,564,135	2,264,133

In 2024, the interest rate on demand and savings deposit ranges from 0.06% to 0.09% (2023 - 0.05% to 0.09%) and interest rate on time deposit ranges from 5.34% to 5.50% (2023 - 4.35% to 5.35%).

In 2019, the Parent Bank issued the first tranche of long-term negotiable certificates of deposit (LTNCD) amounting to P3 billion out of the established P50-billion LTNCD program approved by the BSP. The LTNCDs pay interest on a quarterly basis at a rate 4% per annum and carry a tenor of 5.5 years maturing on April 25, 2025. The proceeds from the LTNCD issuance are included in "Time deposits" category.

Related interest expense on deposit liabilities is presented below:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
			(In Millions of Pesos)			
Demand	263	248	287	264	248	286
Savings	2,343	2,115	2,420	1,956	2,065	2,375
Time	50,575	33,664	12,114	48,439	32,621	12,050
	53,181	36,027	14,821	50,659	34,934	14,711

BSP reserve requirement

The Parent Bank and its bank subsidiaries should comply with a minimum reserve requirement on deposit and deposit substitute liabilities in local currency.

In 2024, the BSP approved the reduction in minimum reserve requirement for universal and commercial banks to 7% from 9.5% and for thrift banks to 1% from 2% effective October 25, 2024 by virtue of BSP Circular No. 1201. These rates continue to be consistent for the remaining period of 2024 from the date of effectivity.

Reserves must be set aside in deposits with the BSP. As at December 31, 2024, the reserves (included in Due from BSP) amounted to P156,122 million (2023 - P186,356 million) for the BPI Group and P155,643 million (2023 - P185,703 million) for the Parent Bank. The BPI Group is in full compliance with the reserve requirement as at December 31, 2024 and 2023.

16 Bills payable and other borrowed funds

The account at December 31 consists of:

	Consolidated		Parent	
	2024	2023	2024	2023
		(In Millions of Pesos)		
Bills payable				
Local banks	8,082	720	7,983	-
Foreign banks	47,614	22,359	47,614	19,701
Other borrowed funds	107,486	114,025	107,486	114,025
	163,182	137,104	163,083	133,726

Bills payable

Bills payable include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group in accordance with the agreed financing programs. Financial assets at FVOCI and investment securities at amortized cost serve as collateral for the Parent Bank's bills payable (Notes 8 and 9). The payment terms of these bills payable ranges from 6 days to 5 years (2023 - 29 days to 3 years).

As a result of the merger with RBC, BPI assumed peso-denominated borrowings with Land Bank of the Philippines and Development Bank of the Philippines. As at December 31, 2024, the carrying amount of the borrowings is P4,983 million and is presented as part of bills payable to local banks.

On August 24, 2023, the Parent Bank signed a facility agreement for an unsecured syndicated term loan amounting to US Dollar (USD) 300 million. The three-year loan which was drawn down on August 24, 2023 bears a floating interest payable on a quarterly basis commencing in November 2023. The loan matures on August 24, 2026 and has a carrying amount of P17,274 million as at December 31, 2024 (2023 - P16,494 million). The Parent Bank incurred origination costs amounting to USD2.35 million.

The range of average interest rates (%) of bills payable for the years ended December 31 follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Private firms and local banks - Peso - denominated	5.94 - 7.00	5.75 - 7.00	5.94 - 7.00	5.75 - 7.00
Foreign banks - Foreign currency-denominated	4.40 - 7.23	2.70 - 7.23	4.40 - 6.33	5.00 - 6.33

Other borrowed funds

This represents funds raised via the BPI Group's debt issuance programs as follows:

(a) Peso Bond and Commercial Paper Program

On November 20, 2019, the BOD of the Parent Bank approved the issuance of Peso-denominated bonds and commercial papers of up to P100 billion, of which P97 billion has been drawdown in multiple tranches, under the updated Bond Issuance Program with outstanding drawdown as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2024	2023
(In Millions of Pesos)						
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	January 31, 2022	2.81%	January 31, 2024	27,000	-	27,000

On May 18, 2022, the BOD of the Parent Bank approved a new P100 billion Bond Program. On January 30, 2023, BPI issued the first tranche called BPI Reinforcing Inclusive Support for Micro, Small and Medium Enterprises (MSMEs) Bonds (“BPI RISE Bonds”). The net proceeds amounting to P20,123 million were used to finance or refinance the business requirements of eligible MSMEs, consistent with BPI's Sustainable Funding Framework. On November 13, 2023, BPI issued the second tranche of this Bond Program. The net proceeds amounting to P36,371 million were used for general corporate purposes. On August 9, 2024, BPI issued the third tranche called BPI Sustainable, Environmental and Equitable Development Bonds (“BPI SEED Bonds”). The net proceeds of P33,412 million were used for financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework.

As at December 31, the drawdowns are outstanding with the following details:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2024	2023
					(In Millions of Pesos)	
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	January 30, 2023	5.75%	July 30, 2024	20,300	-	20,236
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	November 13, 2023	6.43%	May 13, 2025	36,661	36,586	36,371
Fixed rate bond, unconditional, unsecured and unsubordinated	August 9, 2024	6.20%	February 9, 2026	33,700	33,485	-

On October 16, 2024, the BOD of the Parent Bank approved the establishment of a P200 billion Bond Program following the full utilization of the Bank’s Bond Program established in 2022.

(b) Medium-Term Note (MTN) Program

On June 21, 2018, the BOD of the Parent Bank approved the establishment of the MTN Program in the aggregate amount of up to USD 2,000 million. On December 13, 2023, the BOD approved the increase in size of this program to USD 3,000 million. As at December 31, the outstanding drawdowns are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2024	2023
					(In Millions of Pesos)	
USD 300 million, 5-year senior unsecured Green Bonds	September 10, 2019	2.50%	September 10, 2024	15,572	-	16,594
USD 400 million, 5-year senior unsecured Green Bonds	March 26, 2024	5.25%	March 26, 2029	22,528	22,967	-

(c) Private Placement

On August 25, 2023, the Parent Bank issued a green bond amounting to USD 250 million with the International Finance Corporation as the sole subscriber. The bond carries floating interest payable on a semi-annual basis. The bond is unconditional, unsecured and unsubordinated and is expected to mature on August 25, 2026. As at December 31, 2024, the carrying amount of the bond amounts to P14,448 million (2023 - P13,824 million).

Interest expense for the years ended December 31 is summarized as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Bills payable	2,727	1,050	143	2,585	811	35
Other borrowed funds	6,460	4,145	3,238	6,460	4,145	3,238
	9,187	5,195	3,381	9,045	4,956	3,273

The movements in bills payable and other borrowed funds are summarized as follows:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		(In Millions of Pesos)			
At January 1		137,104	97,503	133,726	93,002
Impact of merger	29	14,952	-	14,952	-
Additions		392,738	138,190	360,659	122,029
Maturities		(384,648)	(98,232)	(349,140)	(80,976)
Amortization of discount		478	342	478	342
Exchange differences		2,558	(699)	2,408	(671)
At December 31		163,182	137,104	163,083	133,726

Bills payable and other borrowed funds are expected to be settled as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	70,025	69,861	69,926	67,038
Non-current (over 12 months)	93,157	67,243	93,157	66,688
	163,182	137,104	163,083	133,726

17 Deferred credits and other liabilities

The account at December 31 consists of the following:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
		(In Millions of Pesos)			
Bills purchased - contra		14,968	10,674	14,968	10,674
Lease liabilities	20	9,824	9,756	8,641	8,678
Accounts payable		8,180	7,603	7,229	7,082
Outstanding acceptances		3,238	7,862	3,238	7,862
Other deferred credits		3,215	3,063	3,215	3,063
Withholding tax payable		1,962	1,503	1,871	1,441
Due to the Treasurer of the Philippines		1,552	1,568	1,541	1,557
Miscellaneous liabilities		13,280	11,423	12,347	10,674
		56,219	53,452	53,050	51,031

Bills purchased - contra represents liabilities arising from the outright purchases of checks due for clearing as a means of immediate financing offered by the BPI Group to its clients.

Accounts payable consists of unpaid balances arising from transfer tax payments, settlement fees and operating expenses.

Outstanding acceptances represent liabilities arising from the bank drafts and bills of exchange the Parent Bank has accepted from its clients.

Other deferred credits mainly pertain to unexpired portion of membership fee paid by the credit card holders and liabilities in relation to purchased contract-to-sell receivables from developers.

Miscellaneous liabilities include pension liability, allowance for credit losses for undrawn committed credit facilities and other employee-related payables.

The account is expected to be settled as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Current (within 12 months)	46,481	41,642	42,908	40,268
Non-current (over 12 months)	9,738	11,810	10,142	10,763
	56,219	53,452	53,050	51,031

18 Capital funds

(a) Share capital

Details of authorized share capital of the Parent Bank follow:

	2024	2023	2022
	(In Millions of Pesos, except par value per share)		
Authorized capital (at P10 par value per share)			
Common shares	54,000	54,000	50,000
Preferred A shares	600	600	600
	54,600	54,600	50,600

Details of the Parent Bank's subscribed common shares are as follows:

	2024	2023	2022
	(In absolute number of shares)		
Common shares			
At January 1	4,945,197,291	4,919,307,531	4,513,128,255
Subscription of shares during the year	12,893,860	25,889,760	406,179,276
Impact of merger (Note 29)	314,003,992	-	-
At December 31	5,272,095,143	4,945,197,291	4,919,307,531
	(In absolute amounts of Pesos)		
Subscription receivable	111,000,871	144,726,145	-

The BPI common shares are listed and traded in the PSE since October 12, 1971.

As at December 31, 2024, the Parent Bank has a subscription receivable representing the amortization of Executive Stock Purchase Plan (ESPP) shares in excess of par value and booked against share premium amounting to P411 million (2023 - P342 million; 2022 - P208 million).

On February 10, 2014, additional 370,370,370 common shares were listed as a result of the stock rights offer. Likewise, on April 25, 2018, BPI completed its P50 billion stock rights offer, which paved the way for the issuance of 558,659,210 new common shares at P89.50 per share. The new shares were issued to shareholders as of record date of April 6, 2018, at a ratio of 1:7.0594, or 1 new common share for every 7 shares held, or 14.2% of BPI's outstanding common shares. These new shares were listed on the Philippine Stock Exchange (PSE) on May 4, 2018.

As at December 31, 2024, 2023 and 2022, the Parent Bank has 11,641, 11,760 and 11,864 common shareholders, respectively. There are no preferred shares issued and outstanding at December 31, 2024, 2023 and 2022.

Preferred A shares shall have pre-emptive rights with respect to additional issues of Preferred A shares of the Parent Bank.

On September 30, 2022, the BOD of the Parent Bank approved the increase in authorized share capital in the amount of P4,000 million divided into 400 million common shares with a par value of P10 per share. On December 21, 2023, the BSP approved the amendment of Article Seventh of the Amended Articles of Incorporation of the Parent Bank. On December 29, 2023, the SEC issued a Certificate of Approval and Increase of Capital Stock from P50.60 billion to P54.60 billion.

BPI and RBC merger (Note 29)

On January 1, 2024, the Parent Bank issued common shares to RBC shareholders as consideration of the merger. The fair value of the 314,003,992 shares issued is based on the share price on December 31, 2023 of P103.80 per share. The total consideration for the merger amounted to P32.59 billion.

Pursuant to the issuance of shares due to the merger as at January 1, 2024, the Parent Bank's share capital and share premium increased by P3.14 billion and P29.45 million, respectively.

(b) Reserves

The account consists of:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
General loan loss provision	10,274	-	-	10,274	-	-
Reserve for trust business	400	400	387	-	-	-
Executive stock option plan amortization	17	49	132	4	36	116
Reserve for trading participants	73	73	73	-	-	-
Reserve for self-insurance	34	34	34	34	34	34
Merger reserves	-	-	-	32,905	32,905	32,905
Others	91	87	18	-	-	-
	10,889	643	644	43,217	32,975	33,055

General loan loss provision (GLLP)

In 2018, the BSP issued Circular 1011 which mandates among others, banks to set up GLLP equal to 1% of all outstanding "Stage 1" on-balance sheet loans, except for accounts considered as credit risk-free under existing regulations. Under the said Circular, if the PFRS 9 "Stage 1" loan loss allowance is lower than the required GLLP, the deficiency shall be recognized as an appropriation of retained earnings or surplus. As at December 31, 2024, the Parent Bank appropriated P10,274 million (2023 - nil) out of surplus representing the excess of GLLP over PFRS 9 Stage 1 loan loss allowance to meet the requirements of the BSP.

Reserve for trust business

In compliance with existing BSP regulations, 10% of income from trust business of BPI Wealth, a wholly-owned subsidiary of the Parent Bank, should be appropriated to surplus reserve. This appropriation is required until the surplus reserve for trust business reaches 20% of BPI Wealth's regulatory net worth. As at December 31, 2023, the appropriated reserve is already equivalent to 20% of its authorized capital, hence, no additional appropriation required for 2024.

Reserve for trading participants

Reserve for trading participants represents the required annual minimum appropriation of net income of the BPI Group's broker/dealer activities through BPI Securities Corporation, a wholly-owned subsidiary of the Parent Bank, to a reserve fund in compliance with SEC.

Reserve for self-insurance

Reserve for self-insurance represents the amount set aside to cover losses due to fire, defalcation by and other unlawful acts of personnel and third parties.

Merger reserves

Merger reserves represent the difference between the value of shares issued by the Parent Bank in exchange for the value of the shares acquired in respect of the acquisition of BPI Family Savings Bank, Inc. (BFB), accounted for under the pooling-of-interest method. It also includes the results of operations of BFB during the year ended December 31, 2021, net of dividends declared on December 29, 2021.

Share-based compensation plan

The BOD of the Parent Bank approved to grant the Executive Stock Option Plan (ESOP) and ESPP to qualified beneficiaries/participants up to the following number of shares for future distribution:

Date	Approved ESOP shares	Approved ESPP shares
April 17, 2024	-	50,510,010
July 1, 2021	-	34,000,000
December 11, 2019	4,035,000	9,100,000
December 12, 2018	4,168,000	11,500,000
December 6, 2017	3,560,000	7,500,000
January 25, 2017	3,560,000	4,500,000

The ESOP has a three-year vesting period from grant date. The exercise price for ESOP is equal to the volume weighted average of BPI share price for the 30-trading days immediately prior to the grant date. The weighted average fair value of options granted determined using the Black-Scholes valuation model was P19.04 and P6.50 for the options granted in December 2019 and 2018, respectively.

Movements in the number of share options under the ESOP are summarized as follows:

	2024	2023	2022
At January 1	5,966,559	9,866,999	12,905,000
Granted	-	-	-
Exercised	(2,552,606)	(3,900,440)	(2,353,001)
Cancelled	(153,333)	-	(685,000)
At December 31	3,260,620	5,966,559	9,866,999
Exercisable	3,260,620	5,966,559	8,708,666

The impact of ESOP is not considered material to the financial statements; thus, the disclosures were limited only to the information mentioned above.

The subscription price for 2021 to 2023 ESPP is equivalent to 10% below the volume weighted average of BPI share price for 30-trading days prior to the grant date. The subscribed shares will vest over a period of three (3) years from grant date. The grant dates for the last three-year ESPP were on April 26, 2023, December 13, 2022 and February 4, 2020. The initial subscriptions for the ESPP granted on April 26, 2023 and December 13, 2022 were received on April 26, 2023 and March 10, 2023, respectively. The ESPP has a five-year payment period for the grants 2019 and prior, and a ten-year payment period for grants 2021 and onwards.

The subscription price for 2024 ESPP is equivalent to 15% below the volume weighted average price of BPI share for 30-trading days prior to the grant date. The subscribed shares will vest over a period of three (3) years from grant date. The 2024 ESPP was granted on May 15, 2024 and subscriptions were received on May 27, 2024.

(c) Accumulated other comprehensive loss

Details of and movements in the account are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
(In Millions of Pesos)						
Fair value reserve on financial assets at FVOCI						
At January 1	(2,893)	(8,058)	(3,030)	(2,303)	(7,465)	(2,327)
Unrealized fair value gain (loss) before tax	997	6,996	(4,337)	917	7,005	(4,393)
Amount recycled to profit or loss	(2,350)	(947)	(28)	(2,349)	(947)	(28)
Deferred income tax effect	183	(884)	(663)	184	(896)	(717)
At December 31	(4,063)	(2,893)	(8,058)	(3,551)	(2,303)	(7,465)
Share in other comprehensive loss of insurance subsidiaries						
At January 1	(30)	(80)	71	-	-	-
Share in other comprehensive income (loss) for the year, before tax	10	63	(187)	-	-	-
Deferred income tax effect	(2)	(13)	36	-	-	-
At December 31	(22)	(30)	(80)	-	-	-
Share in other comprehensive income (loss) of associates						
At January 1	292	(162)	166	-	-	-
Share in other comprehensive (loss) income for the year	(220)	454	(328)	-	-	-
At December 31	72	292	(162)	-	-	-
Translation adjustment on foreign operations						
At January 1	(636)	(582)	(517)	-	-	-
Translation differences and others	349	(54)	(65)	-	-	-
At December 31	(287)	(636)	(582)	-	-	-
Cash flow hedge reserves						
At January 1	-	-	-	-	-	-
Translation differences and others	(1)	-	-	(1)	-	-
At December 31	(1)	-	-	(1)	-	-
Remeasurements of defined benefit obligation, net						
At January 1	(7,860)	(5,374)	(5,360)	(6,773)	(4,378)	(4,498)
Actuarial (losses) gains for the year	(399)	(3,434)	191	(323)	(3,342)	104
Deferred income tax effect	(80)	948	(205)	(74)	947	16
At December 31	(8,339)	(7,860)	(5,374)	(7,170)	(6,773)	(4,378)
	(12,640)	(11,127)	(14,256)	(10,722)	(9,076)	(11,843)

(d) Dividend declarations

Cash dividends

Dividends declared by the BOD of the Parent Bank are as follows:

Date declared	Amount of dividends	
	Per share	Total
(In Millions of Pesos)		
<i>For the year ended December 31, 2024</i>		
May 15, 2024	1.98	10,439
November 20, 2024	1.98	10,439
		20,878
<i>For the year ended December 31, 2023</i>		
May 17, 2023	1.68	7,626
November 15, 2023	1.68	8,308
		15,934
<i>For the year ended December 31, 2022</i>		
May 18, 2022	1.06	4,784
November 16, 2022	1.06	4,784
		9,568

Property dividends

The Parent Bank issued 406,179,276 treasury shares on January 1, 2022 at a price of P81.35 per share as a consideration for the merger with BFB amounting to P33,043 billion. On March 15, 2023, the BOD declared the treasury shares as property dividends.

(e) Earnings per share (EPS)

EPS is calculated as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
(In Millions of Pesos, except earnings per share amounts)						
a) Net income attributable to equity holders of the Parent Bank	62,049	51,687	39,605	56,384	50,053	36,999
b) Weighted average number of common shares outstanding during the year	5,266	4,741	4,513	5,266	4,741	4,513
c) Basic EPS (a/b) based on net income	11.78	10.90	8.78	10.71	10.56	8.20

The basic and diluted EPS are the same for the years presented as the impact of stock options outstanding is not significant to the calculation of weighted average number of common shares.

19 Other income

(a) Fees and commission

Details of fees and commission are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
(In Millions of Pesos)						
Service charges	11,812	9,673	8,382	11,055	9,000	7,745
Bank commissions	2,694	2,168	1,787	2,689	2,166	1,771
Underwriting fees	456	693	936	-	-	-
Stock brokerage fees	200	183	234	-	-	-
	15,162	12,717	11,339	13,744	11,166	9,516

Service charges represent service fees and processing fees collected from customers.

Bank commissions include foreign and domestic commissions collected for services rendered.

(b) Other operating income

Details of other operating income are as follows:

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
(In Millions of Pesos)							
Credit card income		8,089	6,209	4,594	8,089	6,209	4,594
Trust and asset management fees		4,983	4,211	3,802	-	2	4
Gain on sale of assets	11	247	407	5,303	216	420	5,295
Rental income		141	135	195	156	167	225
Dividend income	8	93	100	60	1,505	3,066	1,810
Miscellaneous income		4,056	3,205	3,099	3,606	2,877	2,637
		17,609	14,267	17,053	13,572	12,741	14,565

Dividend income recognized by the Parent Bank substantially pertains to dividend distributions of subsidiaries.

Miscellaneous income includes recoveries on charged-off assets, fees arising from service arrangements with customers and related parties and share in net income (loss) of associates.

20 Leases

The BPI Group (as lessee) has various lease agreements which mainly pertain to branch premises and equipment. Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes. The balances arising from the lease contracts are presented below:

Right-of-use assets and lease liabilities (PFRS 16)

Details of right-of-use assets and lease liabilities as at December 31 are as follows:

	Notes	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
<i>Right-of-use assets</i>					
Buildings and leasehold improvements	11	8,287	8,404	7,177	7,365
<i>Lease liabilities (included in "Deferred credits and other liabilities")</i>	17				
Current		2,964	2,577	2,665	2,337
Non-current		6,860	7,179	5,976	6,341
		9,824	9,756	8,641	8,678

Additions to the right-of-use assets, excluding impact of merger (Note 11), in 2024 aggregated P1,862 million (2023 - P1,701 million) and P1,469 million (2023 - P1,459 million) for BPI Group and Parent bank, respectively. Total cash outflow for leases in 2024 amounted to P2,438 million (2023 - P2,214 million) and P2,096 million (2023 - P1,933 million) for BPI Group and Parent bank, respectively.

Lease contracts assumed from the merger with RBC mostly pertain to building and parking spaces with terms ranging from 2 to 10 years. The lease contracts are cancellable upon mutual agreement of the parties or renewable at the Parent Bank's option. Additions to the right-of-use asset due to the impact of merger amounted to P411 million (Note 11).

Amounts recognized in the statement of income relating to leases:

	Note	Consolidated		Parent	
		2024	2023	2024	2023
(In Millions of Pesos)					
<i>Depreciation expense</i>					
Buildings and leasehold improvements	11	2,278	2,186	1,965	1,936
Interest expense (included in "Occupancy and equipment-related expenses")		372	321	293	281
Expense relating to short-term leases (included in "Occupancy and equipment-related expenses")		450	101	449	101
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in "Occupancy and equipment-related expenses")		511	397	452	354
		3,611	3,005	3,159	2,672

The BPI Group has received COVID-19 related rent discount and deferral of the escalation of lease payments and has applied the practical expedients allowed under PFRS 16, *Leases*, introduced in May 2020 in accounting for the rent concessions. Consequently, the BPI Group recognized the following amounts for the years ended December 31:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Rent concession (included in "Other operating income")	1	1	1	1

Critical accounting judgment - Determining the lease term

In determining the lease term, the BPI Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Critical accounting judgment - Determining the incremental borrowing rate

To determine the incremental borrowing rate, each entity within the BPI Group:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held which do not have recent third-party financing; and
- makes adjustments specific to the lease (e.g. term, currency and security).

The BPI Group's weighted average incremental borrowing rates applied to the lease liabilities ranged from 4.08% to 6.84% (2023 - 2.00% to 7.40%). The rates were determined in reference to the borrowing rates arising from the most recent debt issuances of the Parent Bank.

21 Operating expenses*(a) Compensation and fringe benefits*

Details of the account for the years ended December 31:

	Note	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
(In Millions of Pesos)							
Salaries and wages		23,423	18,600	16,024	20,562	16,320	14,236
Retirement expense	23	1,450	1,232	1,438	1,363	1,148	1,379
Other employee benefit expenses		4,066	3,389	2,066	3,289	2,842	1,792
		28,939	23,221	19,528	25,214	20,310	17,407

Other employee benefit expenses pertain to employee incentives like HMO coverage and SSS premiums.

(b) Other operating expenses

Details of the account for the years ended December 31:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Insurance	6,371	5,204	4,768	6,256	5,140	4,711
Advertising	3,996	4,124	2,393	3,822	4,020	2,259
Travel and communication	1,685	1,575	1,194	1,484	1,414	1,069
Management and other professional fees	1,288	730	651	1,244	673	572
Supervision and examination fees	999	963	873	774	783	695
Litigation expenses	665	477	349	653	468	345
Taxes and licenses	634	224	1,214	554	165	1,147
Office supplies	579	428	358	502	363	305
Amortization expense	484	18	172	465	1	3
Others	13,024	10,134	7,729	11,650	9,115	7,089
	29,725	23,877	19,701	27,404	22,142	18,195

Insurance expense comprise mainly of premium payments made to PDIC and other product-related insurance costs.

Amortization expense includes the amortization of intangible assets acquired from the merger with RBC (Notes 14 and 29).

Other expenses mainly include fees and incentives paid to agents, outsourcing fees, freight charges and other business expense such as those incurred in staff meetings, donations, periodicals and magazines.

22 Income taxes

The reconciliation between the income tax expense at the statutory tax rate and the effective income tax for the years ended December 31 is shown below:

	Consolidated					
	2024		2023		2022	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	19,936	25.00	16,303	25.00	12,842	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	(1,598)	(2.00)	(392)	(0.60)	(723)	(1.41)
Tax-exempt income	(1,715)	(2.15)	(1,134)	(1.74)	(1,318)	(2.56)
Others, net	880	1.10	(1,478)	(2.27)	731	1.42
Effective income tax	17,503	21.95	13,299	20.39	11,532	22.45

	Parent					
	2024		2023		2022	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	18,109	25.00	15,559	25.00	11,821	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	(579)	(0.80)	(446)	(0.72)	(77)	(0.17)
Tax-exempt income	(1,683)	(2.32)	(1,872)	(3.01)	(1,506)	(3.18)
Others, net	206	0.28	(1,060)	(1.70)	45	0.10
Effective income tax	16,053	22.16	12,181	19.57	10,283	21.75

23 Retirement plans

The BPI Group maintains both defined benefit and defined contribution retirement plans. Assets of both retirement plans are held in trust and governed by local regulations and practices in the Philippines. The key terms of these pension plans are discussed below.

a) Defined benefit retirement plan

BPI Group (excluding insurance operations and LSB)

BPI has a unified plan which covers all subsidiaries except insurance entities. Under this plan, the normal retirement age is 60 years. Those who elect to retire prior to the normal retirement age will require company approval, subject to meeting the eligibility conditions on age and years of credited services. Normal retirement benefit consists of a lump sum benefit equivalent to 200% of the basic monthly salary of the employee at the time of his retirement for each year of service, if he has rendered at least 10 years of service, or to 150% of his basic monthly salary, if he has rendered less than 10 years of service and cash equivalent of the accrued and unused vacation and sick leave, if any subject to the BPI Group's implementing guidelines and policies. For voluntary retirement, the benefit is equivalent to 112.50% of the employee's basic monthly salary for a minimum of 10 years of service with the rate factor progressing to a maximum of 200% of basic monthly salary for service years of 25 or more. Death or disability benefit, on the other hand, shall be the highest amount among the (1) same basis as in voluntary retirement; (2) 100% of basic monthly salary of the employee at the time of his retirement for each year of service; and (3) minimum amount required by Labor Code.

The net defined benefit cost and contributions to be paid by the entities within the BPI Group are determined by an independent actuary.

With the merger of RBC with the Bank effective January 1, 2024, its retirement fund assets were also transferred to the BPI Group's retirement fund.

Non-life insurance subsidiary

BPI/MS Insurance Corporation has a separate trustee defined benefit plan. Under the plan, the normal retirement age is 60 years. Normal retirement benefit consists of a lump sum benefit equivalent to 175% of the basic monthly salary of the employee at the time of his retirement for each year of service, if he has rendered at least 10 years of service, or to 150% of his basic monthly salary, if he has rendered less than 10 years of service. Death or disability benefit for all employees of the non-life insurance subsidiary shall be determined on the same basis as in normal or voluntary retirement as the case may be.

LSB

LSB has a stand-alone non-contributory defined benefit plan covering all its regular and permanent employees. Under the retirement plan, all employees are entitled to cash benefits after satisfying certain age and service requirements. As at December 31, 2024, the pension liability amounts to P9 million. The impact of LSB's pension plan is not considered material to the financial statements; thus, the disclosures were limited only to the information mentioned.

Following are the amounts recognized based on recent actuarial valuation exercise:

(a) Pension liability as at December 31 recognized in the statement of condition:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Present value of defined benefit obligation	19,860	18,632	19,304	18,098
Fair value of plan assets	(15,667)	(14,103)	(15,182)	(13,722)
	4,193	4,529	4,122	4,376
Effect of asset ceiling	33	12	-	-
	4,226	4,541	4,122	4,376

Pension liability is shown as part of "Miscellaneous liabilities" within Deferred credits and other liabilities (Note 17).

The movements in plan assets are summarized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	14,103	12,876	13,722	12,515
Impact of merger	470	-	470	-
Contributions	1,213	2,251	1,165	2,229
Interest income	775	886	752	860
Benefit payments	(1,703)	(1,032)	(1,691)	(1,030)
Remeasurement gain (loss) - return on plan assets	1,539	(878)	1,494	(852)
Transfer to the plan	(730)	-	(730)	-
At December 31	15,667	14,103	15,182	13,722

The carrying values of the plan assets represent their fair value as at December 31, 2024 and 2023.

The plan assets comprised the following:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities	10,130	8,517	9,817	8,287
Equity securities	4,341	4,307	4,207	4,191
Others	1,196	1,279	1,158	1,244
	15,667	14,103	15,182	13,722

The plan assets of the unified retirement plan include investment in BPI's common shares with aggregate fair value of P2,747 million at December 31, 2024 (2023 - P2,413 million). An officer of the Parent Bank exercises the voting rights over the plan's investment in BPI's common shares.

Others include cash and cash equivalents and other receivables.

The movements in the present value of defined benefit obligation are summarized as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	18,632	15,600	18,098	15,296
Impact of merger	471	-	471	-
Interest cost	1,124	1,115	1,091	1,088
Current service cost	863	757	826	730
Remeasurement - changes in financial assumptions	(76)	1,013	(73)	980
Remeasurement - experience adjustment	1,279	1,512	1,267	1,416
Remeasurement - changes in demographic assumption	-	(332)	-	(306)
Benefit payments	(1,703)	(1,033)	(1,691)	(1,030)
Transfer from the plan	(730)	-	(685)	(76)
At December 31	19,860	18,632	19,304	18,098

Other than the regular funding contributions to the BPI Group's retirement fund, the transfer of RBC fund assets were also considered as presented above.

(b) Expense recognized in the statement of income for the years ended December 31 are as follows:

	Consolidated			Parent		
	2024	2023	2022	2024	2023	2022
	(In Millions of Pesos)					
Current service cost	863	757	782	826	730	656
Net interest cost	349	229	295	339	228	258
	1,212	986	1,077	1,165	958	914

The principal assumptions used for the actuarial valuations of the unified plan are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Discount rate	6.12%	6.03%	6.12%	6.03%
Future salary increases	6.00%	6.00%	6.00%	6.00%

Assumptions regarding future mortality and disability experience are based on published statistics generally used for local actuarial valuation purposes.

The defined benefit plan typically exposes the BPI Group to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the BPI Group. However, the BPI Group believes that due to the long-term nature of the pension liability and the strength of the BPI Group itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the BPI Group's long-term strategy to manage the plan efficiently.

The BPI Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan. The BPI Group's main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the trustor, as necessary to better ensure the appropriate asset-liability matching.

The BPI Group contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary engaged by management. The expected contributions for the year ending December 31, 2024 for the BPI Group and the Parent Bank amount to P1,272 billion and P1,223 billion, respectively (2023 - P1,273 billion and P1,217 billion, respectively). The weighted average duration of the defined benefit obligation under the BPI unified retirement plan as at December 31, 2024 is 5.64 years (2023 - 5.09 years).

The projected maturity analysis of retirement benefit payments as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Up to one year	3,845	3,347	3,754	3,260
More than 1 year to 5 years	14,575	13,753	14,163	13,165
More than 5 years to 10 years	9,837	9,837	9,545	9,409
More than 10 years to 15 years	4,569	4,716	4,340	4,421
More than 15 years to 20 years	3,319	3,306	3,139	3,047
Over 20 years	3,069	3,410	2,875	3,068

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as at December 31 follows:

Consolidated

2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

2023

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.90%	Increase by 5.30%
Salary growth rate	1.00%	Increase by 5.20%	Decrease by 4.90%

Parent

2024

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

2023

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.90%	Increase by 5.30%
Salary growth rate	1.00%	Increase by 5.20%	Decrease by 4.90%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statement of condition.

b) Defined contribution retirement plan subject to the requirements of Republic Act (RA) No. 7641

All non-unionized employees hired on or after the January 1, 2016 are automatically under the new defined contribution plan. Employees hired prior to the effective date shall have the option to elect to become members of the new defined contribution plan.

Upon normal or late retirement, employees are entitled to a lump sum benefit equal to the total of the following amounts:

- The greater of the (a) updated member account balance where the company periodically contributes 8% of the basic monthly salary and (b) the minimum legal retirement benefit under the Labor Code; and
- The updated member account balance funded by (a) voluntary employee contribution and (b) employer matching contribution; and
- Cash equivalent of the accrued and unused vacation and sick leave, if any.

The defined contribution retirement plan has a defined benefit minimum guarantee equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the liability for the defined benefit minimum guarantee is actuarially calculated similar to the defined benefit plan.

Upon effectivity of the merger, the active employees of RBC were enrolled in the defined benefit plan. Subsequently, they were provided an option to participate to the BPI Group's defined contribution plan instead resulting to the transfer of P730 million representing the initial balance offer.

The funding status of the defined contribution plan as at December 31 is shown below:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Present value of defined benefit obligation	3,911	595	3,443	531
Fair value of plan assets	(3,712)	(2,261)	(3,270)	(1,898)
	199	(1,666)	173	(1,367)
Effect of asset ceiling	-	1,666	-	1,367
	199	-	173	-

The movements in the present value of the defined benefit obligation follow:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	595	889	531	767
Impact of merger	-	-	-	-
Interest cost	36	66	33	56
Current service cost	62	120	54	95
Benefit payments	(186)	(184)	(157)	(156)
Remeasurement - changes in financial assumptions	3	54	3	45
Remeasurement - experience adjustment	2,671	369	2,262	336
Remeasurement - changes in demographic assumptions	-	(719)	-	(601)
Transfer to the plan	730	-	717	(11)
At December 31	3,911	595	3,443	531

The movements in the fair value of plan assets follow:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
At January 1	2,261	1,961	1,898	1,684
Impact of merger	-	-	-	-
Contribution paid by employer	591	332	496	270
Interest income	133	145	111	124
Benefit payments	(186)	(184)	(156)	(156)
Remeasurement gain (loss) - return on plan assets	183	7	191	(24)
Transfer to the plan	730	-	730	-
At December 31	3,712	2,261	3,270	1,898

Total retirement expense for the year ended December 31, 2024 under the defined contribution plan for the BPI Group and Parent Bank amounts to P68 million (2023 - P119 million) and P59 million (2023 - P94 million), respectively.

The components of plan assets of the defined contribution as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Debt securities	705	619	621	520
Equity securities	2,248	1,495	1,980	1,255
Others	759	147	669	123
	3,712	2,261	3,270	1,898

The weighted average duration of the defined contribution retirement plan for the BPI Group and Parent Bank is 10.45 years (2023 - 8.17 years).

Critical accounting estimate - Calculation of defined benefit obligation

The BPI Group estimates its pension benefit obligation and expense for defined benefit pension plans based on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, the discount rate and future salary increases. The BPI Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. The present value of the defined benefit obligations of the BPI Group at December 31, 2024 and 2023 are determined using the market yields on Philippine government bonds with terms consistent with the expected payments of employee benefits. Plan assets are invested in either equity securities, debt securities or other forms of investments. Equity markets may experience volatility, which could affect the value of pension plan assets. This volatility may make it inherently impracticable and difficult to estimate the long-term rate of return on plan assets. Actual results that differ from the BPI Group's assumptions are reflected as remeasurements in other comprehensive income. The BPI Group's assumptions are based on actual historical experience and external data regarding compensation and discount rate trends.

24 Asset management business

At December 31, 2024, the total trust and fund assets under management of the BPI Group through BPI Wealth amounts to P1,531 billion (2023 - P1,223 billion).

As required by the General Banking Act, BPI Wealth has deposited government securities with the BSP valued at P989 million (2023 - P990 million).

25 Related party transactions

In the normal course of business, the Parent Bank transacts with related parties consisting of its DOSRI (Directors, Officers, Stockholders, and Related Interests), Subsidiaries and Affiliates including Other Related Parties. Likewise, the BPI Group has transactions with Ayala Corporation (AC) and its subsidiaries (Ayala Group), on an arm's length basis. AC is a significant stockholder of BPI as at reporting date.

The Parent Bank has a Board-level Related Party Transactions Committee (RPTC) that vets and endorses all significant related party transactions which exceed the Parent Bank's set materiality threshold, including those involving DOSRI, for which the latter shall require final BOD approval. The RPTC consists of three directors, majority of whom are independent directors including the Chairman, and two resource persons from management's control groups, namely, the Chief Audit Executive and the Chief Compliance Officer. Those related party transactions involving amounts below the materiality threshold, the Management Vetting Committee (MVC), which is composed of the Parent Bank's Executive Vice Presidents, the Bank's Chief Finance Officer, and the Bank's Treasurer, shall have the authority to vet these transactions. In case any of the vetting committees has conflict of interest, be it actual or perceived, in a particular related party transaction, he or she is required to inhibit from the vetting and endorsement of the particular RPT.

Transactions with related parties have terms and conditions that are generally comparable to those offered to non-related parties and/or to similar transactions in the market. Any deviation or amendment from previously vetted terms and conditions shall require appropriate RPT vetting and approval.

To ensure that related party transactions are within prudent levels, the Parent Bank's BOD shall prescribe, from time to time, internal limits or sub-limits for individual and aggregate credit exposures to related parties that are consistent with the Parent Bank's risk appetite and regulatory guidelines. The limits shall be computed and based on the Parent Bank's prescribed capital metrics.

The RPTC shall report to the BOD, on a regular basis, the status and aggregate credit exposures of the Parent Bank to each related party as well as the total amount of credit exposure to all related parties.

A summary of significant related party transactions and outstanding balances as at and for the years ended December 31 is shown below (transactions with subsidiaries have been eliminated in the consolidated financial statements):

Consolidated

2024			
	Transactions for the year	Outstanding balances	Terms and conditions
	(In Millions of Pesos)		
Loans and advances from:			
Associates	366	479	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.67% to 8.15% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	18,335	79,902	
Key management personnel	20	20	
Other related parties	-	-	
	18,721	80,401	
Deposits from:			
Associates	(1,229)	720	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.11% to 0.13% Time - 5.39% to 5.52%
Ayala Group	14,729	15,416	
Key management personnel	(783)	432	
	12,717	16,568	

2023			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Associates	71	113	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.45% to 7.58% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	(3,016)	61,680	
Deposits from:			
Associates	912	1,949	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.08% to 0.10% Time - 4.35% to 5.38% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(2,239)	687	
Key management personnel	958	1,215	
	(369)	3,851	
2022			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Associates	(18)	42	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 4.95% to 6.09% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 5 days to 15 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(541)	64,654	
Other related parties	(546)	-	
	(1,105)	64,696	
Deposits from:			
Associates	(236)	1,037	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.80% Savings - 0.09% to 0.10% Time - 1.71% to 4.17% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(8,475)	2,926	
Key management personnel	(727)	257	
	(9,438)	4,220	

Parent

2024			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	(12)	75	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.33% to 7.71% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Associates	366	479	
Ayala Group	18,335	79,902	
Key management personnel	20	20	
	18,709	80,476	
Deposits from:			
Subsidiaries	(982)	5,383	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.08% to 0.09% Time - 5.34% to 5.50%
Associates	(1,229)	720	
Ayala Group	14,729	15,416	
Key management personnel	(759)	432	
	11,759	21,951	
2023			
	Transactions for the year	Outstanding balances	Terms and conditions
(In Millions of Pesos)			
Loans and advances from:			
Subsidiaries	53	87	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.22% to 7.23% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Associates	71	113	
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	(2,963)	61,767	
Deposits from:			
Subsidiaries	442	6,365	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.80% Savings - 0.09% to 0.09% Time - 4.35% to 5.35% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	912	1,949	
Ayala Group	(2,239)	687	
Key management personnel	936	1,191	
	51	10,192	

	2022		
	Transactions	Outstanding	Terms and conditions
	for the year	balances	
			(In Millions of Pesos)
Loans and advances from:			
Subsidiaries	34	34	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 4.95% to 6.09% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 5 days to 15 years. Additional information on DOSRI loans are discussed below.
Associates	(18)	42	
Ayala Group	(541)	64,654	
Other related parties	(546)	-	
	(1,071)	64,730	
Deposits from:			
Subsidiaries	(5,408)	5,923	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.80% Savings - 0.09% to 0.10% Time - 1.71% to 4.17% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	(234)	1,037	
Ayala Group	(7,203)	2,926	
Key management personnel	(692)	255	
	(13,537)	10,141	

The aggregate amounts included in the determination of income before income tax (after elimination) that resulted from transactions with each class of related parties are as follows:

Consolidated	2024	2023	2022
	(In Millions of Pesos)		
Interest income			
Associates	-	8	-
Ayala Group	3,162	2,297	1,724
Key management personnel	1	-	-
	3,163	2,305	1,724
Other income			
Associates	2,359	327	1,771
Ayala Group	1,543	935	833
	3,902	1,262	2,604
Interest expense			
Associates	17	18	1
Ayala Group	539	4	29
Key management personnel	9	14	1
	565	36	31
Other expenses			
Associates	216	191	389
Ayala Group	1,632	799	1,769
	1,848	990	2,158
Retirement benefits			
Key management personnel	61	50	52
Salaries, allowances and other short-term benefits			
Key management personnel	1,646	1,477	831
Directors' remuneration	125	113	157

Parent	2024	2023	2022
	(In Millions of Pesos)		
Interest income			
Subsidiaries	21	19	5
Associates	-	8	-
Ayala Group	3,162	2,297	1,724
Key management personnel	1	-	-
	3,184	2,324	1,729
Other income			
Subsidiaries	1,811	209	733
Associates	2,359	139	1,771
Ayala Group	1,543	935	648
	5,713	1,283	3,152
Interest expense			
Subsidiaries	21	19	5
Associates	17	18	1
Ayala Group	539	4	29
Key management personnel	9	14	1
	586	55	36
Other expenses			
Subsidiaries	48	127	817
Associates	216	-	282
Ayala Group	1,632	799	1,744
	1,896	926	2,843
Retirement benefits			
Key management personnel	60	48	51
Salaries, allowances and other short-term benefits			
Key management personnel	1,603	1,433	796
Directors' remuneration	91	88	131

Other income mainly consists of revenue from service arrangements with related parties in which the related outstanding balance is included under accounts receivable. Other expenses pertain to shared costs with related parties and the related outstanding balance is recognized as accounts payable. Details of DOSRI loans are as follows:

	Consolidated	Parent	
	2024	2023	2024
	(In Millions of Pesos)		
Outstanding DOSRI loans	31,588	18,701	31,588

As at December 31, 2024, allowance for credit losses amounting to P140 million (2023 - P247 million) have been recognized against receivables from related parties.

26 Financial risk management

The BOD carries out its risk management function through the Risk Management Committee (RMC). The RMC is tasked with nurturing a culture of risk management across the BPI Group. The RMC sets the risk appetite; proposes and approves risk management policies, frameworks, and guidelines; and regularly reviews risk management structures, metrics, limits, and issues across the BPI Group, in order to meet and comply with regulatory and international standards on risk measurement and management.

At the management level, the Risk Management Office (RMO) is headed by the Chief Risk Officer (CRO). The CRO is ultimately responsible in leading the formulation of risk management policies and methodologies in alignment with the overall business strategy of BPI, ensuring that risks are prudently and rationally undertaken and within its risk appetite, as well as commensurate and disciplined to maximize returns on shareholders' capital. Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive prior operational experience. BPI's risk managers regularly monitor key risk indicators and report exposures against carefully established financial and business risk metrics and limits approved by the RMC.

Finally, independent reviews are regularly conducted by the Internal Audit group, external auditors, and regulatory examiners to ensure that risk controls and mitigants are in place and functioning effectively as intended.

The possibility of incurring losses is, however, compensated by the possibility of earning more than expected income. Risk-taking is, therefore, not entirely negative to be avoided. Risk-taking actions present opportunities if risks are fully identified and accounted, deliberately taken, and are kept within prudent and rationalized limits.

Credit risk, liquidity risk and market risk, as well as operational and cyber security risks are some of the top risks that the BPI Group manages.

26.1 Credit risk

The BPI Group takes on exposure to credit risk, which is the risk that may arise if a borrower or counterparty fails to meet its obligations in accordance with agreed repayment terms. Credit risk is the single largest risk for the BPI Group’s business; management therefore carefully manages its exposure to credit risk as governed by prudent credit policies, standards and methodologies, relevant regulatory requirements, and international benchmarks.

Loans and advances are the most evident source of credit risks; however, other sources of credit risk exist throughout the activities of the BPI Group, including in credit-related activities recorded in the banking books, investment securities in the trading books and off-balance sheet transactions.

26.1.1 Credit risk management

The Credit Policy and Risk Management (CPRM) division is responsible for the overall management of the BPI Group’s credit risks. CPRM supports the Senior Management in coordination with various business lending and operations units in identifying, measuring, reporting, and managing credit risk.

The BPI Group employs a range of policies and practices to mitigate credit risks. The BPI Group monitors its loan and investment portfolios based on different segmentations to reflect the acceptable level of diversification and concentration. Concentration risk in credit portfolios is inherent in banking and cannot be eliminated. However, said risk may be reduced by adopting proper risk controls, mitigation, and diversification strategies to prevent undue credit risk concentrations from excessive exposures to counterparties, borrower-groups, industries, countries or regions.

The BPI Group structures the levels of credit risks it undertakes by placing limits or monitoring thresholds on the amount of risks accepted in relation to one borrower, or group of borrowers, industry segments, and countries or regions. Such risks are monitored on a regular basis and subjected to annual or more frequent review, when deemed necessary. Limits on large exposures and credit concentration are approved by the BOD through the RMC.

The exposure to any borrower may also be further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against risk limits are monitored regularly. Methodologies for measuring credit risk vary depending on several factors, including type of asset, borrower or counterparties’ risk profiles, risk measurement parameters and risk management and collection processes. Credit risk measurement is based on the probability of default (PD) of an obligor or counterparty, the loss severity given a default (LGD) event and the exposure at default (EAD).

A rigorous control framework is applied in the determination of expected credit loss (ECL) models. The BPI Group has policies and procedures that govern the calculation of ECL, which is performed by the Credit Risk Modeling, Analytics and MIS (CRMA-MIS) division. All ECL models are regularly reviewed by the Risk Management Office to ensure that necessary controls are in place and the models are applied accordingly.

The review and validation of ECL models are performed by groups that are independent of CRMA-MIS, e.g., Risk Models Validation Division, Internal Auditors, and/or external assurance partners. Expert judgments on measurement methodologies and assumptions are reviewed by a group of internal experts from various functions across the Parent Bank.

Credit loss estimates are based on estimates of the PD and loss severity given a default. The PD is the likelihood that a borrower will default on its obligation; the LGD is the estimated loss that would be realized upon the default and takes into consideration collateral and structural support for each credit facility. The estimation process includes assigning risk ratings to each borrower and credit facility to differentiate risk within the portfolio. These risk ratings are reviewed regularly by RMO and revised as needed to reflect the borrower’s current financial position, risk profile, related collateral or credit enhancements, and other credit risk mitigants. The calculations and assumptions are based on both internal and external historical experience and management judgment and are reviewed regularly.

The BPI Group’s forward-looking, point-in-time PD models are driven by internal forecasts of macroeconomic variables (MEVs) over the next five years. These models are recalibrated annually and a more frequent review and update of these models may be conducted in response to changing macroeconomic conditions.

The BPI Group also manages counterparty credit risk arising from both pre-settlement and settlement risks. Pre-settlement risk is the risk that a counterparty will default prior to the final settlement/maturity of a transaction, while settlement risk pertains to the risk that a counterparty fails to deliver on settlement/maturity date when the Bank has already delivered on its contractual obligations. In managing counterparty risks, pre-settlement and settlement risk limits are established and exposures are monitored daily for each counterparty to cover the aggregate of pre-settlement and settlement risks arising from transactions with the BPI Group. The BPI Group also employs various tools and methods including use of delivery versus payment settlement, payment versus payment settlement, use of collateral agreements, and other acceptable credit risk mitigation techniques to further manage counterparty credit risk.

The BPI Group employs specific control and risk mitigation measures, some of which are outlined below:

(a) Collateral or guarantees

One of the most traditional and common practice in mitigating credit risks is requiring collaterals and/or securities particularly for loans and advances. The BPI Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The BPI Group assesses the valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The common collateral types for loans and advances are:

- Mortgages over physical properties (e.g., real estate and personal);
- Mortgages over financial assets [e.g., guarantees, investments (bonds or equities)]; and
- Margin agreement for derivatives, for which the BPI Group has also entered into master netting agreements.

In order to minimize credit loss, the BPI Group seeks additional collateral and/or securities from the counterparty when impairment indicators are observed for the relevant individual loans and advances.

The BPI Group’s policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collaterals held by the BPI Group since the prior period.

(b) Market limits

The BPI Group maintains market limits on net open derivative positions (i.e., the difference between purchase and sale contracts). Credit risk is limited to the net current fair value of instruments, which in relation to derivatives is only a portion of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments (except where the BPI Group requires margin deposits from counterparties).

(c) Master netting arrangements

The BPI Group further restricts its exposure to credit losses by entering master netting arrangements with certain counterparties with which it undertakes significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts (asset position) is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The BPI Group’s overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

(d) Credit-related commitments

Documentary and commercial letters of credit - which are written undertakings by the BPI Group on behalf of a customer authorizing a third party to draw drafts on the BPI Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods and therefore carry less risk than a direct loan.

26.1.2 Credit risk rating

The BPI Group uses internal credit risk gradings that reflect its assessment of the PD of individual counterparties. The BPI Group uses its internal credit risk rating system, credit models (e.g. credit risk scorecards) or external ratings from reputable credit rating agencies. Specific data about the borrower and loan are collected at the time of application and credit evaluation (such as financial and business information, source of incomes/revenues, and level of collateral for retail exposures; and turnover and industry type for wholesale exposures) and are used in the internal credit scoring models. In addition, the internal models allow expert judgment from the Credit Risk Rating Committee and consideration of other data inputs not captured into the model in the determination of the final internal credit score for each borrower.

The BPI Group has adopted an internal credit classification system that is aligned with regulatory guidelines and aims to identify deteriorating credit exposures on a timely basis. Exposures are classified into each of the following categories:

- *Standard monitoring* - This category includes accounts which do not have a greater-than-normal risk and do not possess the characteristics of special monitoring and defaulted loans. The borrower or counterparty has the ability to satisfy the obligation in full and therefore minimal loss, if any, is anticipated.
- *Special monitoring* - This category includes accounts which need closer and frequent monitoring to prevent any further credit deterioration. The counterparty is assessed to be vulnerable to highly vulnerable and its capacity to meet its financial obligations is dependent upon favorable business, financial, and economic conditions.
- *Default* - This category includes accounts which exhibit probable to severe weaknesses wherein probability of non-repayment of loan obligation is ranging from high to extremely high.

i. Corporate (including cross-border loans, contracts-to-sell/group plans with recourse, floorstock lines) and Small and Medium-sized Enterprise (SME) loans

The BPI Group’s internal credit risk rating system comprises a 22-scale rating with eighteen (18) ‘pass’ rating levels for large corporate accounts, a 14-scale rating system with ten (10) ‘pass’ rating grades for SME accounts, and a 23-scale rating with nineteen (19) ‘pass’ rating levels for cross-border accounts. For cross-border accounts, the BPI Group also uses available external/benchmark credit ratings issued by reputable rating agencies if there is no internal rating. The level of risk and associated PD are determined using either the internal credit risk ratings or external/benchmark credit ratings, as applicable, for corporate loans.

The BPI Group uses the following set of classifications:

Classifications	Large corporate	SME	Cross-Border
Standard monitoring	AAA to B-, unrated, and ≤ 30 days past due (dpd)	AAA to B-, unrated, and ≤ 30 dpd	AAA to B- with no significant increase in credit risk (SICR), and ≤ 30 dpd
Special monitoring	CCC to C or based on prescribed dpd threshold	CCC to C or based on prescribed dpd threshold	Downgraded to lower than BB+ with SICR but not impaired, or based on prescribed dpd threshold
Default	Adversely classified accounts (ACA) or >90 dpd or Items in Litigation (IL)	ACA or >90 dpd or IL	Default/ACA with objective evidence of impairment, or > 90 dpd

ii. Retail loans

The BPI Group uses automated credit scoring models to assess the level of risk for retail accounts. Behavioral indicators are considered in conjunction with other forward-looking information (e.g., industry forecast) to assess the level of risk of a loan. After the date of initial recognition, the payment behavior of the borrower is monitored on a periodic basis to develop a behavioral score which is mapped to a PD.

Classifications	Credit cards	Personal*, auto, housing and MAX 500**	SEME***
Standard monitoring	≤ 29 dpd	≤ 30 dpd	≤ 10 dpd
Special monitoring	30 to 89 dpd	31 to 90 dpd or based on prescribed dpd threshold	Not applicable
Default	>89 dpd or IL	>90 dpd or IL	>10 dpd

*Includes salary-based general purpose consumption loan
** A product of Banko, wholly-owned subsidiary of the Parent Bank, and classified as micro-enterprise loan
*** A product of Banko and offered to self-employed micro-entrepreneurs

iii. Treasury and other investment debt securities

Investments in high grade securities and bills are viewed as a way to gain better credit quality mix and at the same time, maintain a readily available source to meet funding requirements. The level of credit risk for treasury and other investment debt securities and their associated PD are determined using either internal ratings or reputable external ratings and/or available and reliable qualitative and quantitative information. In the absence of both internal and external credit ratings, a comparable issuer or guarantor rating is used. Should there be a change in the credit rating of the chosen comparable, evaluation is made to ascertain whether the rating change is applicable to the security being assessed for impairment.

Classifications	Applicable ratings
Standard monitoring	AAA to B- with no SICR
Special monitoring	Downgraded to lower than BB+ with SICR but not impaired
Default	Default, with objective evidence of impairment

iv. Other financial assets at amortized cost

For other financial assets (non-credit receivables), the BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss methodology. These financial assets are grouped based on shared risk characteristics and aging profile. For some of these, impairment is assessed individually at a counterparty level.

26.1.3 Maximum exposure to credit risk

26.1.3.1 Loans and advances, net

Credit risk exposures relating to on-balance sheet loans and advances are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Corporate and SME loans, net	1,685,197	1,482,335	1,680,654	1,478,037
Retail loans, net	553,568	399,672	506,274	371,803
	2,238,765	1,882,007	2,186,928	1,849,840

The carrying amount of loans and advances above also represents the BPI Group's maximum exposure to credit risk. The following tables contain an analysis of the credit risk exposure of each financial instrument for which an ECL allowance is recognized.

Credit quality of loans and advances, net

Consolidated

Corporate and SME loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	1,419,122	92,448	-	1,511,570	1,152,071	1,865	-	1,153,936
Special monitoring	104,098	56,728	-	160,826	129,537	199,296	-	328,833
Default	-	-	44,378	44,378	-	-	38,812	38,812
Gross amount	1,523,220	149,176	44,378	1,716,774	1,281,608	201,161	38,812	1,521,581
Loss allowance	(5,721)	(2,159)	(23,697)	(31,577)	(10,596)	(3,483)	(25,167)	(39,246)
Carrying amount	1,517,499	147,017	20,681	1,685,197	1,271,012	197,678	13,645	1,482,335

Retail loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	518,497	18,837	-	537,334	373,296	16,217	-	389,513
Special monitoring	723	12,412	-	13,135	525	8,705	-	9,230
Default	-	-	25,624	25,624	-	-	19,157	19,157
Gross amount	519,220	31,249	25,624	576,093	373,821	24,922	19,157	417,900
Loss allowance	(4,327)	(3,496)	(14,702)	(22,525)	(4,890)	(3,242)	(10,096)	(18,228)
Carrying amount	514,893	27,753	10,922	553,568	368,931	21,680	9,061	399,672

Parent

Corporate and SME loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	1,414,762	92,448	-	1,507,210	1,147,940	1,865	-	1,149,805
Special monitoring	104,098	56,727	-	160,825	129,537	199,296	-	328,833
Default	-	-	44,364	44,364	-	-	38,813	38,813
Gross amount	1,518,860	149,175	44,364	1,712,399	1,277,477	201,161	38,813	1,517,451
Loss allowance	(5,901)	(2,159)	(23,685)	(31,745)	(10,767)	(3,483)	(25,164)	(39,414)
Carrying amount	1,512,959	147,016	20,679	1,680,654	1,266,710	197,678	13,649	1,478,037

Retail loans

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	472,088	18,810	-	490,898	345,864	16,160	-	362,024
Special monitoring	715	11,655	-	12,370	524	8,286	-	8,810
Default	-	-	21,640	21,640	-	-	16,604	16,604
Gross amount	472,803	30,465	21,640	524,908	346,388	24,446	16,604	387,438
Loss allowance	(3,393)	(3,478)	(11,763)	(18,634)	(4,135)	(3,229)	(8,271)	(15,635)
Carrying amount	469,410	26,987	9,877	506,274	342,253	21,217	8,333	371,803

The tables below present the gross amount of “Stage 2” loans and advances by age category.

Consolidated

	2024			2023		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
	(In Millions of Pesos)					
Current	148,490	13,729	162,219	200,390	12,072	212,462
Past due up to 30 days	86	5,355	5,441	389	4,544	4,933
Past due 31 - 90 days	600	12,165	12,765	382	8,306	8,688
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	149,176	31,249	180,425	201,161	24,922	226,083

Parent

	2024			2023		
	Corporate and SME loans	Retail loans	Total	Corporate and SME loans	Retail loans	Total
(In Millions of Pesos)						
Current	148,490	13,708	162,198	200,390	12,033	212,423
Past due up to 30 days	85	5,343	5,428	389	4,522	4,911
Past due 31 - 90 days	600	11,414	12,014	382	7,891	8,273
Past due 91 - 180 days	-	-	-	-	-	-
Over 180 days	-	-	-	-	-	-
	149,175	30,465	179,640	201,161	24,446	225,607

26.1.3.2 Treasury and other investment securities, net

Credit risk exposures arising from treasury and other investment securities are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Due from BSP	164,571	199,619	161,247	192,246
Due from other banks	72,060	36,292	68,439	33,081
Interbank loans receivable and SPAR, net	16,715	20,643	9,093	17,342
Financial assets at FVTPL	46,957	23,543	39,757	17,456
Financial assets at FVOCI, net	264,358	215,780	260,834	212,442
Investment securities at amortized cost, net	343,108	382,711	336,233	377,120
	907,769	878,588	875,603	849,687

Credit quality of treasury and other investment securities, net

Consolidated

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)								
Credit grade								
Standard monitoring								
Due from BSP	164,571	-	-	164,571	199,619	-	-	199,619
Due from other banks	72,060	-	-	72,060	36,292	-	-	36,292
Interbank loans receivable and SPAR	16,720	-	-	16,720	20,645	-	-	20,645
Financial assets at FVTPL	46,957	-	-	46,957	23,543	-	-	23,543
Financial assets at FVOCI	263,903	455	-	264,358	215,438	342	-	215,780
Investment securities at amortized cost	342,189	1,035	-	343,224	381,811	931	-	382,742
Default								
Interbank loans receivable and SPAR	-	-	38	38	-	-	41	41
Gross carrying amount	906,400	1,490	38	907,928	877,348	1,273	41	878,662
Loss allowance	(97)	(24)	(38)	(159)	(33)	-	(41)	(74)
Carrying amount	906,303	1,466	-	907,769	877,315	1,273	-	878,588

Parent

	2024			2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)							
Total							
Credit grade							
Standard monitoring							
Due from BSP	161,247	-	-	161,247	192,246	-	192,246
Due from other banks	68,439	-	-	68,439	33,081	-	33,081
Interbank loans receivable and SPAR	9,098	-	-	9,098	17,344	-	17,344
Financial assets at FVTPL	39,757	-	-	39,757	17,456	-	17,456
Financial assets at FVOCI	260,379	455	-	260,834	212,100	342	212,442
Investment securities at amortized cost	335,282	1,034	-	336,316	376,220	931	377,151
Default							
Interbank loans receivable and SPAR	-	-	38	38	-	-	41
Gross carrying amount	874,202	1,489	38	875,729	848,447	1,273	849,761
Loss allowance	(64)	(24)	(38)	(126)	(33)	-	(74)
Carrying amount	874,138	1,465	-	875,603	848,414	1,273	849,687

26.1.3.3 Other financial assets at amortized cost

Other financial assets at amortized cost that are exposed to credit risk are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Accounts receivable, net	2,626	1,242	5,010	2,758
Rental deposits	905	828	851	781
Other accrued interest and fees receivable	98	76	5	9
Others, net	341	377	320	358
	3,970	2,523	6,186	3,906

The carrying amounts of the above financial assets represent the BPI Group's maximum exposure to credit risk.

The BPI Group's other financial assets at amortized cost (shown under Other assets, net) generally arise from transactions with various unrated counterparties with good credit standing. The BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss methodology for other financial assets.

26.1.3.4 Loan commitments

Credit risk exposures arising from undrawn loan commitments are as follows:

Consolidated

	2024			2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)							
Total							
Credit grade							
Standard monitoring	704,278	1,609	-	705,887	542,193	1,749	543,942
Special monitoring	21,421	19	-	21,440	16,241	-	16,241
Default	-	-	339	339	-	-	543
Gross amount	725,699	1,628	339	727,666	558,434	1,749	560,726
Loss allowance*	(1,130)	(112)	(25)	(1,267)	(1,067)	(94)	(1,232)
Carrying amount	724,569	1,516	314	726,399	557,367	1,655	559,494

*Included in "Miscellaneous liabilities" in Note 17

Parent

	2024				2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
(In Millions of Pesos)								
Credit grade								
Standard monitoring	704,278	1,609	-	705,887	542,193	1,749	-	543,942
Special monitoring	21,421	19	-	21,440	16,241	-	-	16,241
Default	-	-	339	339	-	-	543	543
Gross amount	725,699	1,628	339	727,666	558,434	1,749	543	560,726
Loss allowance*	(1,130)	(112)	(25)	(1,267)	(1,067)	(94)	(71)	(1,232)
Carrying amount	724,569	1,516	314	726,399	557,367	1,655	472	559,494

*Included in "Miscellaneous liabilities" in Note 17

26.1.4 Credit impaired loans and advances

The BPI Group closely monitors collaterals held for financial assets considered to be credit-impaired (Stage 3), as it becomes more likely that the BPI Group will take possession of collateral to mitigate potential credit losses. Loans and advances that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Consolidated

	2024			2023		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
(In Millions of Pesos)						
Credit-impaired assets						
Corporate and SME loans	44,378	23,697	20,681	38,812	25,167	13,645
Retail loans	25,624	14,702	10,922	19,157	10,096	9,061
Total credit-impaired assets	70,002	38,399	31,603	57,969	35,263	22,706
Fair value of collateral	31,611			27,713		

Parent

	2024			2023		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
(In Millions of Pesos)						
Credit-impaired assets						
Corporate and SME loans	44,364	23,685	20,679	38,813	25,164	13,649
Retail loans	21,640	11,763	9,877	16,604	8,271	8,333
Total credit-impaired assets	66,004	35,448	30,556	55,417	33,435	21,982
Fair value of collateral	31,570			27,654		

The BPI Group acquires assets by taking possession of collaterals held as security for loans and advances.

As at December 31, 2024, the foreclosed collaterals of BPI Group and Parent Bank have carrying amount of P8,411 million (2023 - P4,743 million) and P8,154 million (2023 - P4,646 million), respectively. The related foreclosed collaterals of BPI Group and Parent Bank have aggregate fair value of P25,956 million (2023 - P14,424 million) and P25,470 million (2023 - P14,092 million), respectively. Foreclosed collaterals include real estate (land, building, and improvements), auto and chattel. Repossessed properties are sold as soon as practicable and are classified as Assets held for sale in the statement of condition. In 2024, the BPI Group realized total loss of P205 million (2023 - P95 million gain) with book value of P3,030 million (2023 - P2,178 million) while the Parent Bank realized a loss of P237 million (2023 - P83 million gain) from disposals of foreclosed collaterals with book value of P2,997 million (2023 - P2,149 million).

26.1.5 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) in credit risk or becoming credit-impaired in the period, and the consequent transfer between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the year and releases for financial instruments derecognized during the year;
- Write-offs of allowances related to assets that were written off during the year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs during the year;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange translations for assets denominated in foreign currencies and other movements.

The following tables summarize the changes in the loss allowance for loans and advances between the beginning and the end of the annual period. No movement analysis of allowance for impairment is presented for treasury and other investment debt securities and other financial assets subject to impairment as the related loss allowance is deemed insignificant for financial reporting purposes.

Consolidated

	Stage 1	Stage 2	Stage 3	
Corporate and SME loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	10,596	3,483	25,167	39,246
Impact of merger	160	268	1,470	1,898
Provision for credit losses for the year*				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,030	989
Transfer from Stage 2	87	(2,028)	166	(1,775)
Transfer from Stage 3	17	4	(148)	(127)
New financial assets originated	6,189	-	-	6,189
Financial assets derecognized during the year	(1,500)	(749)	(2,720)	(4,969)
Changes in assumptions and other movements in provision	(3,197)	(309)	(3,184)	(6,690)
	(2,955)	(1,572)	(1,856)	(6,383)
Write-offs and other movements	(2,080)	(20)	(1,084)	(3,184)
Loss allowance, at December 31, 2024	5,721	2,159	23,697	31,577

*The above movements include the effect of RBC allowance transfers.

	Stage 1	Stage 2	Stage 3	
Retail loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	4,890	3,242	10,096	18,228
Impact of merger	306	53	963	1,322
Provision for credit losses for the year*				
Transfers:				
Transfer from Stage 1	(2,530)	2,491	7,020	6,981
Transfer from Stage 2	114	(1,745)	2,401	770
Transfer from Stage 3	7	55	(509)	(447)
New financial assets originated	3,076	-	-	3,076
Financial assets derecognized during the year	(449)	(166)	(816)	(1,431)
Changes in assumptions and other movements in provision	(1,150)	(414)	3,691	2,127
	(932)	221	11,787	11,076
Write-offs and other movements	63	(20)	(8,144)	(8,101)
Loss allowance, at December 31, 2024	4,327	3,496	14,702	22,525

*The above movements include the effect of RBC allowance transfers.

Parent

	Stage 1	Stage 2	Stage 3	
Corporate and SME loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	10,767	3,483	25,164	39,414
Impact of merger	160	268	1,452	1,880
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,029	988
Transfer from Stage 2	87	(2,028)	166	(1,775)
Transfer from Stage 3	17	4	(148)	(127)
New financial assets originated	6,188	-	-	6,188
Financial assets derecognized during the year	(1,500)	(749)	(2,719)	(4,968)
Changes in assumptions and other movements in provision	(3,193)	(309)	(3,176)	(6,678)
	(2,952)	(1,572)	(1,848)	(6,372)
Write-offs and other movements	(2,074)	(20)	(1,083)	(3,177)
Loss allowance, at December 31, 2024	5,901	2,159	23,685	31,745

*The above movements include the effect of RBC allowance transfers.

	Stage 1	Stage 2	Stage 3	
Retail loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2024	4,135	3,229	8,271	15,635
Impact of merger	298	52	833	1,183
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,119)	2,475	4,685	6,041
Transfer from Stage 2	113	(1,591)	2,142	664
Transfer from Stage 3	7	54	(475)	(414)
New financial assets originated	1,441	-	-	1,441
Financial assets derecognized during the year	(161)	(165)	(696)	(1,022)
Changes in assumptions and other movements in provision	(1,421)	(557)	3,153	1,175
	(1,140)	216	8,809	7,885
Write-offs and other movements	100	(19)	(6,150)	(6,069)
Loss allowance, at December 31, 2024	3,393	3,478	11,763	18,634

*The above movements include the effect of RBC allowance transfers.

Consolidated

	Stage 1	Stage 2	Stage 3	
Corporate and SME loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2023	9,855	1,444	32,383	43,682
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,237)	2,435	2,597	2,795
Transfer from Stage 2	26	(211)	143	(42)
Transfer from Stage 3	-	-	(106)	(106)
New financial assets originated	3,727	-	-	3,727
Financial assets derecognized during the year	(872)	(426)	(1,596)	(2,894)
Changes in assumptions and other movements in provision	102	243	(7,564)	(7,219)
	746	2,041	(6,526)	(3,739)
Write-offs and other movements	(5)	(2)	(690)	(697)
Loss allowance, at December 31, 2023	10,596	3,483	25,167	39,246

	Stage 1	Stage 2	Stage 3	
Retail loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	4,045	2,195	7,845	14,085
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,839)	2,348	4,569	5,078
Transfer from Stage 2	116	(1,198)	1,573	491
Transfer from Stage 3	6	40	(266)	(220)
New financial assets originated	2,744	-	-	2,744
Financial assets derecognized during the year	(395)	(107)	(502)	(1,004)
Changes in assumptions and other movements in provision	222	(32)	400	590
	854	1,051	5,774	7,679
Write-offs and other movements	(9)	(4)	(3,523)	(3,536)
Loss allowance, at December 31, 2023	4,890	3,242	10,096	18,228

Parent

	Stage 1	Stage 2	Stage 3	
Corporate and SME loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2023	10,026	1,444	32,333	43,803
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,237)	2,435	2,597	2,795
Transfer from Stage 2	26	(211)	143	(42)
Transfer from Stage 3	-	-	(106)	(106)
New financial assets originated	3,727	-	-	3,727
Financial assets derecognized during the year	(872)	(426)	(1,596)	(2,894)
Changes in assumptions and other movements in provision	102	243	(7,567)	(7,222)
	746	2,041	(6,529)	(3,742)
Write-offs and other movements	(5)	(2)	(640)	(647)
Loss allowance, at December 31, 2023	10,767	3,483	25,164	39,414

	Stage 1	Stage 2	Stage 3	
Retail loans	12-month ECL	Lifetime ECL	Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2023	3,509	2,188	6,531	12,228
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,049)	2,337	3,315	4,603
Transfer from Stage 2	116	(1,152)	1,489	453
Transfer from Stage 3	6	40	(252)	(206)
New financial assets originated	1,525	-	-	1,525
Financial assets derecognized during the year	(112)	(106)	(415)	(633)
Changes in assumptions and other movements in provision	142	(74)	96	164
	628	1,045	4,233	5,906
Write-offs and other movements	(2)	(4)	(2,493)	(2,499)
Loss allowance, at December 31, 2023	4,135	3,229	8,271	15,635

Critical accounting estimate and judgment - Measurement of expected credit loss for loans and advances

The measurement of the expected credit loss (ECL) for loans and advances is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). The explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 30.3.2.2.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for SICR;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL; and
- for individually credit-impaired loans, assessing recoverability through future cash flows or through foreclosure of collateral

Forward-looking information incorporated in the ECL models

Three distinct macroeconomic scenarios (baseline, upside and downside) are considered in the BPI Group's estimation of expected credit losses in Stage 1 and Stage 2. These scenarios are based on assumptions supported by economic theories and historical experience. The downside scenario reflects a negative macroeconomic event occurring within the first 12 months, with conditions deteriorating for up to two years, followed by a recovery for the remainder of the period. This scenario is grounded in historical experience and assumes a monetary policy response that returns the economy to a long-run, sustainable growth rate within the forecast period. The probability of each scenario is determined using expert judgment and recession probability tools provided by reputable external service providers. The baseline case incorporates the BPI Group's outlook both for the domestic and global economy. The upside and downside scenarios take into account certain adjustments that will lead to a more positive or negative economic outcome, respectively.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any climate, regulatory, legislative or political changes is likewise considered as post-model adjustments, if material.

The BPI Group has performed historical analyses and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The most significant period-end assumptions used for the ECL estimate are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

At December 31, 2024

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	7.2	7.3	7.2	7.3	0.2	2.3
Inflation rate (%)	3.6	3.3	2.4	2.1	10.0	9.8
BVAL 5Y (%)	5.7	5.3	4.0	3.5	9.2	8.8
US federal funds rate	3.9	3.8	2.2	2.0	7.4	7.3
Exchange rate	57.500	60.433	54.686	52.006	63.996	83.640

At December 31, 2023

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	6.2	6.3	7.3	7.9	1.9	1.0
Inflation rate (%)	3.7	2.8	3.4	2.1	6.5	9.2
BVAL 5Y (%)	6.1	5.3	4.9	3.4	7.8	10.1
US Treasury 5Y (%)	4.6	4.0	3.5	2.1	6.4	8.8
Exchange rate	54.325	57.325	53.459	55.648	55.648	67.662

The US Treasury 5Y economic variable in 2023 was no longer used as shorter term interest rates were preferred given their sensitivities to immediate market conditions and quicker response to possible policy rate changes.

Sensitivity analysis

The loan portfolios have different sensitivities to movements in MEVs, so the above three scenarios have varying impact on the expected credit losses of the BPI Group's portfolios. The allowance for impairment is calculated as the weighted average of expected credit losses under the baseline, upside and downside scenarios. The impact of weighting these multiple scenarios was an increase in the allowance for impairment of BPI Group by P1,036 million as at December 31, 2024 from the baseline scenario (2023 - P247 million).

Transfers between stages

Transfers from Stage 1 and Stage 2 are based on the assessment of SICR from initial recognition. The impact of moving from 12 month expected credit losses to lifetime expected credit losses, or vice versa, varies by product and is dependent on the expected remaining life at the date of the transfer. Stage transfers may result in significant fluctuations in expected credit losses. Assuming all Stage 2 accounts are considered as Stage 1, allowance for impairment for BPI Group would have decreased by P1,664 million as at December 31, 2024 (2023 - P2,626 million).

26.1.6 Concentrations of risks of financial assets with credit risk exposure

The BPI Group's main credit exposure at their carrying amounts, as categorized by industry sectors follow:

Consolidated (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	164,571	72,060	16,758	25,350	45,393	12,670	241,549	-	578,351
Real estate activities	-	-	-	12	329	4,180	521,509	-	526,030
Manufacturing	-	-	-	263	3,523	4,802	324,932	-	333,520
Consumer	-	-	-	-	983	1,311	305,299	-	307,593
Transportation, storage and communications	-	-	-	21	1,977	9,429	247,634	-	259,061
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	253,819	-	262,529
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,125	-	206,569
Others	-	-	-	20,890	207,838	287,414	211,000	5,405	732,547
Allowance	-	-	(43)	-	-	(116)	(54,102)	(1,435)	(55,696)
At December 31, 2024	164,571	72,060	16,715	46,957	264,358	343,108	2,238,765	3,970	3,150,504

Consolidated (December 31, 2023)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	199,619	36,292	20,686	7,415	26,354	15,988	188,185	-	494,539
Real estate activities	-	-	-	-	438	3,061	448,479	-	451,978
Manufacturing	-	-	-	261	4,260	5,204	300,056	-	309,781
Consumer	-	-	-	-	-	-	221,824	-	221,824
Transportation, storage and communications	-	-	-	-	1,915	12,453	219,845	-	234,213
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	1,455	6,433	217,264	-	225,152
Electricity, gas, steam and air-conditioning supply	-	-	-	18	537	30,803	177,949	-	209,307
Others	-	-	-	15,849	180,821	308,800	165,879	3,438	674,787
Allowance	-	-	(43)	-	-	(31)	(57,474)	(915)	(58,463)
At December 31, 2023	199,619	36,292	20,643	23,543	215,780	382,711	1,882,007	2,523	2,763,118

Parent Bank (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	161,247	68,439	9,136	21,962	45,393	11,477	241,539	-	559,193
Real estate activities	-	-	-	12	329	4,180	519,857	-	524,378
Manufacturing	-	-	-	210	3,523	3,475	323,052	-	330,260
Consumer	-	-	-	-	983	118	270,573	-	271,674
Transportation, storage and communications	-	-	-	21	1,977	9,429	246,267	-	257,694
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	242,807	-	251,517
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,023	-	206,467
Others	-	-	-	17,131	204,394	284,219	206,189	7,545	719,478
Allowance	-	-	(43)	-	-	(83)	(50,379)	(1,359)	(51,864)
At December 31, 2024	161,247	68,439	9,093	39,757	260,914	336,233	2,186,928	6,186	3,068,797

Parent Bank (December 31, 2023)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
(In Millions of Pesos)									
Financial and insurance activities	192,246	33,081	17,385	3,335	26,073	15,264	187,619	-	475,003
Real estate activities	-	-	-	31	438	3,061	447,244	-	450,774
Manufacturing	-	-	-	85	4,260	4,452	299,068	-	307,865
Consumer	-	-	-	-	-	-	202,241	-	202,241
Transportation, storage and communications	-	-	-	64	1,915	11,073	218,718	-	231,770
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	1	1,455	5,489	209,654	-	216,599
Electricity, gas, steam and air-conditioning supply	-	-	-	135	537	29,677	177,890	-	208,239
Others	-	-	-	13,805	177,764	308,135	162,455	4,742	666,901
Allowance	-	-	(43)	-	-	(31)	(55,049)	(836)	(55,959)
At December 31, 2023	192,246	33,081	17,342	17,456	212,442	377,120	1,849,840	3,906	2,703,433

26.1.7 Provision for (reversal of) credit and impairment losses

The BPI Group's provision for (reversal of) credit and impairment losses are attributable to the following accounts:

	Notes	Consolidated			Parent		
		2024	2023	2022	2024	2023	2022
(In Millions of Pesos)							
Loans and advances	10	4,693	3,940	8,215	1,513	2,164	7,512
Assets held for sale		837	(222)	411	837	(223)	396
Interbank loans receivable and SPAR	5	7	3	(6)	7	3	(6)
Investment securities at amortized cost	9	56	20	5	56	20	5
Undrawn loan commitments	31	(57)	198	287	(57)	198	287
Impairment on equity investment	12	-	-	-	28	-	-
Accounts receivable	14	689	34	172	639	12	160
Other assets		375	27	83	405	28	83
		6,600	4,000	9,167	3,428	2,202	8,437

26.2 Market risk

The BPI Group is exposed to market risk - the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk management in BPI covers managing exposures to trading risk, foreign exchange risk, and interest rate risk in the banking book.

Market risk management is incumbent on the BOD through the RMC. At the management level, the BPI Group's market risk exposures are managed by the RMO, headed by the Parent Bank's CRO who reports directly to the RMC. In order to effectively manage market risk, the Bank has well established policies and procedures approved by the RMC and confirmed by the Executive Committee/BOD. In addition, the Internal Audit is responsible for the independent review of risk assessment measures and procedures and the control environment.

The BPI Group reviews and controls market risk exposures of both its trading and non-trading portfolios. Trading portfolios include those positions arising from BPI's market-making and risk-taking activities. The BPI Group also has derivatives exposures in interest rate swaps, currency swaps and structured notes as part of its trading and position taking activities. Non-trading portfolios include positions arising from core banking activities, which includes the BPI Group's retail and commercial banking assets and liabilities.

Value-at-Risk (VaR) measurement is an integral part of the BPI Group's market risk control system. This metric is estimated at 99% confidence level, the maximum loss that a trading portfolio may incur over a trading day. This metric indicates as well that there is 1% statistical probability that the trading portfolios' actual loss would be greater than the computed VaR. To ensure model soundness, the VaR is periodically subject to model validation and back testing. VaR is supplemented by other risk metrics and measurements that would provide preliminary signals to Treasury and to Management to assess the vulnerability of BPI Group's positions. To control the risk, the RMC sets risk limits for trading portfolios which are consistent with the BPI Group's goals, objectives, risk appetite, and strategies.

Stress tests indicate the potential losses that could arise in extreme conditions that would have adverse effect to the BPI Group's positions. The BPI Group periodically performs price stress testing to assess the BPI Group's condition on assumed stress scenarios. Contingency plans are frequently reviewed to ensure the BPI Group's preparedness in the event of real stress. Results of stress tests are reviewed by Senior Management and by the RMC.

The average daily VaR for the trading portfolios are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Local fixed-income	66	50	62	47
Foreign fixed-income	182	184	167	173
Foreign exchange	186	214	107	118
Derivatives	46	158	46	158
Equity securities	24	14	-	-
Mutual fund	20	18	-	-
	524	638	382	496

26.2.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. It arises on financial instruments that are denominated in a foreign currency other than the functional currency which they are measured.

The BPI Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its foreign currency financial position and cash flows. The table below summarizes the BPI Group's exposure to more material foreign currency exchange rate risk primarily in USD, shown in their Peso equivalent at December 31:

Consolidated

	2024			2023		
	USD	Others*	Total	USD	Others*	Total
(In Millions of Pesos)						
Financial assets						
Cash and other cash items	3,363	246	3,609	3,196	344	3,540
Due from other banks	36,067	25,860	61,927	16,038	12,530	28,568
Interbank loans receivable and SPAR	20	5,957	5,977	2,287	32	2,319
Financial assets at FVTPL	8,278	2,461	10,739	12,745	455	13,200
Financial assets at FVOCI - debt securities	67,176	1,164	68,340	51,353	1,143	52,496
Investment securities at amortized cost	119,096	1,347	120,443	138,928	1,768	140,696
Loans and advances, net	130,881	11,561	142,442	115,324	5,284	120,608
Others financial assets	302	1	303	61	1	62
Total financial assets	365,183	48,597	413,780	339,932	21,557	361,489
Financial liabilities						
Deposit liabilities	283,061	42,803	325,864	271,646	17,685	289,331
Due to BSP and other banks	2,225	-	2,225	1,149	-	1,149
Derivative financial liabilities	1,127	1,865	2,992	1,568	449	2,017
Bills payable	85,128	-	85,128	53,497	-	53,497
Manager's checks and demand drafts outstanding	200	-	200	209	1	210
Accounts payable	404	3	407	475	3	478
Other financial liabilities	1,208	183	1,391	712	1	713
Total financial liabilities	373,353	44,854	418,207	329,256	18,139	347,395
Net on-balance sheet position	(8,170)	3,743	(4,427)	10,676	3,418	14,094

*Others category includes financial instruments denominated in JPY, EUR and GBP.

Parent Bank

	2024			2023		
	USD	Others*	Total	USD	Others*	Total
(In Millions of Pesos)						
Financial assets						
Cash and other cash items	3,363	246	3,609	3,195	344	3,539
Due from other banks	35,601	25,851	61,452	15,701	12,510	28,211
Interbank loans receivable and SPAR	-	5,859	5,859	2,214	-	2,214
Financial assets at FVTPL	6,811	1,930	8,741	11,661	385	12,046
Financial assets at FVOCI - debt securities	66,489	1,164	67,653	50,898	1,143	52,041
Investment securities at amortized cost	113,563	-	113,563	134,797	303	135,100
Loans and advances, net	127,212	10,974	138,186	111,902	659	112,561
Others financial assets	302	-	302	61	-	61
Total financial assets	353,341	46,024	399,365	330,429	15,344	345,773
Financial liabilities						
Deposit liabilities	281,433	38,304	319,737	270,759	17,566	288,325
Due to BSP and other banks	2,225	-	2,225	1,149	-	1,149
Derivative financial liabilities	1,066	1,866	2,932	1,520	449	1,969
Bills payable	85,028	-	85,028	50,119	-	50,119
Manager's checks and demand drafts outstanding	200	-	200	209	1	210
Accounts payable	401	3	404	208	3	211
Other financial liabilities	1,186	168	1,354	712	-	712
Total financial liabilities	371,539	40,341	411,880	324,676	18,019	342,695
Net on-balance sheet position	(18,198)	5,683	(12,515)	5,753	(2,675)	3,078

*Others category includes financial instruments denominated in JPY, EUR and GBP.

Presented below is a sensitivity analysis demonstrating the impact on pre-tax income of reasonably possible change in the exchange rate between US Dollar and Philippine Peso. The fluctuation rate is based on the historical movement of US Dollar against the Philippine Peso year on year.

Year	Change in currency	Effect on pre-tax income	
		Consolidated	Parent
		(In millions of Pesos)	
2024	+/- 1.99%	-/+ 163	-/+ 362
2023	+/-1.42%	+/- 469	+/- 399

26.2.2 Interest rate risk

Interest rate risk is the risk that cash flows or fair value of a financial instrument will fluctuate due to movements in market interest rates.

Interest Rate Risk in the Banking Book (IRRBB)

IRRBB is the current and prospective risk to the BPI Group's capital and earnings arising from the adverse movements in interest rates that affect its banking book positions (core banking activities). The BPI Group is exposed to interest rate risk arising from financial assets and liabilities that have different maturities and repricing schedules and are re-priced taking into account the prevailing market interest rates. Excessive levels of interest rate risks in the banking book can pose a significant threat to the BPI Group's earnings and capital base.

The BPI Group employs two methods to measure the potential impact of interest rate risk in the banking book: (i) one that focuses on the impact on economic value of the future cash flows in the banking book due to changes in interest rates - Balance Sheet VaR (BSVaR), and (ii) one that focuses on the potential deterioration in net interest earnings - Earnings-at-Risk (EaR). The RMC sets limits on the two interest rate risk metrics which are monitored daily by the Market and Liquidity Risk Management Division of the RMO. The EaR and BSVaR are built on the interest rate/repricing gap profile of the bank.

The interest rate gap is the difference between the amount of interest rate sensitive assets and liabilities and off-balance sheet items. It distributes the balance sheet accounts according to their contractual maturity if fixed, or repricing date if floating. For accounts that do not have defined maturity or repricing schedules (i.e., non-maturity deposits), and accounts with embedded optionality (i.e., time deposit pretermination, fixed-rate loan prepayment), historical patterns/behaviors are utilized and assessed to determine their expected repricing schedules. These behavioral assumptions are derived from historical customer behavior and are regularly back tested to ensure accuracy and propriety of these assumptions. Interest rate derivatives are used to hedge banking book interest rate exposures, and these are also included in the repricing gap analysis.

Earnings-at-Risk (EaR)

The EaR is built on the repricing profile of the BPI Group and considers principal payments only. The BPI Group projects interest inflows from its financial assets and interest outflows from its financial liabilities in the next 12 to 36 months as earnings are affected when interest rates move against the BPI Group's position. In determining the appropriate rate shocks in calculating EaR, the daily year-on-year change in rates is determined using the parametric approach at 99% confidence level. The Parent Bank uses more than ten years' worth of data in deriving the rate shocks. As at December 31, 2024, the net interest income impact of movement in interest rates resulted in an increase of P2,695 million (2023 - P275 million) for the whole BPI Group and an increase of P2,812 million (2023 - P329 million) for the Parent Bank over a short-term (12-month) horizon. Likewise, the net interest income impact of movement in interest rates over the medium-term (36-month) horizon resulted in an increase of P15,062 million (2023 - P7,019 million) for the whole BPI Group and an increase of P15,212 million (2023 - P7,005 million) for the Parent Bank.

Balance Sheet Value at Risk (BSVaR)

The BSVaR model is also built on repricing gap or the difference between the amount of rate-sensitive financial assets and liabilities which considers both principal and interest payments. It measures the deterioration in the economic/present value of the BPI Group's expected net cash flows due to adverse interest rate movements. In determining the appropriate rate shocks in calculating BSVaR, the adverse daily year-on-year change in rates is determined using the historical approach for the past one year at 99% confidence level. As at December 31, 2024, the average monthly BSVaR for the banking book stood at P12,966 million (2023 - P16,842 million) for the whole BPI Group and P12,290 million (2023 - P15,883 million) for the Parent Bank.

The IRRBB levels are closely monitored against RMC-approved limits and results are reported and discussed regularly at the Management level through the Asset and Liability Committee (ALCO) and at the Board level through the RMC. The BPI Group manages interest rate exposures related to its assets and liabilities through a transfer-pricing system administered by Treasury. Investment securities and interest rate derivatives are also used to hedge interest rate risk and manage repricing gaps in the balance sheet.

The BPI Group also conducts price stress tests in the banking book and EaR stress tests utilizing a variety of interest rate shock scenarios to identify the impact of adverse movements in interest rates on the BPI Group's economic value and earnings. The design of the price and EaR stress tests include the following:

- Internal rate shocks scenarios including extreme yet plausible historical stressed events, curve shifting (parallel up/down) and twisting (steepening and flattening yield curves), and forward-looking scenarios; and
- Other rate shocks as prescribed by Basel.

The interest rate shocks applied are calibrated for all major currencies in which the BPI Group has significant positions. The BPI Group also conducts Uniform Stress Testing in accordance with the prescribed scenarios of the BSP.

The results of the stress test are reported to the RMC and Senior Management and are integrated into the overall risk management framework of the BPI Group.

The BPI Group has established comprehensive risk management framework (e.g., policies, procedures, risk limits structures) supported by a robust risk management system. Furthermore, the risk management process, including its various components, is subject to periodic independent review (i.e. internal audit and model validation) and consistently calibrated to ensure accuracy, relevance, propriety and timeliness of data and assumptions employed. The assumptions and parameters used in building these metrics are properly documented. Any changes in the methodology and assumptions used are duly approved by the Chief Risk Officer and noted by the RMC.

The table below summarizes the BPI Group's exposure to interest rate risk, categorized by the earlier of contractual repricing or maturity dates.

Consolidated (December 31, 2024)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,762	49,762
Due from BSP	-	-	-	164,571	164,571
Due from other banks	-	-	-	72,060	72,060
Interbank loans receivable and SPAR	-	-	-	16,715	16,715
Financial assets at FVTPL	161	720	879	45,196	46,956
Financial assets at FVOCI	-	-	-	264,358	264,358
Investment securities at amortized cost	-	-	-	343,108	343,108
Loans and advances, net	1,332,408	291,669	313,924	300,764	2,238,765
Other financial assets	-	-	-	3,970	3,970
Total financial assets	1,332,569	292,389	314,803	1,260,504	3,200,265
Financial Liabilities					
Deposit liabilities	1,465,575	458,825	690,402	-	2,614,802
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,903	4,976
Bills payable and other borrowed funds	-	-	-	163,182	163,182
Manager's checks and demand drafts outstanding	-	-	-	9,941	9,941
Other financial liabilities	-	-	-	9,865	9,865
Total financial liabilities	1,465,740	459,163	690,972	190,026	2,805,901
Total interest gap	(133,171)	(166,774)	(376,169)	1,070,478	394,364

Consolidated (December 31, 2023)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2023					
Financial Assets					
Cash and other cash items	-	-	-	34,843	34,843
Due from BSP	-	-	-	199,619	199,619
Due from other banks	-	-	-	36,292	36,292
Interbank loans receivable and SPAR	-	-	-	20,643	20,643
Financial assets at FVTPL	150	1,144	1,023	21,226	23,543
Financial assets at FVOCI	-	-	-	215,780	215,780
Investment securities at amortized cost	-	-	-	382,711	382,711
Loans and advances, net	1,096,399	327,690	257,835	200,083	1,882,007
Other financial assets	-	-	-	2,523	2,523
Total financial assets	1,096,549	328,834	258,858	1,113,720	2,797,961
Financial Liabilities					
Deposit liabilities	1,392,507	349,672	552,927	-	2,295,106
Due to BSP and other banks	-	-	-	1,881	1,881
Derivative financial liabilities	12	822	672	1,315	2,821
Bills payable and other borrowed funds	1,661	-	-	135,443	137,104
Manager's checks and demand drafts outstanding	-	-	-	8,463	8,463
Other financial liabilities	-	-	-	11,316	11,316
Total financial liabilities	1,394,180	350,494	553,599	158,418	2,456,691
Total interest gap	(297,631)	(21,660)	(294,741)	955,302	341,270

Parent Bank (December 31, 2024)

	Repricing			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
Total financial assets	1,327,739	292,068	314,086	1,183,960	3,117,853
Financial Liabilities					
Deposit liabilities	1,425,358	455,238	683,539	-	2,564,135
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,840	4,913
Bills payable and other borrowed funds	-	-	-	163,083	163,083
Manager's checks and demand drafts outstanding	-	-	-	9,935	9,935
Other financial liabilities	-	-	-	8,903	8,903
Total financial liabilities	1,425,523	455,576	684,109	188,896	2,754,104
Total interest gap	(97,784)	(163,508)	(370,023)	995,064	363,749

Parent Bank (December 31, 2023)

	Repricing			Non-repricing	Total
	Up to 1 year	Over 1 up to 3 years	Over 3 years		
(In Millions of Pesos)					
As at December 31, 2023					
Financial Assets					
Cash and other cash items	-	-	-	34,444	34,444
Due from BSP	-	-	-	192,246	192,246
Due from other banks	-	-	-	33,081	33,081
Interbank loans receivable and SPAR	-	-	-	17,342	17,342
Financial assets at FVTPL	150	1,144	1,023	15,139	17,456
Financial assets at FVOCI	-	-	-	212,442	212,442
Investment securities at amortized cost	-	-	-	377,120	377,120
Loans and advances, net	1,091,862	327,352	257,263	173,363	1,849,840
Other financial assets	-	-	-	3,906	3,906
Total financial assets	1,092,012	328,496	258,286	1,059,083	2,737,877
Financial Liabilities					
Deposit liabilities	1,368,484	346,892	548,757	-	2,264,133
Due to BSP and other banks	-	-	-	1,881	1,881
Derivative financial liabilities	12	822	673	1,267	2,774
Bills payable and other borrowed funds	-	-	-	133,726	133,726
Manager's checks and demand drafts outstanding	-	-	-	8,431	8,431
Other financial liabilities	-	-	-	10,721	10,721
Total financial liabilities	1,368,496	347,714	549,430	156,026	2,421,666
Total interest gap	(276,484)	(19,218)	(291,144)	903,057	316,211

26.3 Liquidity risk

Liquidity risk is the risk that the BPI Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The BPI Group's liquidity profile is observed and monitored through its metric, the Minimum Cumulative Liquidity Gap (MCLG). The MCLG is the smallest net cumulative cash inflow (if positive) or the largest net cumulative cash outflow (if negative) over the next three (3) months. The MCLG indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the BPI Group. A red flag is immediately raised and reported to management and the RMC when the MCLG level projected over the next 3 months is about to breach the RMC-prescribed MCLG limit.

26.3.1 Liquidity risk management process

The BPI Group's liquidity management process, as carried out within the BPI Group and monitored by the RMC includes:

- day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or as borrowed by customers;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring liquidity gaps and ratios against internal and regulatory requirements;
- managing the concentration and profile of debt maturities; and
- performing periodic liquidity stress testing on the BPI Group's liquidity position by assuming a faster rate of withdrawals in its deposit base.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities (Note 26.3.2) and the expected collection date of the financial assets. Sources of liquidity are regularly reviewed by the BPI Group to maintain a wide diversification by currency, geography, counterparty, product and term.

The BPI Group also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit.

Liquidity Coverage Ratio (LCR)

Pursuant to BSP Circular No. 905 issued in 2016, the Parent Bank is required to hold and maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30 calendar-day period of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis. It is designed to promote short-term resilience of the BPI Group's liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days. HQLA represents the Parent Bank's stock of liquid assets that qualify for inclusion in the LCR which consists mainly of cash, regulatory reserves and unencumbered high-quality liquid securities. This serves as defense against potential stress events.

The main drivers of the Parent Bank's LCR comprise the changes in the total stock of HQLA as well as changes in net cash outflows related to deposits, unsecured borrowings, committed and/or uncommitted facilities, derivatives cash flows and cash inflows from maturing corporate, business and retail loans, among others. Significant portion of funding comes from retail and wholesale deposits, and unsecured wholesale funding. The Parent Bank has derivatives exposures in foreign exchange derivatives and interest rate swaps. Cash outflows from the derivatives contracts are effectively offset by the derivatives cash inflows. These two are accorded 100% outflow and inflow factors, respectively. The exposures coming from derivatives and potential counterparty collateral calls are not significant to impact the LCR, with Parent Bank's Peso and USD LCR both well above the minimum regulatory limit of 100%. There is also no significant currency mismatch noted in the LCR.

The Parent Bank manages its liquidity position through line of business and asset-liability management activities. A centralized approach to funding and liquidity management enhances the Parent Bank's ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

Net Stable Funding Ratio (NSFR)

On January 1, 2019, the Parent Bank adopted BSP Circular No. 1007 issued in 2018 regarding the NSFR requirement. The NSFR is aimed at strengthening the Parent Bank's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items as well as to limit the maturity transformation risk of the BPI Group. The NSFR is expressed as the ratio of Available Stable Funding (ASF) and the Required Stable Funding (RSF) and complements the LCR as it takes a longer view of the BPI Group's liquidity risk profile. The BPI Group's capital, retail deposits and long-term debt are considered as stable funding sources whereas the BPI Group's assets including, but not limited to, performing and non-performing loans and receivables, HQLA and non-HQLA securities as well as off-balance items form part of the required stable funding. The Parent Bank's solo and consolidated NSFRs are well-above the regulatory minimum of 100%.

The Parent Bank maintains a well-diversified funding base and has a substantial amount of core deposits, thereby avoiding undue concentrations by counterparty, maturity, and currency. The Parent Bank manages its liquidity position through asset-liability management activities supported by a well-developed funds management practice as well as a sound risk management system. As part of risk oversight, the Parent Bank monitors its liquidity risk on a daily basis, in terms of single currency and significant currencies, to ensure it is operating within the risk appetite set by the BOD and to assess ongoing compliance with the minimum requirement of the liquidity ratios. Furthermore, the Parent Bank has a set of policies and escalation procedures in place that govern its day-to-day risk monitoring and reporting processes.

The table below shows the actual liquidity metrics of the BPI Group and the Parent Bank:

	Consolidated		Parent	
	2024	2023	2024	2023
Liquidity coverage ratio	159.07%	206.67%	156.25%	207.35%
Net stable funding ratio	145.70%	153.55%	138.97%	152.54%
Leverage ratio	10.75%	10.95%	10.15%	10.38%
Total exposure measure	3,403,607	2,957,335	3,315,223	2,892,222

The decrease in the Parent Bank's LCR was driven by higher net cash outflows from deposits. Cash, reserves and due from BSP make up 27% (2023 - 31%) of the total stock of HQLA for the year ended December 31, 2024. Likewise, the Parent Bank's NSFR decreased driven by higher RSF from performing loans.

26.3.2 Maturity profile - Non-derivative financial instruments

The tables below present the maturity profile of non-derivative financial instruments based on undiscounted cash flows including future interest which the BPI Group uses to manage the inherent liquidity risk. The maturity analysis is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date the financial asset will be realized, or the financial liability will be settled.

Consolidated (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,762	-	-	49,762
Due from BSP	164,571	-	-	164,571
Due from other banks	72,060	-	-	72,060
Interbank loans receivable and SPAR	15,171	1,340	559	17,070
Financial assets at FVTPL	28,506	3,491	9,616	41,613
Financial assets at FVOCI	31,931	41,772	227,905	301,608
Investment securities at amortized cost	49,155	192,356	155,373	396,884
Loans and advances	1,136,998	722,198	524,459	2,383,655
Other financial assets	3,970	-	-	3,970
Total financial assets	1,552,124	961,157	917,912	3,431,193
Financial Liabilities				
Deposit liabilities	1,465,575	458,825	690,402	2,614,802
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	70,025	70,190	22,967	163,182
Manager's checks and demand drafts outstanding	9,941	-	-	9,941
Lease liabilities	2,459	3,931	4,234	10,624
Other financial liabilities	9,865	-	-	9,865
Total financial liabilities	1,561,000	532,946	717,603	2,811,549
Total maturity gap	(8,876)	428,211	200,309	619,644

Consolidated (December 31, 2023)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2023				
Financial Assets				
Cash and other cash items	34,843	-	-	34,843
Due from BSP	199,631	-	-	199,631
Due from other banks	36,292	-	-	36,292
Interbank loans receivable and SPAR	19,336	1,571	-	20,907
Financial assets at FVTPL	6,969	2,334	10,797	20,100
Financial assets at FVOCI	51,952	70,326	153,682	275,960
Investment securities at amortized cost	82,480	116,931	241,188	440,599
Loans and advances	909,354	343,250	740,942	1,993,546
Other financial assets	2,523	-	-	2,523
Total financial assets	1,343,380	534,412	1,146,609	3,024,401
Financial Liabilities				
Deposit liabilities	1,385,666	348,469	543,061	2,277,196
Due to BSP and other banks	1,882	-	-	1,882
Bills payable and other borrowed funds	69,861	67,243	-	137,104
Manager's checks and demand drafts outstanding	8,463	-	-	8,463
Lease liabilities	2,144	4,686	3,230	10,060
Other financial liabilities	11,316	-	-	11,316
Total financial liabilities	1,479,332	420,398	546,291	2,446,021
Total maturity gap	(135,952)	114,014	600,318	578,380

Parent Bank (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,136	-	-	49,136
Due from BSP	161,247	-	-	161,247
Due from other banks	68,439	-	-	68,439
Interbank loans receivable and SPAR	7,550	1,340	559	9,449
Financial assets at FVTPL	25,540	2,093	8,385	36,018
Financial assets at FVOCI	29,821	40,945	227,730	298,496
Investment securities at amortized cost	47,296	191,387	150,416	389,099
Loans and advances	1,124,452	690,694	483,375	2,298,521
Other financial assets	6,186	-	-	6,186
Total financial assets	1,519,667	926,459	870,465	3,316,591
Financial Liabilities				
Deposit liabilities	1,462,979	463,771	688,044	2,614,794
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	69,926	70,190	22,967	163,083
Manager's checks and demand drafts outstanding	9,935	-	-	9,935
Lease liabilities	2,149	3,348	3,775	9,272
Other financial liabilities	8,903	-	-	8,903
Total financial liabilities	1,557,027	537,309	714,786	2,809,122
Total maturity gap	(37,360)	389,150	155,679	507,469

Parent Bank (December 31, 2023)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
As at December 31, 2023				
Financial Assets				
Cash and other cash items	34,444	-	-	34,444
Due from BSP	192,246	-	-	192,246
Due from other banks	33,081	-	-	33,081
Interbank loans receivable and SPAR	16,036	1,571	-	17,607
Financial assets at FVTPL	4,544	2,116	10,498	17,158
Financial assets at FVOCI	50,373	69,399	152,626	272,398
Investment securities at amortized cost	81,802	114,845	237,741	434,388
Loans and advances	895,784	321,011	736,857	1,953,652
Other financial assets	3,906	-	-	3,906
Total financial assets	1,312,216	508,942	1,137,722	2,958,880
Financial Liabilities				
Deposit liabilities	1,362,155	345,688	538,892	2,246,735
Due to BSP and other banks	1,882	-	-	1,882
Bills payable and other borrowed funds	67,038	66,688	-	133,726
Manager's checks and demand drafts outstanding	8,431	-	-	8,431
Lease liabilities	1,977	4,385	3,200	9,562
Other financial liabilities	10,721	-	-	10,721
Total financial liabilities	1,452,204	416,761	542,092	2,411,057
Total maturity gap	(139,988)	92,181	595,630	547,823

26.3.3 Maturity profile - Derivative instruments

- Derivatives settled on a net basis

The BPI Group’s derivatives that are settled on a net basis consist of interest rate swaps, non-deliverable forwards and non-deliverable swaps. The table below presents the contractual undiscounted cash flows of interest rate swaps based on the remaining period from December 31 to the contractual maturity dates that are subject to offsetting, enforceable master netting arrangements and similar agreements.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(486)	-	-	(486)
- Net outflow	(423)	-	-	(423)

Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(485)	-	-	(485)
- Net outflow	(422)	-	-	(422)

Consolidated and Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2023	(In Millions of Pesos)			
Interest rate swap contracts - held for trading				
- Inflow	150	1,144	1,023	2,317
- Outflow	(12)	(822)	(672)	(1,506)
- Net inflow	138	322	351	811
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	34	-	-	34
- Outflow	(172)	-	-	(172)
- Net outflow	(138)	-	-	(138)

- Derivatives settled on a gross basis

The BPI Group’s derivatives that are settled on a gross basis include foreign exchange derivatives mainly currency forwards and currency swaps and warrants. The table below presents the contractual undiscounted cash flows of foreign exchange derivatives based on the remaining period from reporting date to the contractual maturity dates.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	3,883	112	36	4,031
- Outflow	(3,398)	(4)	(15)	(3,417)
- Net inflow	485	108	21	614
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2023	(In Millions of Pesos)			
Foreign exchange derivatives - held for trading				
- Inflow	1,273	124	49	1,446
- Outflow	(1,097)	(36)	(9)	(1,142)
- Net inflow	176	88	40	304
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

Parent Bank

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
2024				
Foreign exchange derivatives - held for trading				
- Inflow	3,860	112	36	4,008
- Outflow	(3,336)	(4)	(15)	(3,355)
- Net inflow	524	108	21	653
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
(In Millions of Pesos)				
2023				
Foreign exchange derivatives - held for trading				
- Inflow	1,272	124	49	1,445
- Outflow	(1,050)	(36)	(9)	(1,095)
- Net inflow	222	88	40	350
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

26.4 Fair value measurement

The following tables present the carrying value of assets and liabilities and the level of fair value hierarchy within which the fair value measurements are categorized:

26.4.1 Assets and liabilities measured at fair value on a recurring or non-recurring basis

Consolidated (December 31, 2024)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,856	-	5,856	-	5,856
Trading assets					
- Debt securities	41,101	41,101	-	-	41,101
- Equity securities	351	351	-	-	351
Financial assets at FVOCI					
- Debt securities	264,358	264,358	-	-	264,358
- Equity securities	3,844	2,293	399	1,152	3,844
	315,510	308,103	6,255	1,152	315,510
Financial liabilities					
Derivative financial liabilities	4,976	-	4,976	-	4,976
<i>Non-recurring measurements</i>					
Assets held for sale, net	8,411	-	25,956	-	25,956

Consolidated (December 31, 2023)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	3,802	-	3,802	-	3,802
Trading assets					
- Debt securities	19,741	19,741	-	-	19,741
- Equity securities	111	111	-	-	111
Financial assets at FVOCI					
- Debt securities	215,780	215,780	-	-	215,780
- Equity securities	2,874	1,266	699	909	2,874
	242,308	236,898	4,501	909	242,308
Financial liabilities					
Derivative financial liabilities	2,821	-	2,821	-	2,821
<i>Non-recurring measurements</i>					
Assets held for sale, net	4,743	-	14,424	-	14,424

Parent Bank (December 31, 2024)

	Carrying Amount	Fair value			Total
		Level 1	Level 2	Level 3	
(In Millions of Pesos)					
<i>Recurring measurements:</i>					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,833	-	5,833	-	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

Parent Bank (December 31, 2023)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
<i>Recurring measurements:</i>					
(In Millions of Pesos)					
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	3,796	-	3,796	-	3,796
Trading assets					
- Debt securities	13,660	13,660	-	-	13,660
- Equity securities	-	-	-	-	-
Financial assets at FVOCI					
- Debt securities	212,442	212,442	-	-	212,442
- Equity securities	1,741	1,043	698	-	1,741
	231,639	227,145	4,494	-	231,639
Financial liabilities					
Derivative financial liabilities	2,774	-	2,774	-	2,774
<i>Non-recurring measurements</i>					
Assets held for sale, net	4,646	-	14,092	-	14,092

The table below shows the valuation techniques and applicable unobservable inputs used to measure the BPI Group's Level 3 financial instruments (equities classified at FVOCI) as at December 31:

Description	Valuation technique	Unobservable inputs	Amount	
			2024	2023
Unlisted equity securities	Net asset value; investment multiple	Net asset value; investment multiple	1,152	909

The investment valuation sensitivity of the underlying portfolio investee company is mainly impacted by the movement in net asset value and investment multiple. At December 31, 2024, if the net asset value and investment had increased/decreased by 1% with all other variables held constant, net income and equity as at and for the year ended December 31, 2024 would have been P6.82 million (2023 - P6.82 million) higher/lower.

There were no transfers between the fair value hierarchy levels during the years ended December 31, 2024 and 2023.

26.4.2 Fair value disclosures of assets and liabilities not measured at fair value

Consolidated (December 31, 2024)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	49,762	-	49,762	49,762
Due from BSP	164,571	-	164,571	164,571
Due from other banks	72,060	-	72,060	72,060
Interbank loans receivable and SPAR, net	16,715	-	16,715	16,715
Investment securities at amortized cost, net	343,108	328,793	-	328,793
Loans and advances, net	2,238,765	-	2,710,915	2,710,915
Other financial assets	3,970	-	3,970	3,970
Financial liabilities				
Deposit liabilities	2,614,802	-	2,593,439	2,593,439
Due to BSP and other banks	3,135	-	3,135	3,135
Bills payable and other borrowed funds	163,182	163,083	99	163,182
Manager's checks and demand drafts outstanding	9,941	-	9,941	9,941
Other financial liabilities	9,865	-	9,865	9,865
Non-financial assets				
Investment properties	62	-	472	472

Consolidated (December 31, 2023)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	34,843	-	34,843	34,843
Due from BSP	199,619	-	199,619	199,619
Due from other banks	36,292	-	36,292	36,292
Interbank loans receivable and SPAR, net	20,643	-	20,643	20,643
Investment securities at amortized cost, net	382,711	364,286	-	364,286
Loans and advances, net	1,882,007	-	2,154,136	2,154,136
Other financial assets	2,523	-	2,523	2,523
Financial liabilities				
Deposit liabilities	2,295,106	-	2,277,196	2,277,196
Due to BSP and other banks	1,881	-	1,881	1,881
Bills payable and other borrowed funds	137,104	133,726	3,378	137,104
Manager's checks and demand drafts outstanding	8,463	-	8,463	8,463
Other financial liabilities	11,316	-	11,316	11,316
Non-financial assets				
Investment properties	69	-	463	463

Parent Bank (December 31, 2024)

	Carrying amount	Fair value		Total
		Level 1	Level 2	
		(In Millions of Pesos)		
Financial assets				
Cash and other cash items	49,136	-	49,136	49,136
Due from BSP	161,247	-	161,247	161,247
Due from other banks	68,439	-	68,439	68,439
Interbank loans receivable and SPAR, net	9,093	-	9,093	9,093
Investment securities at amortized cost, net	336,233	320,711	-	320,711
Loans and advances, net	2,186,696	-	2,655,343	2,655,343
Other financial assets	6,186	-	6,186	6,186
Financial liabilities				
Deposit liabilities	2,564,135	-	2,543,600	2,543,600
Due to BSP and other banks	3,135	-	3,135	3,135
Bills payable and other borrowed funds	163,083	163,083	-	163,083
Manager's checks and demand drafts outstanding	9,935	-	9,935	9,935
Other financial liabilities	8,903	-	8,903	8,903
Non-financial assets				
Investment properties	62	-	472	472

Parent Bank (December 31, 2023)

	Carrying amount	Fair value		
		Level 1	Level 2	Total
(In Millions of Pesos)				
Financial assets				
Cash and other cash items	34,444	-	34,444	34,444
Due from BSP	192,246	-	192,246	192,246
Due from other banks	33,081	-	33,081	33,081
Interbank loans receivable and SPAR, net	17,342	-	17,342	17,342
Investment securities at amortized cost, net	377,120	359,164	-	359,164
Loans and advances, net	1,849,840	-	1,923,161	1,923,161
Other financial assets	3,906	-	3,906	3,906
Financial liabilities				
Deposit liabilities	2,264,133	-	2,246,735	2,246,735
Due to BSP and other banks	1,881	-	1,881	1,881
Bills payable and other borrowed funds	133,726	133,726	-	133,726
Manager's checks and demand drafts outstanding	8,431	-	8,431	8,431
Other financial liabilities	10,721	-	10,721	10,721
Non-financial assets				
Investment properties	58	-	463	463

26.5 Insurance risk management

The non-life insurance entities decide on the retention, or the absolute amount that they are ready to assume insurance risk from one event. The retention amount is a function of capital, experience, actuarial study and risk appetite or aversion.

In excess of the retention, these entities arrange reinsurances either thru treaties or facultative placements. They also accredit reinsurers based on certain criteria and set limits as to what can be reinsured. The reinsurance treaties and the accreditation of reinsurers require BOD's approval.

The insurance risk is not material to the BPI Group as a whole. Refer to Note 2 for assets and liabilities attributable to insurance operations.

27 Capital management

Capital management is understood to be a facet of risk management. The primary objective of the BPI Group is the generation of recurring acceptable returns to shareholders' capital. To this end, the BPI Group's policies, business strategies and activities are directed towards the generation of cash flows that are in excess of its fiduciary and contractual obligations to its depositors, and to its various funders and stakeholders.

Cognizant of its exposure to risks, the BPI Group maintains sufficient capital to absorb unexpected losses, stay in business for the long haul, and satisfy regulatory requirements. The BPI Group further understands that its performance, as well as the performance of its various units, should be measured in terms of returns generated vis-à-vis allocated capital and the amount of risk borne in the conduct of business.

Effective January 1, 2014, the BSP, through its Circular No. 781, requires each bank and its financial affiliated subsidiaries to adopt new capital requirements in accordance with the provisions of Basel III. The new guidelines are meant to strengthen the composition of the bank's capital by increasing the level of core capital and regulatory capital. The Circular sets out minimum Common Equity (CET1) ratio and Tier 1 Capital ratios of 6.0% and 7.5%, respectively. A capital conservation buffer of 2.5%, comprised of CET1 capital, was likewise imposed. The minimum required capital adequacy ratio remains at 10% which includes the capital conservation buffer.

Information on the regulatory capital is summarized below:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
CET1	418,664	355,303	417,974	355,255
Less: Regulatory adjustments to CET1 capital	52,619	31,359	81,427	55,040
Tier 1 capital	366,045	323,944	336,547	300,215
Tier 2 capital	20,480	18,792	19,553	18,414
Total qualifying capital	386,525	342,736	356,100	318,629
Risk weighted assets	2,641,674	2,118,317	2,560,487	2,058,301
CAR (%)	14.63%	16.18	13.91%	15.48
CET1 (%)	13.86%	15.29	13.14%	14.59

The BPI Group has fully complied with the CAR requirement of the BSP.

Likewise, regulatory capital structures of certain subsidiaries on a standalone basis are managed to meet the requirements of the relevant regulatory bodies (i.e. Insurance Commission (IC), SEC, PSE etc.). These subsidiaries have fully complied with the applicable regulatory capital requirements.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Bank is likewise fully compliant with this requirement.

28 Commitments and contingencies

At present, there are lawsuits, claims and tax assessments pending against the BPI Group. In the opinion of management, after reviewing all actions and proceedings and court decisions with legal counsels, the aggregate liability or loss, if any, arising therefrom will not have a material effect on the BPI Group's financial position or financial performance.

BPI and some of its subsidiaries are defendants in legal actions arising from normal business activities. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the financial statements.

In the normal course of business, the BPI Group makes various commitments that are not presented in the financial statements. The BPI Group does not anticipate any material losses from these commitments.

29 BPI and RBC merger

On January 17, 2023, the shareholders of BPI approved the merger of BPI and RBC, with BPI as the surviving bank. The Philippine Competition Commission approved the merger on March 9, 2023 as contained in the decision released on September 13, 2023. On December 14, 2023, the BSP, through Monetary Board Resolution No. 1633 approved the merger. The SEC issued the Certificate of Filing of the Articles and Plan of Merger on December 29, 2023.

The merger became effective on the first day of the calendar quarter following the completion of the regulatory approval on January 1, 2024 and therefore, the figures presented as at December 31, 2023 and for the years ended December 31, 2023 and 2022 do not include the financial information of RBC.

The merger with RBC will unlock various synergies across several products and service platforms and expand the customer and deposit base of both banks through the merged entity, and, at the same time, by capitalizing on BPI's expertise and network, enhance the overall banking experience of RBC customers. BPI will be able to expand its client base, accelerate growth, and ultimately increase shareholder value through partnerships with the Gokongwei Group.

Purchase consideration

On merger date, the Parent Bank issued common shares to RBC shareholders as consideration of the merger. The fair value of the 314,003,992 shares to be issued is based on the share price on December 31, 2023 of P103.80 per share.

Net assets acquired

Details of RBC assets and liabilities as at acquisition date (January 1, 2024) determined by management are as follows:

	Consolidated*	Parent Bank
	(In Thousands of Pesos)	
Assets acquired		
Cash and other cash items	6,541,273	6,456,997
Due from BSP	13,716,830	12,406,617
Due from other banks	1,812,949	1,707,917
Interbank loans receivable and securities purchased under agreements to resell	5,741,486	5,491,857
Financial assets at FVTPL	24,198	24,198
Financial assets at FVOCI	6,561,094	6,561,094
Investment securities at amortized cost, net	26,797,264	26,797,264
Loans and advances, net	112,127,516	109,374,170
Investments in subsidiary and associates, net	148,050	1,447,667
Bank premises, furniture, fixtures and equipment, net	1,049,099	952,730
Assets held for sale	2,826,332	2,639,814
Deferred tax asset, net	859,984	782,290
Other assets, net	12,392,767	11,757,954
Total assets	190,598,842	186,400,569
Liabilities assumed		
Deposit liabilities		
Demand	27,906,058	27,624,578
Savings	37,813,202	34,370,971
Time	80,423,287	80,168,814
Bills payables	14,951,900	14,951,900
Manager's checks	1,120,725	1,120,725
Accrued expenses	1,487,510	1,423,251
Other liabilities	3,820,132	3,664,302
Total liabilities	167,522,814	163,324,541
Net assets	23,076,028	23,076,028

*Presented only for the purposes of tracing impact of merger at consolidated level. Note that the merger was transacted at Parent Bank level.

Other assets, net includes intangible assets such as core deposits, customer relationship and trust business. The trust business was transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

Deferred tax assets, net includes the deferred tax assets and liabilities assumed from RBC and the resulting deferred taxes on fair value adjustments.

The above assets and liabilities were acquired through a tax-free exchange as evidenced by the Plan of Merger.

Goodwill

The difference between the fair value of the net assets acquired, including intangible assets, and the purchase consideration shall be recognized as goodwill as follows:

	Amount
	(In Thousands of Pesos)
Purchase price	32,593,614
Fair value of net assets acquired	23,076,028
Goodwill	9,517,586

The goodwill is attributable to the expected synergies from combining the operations of RBC with BPI. The amount of goodwill will not be deductible for tax purposes.

i. Contingencies and commitments acquired

As a result of the merger, the Parent Bank acquired certain off-balance sheet items as follows:

	Amount
	(In Thousands of Pesos)
Trust accounts*	37,630,184
Derivatives	10,606,025
Commitments	8,143,887
Spot foreign exchange contracts	3,884,410
Performance standby letters of credit	568,597
Financial standby letters of credit	77,065
Guarantees issued	42,424
Commercial letters of credit	36,612
Others	1,805,396
Carrying amount	62,794,600

*The trust accounts were transferred to BPI Wealth effective January 1, 2024 in accordance with the Assignment Agreement between the Parent Bank and BPI Wealth.

ii. Acquired receivables

The details of the loans and advances, net, acquired as a result of the business combination and its related fair value are as follows:

	Amount
	(In Thousands of Pesos)
Corporate loans	63,208,006
Retail loans	
Credit cards	1,810,046
Real estate mortgages	36,473,778
Auto loans	6,786,068
Others	4,230,601
	112,508,499
Accrued interest receivable	950,242
Unearned discount/income	(70,408)
	113,388,333
Allowance for impairment	(3,063,536)
Net carrying amount	110,324,797
Fair value	109,374,170

iii. Revenue and profit contribution

Management deemed it impracticable to disclose the revenue and profit contribution of RBC for the year ended December 31, 2024 that is included in the statements of income and total comprehensive income. Upon migration of RBC’s accounts to BPI’s systems, these are no longer identified separately and are co-mingled with other accounts owned by the Bank prior to the merger. Given the volume of these accounts and transactions using such, the contribution to revenue and profit is not determinable without undue cost.

iv. Cash flows as a result of the merger

Cash and cash equivalents acquired as a result of the business combination forms part of the net cash inflows from investing activities in the statement of cash flows for the period beginning January 1, 2024. The breakdown of cash and cash equivalents acquired are as follows:

	Amount
	(In Thousands of Pesos)
Cash and other cash items	6,456,997
Due from BSP	12,406,617
Due from other banks	1,707,917
	20,571,531

v. Acquisition-related costs

Acquisition-related costs of P563 million (2023 - P359 million) that were not directly attributable to the issue of shares are included in other operating expenses in the statement of income and in operating cash flows in the statement of cash flows for the year ended December 31, 2024.

30 Summary of material accounting policies

The material information of the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

30.1 Basis of preparation

The financial statements of the BPI Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards
- PAS Standards, and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

As allowed by the SEC, the pre-need subsidiary of the Parent Bank continues to follow the provisions of the Pre-Need Uniform Chart of Accounts (PNUCA) prescribed by the SEC and adopted by the IC.

The financial statements comprise the statements of condition, statements of income and statements of total comprehensive income shown as two statements, statements of changes in capital funds, statements of cash flows and the notes.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL, financial assets at FVOCI, and plan assets of the BPI Group’s defined benefit plans.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the BPI Group’s accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the BPI Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are shown below:

Critical accounting estimates

- Determination of fair value of derivatives and other financial instruments (Note 7)

- Useful lives of bank premises, furniture, fixtures and equipment (Note 11)
- Useful lives of intangible assets (Note 14)
- Impairment of investments in subsidiaries and associates (Note 12)
- Calculation of defined benefit obligation (Note 23)
- Measurement of expected credit losses for loans and advances (Note 26.1.5)

Critical accounting judgments

- Classification of investment securities at amortized cost (Note 9)
- Realization of deferred income tax assets (Note 13)
- Impairment of goodwill (Note 14)
- Determining the lease term (Note 20)
- Determining the incremental borrowing rate (Note 20)

30.2 Changes in accounting policy and disclosures

(a) New standard and amendments to existing standards adopted by the BPI Group

There are no new standards or amendments to existing standards effective January 1, 2024 that have a material impact to the BPI Group.

(b) New standards and amendments to existing standard not yet adopted by the BPI Group

The following new accounting standard are not mandatory for December 31, 2024 reporting period and has not been early adopted by the BPI Group:

- *PFRS 17, 'Insurance Contracts'*

PFRS 17 was issued in May 2017 as replacement for PFRS 4, "Insurance Contracts". On March 17, 2020, the IASB has decided to further defer the effective date of the standard to annual reporting periods beginning on or after January 1, 2023. Taking into consideration the implications of the pandemic, the IC recognizes that the insurance industry has to realign its priority programs and focus on modifying its business operations under a new normal. The IC sees the need to support the insurance industry and hence, it delays full implementation of the standard to January 1, 2025, two (2) years after IASB's implementation in 2023.

PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period.

The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9, "Financial instruments." An optional, simplified premium allocation approach (PAA) is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

BPI/MS, the Bank's non-life insurance subsidiary, has substantially completed its implementation plan and will apply the full retrospective approach. BPI/MS assessed that it is eligible to apply PAA. The measurement differences between PFRS 4 and PFRS 17 lead to an upside impact on net worth as at transition date which is mainly a result of the deferral of other directly attributable insurance acquisition cost, as allowed by the Standard, and the impact of discounting to the liability for incurred claims. The adoption of this standard is not expected to have a material impact to the financial statements of the BPI Group as a whole.

- *PFRS 18, 'Presentation and Disclosure in Financial Statements'*

This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

The key new concepts introduced in PFRS 18 relate to:

- The structure of the statement of profit or loss with defined subtotals;
- Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss
- Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general

- *PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'*

This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:

- It does not have public accountability; and
- It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7*

On May 30, 2024, the IASB issued targeted amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- 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;
- Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- 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
- Update the disclosures for equity instruments design

The adoption of PFRS 18, PFRS 19 and amendments to PFRS 9 and PFRS 7 are not expected to have a material financial effect to the financial statements of the BPI Group.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2025 that are considered relevant or expected to have a material effect on the financial statements of the BPI Group.

30.3 Financial instruments

30.3.1 Measurement methods

Amortized cost and effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired (see definition on Note 30.3.2.2) at initial recognition - the BPI Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. When the BPI Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the BPI Group commits to purchase or sell the asset.

At initial recognition, the BPI Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in Note 30.3.2.1 below, which results in the loss provision being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the BPI Group recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

30.3.2 Financial assets

30.3.2.1 Classification and subsequent measurement

The BPI Group classifies its financial assets in the following measurement categories: at FVTPL, FVOCI, and at amortized cost. The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on the BPI Group's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the BPI Group classifies its debt instruments into one of the following three measurement categories:

- *Amortized cost*

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The BPI Group's amortized cost financial assets include cash and other cash items, due from BSP, due from other banks, interbank loans receivables and SPAR, loans and advances, and other financial assets.

- *FVOCI*

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in the statements of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- *FVTPL*

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statements of income within "Securities trading gain" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately.

Business model

The business model reflects how the BPI Group manages the assets in order to generate cash flows. That is, whether the BPI Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified and measured at FVTPL. Factors considered by the BPI Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely Payment of Principal and Interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the BPI Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the BPI Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The BPI Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

The BPI Group subsequently measures all equity investments at FVTPL, except where the BPI Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The BPI Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, even on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as 'Other operating income' when the BPI Group's right to receive payments is established. Gains and losses on equity investments at FVTPL are included in the "Securities trading gain" in the statements of income.

30.3.2.2 Impairment of amortized cost and FVOCI financial assets

The BPI Group assesses impairment as follows:

- individually for loans that exceed specified thresholds. Where there is objective evidence of impairment, individually assessed provisions will be recognized; and
- collectively for loans below the specified thresholds noted above or if there is no objective evidence of impairment. These loans are included in a group of loans with similar risk characteristics and collectively assessed for impairment. If there is objective evidence that the group of loans is collectively impaired, collectively assessed provisions will be recognized.

Expected credit losses

The BPI Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments. The BPI Group recognizes a loss allowance for such losses including post-model adjustments, as applicable, at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the BPI Group.

- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The BPI Group determines SICR based on prescribed benchmarks approved by the Board of the Directors.
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3".
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with PFRS 9 is that it should consider forward-looking information both in the ECL models and post-model adjustments, as applicable.
- POCI financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3). The BPI Group has no POCI as at December 31, 2024 and December 31, 2023.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

Determination of SICR

The BPI Group compares the probabilities of default occurring over its expected life as at the reporting date with the PD occurring over its expected life on the date of initial recognition to determine SICR. Since comparison is made between forward-looking information at reporting date against initial recognition, the deterioration in credit risk may be triggered by the following factors:

- substantial deterioration in credit quality as measured by the applicable internal or external ratings or credit score or the shift from investment grade category to non-investment grade category;
- adverse changes in business, financial and/or economic conditions of the borrower;
- early warning signs of worsening credit where the ability of the counterparty to honor his obligation is dependent upon the business or economic condition;
- the account has become past due beyond 30 days where an account is classified under special monitoring category (refer to Note 26.1.2 for the description of special monitoring); and
- expert judgment for the other quantitative and qualitative factors which may result to SICR as defined by the BPI Group.

Measuring ECL - Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD, defined as follows:

- (a) The PD represents the likelihood that the borrower will default (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining life (lifetime PD) of the asset.
- (b) EAD is based on the amounts the BPI Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining life (lifetime EAD). For example, for a revolving commitment, the BPI Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.
- For committed credit lines, the EAD is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default.

(c) LGD represents the BPI Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The LGDs are determined based on the factors which impact the recoveries made post-default.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies and historical recoveries.

The ECL is determined by multiplying the PD, LGD and EAD together for each individual exposure or collective segment. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

Forward-looking economic information is also included in determining the 12-month and lifetime PD. These assumptions vary by product type.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change - are monitored and reviewed regularly.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period from the time of the adoption of PFRS 9 on January 1, 2018 to the reporting date.

Forward-looking information incorporated in the ECL models

The BPI Group incorporates historical and current information, and forecasts forward-looking events and key economic variables that are assessed to impact credit risk and expected credit losses for each portfolio. MEVs that affect a specific portfolio's non-performing loan rate(s) are determined through statistical modelling and the application of expert judgment. The BPI Group's economics team establishes possible global and domestic economic scenarios. With the use of economic theories and conventions, expert judgment and external forecasts, the economics team develops assumptions to be used in forecasting variables in the next five (5) years, subsequently reverting to long run-averages. The probability-weighted ECL is calculated by running each scenario through the relevant ECL models and multiplying it by the appropriate scenario weighting.

The estimation and application of forward-looking information requires significant judgment. As with any economic forecasts, the projections and likelihood of occurrences are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The scenarios and their attributes are reassessed at each reporting date. Information regarding the forward-looking economic variables and the relevant sensitivity analysis is disclosed in Note 26.

Financial assets with low credit risk

Loss allowance for financial assets at amortized cost and FVOCI that have low credit risk is limited to 12-month expected credit losses. Management considers "low credit risk" for listed government bonds to be an investment grade credit rating with at least one major rating agency. Other debt instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Definition of default and credit-impaired assets

The BPI Group considers a financial instrument in default or credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments (with the exception of credit cards and micro-finance loans where a borrower is required to be 90 days past due and over 7 days past due, respectively, to be considered in default).

Qualitative criteria

The counterparty is experiencing significant financial difficulty which may lead to non-payment of loan as may be indicated by any or combination of the following events:

- The counterparty is in long-term forbearance;
- The counterparty is insolvent;
- The counterparty is in breach of major financial covenant(s) which lead(s) to event of default;
- An active market for the security has disappeared;
- Granting of concession that would not be otherwise considered due to economic or contractual reasons relating to the counterparty's financial difficulty;
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the BPI Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD, and LGD throughout the BPI Group's expected credit loss calculations.

The BPI Group's definition of default is substantially consistent with non-performing loan definition of the BSP. For cross-border, treasury and debt securities, these are classified as defaulted based on combination of BSP and external credit rating agency definitions.

30.3.3 Modification of loans

The BPI Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the BPI Group assesses whether or not the new terms are substantially different to the original terms. The BPI Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the BPI Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the BPI Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in the statements of income as a gain or loss on derecognition.

If the terms are not substantially different, the BPI Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in the statement of income. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

30.3.4 Derecognition of financial assets other than modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the BPI Group transfers substantially all the risks and rewards of ownership, or (ii) the BPI Group neither transfers nor retains substantially all the risks and rewards of ownership and the BPI Group has not retained control.

The BPI Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the BPI Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.5 Write-off of financial assets

The BPI Group writes off financial assets when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The financial assets are then considered uncollectible or worthless. Indicators that there is no reasonable expectation of recovery include any of the following (i) borrower's and co-maker's/guarantor's whereabouts are unknown, or they are insolvent, or their payment capacity is permanently impaired and (ii) where the BPI Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full, or the collaterals no longer have recoverable values.

The BPI Group may write-off financial assets that are still subject to enforcement activity as the write-off process does not prejudice continuance of enforcement efforts and/or legal actions.

The write-off of loans is approved by the BOD in compliance with the BSP requirements. Loans written-off are fully covered with allowance.

Recoveries on written-off assets

Collections on accounts or recoveries, if any, from impaired financial assets previously written off are recognized in profit or loss under Miscellaneous income in the period where the recovery transaction occurs.

30.3.6 Financial liabilities

30.3.6.1 Classification of financial liabilities

The BPI Group classifies its financial liabilities in the following categories: financial liabilities at FVTPL and financial liabilities at amortized cost.

(a) Financial liabilities at FVTPL

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the BPI Group as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the statements of income and are reported as "Securities trading gain". The BPI Group has no financial liabilities that are designated at fair value through profit loss.

(b) Other liabilities measured at amortized cost

Financial liabilities that are not classified as at FVTPL fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost include deposits from customers and banks, bills payable, amounts due to BSP and other banks, manager's checks and demand drafts outstanding, subordinated notes and other financial liabilities under deferred credits and other liabilities.

30.3.6.2 Subsequent measurement and derecognition

Financial liabilities at FVTPL are subsequently carried at fair value. Other liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they have been redeemed or otherwise extinguished (i.e. when the obligation is discharged or is cancelled or has expired). Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions is not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.7 Loan commitments

Loan commitments are not issued at below-market interest rates and are not settled net in cash or by delivering or issuing another financial instrument.

30.3.8 Derivative financial instruments

A derivative instrument is initially recognized at fair value on the date a derivative contract is entered into, and is subsequently remeasured to its fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument or is held for trading.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting (and therefore, held for trading) are recognized immediately in profit or loss and are included in "Securities trading gain".

Hedge accounting

The BPI Group designates derivatives as either:

- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the BPI Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The BPI Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the “Cash flow hedge reserve” within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within “Other operating income”.

When the group excludes the forward element of a forward contract and foreign currency basis spread of financial instruments in the hedge designation, the fair value change of the forward element and currency basis spread that relates to the hedged item (‘aligned forward element/currency basis spread’) is recognized within OCI in the costs of hedging reserve within equity. If the group designates the full change in fair value of the derivative (including forward points and currency basis spreads) the gains or losses relating to the effective portion of the change in fair value of the entire derivative are recognized in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss within other operating income in the same periods during which the hedged future cash flows affect profit or loss. However, if the amount is a loss and the BPI Group expects that all or a portion of that loss will not be recovered in one or more future periods, the amount that is not expected to be recovered shall immediately be reclassified to profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time shall be reclassified to profit or loss in the same periods during which the future cash flows affect profit or loss. When the future cash flows are no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

30.3.8.1 Embedded derivatives

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the BPI Group assesses the entire contract for classification and measurement in accordance with the policy outlined in Note 30.3.2 above. Otherwise, the embedded derivatives are treated as separate derivatives when:

- Their economic characteristics and risks are not closely related to those of the host contract;
- A separate instrument with the same terms would meet the definition of a derivative; and
- The hybrid contract is not measured at FVTPL.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statements of income unless the BPI Group chooses to designate the hybrid contracts at FVTPL.

30.3.9 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset’s current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

A subsidiary of the Parent Bank has investments in non-marketable equity securities classified under Level 3 as at December 31, 2024 and 2023 (Note 26.4.1).

30.3.10 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognized using the effective interest method.

When calculating the effective interest rate, the BPI Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

30.3.11 Cash and cash equivalents

Interbank loans receivable and securities purchased under agreements to resell (SPAR) are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

30.3.12 Repurchase and reverse repurchase agreements

Securities sold subject to repurchase agreements (‘repos’) are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities purchased under agreements to resell (‘reverse repos’) are recorded as loans and advances to other banks and customers and included in the statement of condition under “Interbank loans receivable and securities purchased under agreements to resell”. Securities lent to counterparties are also retained in the financial statements.

30.4 Consolidation

The subsidiaries’ financial statements are prepared for the same reporting year as the consolidated financial statements. Refer to Note 1 for the list of the Parent Bank’s subsidiaries.

(a) Subsidiaries

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the BPI Group, except for the pre-need subsidiary which follows the provisions of the PNUCA as allowed by the SEC.

(b) Associates

Associates are all entities over which the BPI Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in the consolidated financial statements are accounted for using the equity method of accounting.

The BPI Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the BPI Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to ‘share of profit (loss) of an associate’ in profit or loss.

Unrealized gains on transactions between the BPI Group and its associates are eliminated to the extent of the BPI Group’s interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the BPI Group.

(c) Business combination between entities under common control

Business combinations under common control are accounted for using the pooling of interest method following the guidance under the PIC Q&A No. 2018-06. Under this method, the Parent Bank does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over their cost at the time of the common control combination.

(d) Business combination under PFRS 3

The BPI Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the BPI Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any, and fair value of any pre-existing equity interest in the acquiree, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the BPI Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the BPI Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the BPI Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Measurement period

PFRS 3 allows a one year measurement period for the acquirer to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable.

Accounting for loss allowances relating to financial assets acquired through merger

The BPI Group applies the provision in PFRS 3 wherein a separate valuation allowance, such as a provision for impairment of receivables, is not recognized when assets are measured at their acquisition date fair values. The asset's fair value includes the probabilities and uncertainties regarding future cash flows. The BPI Group does not recognize a separate valuation allowance for the contractual cash flows that are deemed to be uncollectable at that date or a loss allowance for expected credit losses. The related provision for credit and impairment losses arising from the acquired financial assets are netted against the assets' fair value.

30.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates in the Parent Bank's separate financial statements are accounted for using the cost method in accordance with PAS 27. Under this method, income from investment is recognized in profit or loss only to the extent that the investor receives distributions from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

The Parent Bank recognizes a dividend from a subsidiary or associate in profit or loss in its separate financial statements when its right to receive the dividend is established.

The Parent Bank determines at each reporting date whether there is any indicator of impairment that the investment in the subsidiary or associate is impaired. If this is the case, the Parent Bank calculates the amount of impairment as the difference between the recoverable amount and carrying value and the difference is recognized in profit or loss.

Investments in subsidiaries and associates are derecognized upon disposal or when no future economic benefits are expected to be derived from the subsidiaries and associates at which time the cost and the related accumulated impairment loss are removed in the statements of condition. Any gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the investment and recognized in profit or loss.

30.6 Segment reporting

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated upon consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with PFRS 8, the BPI Group has the following main banking business segments: consumer banking, corporate banking and investment banking. Its insurance business is assessed separately from these banking business segments (Note 3).

30.7 Bank premises, furniture, fixtures and equipment

Land and buildings comprise mainly of branches and offices. All bank premises, furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the BPI Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Construction-in-progress is initially recognized at cost and will be depreciated once completed and available for use. The cost of construction-in-progress includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items on the site on which it is located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets during the construction period. The construction-in-progress is internally funded by the Parent Bank hence, no borrowing costs were capitalized. The construction-in-progress is recorded as part of Buildings and leasehold improvements.

Land is carried at historical cost and is not depreciated. Depreciation for buildings and furniture and equipment is calculated using the straight-line method to allocate cost or residual values over the estimated useful lives of the assets, as follows:

Building	25-50 years
Furniture and equipment	3-5 years
Equipment for lease	2-8 years

Leasehold improvements are depreciated over the shorter of the lease term (ranges from 5 to 10 years) and the useful life of the related improvement (ranges from 5 to 10 years). Major renovations are depreciated over the remaining useful life of the related asset.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. There are no bank premises, furniture, fixtures and equipment that are fully impaired as at December 31, 2024 and 2023.

30.8 Investment properties

Properties that are held either to earn rental income or for capital appreciation or both, and that are not significantly occupied by the BPI Group are classified as investment properties. Transfers to, and from, investment property are made when, and only when, there is a change in use, evidenced by:

- (a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- (b) Commencement of development with a view of sale, for a transfer from investment property to real properties held-for-sale and development;
- (c) End of owner occupation, for a transfer from owner-occupied property to investment property; or
- (d) Commencement of an operating lease to another party, for a transfer from real properties held-for-sale and development to investment property.

Transfers to and from investment property do not result in gain or loss.

Investment properties comprise land and building. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation on investment property is determined using the same policy as applied to Bank premises, furniture, fixtures, and equipment. Impairment test is conducted when there is an indication that the carrying amount of the asset may not be recovered. An impairment loss is recognized for the amount by which the property’s carrying amount exceeds its recoverable amount, which is the higher of the property’s fair value less costs to sell and value in use.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains and losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

30.9 Foreclosed assets

Assets foreclosed shown as Assets held for sale in the statements of condition are accounted for at the lower of cost and fair value less cost to sell similar to the principles of PFRS 5. The cost of assets foreclosed includes the carrying amount of the related loan. Impairment loss is recognized for any subsequent write-down of the asset to fair value less cost to sell.

Foreclosed assets not classified as Assets held for sale are accounted for in any of the following classification using the measurement basis appropriate to the asset as follows:

- (a) Investment property is accounted for using the cost model under PAS 40;
- (b) Bank-occupied property is accounted for using the cost model under PAS 16; and
- (c) Financial assets are accounted for under PFRS 9.

When foreclosed assets are recovered through a sale transaction, the gain or loss recognized from the difference between the carrying amount of the foreclosed asset disposed and the net disposal proceeds is recognized in profit or loss.

30.10 Intangible assets

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the BPI Group’s share in the net identifiable assets of another entity at the date of acquisition. Goodwill on acquisition is included under Other assets, net in the statement of condition. Separately recognized goodwill is carried at cost less accumulated impairment losses.

Goodwill is an indefinite-lived intangible asset and hence not subject to amortization. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each cash-generating unit is represented by each primary reporting segment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Contractual customer relationships and core deposits

Contractual customer relationships and core deposits acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relationships and core deposits have finite useful lives of 9 years and 18 years, respectively and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the intangible assets. Contractual customer relationships and core deposits are included under Other assets, net in the statement of condition.

(c) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over the expected useful lives (three to five years). Computer software is included under Other assets, net in the statements of condition.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the BPI Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other assets to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(d) Management contracts

Management contracts are recognized at fair value at the acquisition date. They have a finite useful life of five years and are subsequently carried at cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method over the estimated useful life of the contract. Management contracts are included under Other assets, net in the statement of condition.

(e) Branch licenses

Branch licenses arise from the acquisition of branches in a business combination. They have an indefinite useful life and are subject to annual impairment assessment. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable.

30.11 Impairment of non-financial assets

Assets that have indefinite useful lives - for example, goodwill or intangible assets not ready for use - are not subject to amortization and are tested annually for impairment and more frequently if there are indicators of impairment. Assets that have definite useful lives are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

30.12 Borrowings and borrowing costs

The BPI Group's borrowings consist mainly of bills payable and other borrowed funds. Borrowings are recognized initially at fair value, which is the issue proceeds, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred. The BPI Group has no qualifying asset as at December 31, 2024 and 2023. Borrowings derecognized when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the Statements of Income as other income.

30.13 Fees and commission income

The BPI Group has applied PFRS 15 where revenue is recognized when (or as) The BPI Group satisfies a performance obligation by transferring a promised good or service to a customer (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset.

The recognition of revenue can be either over time or at a point in time depending on when the performance obligation is satisfied.

When control of a good or service is transferred over time, that is, when the customer simultaneously receives and consumes the benefits, the BPI Group satisfies the performance obligation and recognizes revenue over time. Otherwise, revenue is recognized at the point in time at the point of transfer control of the good or service to the customer.

Variable consideration is measured using either the expected value method or the most likely amount method depending on which method the BPI Group expects to better predict the amount of consideration to which it will be entitled. This is the estimated amount of variable consideration, or the portion, if any, of that amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Where there is a single performance obligation, the transaction price is allocated in its entirety to that performance obligation. Where there are multiple performance obligations, the transaction price is allocated to the performance obligation to which it relates based on stand-alone selling prices.

The BPI Group recognizes revenue based on the price specified in the contract, net of the estimated rebates/discounts and include variable consideration, if there is any. Accumulated experience is used to estimate and provide for the discounts and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

The BPI Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the BPI Group does not adjust any of the transaction prices for the time value of money.

Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party (i.e. the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses) are recognized on completion of underlying transactions. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis. Asset management fees related to investment funds are recognized ratably over the period in which the service is provided.

30.14 Credit card income

Credit card arrangements involve numerous contracts between various parties. The BPI Group has determined that the more significant contracts within the scope of PFRS 15 are (1) the contract between the BPI Group and the credit card holder ('Cardholder Agreement') under which the BPI Group earn miscellaneous fees (e.g., annual membership fees, late payment fees, foreign exchange fees, etc.) and (2) an implied contract between the BPI Group and merchants who accept the credit cards in connection with the purchase of their goods and/or services ('Merchant Agreement') under which the BPI Group earn interchange fees.

The Cardholder Agreement obligates the BPI Group, as the card issuer, to perform activities such as process redemption of loyalty points by providing goods, services, or other benefits to the cardholder; provide ancillary services such as concierge services, travel insurance, airport lounge access and the like; process late payments; provide foreign exchange services and others. The amount of fees stated in the contract represents the transaction price for that performance obligation.

The implied contract between the BPI Group and the merchant results in the BPI Group receiving an interchange fee from the merchant. The interchange fee represents the transaction price associated with the implied contract between the BPI Group and the merchant because it represents the amount of consideration to which the BPI Group expects to be entitled in exchange for transferring the promised service (i.e., purchase approval and payment remittance) to the merchant. The performance obligation associated with the implied contract between the BPI Group and the merchant is satisfied upon performance and simultaneous consumption by the customer of the underlying service. Therefore, a portion of the interchange fee is allocated to the performance obligations based on stand-alone transaction price and revenue is recognized when these performance obligations are satisfied.

30.15 Foreign currency translation

(a) Functional and presentation currency

Items in the financial statements of each entity in the BPI Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is the Parent Bank's functional and presentation currency.

(b) Foreign subsidiaries

The results and financial position of BPI’s foreign subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at reporting date;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component (Currency translation differences) of Accumulated other comprehensive income (loss) in the capital funds. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

(c) Income from foreign exchange trading

Foreign exchange gains and losses arising from trading of foreign currencies are recorded under “Income from foreign exchange trading” in the statement of income. Gains or losses are calculated as the difference between the carrying amount of the asset sold and the net disposal proceeds at the date of sale.

30.16 Provisions for legal or contractual obligations

Provisions are recognized when all of the following conditions are met: (i) the BPI Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item is included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

30.17 Income taxes

(a) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction.

The BPI Group has substantial income from its investment in government securities subject to final withholding tax. Such income is presented at its gross amount and the final tax paid or withheld is included in Income tax expense - Current.

(b) Deferred income tax

The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

The BPI Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

30.18 Employee benefits

(a) Short-term benefits

The BPI Group recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given by to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses, and non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(b) Defined benefit retirement plan

The BPI Group has a defined benefit plan that shares risks among entities within the group. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognized in the statement of condition in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Defined benefit costs comprise of service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when the plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest income or expense in the statement of income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For individual financial reporting purposes, the unified plan assets are allocated among the BPI Group entities based on the level of the defined benefit obligation attributable to each entity to arrive at the net liability or asset that should be recognized in the individual financial statements.

(c) Defined contribution retirement plan

The BPI Group also maintains a defined contribution plan that covers certain full-time employees. Under its defined contribution plan, the BPI Group pays fixed contributions based on the employees’ monthly salaries. The BPI Group, however, is covered under RA No. 7641, otherwise known as The Philippine Retirement Pay Law, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. Accordingly, the BPI Group accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The BPI Group and Parent Bank determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) then, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest and other expenses related to the defined benefit plan are recognized in the statement of income.

The defined contribution liability is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Actuarial gains and losses arising from the remeasurements of the net defined contribution liability are recognized immediately in the other comprehensive income.

(d) *Share-based compensation*

The BPI Group engages in equity-settled share-based payment transactions in respect of services received from certain employees.

The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of employee services received in respect of the shares or share options granted is recognized in profit or loss (with a corresponding increase in reserve in capital funds) over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined using option pricing models which take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

When the stock options are exercised or shares are subscribed, the proceeds received are credited to share capital (par value) and share premium for the excess of exercise price over par value.

(e) *Bonus plans*

The BPI Group recognizes a liability and an expense for bonuses and recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

30.19 Capital funds

Merger reserves

Merger reserves represent the difference between the value of shares issued by the Parent Bank in exchange for the value of the shares acquired in respect of the acquisition of BFB accounted for under the pooling-of-interest method and the difference between the results of operations of BFB during the year ended December 31, 2021 and the dividends declared on December 29, 2021.

30.20 Fiduciary activities

The BPI Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the BPI Group (Note 24).

30.21 Leases

30.21.1 BPI Group is the lessee

Measurement of right-of-use assets and lease liabilities

Lease payments to be made under reasonably certain extension options are included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the BPI Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the BPI Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the BPI Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the BPI Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Lease modification

Lease modifications are accounted either as a separate lease or not a separate lease. The BPI Group accounts for the lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right of use to one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modification that is not accounted for a separate lease, at the effective date of lease modification, the BPI Group:

- allocates the consideration in the modified contract on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.

For a lease modification that is not accounted for as a separate lease, the BPI Group accounts for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease; and
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The BPI Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statements of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

30.21.2 BPI Group is the lessor

BPI Group (as a lessor) continues to classify its leases as operating leases.

30.22 Insurance and pre-need operations

(a) Non-life insurance

The more significant accounting policies observed by the non-life insurance subsidiaries follow: (a) gross premiums written from short-term insurance contracts are recognized at the inception date of the risks underwritten and are earned over the period of cover in accordance with the incidence of risk using the 24th method; (b) acquisition costs are deferred and charged to expense in proportion to the premium revenue recognized; reinsurance commissions are deferred and deducted from the applicable deferred acquisition costs, subject to the same amortization method as the related acquisition costs; (c) a liability adequacy test is performed which compares the subsidiaries’ reported insurance contract liabilities against current best estimates of all contractual future cash flows and claims handling, and policy administration expenses as well as investment income backing up such liabilities, with any deficiency immediately charged to profit or loss; and (d) financial assets and liabilities are measured following the classification and valuation provisions of PFRS 9.

(b) Pre-need

The material provisions of the PNUCA as applied by the pre-need subsidiary follow: (a) costs of contracts issued and other direct costs and expenses are recognized as expense when incurred; (b) pre-need reserves which represent the accrued net liabilities of the subsidiary to its plan holders are actuarially computed based on standards and guidelines set forth by the Insurance Commission; the increase or decrease in the account is charged or credited to other costs of contracts issued in profit or loss; and (c) insurance premium reserves which represent the amount that must be set aside by the subsidiary to pay for premiums for insurance coverage of fully paid plan holders, are actuarially computed based on standards and guidelines set forth by the Insurance Commission.

31 Supplementary information required under BSP Circular No. 1074

Presented below are the additional information required by BSP Circular No. 1074 issued on January 8, 2020. This information is presented for BSP reporting purposes and is not required in the basic financial statements.

(i) Basic Quantitative Indicators of Financial Performance

The key financial performance indicators follow (in %):

	Consolidated		Parent	
	2024	2023	2024	2023
Return on average equity				
- Daily average ¹	15.07	15.35	14.45	15.71
- Simple average ²	15.67	15.22	15.24	15.76
Return on average assets				
- Daily average ³	1.98	1.93	1.86	1.91
- Simple average ⁴	2.00	1.88	1.87	1.87
Net interest margin				
- Daily average ⁵	4.31	4.09	4.08	3.93
- Simple average ⁶	4.31	3.98	4.07	3.82

¹Net income divided by average total equity for the period indicated. Average equity is based on the daily average balance of equity for the years ended December 31, 2024 and 2023.
²Net income divided by average total equity for the period indicated. Average total equity is based on the year-on-year balance of equity for the years ended December 31, 2024 and 2023.
³Net income divided by average total assets as at period indicated. Average total assets are based on the daily average balance of total assets as at December 31, 2024 and 2023.
⁴Net income divided by average total assets as at period indicated. Average total assets are based on the year-on-year balance of total assets as at December 31, 2024 and 2023.
⁵Net interest income divided by average interest-earning assets. Average interest earning assets is based on the daily average balance of interest earning assets as at December 31, 2024 and 2023.
⁶Net interest income divided by average interest-earning assets. Average interest earning assets is based on the year-on-year balance of interest earning assets as at December 31, 2024 and 2023.

(ii) Description of Capital Instrument Issued

BPI considers its common shares as capital instrument for purposes of calculating its capital adequacy ratio as at December 31, 2024 and 2023.

Significant credit exposures

Details of the loans and advances portfolio as to concentration per industry/economic sector over total loan portfolio (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Real estate, renting and other related activities	22.74	23.12	23.24	23.48
Manufacturing	14.17	15.47	14.44	15.70
Consumer	13.32	11.44	12.09	10.62
Transportation, storage and communications	11.07	11.33	10.85	11.48
Wholesale and retail trade	10.80	11.20	11.01	11.01
Financial institutions	10.53	9.70	10.80	9.85
Electricity, gas, steam and air-conditioning supply	8.16	9.18	8.36	9.34
Agriculture and forestry	1.57	1.73	1.59	1.75
Others	7.64	6.83	7.62	6.77
	100.00	100.00	100.00	100.00

Details of the loans and advances portfolio as to concentration per industry/economic sector over Tier 1 Capital (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
Real estate, renting and other related activities	142.47	138.44	154.47	148.97
Manufacturing	88.77	92.63	95.99	99.62
Consumer	83.40	68.48	80.40	67.37
Transportation, storage and communications	67.65	67.87	73.17	72.85
Wholesale and retail trade	69.34	67.07	72.15	69.83
Financial institutions	65.99	58.09	71.77	62.49
Electricity, gas, steam and air-conditioning supply	51.12	54.93	55.57	59.25
Agriculture and forestry	9.84	10.36	10.54	11.11
Others	47.81	40.84	50.72	43.00

Breakdown of total loans

Details of the loans and advances portfolio as at December 31 as to collateral (amounts net of unearned discounts and exclusive of accrued interest receivable) are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Secured loans				
Real estate mortgage	348,232	304,090	346,616	302,870
Project assets	162,641	138,915	162,641	138,915
Chattel mortgage	94,493	75,028	94,488	75,028
Others	48,507	25,912	48,482	25,757
	653,873	543,945	652,227	542,570
Unsecured loans	1,620,879	1,382,593	1,568,482	1,350,313
	2,274,752	1,926,538	2,220,709	1,892,883

Others represent loans secured mainly by hold-out deposits, mortgage trust indentures, government and corporate securities and bonds, quedan/warehouse receipts, standby letters of credit, trust receipts, deposit substitutes and inventories.

Breakdown of performing and non-performing loans net of allowance for credit losses, as reported to the BSP, are as follows:

Consolidated

	2024			2023		
	Performing	Non-performing	Total	Performing	Non-performing	Total
(In Millions of Pesos)						
Corporate loans	1,663,158	22,391	1,685,549	1,483,876	16,662	1,500,538
Credit cards	161,855	7,265	169,120	124,606	5,107	129,713
Other retail loans	401,387	18,708	420,095	282,627	13,666	296,293
	2,226,400	48,364	2,274,764	1,891,109	35,435	1,926,544
Allowance for probable losses	(11,229)	(29,940)	(41,169)	(11,154)	(22,726)	(33,880)
Net carrying amount	2,215,171	18,424	2,233,595	1,879,955	12,709	1,892,664

*Amounts exclude accrued interest receivables and GLLP per financial reporting package

Parent

	2024			2023		
	Performing	Non-performing	Total	Performing	Non-performing	Total
(In Millions of Pesos)						
Corporate loans	1,658,994	22,235	1,681,229	1,483,636	16,635	1,500,271
Credit cards	161,855	7,265	169,120	124,606	5,107	129,713
Other retail loans	354,903	15,462	370,365	251,171	11,735	262,906
	2,175,752	44,962	2,220,714	1,859,413	33,477	1,892,890
Allowance for probable losses	(11,409)	(27,583)	(38,992)	(11,336)	(21,280)	(32,616)
Net carrying amount	2,164,343	17,379	2,181,722	1,848,077	12,197	1,860,274

*Amounts exclude accrued interest receivables and GLLP per financial reporting package

BSP Circular 941, *Amendments to Regulations on Past Due and Non-Performing Loans*, states that loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and if there is an evidence that full repayment of principal and interest is unlikely without foreclosure of collateral. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

(iii) Information on Related Party Loans

Details of related party loans are as follows (transactions with subsidiaries have been eliminated in the consolidated financial statements):

	Consolidated		Parent	
	2024	2023	2024	2023
(In Millions of Pesos)				
Loans and advances from:				
Subsidiaries	-	-	75	87
Associates	479	113	479	113
Ayala Group	79,902	61,567	79,902	61,567
Key management personnel	20	-	20	-
Other related parties	-	-	-	-

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	80,401	61,680	80,476	61,767
% to total outstanding related party loans				
Subsidiaries	-	-	0.09	0.14
Associates	0.60	0.18	0.60	0.18
Ayala Group	99.38	99.82	99.29	99.68
Key management personnel	0.02	-	0.02	-
Other related parties	-	-	-	-

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	80,401	61,680	80,476	61,767
% to total outstanding related party loans				
Unsecured related party loans	47.85	8.82	47.88	8.81
Past due related party loans	-	-	-	-
Non-performing related party loans	-	-	-	-

Details of DOSRI loans are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Outstanding DOSRI loans	31,588	18,701	31,588	18,701

	Consolidated		Parent	
	2024	2023	2024	2023
	(In percentages)			
% to total outstanding loans and advances	1.39	0.97	1.42	0.99
% to total outstanding DOSRI loans				
Unsecured DOSRI loans	1.61	2.30	1.61	2.30
Past due DOSRI loans	0.02	0.04	0.02	0.04
Non-performing DOSRI loans	0.03	0.02	0.03	0.02

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at December 31, 2024 and 2023.

(iv) Secured Liabilities and Assets Pledged as Security

The BPI Group's Bills payable (Note 16) include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group. As at December 31, 2024 and 2023, part of the bills payable of the Parent Bank is secured by government securities classified as investment securities at amortized cost (Note 9).

Contingencies and commitments arising from off-balance sheet items

The following is a summary of BPI's contingencies and commitments at their equivalent peso amounts as reported to the BSP:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Trust accounts	1,530,708	1,223,096	-	-
Derivatives	496,116	319,337	489,149	314,881
Commitments	245,341	186,611	245,341	186,611
Financial standby letters of credit - foreign	36,103	30,472	36,103	30,472
Bills for collection	35,060	22,923	35,060	22,923
Spot foreign exchange contracts	24,679	7,310	24,679	7,310
Performance standby letters of credit - foreign	11,228	10,898	11,228	10,898
Commercial letters of credit	10,242	11,322	10,242	11,322
Guarantees issued	3,555	2,521	3,555	2,521
Trade related guarantees	2,758	1,208	2,758	1,208
Other contingent accounts	40,285	39,712	39,545	39,618
	2,436,075	1,855,410	897,660	627,764

Other contingent accounts pertain to late deposits or payments received, deficiency claims receivable, items held for safekeeping, and items held as collateral.

Significant credit risk exposures arising from off-balance sheet items are as follows:

	Consolidated		Parent	
	2024	2023	2024	2023
	(In Millions of Pesos)			
Undrawn loan commitments	663,659	504,918	663,659	504,918
Unused letters of credit	64,007	55,808	64,007	55,808
Gross carrying amount	727,666	560,726	727,666	560,726
Loss allowance	(1,267)	(1,232)	(1,267)	(1,232)
Carrying amount	726,399	559,494	726,399	559,494

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the BPI Group is required to provide a loan with pre-specified terms to the customer. These off-balance sheet items are within the scope of PFRS 9 where the BPI Group estimates that the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to the off-balance sheet items is recognized in "Miscellaneous liabilities" (Note 17).

The BPI Group has no other off-balance sheet items other than the items listed above.

32 Supplementary information required by the Bureau of Internal Revenue

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS Accounting Standards.

Below is the additional information required by RR No. 15-2010 that is relevant to the Parent Bank. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

(i) Documentary stamp tax

Documentary stamp taxes paid through the Electronic Documentary Stamp Tax System for the year ended December 31, 2024 consist of:

	Amount (In Millions of Pesos)
Deposit and loan documents	11,867
Trade finance documents	794
Mortgage documents	620
Shares of stocks	33
Others	5
	13,319

(ii) Withholding taxes

Withholding taxes paid/accrued and/or withheld for the year ended December 31, 2024 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Final income taxes withheld on interest on deposits and yield on deposit substitutes	8,309	783	9,092
Income taxes withheld on compensation	3,514	396	3,910
Creditable income taxes withheld (expanded)	1,171	190	1,361
Final income taxes withheld on income payment	767	492	1,259
Fringe benefit tax	96	31	127
Withholding value-added tax	53	15	68
Withholding tax on withdrawal from decedent's account	14	1	15
	13,924	1,908	15,832

(iii) All other local and national taxes

All other local and national taxes paid/accrued for the year ended December 31, 2024 consist of:

	Amount		
	Paid	Accrued	Total
	(In Millions of Pesos)		
Gross receipts tax	8,563	765	9,328
Municipal taxes	493	-	493
Real property tax	195	-	195
Others	20	-	20
	9,271	765	10,036

Municipal and other taxes imposed by the government which are incurred under the normal courses of business are part of "Taxes and licenses" within Other operating expenses (Note 21).

(iv) Tax cases and assessments

As at reporting date, the Parent Bank has various claims of tax refund pending with tax authorities. There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR NON-FINANCIAL STATEMENTS

The Management of the Bank of the Philippine Islands (BPI) is responsible for the preparation of BPI's 2024 Integrated Report ("Report"), in accordance with the following standards:

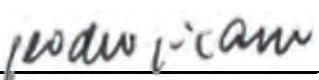
- Global Reporting Initiative's (GRI) Standards
- International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- Sustainability Accounting Standards Board (SASB) Standards
- Bangko Sentral ng Pilipinas (BSP) Guidelines and Philippine Securities and Exchange Commission (SEC) Guidelines for annual and sustainability reports

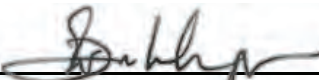
The report also generally adheres to disclosure requirements under BSP Circular 1085 on the Sustainable Finance Framework.

The Management supervised the preparation, review, and publication of the Report to ensure its integrity.

The Report contains certain forward-looking statements that may involve risks or uncertainties as they relate to future events and circumstances that may be beyond BPI's control.

In addition, regulations of the Philippine Stock Exchange (PSE) prohibit making price-sensitive forecasts without considerable independent review. The Management therefore advises readers to use caution when interpreting any forward-looking statements in the Report.


JOSE TEODORO K. LIMCAOCO
President and Chief Executive Officer


ERIC ROBERTO M. LUCHANGCO
Senior Vice President, Chief Finance Officer,
and Chief Sustainability Officer



INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV AS Philippine Branch ('DNV'), has been commissioned by Bank of the Philippine Islands (Securities and Exchange Commission Identification Number: PW 121, hereafter referred to as 'BPI' or 'the Company') to undertake an independent assurance of the Company's sustainability/non-financial disclosures in its Integrated Report covering the calendar year 2024 (hereafter referred as 'Report').

The disclosures have been prepared by BPI:

- in reference to requirements of Global Reporting Initiative (GRI) sustainability reporting standards 2021
- Integrated Reporting (<IR>) framework of the International Integrated Reporting Council (IIRC)
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

DNV has carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information. DNV's Verisustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's Verisustain™ protocol, DNV team has also followed ISO 14064-3 - Specification with guidance for the verification and validation of greenhouse gas statements; to evaluate indicators wrt Greenhouse gases and water disclosures respectively.

The intended user of this assurance statement is the Management of Bank of the Philippine Islands ('the Management').

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of BPI and of the Assurance Provider

The Management of BPI has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. BPI is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website. In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work included a limited level of assurance of the information on non- financial performance which were disclosed in the Report prepared by BPI based on GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01/01/2024 to 31/12/2024. The reported topic boundaries of non-financial performance are based on the internal and external materiality assessment covering Company's operations as brought out in the sections 'About the Report' section of the report.

Boundary of the assessment covers the performance of BPI operations globally that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers the 1,266 BPI and BPI Direct BanKo (BanKo) branches and branch-lite units (BLUs) in the Philippines.

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and is free from material mis-statements.

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.



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- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of BPI. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited Level of Assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

Conclusion

On the basis of the Limited level of assessment undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain™:

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report explains out the materiality assessment process carried out by the Company which has considered concerns of internal and external stakeholders, and inputs from peers and the industry, as well as issues of relevance in terms of impact for BPI's business. The list of topics has been prioritized, reviewed and validated, and the Company has indicated that there is no significant change in material topics from the previous reporting period.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the stakeholders who have been identified as significant to BPI, as well as the modes of engagement established by the Company to interact with these stakeholder groups. The key topics of concern and needs of each stakeholder group which have been identified through these channels of engagement are further brought out in the Report. Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups..

Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report brings out the systems and processes that the Company has set in place to capture and report its performance related to identified material topics across its reporting boundary. The majority of information mapped with data verified through our assessments with BPI's management teams and process owners at the Corporate Office and sampled sites within the boundary of the Report were found to be fairly accurate and reliable. Some of the data inaccuracies identified in the report



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during the verification process were found to be attributable to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction and the related disclosures were reviewed post correction. *Nothing has come to our attention to believe that the Report does not meet the principle of Reliability.*

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?
The Report brings out the Company's performance, strategies and approaches related to the environmental, social and governance issues that it has identified as material for its operational locations coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness. *Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.*

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.
The Report brings out the disclosures related to BPI's performance during the reporting period in a neutral tone in terms of content and presentation, while considering the overall macroeconomic and industry environment. *Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.*

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – *Conformity assessment – General principles are requirements for validation and verification bodies*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct¹ during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of BPI.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV AS Philippine Branch,

 Gangwar, Vishal Digitally signed by Gangwar, Vishal Date: 2025.04.04 16:48:42 +08'00'	 Kakaraparthi Venkata Raman Digitally signed by Kakaraparthi Venkata Raman Date: 2025.04.04 14:29:24 +05'30'
Vishal Gangwar Lead Verifier, Sustainability Services	Venkata Raman Kakaraparthi Assurance Reviewer, Sustainability Services
Justine Rapalam (Verifier)	

04/04/2025

DNV AS Philippine Branch is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>



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Annex I

Verified disclosures

- GRI 204: Procurement Practices 2016 – 204-1
- GRI 205: Anti-corruption 2016 – 205-1, 205-2, 205-3
- GRI 302: Energy 2016 – 302-1; 302-2
- GRI 303: Water and Effluents 2018 – 303-5
- GRI 305: Emissions 2016 – 305-1; 305-2; 305-3
- GRI 306: Waste 2020 – 306-4; 306-5
- GRI 401: Employment 2016 – 401-1; 401-2; 401-3
- GRI 403: Occupational Health and Safety 2018 – 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9
- GRI 404: Training and Education 2016 – 404-1
- GRI 405: Diversity and Equal Opportunity 2016 – 405-1
- GRI 418: Customer Privacy 2016 – 418-1

Annex II

Sites selected for On-site audits

S.no	Site	Location
1.	Corporate office	Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Makati City 1226
2.	BPI Buendia Center	Tower One, Ayala North Exchange 6796 Ayala Avenue corner Salcedo St., Legaspi Village, Makati City 1229
3.	BPI Intramuros	Muralla St, Intramuros, City of Manila, Metro Manila, Philippines
4.	BPI Escolta	BPI Bldg, Plaza Lacson cor Escolta St, Sta. Cruz, City of Manila, Metro Manila, Philippines

Appendices

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Material Topics

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GRI Content Index

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SASB Content Index

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Leaders’ Biographies

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Products and Services

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2024 Awards and Citations

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Membership in Industry Associations

347

Group Directory

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Corporate Information

APPENDICES

MATERIAL TOPICS

MATERIAL TOPIC	IMPACTED STAKEHOLDER	CORRESPONDING DISCLOSURES		
		PAGE NUMBER	GRI INDEX	SASB / TCFD INDEX
Anti-Corruption	Clients Employees Suppliers & Contractors Government & Regulators	139-140	GRI 205-1 GRI 205-2 GRI 205-3	FN-CB-510a.1
Anti-Money Laundering	Clients Employees Government & Regulators Local Communities	154		FN-CB-510a.1
Business Ethics	Clients Employees Suppliers & Contractors Government & Regulators	137-138		FN-CB-510a.1 FN-CB-510a.2
Climate Risks and Opportunities	Clients Investors Suppliers & Contractors Government & Regulators Local Communities	106-108, 165-166	GRI 2-23 GRI 201-2	
Corporate Social Responsibility	Local Communities	36-37, 50-51		
Customer Service	Clients Employees Government & Regulators	101-103, 143-144		
Data and Information Security	Clients Government & Regulators	108-109, 144, 155	GRI 418-1	FN-CB-230a.2
Data Privacy	Clients Government & Regulators	108-109, 144, 155	GRI 418-1	FN-CB-230a.2
Digitalization	Clients Government & Regulators	60-61, 63-64, 66, 68		
Diversity, Equal Opportunity, and Non-Discrimination	Clients Investors Employees Suppliers & Contractors Government & Regulators Local Communities	92-93, 116, 123	GRI 405-1 GRI 405-2 GRI 406-1	
Economic Performance	Investors	7, 38-39, 163-313	GRI 201-1	
Employee Benefits and Remuneration	Employees Government & Regulators	92-93, 123-125	GRI 401-2 GRI 401-3	
Employee Training and Education	Employees Government & Regulators	92-99, 123-125	GRI 404-1 GRI 404-2 GRI 404-3	
Financial Consumer Protection	Clients Government & Regulators	102-103, 143-144	GRI 418-1	
Financial Inclusion	Clients Employees Government & Regulators Local Communities	53		FN-CB-240a.1 FN-CB-240a.4

MATERIAL TOPIC	IMPACTED STAKEHOLDER	CORRESPONDING DISCLOSURES		
		PAGE NUMBER	GRI INDEX	SASB / TCFD INDEX
Financing Sustainable Development	Clients Employees Government & Regulators Local Communities	70-82		FN-CB-410a.2
Freedom of Association and Collective Bargaining	Employees Government & Regulators Local Communities	94, 101, 134-135	GRI 2-30	
Governance Structure and Composition	Investors Government & Regulators	114-137	GRI 2-9 GRI 2-10 GRI 2-11 GRI 2-18	
Greenhouse Gas Emissions	Clients Investors Suppliers & Contractors Government & Regulators Local Communities	87-91	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4 GRI 305-5	
Incorporation of ESG Factors into Credit Analysis	Clients Government & Regulators Local Communities	104-108, 165-166	GRI 2-23	FN-CB-410a.2
Marketing and Labelling	Clients Government & Regulators	101-103	GRI 417-1	
Occupational Health and Safety	Employees Suppliers & Contractors Government & Regulators	92-94	GRI 403-1 GRI 403-2 GRI 403-3 GRI 403-4 GRI 403-5 GRI 403-6 GRI 403-7 GRI 403-8 GRI 403-9	
Procurement Practices	Suppliers & Contractors Government & Regulators	103, 142	GRI 204-1 GRI 308-1 GRI 414-1	
Products and Services Delivery Channels	Clients Government & Regulators Local Communities	34-37, 60-68		
Systemic Risk Management	Clients Investors Employees Suppliers & Contractors Government & Regulators Local Communities	172-175		FN-CB-550a.2
Tax Payments	Government & Regulators Local Communities	219-220, 234, 302-303	GRI 207-2	
Material Topic: Waste Management	Impacted Stakeholder: Employees Government & Regulators Local Communities	91	GRI Index: GRI 306-4 GRI 306-5	

GRI Content Index

The Bank of the Philippine Islands has reported the information cited in this GRI Content Index for the period of Jan. 1 to Dec. 31, 2024 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE REFERENCE PAGE
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021	2-1	Organizational details	1, 5, 6-7, 18-23
	2-2	Entities included in the organization's sustainability reporting	4
	2-3	Reporting period, frequency and contact point	4
	2-4	Restatements of information	
	2-5	External assurance	185-192, 314-317
	2-6	Activities, value chain and other business relationships	87-111
	2-7	Employees	99-101
	2-8	Workers who are not employees	99
	2-9	Governance structure and composition	114-137
	2-10	Nomination and selection of the highest governance body	119-120
	2-11	Chair of the highest governance body	114-115
	2-12	Role of the highest governance body in overseeing the management of impacts	115, 132-136
	2-13	Delegation of responsibility for managing impacts	115, 132-136
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	139
	2-16	Communication of critical concerns	145
	2-17	Collective knowledge of the highest governance body	130
	2-18	Evaluation of the performance of the highest governance body	128-129
	2-19	Remuneration policies	40, 92-93, 123-125
	2-20	Process to determine remuneration	123-125
	2-22	Statement on sustainable development strategy	40-45, 74-75
	2-23	Policy commitments	74-75, 104-111
	2-24	Embedding policy commitments	74-75, 104-111
	2-26	Mechanisms for seeking advice and raising concerns	140
	2-27	Compliance with laws and regulations	93-94, 104, 106-109, 137-144, 151-152, 154-156, 161-162, 166
	2-28	Membership associations	
	2-29	Approach to stakeholder engagement	32-33
	2-30	Collective bargaining agreements	94, 101, 134-135
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4, 32-33
	3-2	List of material topics	316-317
	3-3	Management of material topics	32-33
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	7, 39
	201-2	Financial implications and other risks and opportunities due to climate change	30-31
	201-3	Defined benefit plan obligations and other retirement plans	235-240
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	99-101
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	7, 39
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	7, 39
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	139-140
	205-2	Communication and training about anti-corruption policies and procedures	92, 97, 137-144
	205-3	Confirmed incidents of corruption and actions taken	140
GRI 207: Tax 2019	207-2	Tax governance, control, and risk management	219-220, 234, 302-303

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE REFERENCE PAGE
GRI 302: Energy 2016	302-1	Energy consumption within the organization	91
	302-2	Energy consumption outside of the organization	91
	302-3	Energy intensity	91
	302-4	Reduction of energy consumption	90
GRI 303: Water and Effluents 2018	303-5	Water consumption	91
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	107-108
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	87
	305-2	Energy indirect (Scope 2) GHG emissions	88
	305-3	Other indirect (Scope 3) GHG emissions	88
	305-4	GHG emissions intensity	88
	305-5	Reduction of GHG emissions	89-90
GRI 306: Waste 2020	306-4	Waste diverted from disposal	91
	306-5	Waste directed to disposal	91
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	103
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	100
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	303-304
	401-3	Parental leave	92
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	92-94
	403-2	Hazard identification, risk assessment, and incident investigation	92-94, 105
	403-3	Occupational health services	92-94
	403-4	Worker participation, consultation, and communication on occupational health and safety	92-94
	403-5	Worker training on occupational health and safety	92-94, 97
	403-6	Promotion of worker health	92-94
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	92-94
	403-8	Workers covered by an occupational health and safety management system	92-94
	403-9	Work-related injuries	92-94
	404-1	Average hours of training per year per employee	101
GRI 404: Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	94-98
	404-3	Percentage of employees receiving regular performance and career development reviews	94
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	116-118
	405-2	Ratio of basic salary and remuneration of women to men	101
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	92, 113
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	32-33, 37, 85-86, 112
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	103
GRI 415: Public Policy 2016	415-1	Political contributions	139
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	101-103
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	101-103

SASB Content Index

Based on the Sustainability Accounting Standard for Commercial Banks as of 2024.

Sustainability Disclosure Topics and Metrics			
Topic	Metric	Code	Disclosure Reference Page
Data Security	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	108-109, 144, 155
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development ¹	FN-CB-240a.1	7, 34-37, 41, 54-61, 74, 250-252
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers ²	FN-CB-240a.4	48-49, 50-51, 53
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	104-108, 165-166
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations ³	FN-CB-510a.1	137-142
	Description of whistleblower policies and procedures	FN-CB-510a.2	140
Systemic Risk Management	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	FN-CB-550a.2	170-179

¹ Note to FN-CB-240a.1 – The disclosure shall include a description of how the entity’s compliance with applicable jurisdictional laws or regulations are integrated into its financial inclusion and capacity building strategy.
² Note to FN-CB-240a.4 – The disclosure shall include a description of financial literacy initiatives.
³ Note to FN-CB-510a.1 – The entity shall briefly describe the nature, context and any corrective actions taken because of monetary losses.

Activity Metrics		
Activity Metric	Code	Disclosure Reference Page
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate ⁴	FN-CB-000.B	204-206

⁴ Note to FN-CB-000.B – Mortgage loans as well as revolving credit loans shall be excluded from the scope of the disclosure.

TCFD Content Index

Pillar	Recommended Disclosures	Disclosure Reference Page
Governance	a) Describe the board’s oversight of climate-related risks and opportunities.	40, 104-108, 165-166
	b) Describe management’s role in assessing and managing climate-related risks and opportunities.	40, 104-108, 165-166
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	28-31
	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.	
	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	a) Describe the organization’s processes for identifying and assessing climate-related risks.	104-108, 165-166
	b) Describe the organization’s processes for managing climate-related risks.	
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.	
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	87-91, 104-108, 165-166
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	

Leaders’ Biographies

JAIME AUGUSTO ZOBEL DE AYALA
Chairman

Mr. Zobel, Filipino, 66, 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 served as vice chairman from 1995 to March 2004.

Mr. Zobel serves as a director of Ayala Corporation since May 1987 and its chairman since April 2006. He holds the following positions in other publicly listed companies: Chairman of Globe Telecom, Inc., Ayala Land, Inc. Mr. Zobel serves as a Director of Ayala Corporation since May 1987 and its Chairman since April 2006. He is likewise the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc. He is also a director of the following publicly-listed companies: Ayala Corporation, Globe Telecom, Inc., and Ayala Land, Inc.

Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad. He is a Director of Temasek Holdings (Private) Limited and a member of JP Morgan International Council, JP Morgan Asia Pacific Council, and LeapFrog Investments Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council, and he previously served as the Chair of the HBS Asia-Pacific Advisory Board. He is Chairman Emeritus of the Asia Business Council, a Trustee of Endeavor Philippines, the Philippine Representative to the Asia Pacific Economic Cooperation Business Advisory Council from 2010-2015, a Steering Committee Member and Steward of the Council for Inclusive Capitalism, and a Trustee Emeritus of Eisenhower Fellowships. He has been a director of the US-Philippines Society since 2012 and assumed the Co-Chair position in 2024. He is a Steering Committee member of the Indo-Pacific Partnership for Prosperity.

He 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 recognition of his outstanding public service. In 2017, he was recognized as a United Nations Sustainable Development Goals Pioneer by the UN Global Compact for his work in sustainable business strategy and operations. The first recipient of the award from the Philippines, he was one of 10 individuals recognized for championing sustainability and the pursuit of the 17 SDGs in business.

Mr. Zobel graduated with B.A. in Economics (*cum laude*) from Harvard University in 1981 and obtained an MBA from the Harvard Graduate School of Business Administration in 1987.

CEZAR P. CONSING
Vice Chairman

Mr. Consing, Filipino, 65 years old, is a director of the Bank since February 1995. He is currently the Vice Chairman of the Bank’s Board and Executive Committee and member of the Risk Management Committee, Personnel and Compensation Committee, and Nomination Committee.

Mr. Consing is currently the President & CEO of Ayala Corporation. He is Chairman of ACEN Corporation, and Vice Chairman of Ayala Land Inc. and Globe Telecom. Ayala Corporation, ACEN Corporation, Bank of the Philippine Islands, Ayala Land Inc., and Globe Telecom are among the most valuable public companies in the Philippines. He is Chairman or Vice Chairman of many of the Ayala Group’s unlisted companies, including AC Health, AC Logistics, AC Mobility, AC Industrials, AC Infrastructure and AC Ventures. Mr. Consing is Chairman of the Philippine Dealing System and the College of St. Benilde. He is a member of the Trilateral Commission. He is a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines – Japan Economic Cooperation Committee and the Manila Golf Club Foundation.

Mr. Consing was President & CEO of Bank of the Philippine Islands from 2013-2021. He was a Partner & Co-Head for Asia of the Rohatyn Group from 2004-2013. He was an investment banker with J.P. Morgan & Co. from 1985-2004. For 7 years, Mr. Consing was the Head or Co-Head of Investment Banking for Asia Pacific and President of J.P. Morgan Securities Asia. He worked for Bank of the Philippine Islands from 1981-1985.

Mr. Consing has previously served as Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He has previously served as an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, the US-Philippines Society, La Salle Greenhills, Endeavor Philippines, and International Care Ministries.

Mr. Consing received an A.B. Economics degree (Accelerated Program), *magna cum laude*, and the gold medal for Economics, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

JOSE TEODORO K. LIMCAOCO
President and Chief Executive Officer

Mr. Limcaoco, Filipino, 63 years old, has been a BPI Director since February 2019 and was appointed as President and Chief Executive Officer of BPI in April 2021. He is currently the chairman of Credit Committee and member of Executive Committee. He serves as the Chairman of the following entities: BPI Wealth – A Trust Corporation, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., Philippine Stock Index Fund Corporation, ALFM Global

Muti-Asset Income Fund, Inc., ALFM Real Estate Income Fund, Inc., BPI/MS Insurance Corporation, and BPI AIA Life Assurance Corporation. He is likewise the Vice Chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation. Furthermore, he serves as the President and Vice Chairman of BPI Foundation, Inc.

Outside of the BPI group, he is the Chairman and President of the Bankers Association of the Philippines, Chairman of Philippine Payments Management Inc., and Director of AC Moblity Holdings, Incorporated. He is also a Director of Just for Kids, Inc., a homegrown business of his family.

From 2015 to 2021, he was a Senior Managing Director and the Chief Finance Officer of Ayala Corporation. He previously served as a Board Director of Globe Telecom, Inc., Integrated Micro-Electronics, Inc., and SSI Group, Inc. He also served as a director of several Ayala Group companies including those involved in healthcare, infrastructure, education, energy, and industrial technologies.

Previously, he served as President of BPI Family Savings Bank from 2010-2015 and BPI Capital Corporation from 2007-2010. He was also Director of Ayala Life Assurance, Inc. in 2009, Director / Chairman of Ayala Plans, Inc. in 2010-2015, Director of Globe Fintech Innovations, Inc. in 2017-2022, and Director of AC Energy International Inc. in 2019-2022. He also worked at BPI from 1989 to 1992 as Senior Manager and at BPI Capital Corporation from 1995 to 1997 as Vice President / Treasurer.

Mr. Limcaoco joined Ayala Corporation as Assistant Treasurer in 1998. His responsibilities prior to his secondment to BPI in 2007 included serving as Trustee and Treasurer of Ayala Foundation, Inc., President of myAyala.com, Inc., and Treasurer of Azalea Technology Investments, Inc. from 2001-2006. He was named as the ING-Finex CFO of the Year in 2018, and held prior positions with JP Morgan & Co. and with BZW Securities Philippines, Inc.

He graduated from Stanford University with a BS Mathematical Sciences (Honors Program) degree in 1984 and from the Wharton School of the University of Pennsylvania with an MBA (Finance and Investment Management) in 1988.

JANET GUAT HAR ANG
Independent Director

Ms. Ang, Singaporean, 65 years old, was elected as an Independent Director of BPI in May 2021. She is the Chairman of the Bank’s Related Party Transaction Committee, member of the Bank’s Risk Management Committee, and the Bank’s Board Representative in the IT Steering Committee.

Ms. Ang is currently the Chairperson of SISTIC Pte Ltd, National University of Singapore- Institute of Systems Science (NUS-ISS), Singapore Polytechnic, Public Transport Council, and Singapore Business Federation Foundation. In addition, she is a Member of the Board of The Esplanade Company Ltd and the Home Team Science & Technology Agency in Singapore.

Ms. Ang is a Senior Advisor of the RGE Group and an Independent Director of various entities such as Tanoto Foundation, the Philanthropy Asia Alliance Ltd., and the Swire Shipping Group Pte Ltd. She is a Fellow of the Singapore Computer Society, Singapore Institute of Directors, and a member and past president of the International Women’s Forum (Singapore). She is Singapore’s Non-Resident Ambassador to the Holy See and a former Nominated Member of the Parliament of Singapore (2021-2023).

Ms. Ang had a 37 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 to 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 to 2022 and Chairperson of the Board of Trustees of Caritas Singapore Agape Fund from 2019 to 2022.

Ms. Ang was awarded The Public Service Medal in 2019. She was also awarded NUS Outstanding Service Award in 2021, the Singapore Computer Society IT Leaders Award – Hall of Fame in 2018, the NUS Distinguished Alumni Service Award in 2015 and the NUS Business School Eminent Alumni Award in 2014.

Ms. Ang graduated with a Bachelor of Business Administration (Honours) from the National University of Singapore.

RENÉ G. BAÑEZ
Director

Mr. Bañez, Filipino, 69 years old, was elected as director of BPI in August 2021. He is a member of the Bank’s Executive, Related Party Transaction, and Retirement/ Pension Committees. Mr. Bañez also serves as a Board Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation) and BPI Capital Corporation.

In the private sector, he held several senior-level positions in PLDT until his retirement in 2016. He was senior vice president and head of the Supply Chain, Asset Protection and Management Group, from 2008 to 2016; senior vice president and chief governance officer from 2004 to 2007; corporate governance advisor from 2003 to 2004; senior vice president, Support Services and Tax Management from 2000 to 2001; and first vice president, Support Services and Tax Management from 1998 to 2000. Prior to joining PLDT, he was Group Tax Director of Metro Pacific Investment Corporation until 1998.

Mr. Bañez served as the Commissioner of the Bureau of Internal Revenue (BIR) from February 2001 to August 2002 and as Deputy Commissioner from June 1993 to November 1995. Before his appointment to the BIR in 1993, he spent more than 11 years at accounting firm Isla Lipana & Co./PwC (formerly Joaquin Cunanan & Co.), starting as a Tax Consultant in 1982 until he became Tax Principal (Partner) from 1990 to 1993.

Currently, he is a member of the Finance Board of the Archdiocese of Manila, Diocese of Pasig, and Commission on the Social Apostolate of the Philippine Province Society of Jesus. He also serves as a Trustee of Mirador Jesuit Villa & Retreat House Corporation, Loyola School of Theology Corporation, and Blessed Peter Faber Spirituality Center Inc. He is likewise a Director of Catholic Travel Inc., Unitas Asia Corp. (a subsidiary of Radio Veritas Asia), Board Advisor of LH Paragon, Inc. and Chairman of Multinational Foundation, Inc..

Mr. Bañez earned his Bachelor of Laws degree in 1981 and his Bachelor of Arts degree in 1976 both from Ateneo de Manila University.

KARL KENDRICK T. CHUA
Director

Mr. Chua, Filipino, 46, was elected as director of BPI in April 2023. He is a member of the Bank’s Retirement/ Pension Committee. He also serves as a Board Director of BPI Direct BankKo, Inc., A Savings Bank. Mr. Chua is currently the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation. He is also a Director of AC Ventures, AC Industrials Technology Holdings, Inc., AC Infrastructure Holdings, Corp. and an Independent Director of D&L Industries, Inc. and LH Paragon, Inc. Mr. Chua is likewise a Board Adviser for Golden ABC, Inc., Matimco, Inc., and Oakridge Realty Development Corporation. Previously, he served as Director in Manila Water Company, Inc. and an Independent Director of Golden ABC, Inc.

Mr. Chua was a former Secretary of the National Economic and Development Authority (NEDA) and Undersecretary for Strategy, Economics, and Results at the Department of Finance (DOF). He has extensive experience in the areas of economic and fiscal policy, statistical development, national identification, labor and social protection policy, poverty analysis, and digital transformation, among others.

He was formerly an adviser for the World Bank’s World Development Report and former member of the Selection Committee of the Asian Development Bank and International Economic Association Innovative Policy Research Award.

Mr. Chua was a senior official in the Government of the Philippines for six years. As Secretary of Socioeconomic Planning and Chief Economist of the country, he provided strategic leadership on economic policy during the Covid-19 pandemic and the further liberalization of key sectors of the economy. He also oversaw the implementation of the national ID program.

As Undersecretary in the Department of Finance, he led the technical team in the passage of the Comprehensive Tax Reform Program and the Rice Tariffication Law. Prior to joining the government, he was with the World Bank for 12 years and was the senior economist for the Philippines.

Mr. Chua graduated from the Ateneo de Manila University in 2000 with a degree in B.S. Management Engineering. He earned his M.A. Economics (2003) and PhD 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.

EMMANUEL S. DE DIOS
Independent Director

Mr. de Dios, Filipino, 70 years old, was elected as Independent Director of BPI in April 2022 and is the Chairman of the Corporate Governance and Sustainability Committee. Mr. de Dios is currently a Professor Emeritus at the University of the Philippines School of Economics, where he has been a professor since 1980 until his retirement in 2019.

Mr. de Dios is currently a Trustee and the Chairman of Pulse Asia Research, Inc., an Independent Director of Rockwell Land Corporation, and of ABS-CBN Holdings Corporation. He is also a Trustee of Assisi Development Foundation, Inc. and Peace and Equity Foundation, Inc. He served as the Dean of the University of the Philippines School of Economics from 2007 to 2010, and was an Independent Director of ABS-CBN Corporation until 2023.

He received his AB Economics degree from the Ateneo de Manila University (*cum laude*) in 1978 and his PhD 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.

RIZALINA G. MANTARING
Lead Independent Director

Ms. Mantaring, Filipino, 65, was elected as director of BPI in April 2023. She is a member of the Bank’s Corporate Governance and Sustainability Committee, Retirement/Pension Committees, and Chairman of the Risk Management Committee. Moreover, she is the Bank’s Board Representative in the IT Steering Committee. She also serves as a Board

Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation).

Outside BPI, Ms. Mantaring is an Independent Director of Ayala Corporation, First Philippine Holdings Corporation, Universal Robina Corporation, PHINMA Corporation, Maxicare Healthcare Corporation, GoTYME Bank and East Asia Computer Center Inc. She also serves as a Director of Sun Life Grepa Financial Inc. Ms. Mantaring is likewise a Trustee of the Makati Business Club and Philippine Business for Education, and a Fellow of the Foundation for Economic Freedom.

Ms. Mantaring was CEO & Country Head of Sun Life Financial Philippines from 2009 – 2018. She was also Chief Operations Officer of Sun Life Financial Asia and was responsible for IT & Operations across the region from 2008-2009.

Ms. Mantaring was recognized by prestigious award-giving bodies, among which were the Asia Talent Management award at CNBC’s 2017 Asia Business Leader Awards, the 2018 Executive Champion of the Year from the Asia Insurance Review and the Asia Pacific Entrepreneurship Award (Financial Services, Philippines) in 2016. In 2010, during the 100th 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).

AURELIO R. MONTINOLA III
Director

Mr. Montinola, Filipino, 73 years old, has been a member of the Board of Directors of BPI since 2004. He is currently the Chairman of the Bank’s Retirement/ Pension Committee and a member of the Bank’s Executive and Personnel and Compensation Committees. He served as BPI’s President and CEO from 2005 to 2013,

and as President and CEO of BPI Family Savings Bank, Inc. from 1992 to 2004. Mr. Montinola was also the Chairman of BPI/MS Insurance Corporation from 2005 to 2015, continuing as a Director until June 2022. Mr. Montinola also serves as a Director of BPI Capital Corporation and was previously a Board Member of BPI Direct BankKo, Inc., A Savings Bank and The Bank of the Philippine Islands Foundation, Inc.

Mr. Montinola is the Chairman of Far Eastern University, Inc. and serves as a Director of Roxas and Company, Inc., both of which are publicly-listed companies. In addition, he is also the Chairman of Amon Trading Corporation, Roosevelt College, Inc. and East Asia Computer Center, Inc. He is also the Vice Chairman of the Philippine Business for Education Inc. Furthermore, he serves as an Independent Director of AIA Philippines Life and General Insurance Company, Inc.

Significant awards received by Mr. Montinola include Management Man of the Year 2012 (Management Association of the Philippines), Asian Banker Leadership Award (twice), and Legion d’Honneur (Chevalier) from the French Government.

He obtained his Bachelor of Science in Management Engineering degree at the Ateneo de Manila University in 1973 and his MBA from the Harvard Business School in 1977.

CESAR V. PURISIMA
Independent Director

Mr. Purisima, Filipino, 65 years old, was elected as Independent Director of BPI in January 2021. He is the chairman of the Bank’s Nomination Committee, and member of the Executive, Risk Management and Audit Committees. He also serves as an Independent Director of BPI Capital Corporation.

Mr. Purisima currently serves as an Independent Director of Ayala Corporation, Ayala Land, Inc., Universal Robina Corporation, and Jollibee Foods Corporation. He is also a founding partner of Ikhlas Capital Singapore Pte. Ltd., a pan-ASEAN private equity platform. He is an Independent Director of AIA Group Limited, a member of the Global Advisory Council of Sumitomo Mitsui Banking Corporation, a member of Singapore Management University’s International

Advisory Council in the Philippines, and member of the Board of Advisors of ABS-CBN Corporation. He is also a member of the Board of Trustees of the International School of Manila and an Asia Fellow at the Milken Institute, a global, non-profit, non-partisan think tank. In addition, he is a member of the Bloomberg Task Force on Fiscal Policy for Health since 2023.

Mr. Purisima served in the government of the Philippines as Secretary of Finance and chair of Economic Development Cluster of the President’s Cabinet from July 2010 to June 2016 and as secretary of Trade and Industry from January 2004 to February 2005. He also previously served on the boards of a number of 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 the 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.

JAIME Z. URQUIJO
Director

Mr. Urquijo, Filipino, 36 years old, was elected as director of BPI in September 2022. Mr. Urquijo is a member of the Bank’s Corporate Governance and Sustainability Committee. He serves as a Director of ACEN Corporation, AC Ventures Holding Corp., AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, and Integrated Micro-Electronics, Inc., and Chairman of Klima 1.5 Corp. He is also Vice Chairman of the Board of Trustees of Ayala Foundation and an Independent Advisor to the Board of Directors of Ayala Land, Inc.

Mr. Urquijo served as director of BPI AIA Life Assurance Corporation (formerly BPI-Philam Life Assurance Corporation) from 2021 to 2022. He held a key manager position in the Corporate Strategy and Business Development Group of Ayala Corporation from 2016 to 2020. He was a founding member and Head of Business Development of AF Payments, Inc. from 2014 to 2016, a joint venture between Ayala Corporation and the Metro Pacific group which won a Public Private Partnership (PPP) concession to replace the ticketing system of the LRT and MRT of Metro Manila with a unified contactless ticketing system, called the Beep Card. The Beep Card was the first interoperable transport card in the Philippines. He started his career at J.P. Morgan in New York in 2010 where he served as an analyst and associate until 2013.

Mr. Urquijo is a Trustee of the Asian Institute of Management, Hero Foundation, and World Wide Fund for Nature (WWF) Philippines. He also serves as Director of the European Chamber of Commerce of the Philippines.

Mr. Urquijo graduated with a degree in Political Science from the University of

BOARD OF DIRECTORS BIOGRAPHIES

Notre Dame in 2010 and received his MBA from INSEAD in 2018.

MARIA DOLORES B. YUVIENCO
Independent Director

Ms. Yuvienco, Filipino, 77 years old, was elected as Independent Director of BPI in April 2016. Ms. Yuvienco currently serves as the Chairman of the Audit Committee and member of the Related Party Transaction Committee and the Personnel and Compensation Committee. In July 2019, Ms. Yuvienco was elected as Independent Director of BPI Asset Management and Trust Corporation (doing business under the trade name and style of BPI Wealth - A Trust Corporation), and was designated Chairman of the AMTC Corporate Governance Committee and member of the AMTC Risk Management Committee.

Ms. Yuvienco also serves as an Independent Director of Legazpi Savings Bank (LSB), a newly acquired subsidiary under the BPI Group following the merger with Robinsons Bank Corporation. She acts as the Chairperson of LSB's Risk Management Committee and a member of the Audit Committee.

Ms. Yuvienco graduated from St. Theresa's College, Quezon City in 1967, with a degree of Bachelor of Science in Commerce, major in Accounting. She took up post graduate studies at the University of the Philippines Diliman. She is a Certified Public Accountant and a Career Executive Service Professional.

FERNANDO ZOBEL DE AYALA
Director

Mr. Zobel, Filipino, 65 years old, has been a member of the board of directors of BPI since September 2023. He also serves as member of the Bank's Executive Committee and Personnel and Compensation Committee.

Mr. Zobel is a Director of Ayala Corporation and Ayala Land, Inc., and serves as an Independent Director of Shell Pilipinas Corporation (formerly Pilipinas Shell Petroleum Corporation), all of which are publicly listed companies. He is the Chairman of the Board of Alabang Commercial Corporation, Accendo Commercial Corp., Hero Foundation, Inc., Ayala Foundation, Inc., and AC Healthcare Holdings, Inc. He is likewise the Vice Chairman of Fort Bonifacio Development

Corporation, Bonifacio Land Corporation, Emerging City Holdings, Inc., Columbus Holdings, Inc., Berkshire Holdings, Inc., AC Ventures Holdings Corp., and Bonifacio Art Foundation, Inc. He was formerly a director of AG Holdings Ltd., The Manila Peninsula, and Georgetown University.

Mr. Zobel is a member of several organizations including Hispanic Society Museum & Library International Advisory Council, Chief Executives Organization, Young Presidents Organization, Habitat for Humanity International's Asia Pacific Development Council, Tate Museum Asia-Pacific Acquisitions Committee, Asia Philanthropy Circle, and The Metropolitan Museum International Council. In addition, he is also a member of the Board of Trustees of Caritas Manila, Pilipinas Shell Foundation and Asia Society.

He holds a liberal arts degree from Harvard College and a Certificate of International Management from INSEAD, France.

WILFRED T. CO
Director

Filipino, 60 years old, was elected as director of BPI in April 2024. He is the President of Coherco Securities, Inc. and Herco Trading, Inc. Mr. Co is also the Chairman of the following companies: Robinsons Handyman, Inc., Robinsons True Serve Hardware Philippines Inc., Robinsons Daiso, and Federal Chemicals, Inc. From 2013 to 2015, Mr. Co served as an advisory board member of Robinsons Bank.

He graduated *cum laude* with a Bachelor of Science in Electrical Engineering degree from the University of the Philippines in 1986 and obtained his Master of Science in Electrical Engineering degree from the University of Southern California in 1989. He worked in the Failure Analysis Labs of IBM in Poughkeepsie and East Fishkill, New York, taught in the UP Department of Electrical Engineering and is an Honorary Chairman of the Anvil Business Club.

MARIO ANTONIO V. PANER
Independent Director

Mr. Paner, Filipino, 66 years old, was elected as Independent Director of BPI in April 2024. He is currently a member of the Bank's Risk Management Committee and Audit Committee. Mr. Paner is also an Independent Director of ENEX Energy

Corp. since April 2021. He was likewise an Independent Director of ACEN Corporation from April 2020 to April 2021 and ALFM Funds from January 2022 to March 2024.

Mr. Paner was formerly the Chairman of BPI's Asset & Liability Committee and was a member of the Management Committee and Asset Management Investment Council. Mr. Paner also served as a Director of BPI Europe Plc, Santiago Land, Citytrust Finance Corp., Citytrust Insurance Brokers, Citytrust Investment Phils., Citytrust Securities Corp., and Citytrust Realty Corporation. He was Treasurer and Trustee of Kaisahang Buhay foundation, a child and family welfare organization promoting support for unwed mothers, orphan care and adoption from 2015 to 2020. He likewise served as President of the Money Market Association of the Philippines (MART) in 1998 and was the Vice Chairman of the Bankers Association of the Philippines' (BAP) Open Market Committee until 2019. Mr. Paner was a faculty member of the BAP-ATENEO School of Banking until 2019.

After working with Ayala Investments and Development Corporation (1979-1981) and Family Savings Bank (1981-1985), Mr. Paner joined BPI in 1985 when the Bank acquired Family Bank & Trust Company, Inc. Later, in 1989, he became part of Citytrust, the consumer banking arm of Citibank in the Philippines, which BPI also acquired in 1996. He served as the Treasurer and Head of BPI's Global Markets Segment, where he was responsible for managing the Bank's interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution activities both in the Philippines and abroad, until his retirement in 2019. Prior to this, he was responsible for other businesses of the bank which included Risk Taking, Portfolio Management, Money Management, Asset Management, Remittance, Overseas Banking and Private Banking.

Mr. Paner obtained an A.B. Economics degree from Ateneo de Manila University in 1979 and completed various courses in Business and Finance, including Strategic Financial Management in 2006 and the Advanced Management Program in 2009, both at the Harvard Business School in Boston.

EXECUTIVE MANAGEMENT BIOGRAPHIES

MARIA CRISTINA L. GO
Executive Vice President
Head of Consumer Banking

Filipino, 55 years old, Ms. Go heads the Consumer Banking Segment that primarily serves 13 million clients and oversees the 858 branches nationwide including former Robinsons Bank branches, retail digital platforms, core retail products specifically deposits, auto loans, housing loans, motorcycle loans and life and non-life bancassurance and the support services. Since the consolidation of these businesses into OneConsumer bank, Ms. Go has steadfastly focused on driving a client-first transformation strategy to deliver a delightful omni-channel customer experience referred to as "phygital". It leverages on the Bank's vast physical presence to offer trusted advice through its 11,000-strong cadre of expert bank personnel complimented by best-in-class digital capabilities that make banking easier and more convenient.

With her leadership, Consumer Bank has already converted 68 branches to the phygital formats, redefining the customer experience at the branch and integrating digital education. The critical component of the strategy is the manpower transformation to convert branches from transaction to advisory centers. In 2024, the mobile app and online platforms also experienced massive transformation following their migration to a more flexible back-end system. New capabilities and features such personal financial management tool, time deposit and investment account opening, mobile check deposit, and credit card special installment plan application are but a few that made BPI the leader in digitalization with the app attaining #1 Net Promoter Score (NPS) among banking apps. In 2024, the virtual store channel transitioned from pilot to mainstream, successfully delivering advisory and enabling loan application processing remotely to serve clients who began their relationship digitally and clients who are abroad. Across BPI's channels, the roll out of Salesforce for campaign management and servicing and the pilot of GenAI (Artificial Intelligence) dubbed as BPI Express Assist Intelligence (BEAi) enhanced customer engagement and improved productivity.

Core retail products likewise experienced significant growth with innovations in retail lending such as the introduction of Green Solutions, LavLoans to finance cancer treatments, EV financing, non-life insurance-loan bundles, and new life insurance products with health riders such as BPI Aspire, Aspire Premier and Future Ready. These products improved market shares and industry positions in 2024.

The Consumer Bank expanded its customer base through micro-segmentation, the latest of which is the launch of Next by BPI Preferred to reach the Gen Z and Millennial markets through convenient access to trusted advise through virtual financial coaches and relevant online content. Under Ms. Go, BPI re-established its presence in the Overseas Filipino market, enabling digital account opening, worry-free remittance and transfers and remote access to financial advisory.

Before assuming leadership of the Consumer Bank, she served as the President of BPI Family Savings Bank (BFSB) and was responsible for the smooth merger and integration with BPI. She also served as Group Head of BFSB Retail Loans in 2015 after heading BPI's Payments and Unsecured Lending Group for 11 years where she led innovations such as the launches of the first EMV-compliant credit cards and Real Thrills, the first instant rewards program. Her experience in transformational work covering manpower, processes, products, systems, and culture enabled market-creating business growth opportunities and a high-quality customer portfolio. With the client-first transformation strategy anchored on making customers happy, BPI takes the lead with its #1 NPS not just among banks but among financial institutions.

Before joining BPI, Ms. Go was Vice President at Citibank Philippines managing the bank's Retail Bank Marketing then at Citibank Credit Cards Cross Sell Division in New York. She also worked in Ayala Land to establish and head its Market Planning and Development Division where she became part of the team responsible for the company's foray into the middle-market. She started her career in Procter & Gamble as Brand Assistant then was promoted to Assistant Brand Manager, managing brands such as Mr. Clean, Perla, Star and Dari Crème. She earned a Master's degree from the Harvard Business School with honors in 1996. She graduated *magna cum laude* with a degree in BS Business Administration and Accountancy from the University of the Philippines Diliman, was awarded one of the Ten Outstanding Students of the Philippines, placed first in the CPA licensure exam in 1991, and was recognized as one of the UP College of Business Administration's Distinguished Alumni in 2012. She was also recognized by the Filipina Women's Network as One of the 100 Most Influential Filipina Women the World in 2016.

Ms. Go currently serves as Chairman of the Personnel Committee and Director of BPI MS Insurance Corporation. She also sits as a Director in the Boards of Legazpi Savings Bank and TransUnion Philippines and a Trustee of Ayala Foundation. She has been a member of the Ayala Group's Innovation Advisory Council, the Management Association of the Philippines, Harvard Global Club of the Philippines, Harvard Business School Club of the Philippines, Filipina Women's Network, Filipina CEO Circle and NextGen Organization of Women Corporate Directors. Ms. Go serves as a mentor for high-impact entrepreneurs in Endeavor Philippines and also actively mentors current and future young leaders in BPI and in the various organizations she is involved in.

MARIA THERESA D. MARCIAL
President & CEO of BPI Wealth

Filipino, 54 years old, Ms. Marcial is the President & CEO of BPI Wealth - A Trust Corporation, the asset and wealth management arm of the Bank of the Philippine Islands. She is a seasoned banker with diverse experience spanning 30 years across various disciplines such as investment management, trust, private banking, corporate banking, debt & equity capital markets, finance, corporate strategy, and sustainability.

She is the Chairman of BPI International Finance Ltd Hong Kong, Board Director of BPI AIA Life Assurance Corporation and BPI Europe Plc, Independent Director of Alternergy Holdings Corporation, a fellow of Foundation for Economic Freedom, a member of FINEX, MAP, NextGen Organization of Women Corporate Directors, and Filipina CEO Circle. She held key roles in BPI including a 5-year stint as Chief Finance Officer, Chairman of BPI Finance Committee and BPI Sustainability Council, Member of BPI Asset and Liability Committee and BPI Credit Committee, treasurer of BPI Foundation, Board Director and Treasurer of BPI MS Insurance Corporation, Board Director of AF Payments, BPI Global Payments Asia Pacific Philippines, BPI Investment Management, and ALFM Mutual Funds. She previously served as President of the Fund Managers Association of the Philippines, President of the Trust Officers Association of the Philippines, Vice Chairman of Capital Markets Development Committee of FINEX, and Alternate Governor of the Market Governance Board of Philippine Dealing and Exchange Corporation. Prior to her banking career, she worked for the Philippine Government - the Agricultural Policy Credit Council and the National Economic and Development Authority. Ms. Marcial is an advocate of marine conservation and renewable energy. She is a Trustee and Treasurer of WWF Philippines, Member of WWF Asia Pacific Council, Board Trustee of Philippines Inter-Island Sailing Federation (PHINSAF), and the Ocean Racing Club of the Philippines. She previously served as

Member of the National Advisory Council of WWF Philippines. She is an outdoor enthusiast, with interests in open water scuba diving, wreck diving, underwater photography, offshore sailing, and yacht racing. She obtained the Royal Yachting Association Skipper Certification in Sydney, Australia. She participated in the 2018 Rolex Middle Sea Race, a 606-nautical mile category 2 offshore yacht race around Sicily organized by the Royal Malta Yacht Club, and the 2023 Rolex China Sea Race, a 565-nautical mile category 1 offshore yacht race from Hong Kong to Subic organized by the Royal Hong Kong Yacht Club. She has logged over 8,000 nautical miles sailing in offshore and coastal waters of the Philippines, New South Wales Australia, South China Sea, and Mediterranean Sea.

She has a Bachelor's Degree in Economics (*cum laude*) from the University of the Philippines Los Baños and Master's Degree in Economics from the University of the Philippines Diliman. She completed the Advanced Management Program (2010) and the CFA Institute Investment Management Workshop (2006) at Harvard Business School. She was recognized as Outstanding Alumnus of the College of Economics and Management at UP Los Baños in 2006, one of Top 25 Most Influential Women in Asset Management in Asia by Asian Investor in 2014, CEM Centennial Outstanding Alumnus at UP Los Baños in 2019, Most Outstanding Alumnus of the University of the Philippines Los Baños in 2022, and Best CFO by Institutional Investor in 2023.

EUGENIO P. MERCADO
Executive Vice President
Head of Enterprise Operations

Filipino, 62 years old, Mr. Mercado is an Executive Vice President and Head of Enterprise Operations. His team handles all the operational requirements of the Unibank particularly Retail and Corporate Banking Operations, Branch Banking and Digital Banking Operations, Treasury and Remittance, Facilities Services, Security Office, Contact Center, Vendor Management and Business Transformation.

Mr. Mercado has been with the Bank for 27 years; He is a product of the BPI-Far East Bank merger where he was Head of Credit Initiation and Collections Division. He started his career as a Research Assistant/ Credit Appraiser of the then Commercial Bank of Manila (now Bank of Commerce). In 1988, he transferred to San Miguel Corporation where he worked for 4 years as Credit Analyst/Appraiser based in San Fernando, Pampanga. In 1992, he went back to the banking industry and worked as Credit and Collections Officer and Fraud Analyst of Citibank.

He is currently a Board Member of various subsidiaries of BPI including BPI Payments Holdings, Inc.

He holds a Bachelor's degree in Business Economics from the University of the Philippines.

MARIE JOSEPHINE M. OCAMPO
Executive Vice President
Head of Mass Retail Products

Filipino, 62 years old, Ms. Ocampo is the Head of Mass Retail Products of the Bank, where she oversees BPI's credit, debit, and prepaid card businesses as well as personal and microfinance loans.

Ms. Ocampo is currently the Chairman of the Board of BPI Direct BankKo, the bank's microfinance subsidiary. She is a member of the Board of BPI Payments Holdings Inc., Global Payments Asia-Pacific Philippines, Inc., AF Payments Inc., and CARD MRI Rizal Bank Inc.

Ms. Ocampo started her career in BPI as Vice President for Marketing and Sales of BPI Credit Cards in 1996. She soon became the President of BPI Card Corporation, the Bank's credit card subsidiary which won the prestigious Agora Award 2000 Marketing Company of the Year.

In 2005, Ms. Ocampo was assigned to BPI's Consumer Banking Group as Head of Kiosk Banking and Head of Personal Banking. She also became the Chief Marketing Officer of BPI from 2008 until 2014 where she was responsible for the Bank's data warehouse, customer analytic capabilities and CRM, advertising, and digital initiatives across the breadth of products, channels, and services.

In 2015, she became the Payments and Remittance Group Head.

Prior to joining BPI, Ms. Ocampo gained over ten years of marketing experience in Procter & Gamble and Johnson & Johnson Australia and the Philippines, where she led the expansion of J&J's Health Care, Baby Care, and Sanitary Protection business.

She holds a Bachelor's degree in Business Management (Honors Program) and graduated *magna cum laude* from the Ateneo de Manila University. She also completed the Advanced Management Program at the Harvard Business School.

ELFREN ANTONIO S. SARTE
Executive Vice President
Head of Payments Council

Filipino, 65 years old, is a highly accomplished executive with over 40 years of experience in the banking industry. He became part of the Bank following the merger between BPI and Robinsons Bank Corporation (RBC) effective Jan. 1, 2024.

Currently, he serves as a Chairman & Director of Legazpi Savings Bank, and Unicon NICON Insurance & Reinsurance Brokers Corporation. Vice Chairman of the Philippine Clearing House Corporation. Recently, he was elected as Director of BPI/MS Insurance Corporation, Director of Global Payments Asia-Pacific Philippines, Incorporated, BPI Holdings, Inc. (formerly BPI Card Finance Corporation), BPI Direct BankKo, Inc., and AF Payments, Inc. He is also the BPI Payment Council Head and effective Jan. 1, 2025, he takes on the role of Chairman of the BPI Management Vetting Committee (MVC).

Mr. Sarte is the Vice Chairman of the Philippine Clearing House Corporation, a member of the Board of Trustees of The Grove by Rockwell Condominium Corporation and a Director of the Galleria Corporate Center Condominium Corporation.

Prior to joining BPI, Mr. Sarte was the President and CEO of Robinsons Bank Corporation (RBC) from 2014 to 2023. It was under his leadership when RBC began its digital transformation and embarked on its journey towards becoming digital to the core. He formed an agile culture in RBC and created new digital organization and put in place digital strategies steadfastly implemented to deliver innovative high-tech, low touch real-time and on-demand products services to the customers. RBC was the first bank to launch digital retail online account opening app at the onset of the health crisis in 2020 and this was the period when the Department of Social Welfare and Development partnered with RBC to distribute the government's social amelioration program to millions of needy families impacted by the pandemic. RBC created a digital banking solution to help beneficiaries which resulted to being featured in the Bangko Sentral ng Pilipinas Financial Inclusion Book –No One Left Behind. This stemmed to building a data-driven culture where RBC's enterprise data warehouse was built directed to centralize repository of data from various systems suitable for analytics, reporting, and strategic direction. It was also under his leadership that RBC successfully raised PhP10 billion in its maiden bond issuance, which was four times oversubscribed of the book build and got a “PRS AA minus –Stableoutlook” from The Philippine Rating Services Corporation (PhilRatings) which sealed RBC's efforts to gain the trust and confidence of the investing public. Mr. Sarte delivered RBC from rank 26th in 2014 to rank 16th by end-2023 in terms of assets among Universal and Commercial banks in the Philippines which resulted to numerous recognitions from various local and international award-giving bodies.

His rich banking experience includes being the President, Director, and CEO of PNB Philippine National Bank PNB Savings Bank from 2013 to 2014. In Philippine National Bank, he was Consumer Finance Group Head heading the retail credit groups of Philippine National Bank from 2010 to in 2013, Head of Consumer

Credit and Collection Division from 2010 to 2013, and Head of Consumer Credit Risk Management Division from 2006 to 2010 and He was with in Union Bank of the Philippines from 1995 to 2010 handling various roles last of which is as Head of Consumer Credit Risk Management Division. , he was the Head of Credit Services Division from 1996 to 2006 and Credit Investigation and Appraisal Division from 1995 to 1996. His entry into the corporate world began with Credit Information Bureau Inc., where he honed his skills in credit.

Mr. Sarte has been a Director of various organizations namely: GoTyme Bank Corporation, Data Exchange, Inc., Bankers Association of the Philippines, Go Tyme Bank Corporation, GoTyme Bank Corporation, Bancnet, Inc., Maxicare Healthcare Corporation, and Maxicare Life Insurance Corporation. He also served as the Chairman of the Operations Committee of the Bankers Association of the Philippines from 2017 to 2023.

He graduated with a degree in Bachelor of Science Industrial Management Engineering Minor in Mechanical Engineering, from Dela Salle University in 1982.

JUAN CARLOS L. SYQUIA
Executive Vice President
Head of Institutional Banking

Filipino, 58 years old, Mr. Syquia is the Head of Institutional Banking. Mr. Syquia's responsibilities include managing the Corporate Banking Relationship Management, Commercial Banking Relationship Management, Corporate & Commercial Credit Products, Transaction Banking (Cash Management and Trade), Remittance & Fund Transfer, and Investment Banking (which includes Equity Brokerage) units of the Bank. He is also Chairman of the Board of Directors of BPI's merchant acquiring joint venture company, Global Payments Asia-Pacific Philippines Incorporated, and member of the Board of Directors of BPI's investment banking subsidiary, BPI Capital Corporation.

Mr. Syquia has over 30 years of work experience in the financial services industry. Before taking on his current role, he was the President of BPI Capital Corporation and Co-Head for Investment Banking for the Bank. He re-joined the Bank via BPI Capital Corporation in June 2016. Prior to this, Mr. Syquia was Managing Director and Country Head of Corporate Clients for Standard Chartered Bank in the Philippines serving in that role from late 2011. In that role, he was principally responsible for wholesale banking strategy of the bank in the Philippines.

Mr. Syquia spent 17 years with the ING Group where he started with Baring Brothers & Co. in 1994. Within the banking group of ING, he took on various roles in relationship management, corporate finance origination, and investment banking execution. His last role in ING Bank was as Managing Director, Head of Corporate Finance at ING Bank Manila. In 2007, he moved to a regional role based in Hong Kong as Head of Strategy and Business Development at ING Asia Pacific Ltd., the regional hub of ING Group's life insurance and asset management practice. He held Board of Director positions at ING Insurance Bhd. (Malaysia), Pacific Antai Life Insurance Co. (Shanghai, China), ING Vysya Life Insurance (India).

Mr. Syquia is a product of the BPI's Officer Training Program which he completed in 1990 during his first stint at the Bank. In 1991, he was assigned to the Cebu region where he formed part of a two-man team that established the Corporate Banking Division desk in Cebu. He carries an MBA Degree (Honors) with a concentration in Finance and International Business from Fordham University, NY, as well as an AB degree in Management Economics from the Ateneo de Manila University.

JOSEPH ANTHONY M. ALONSO
Senior Vice President
Chief Credit Officer

Filipino, 59 years old, Mr. Alonso is the Bank's Chief Credit Officer responsible for managing the aggregate risk in the BPI Group's loan portfolio - ensuring that portfolio quality and profitability are maintained across the lending units within the BPI Group through the establishment of procedures and guidelines that facilitate effective decision-making based on overall risk appetite and compliance with internal policies and regulatory requirements. He also serves as Vice Chairman of the Bank's Credit Committee and a member of the Fraud and Irregularities Committee.

He was a Board member of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation until July 2019. Mr. Alonso was involved with Corporate Relationship Management for most of his 26-year career in BPI, having started as a Market Head in the Asian Division and eventually becoming Division Head of the Asian Corporates/PEZA Division. The Division also included the Special Projects Team under the Financial Institutions Group, BPI Leasing Corporation, and BPI Rental Corporation prior to its merger with Tokyo Century Corporation of Japan. Mr. Alonso started his banking career with The Mitsubishi Bank, Ltd. in Tokyo in 1990 as a management trainee, holding positions in branch, treasury and international operations, and SME and multinational relationship management. Prior Before to joining BPI in January 1997, Mr. Alonso headed the Japan Desk in the World Corporation Group of Citibank, N.A. Manila Branch from 1994.

He holds a Bachelor's degree in Business Administration at the Faculty of Economics of Oita University in Japan under a scholarship grant from the Japan Ministry of Education. He was also a scholar of the National Science and Technology Authority while attending the College of Engineering at the University of the Philippines Diliman.

MA. CRISTINA F. ASIS
Senior Vice President
Chief Risk Officer

Filipino, 54 years old, Ms. Asis is the Chief Risk Officer (CRO) of the BPI Group of Companies and Head of its Risk Management Office. As the CRO, her primary role involves overseeing the management of our enterprise risks—ensuring that all relevant financial and non-financial risks are appropriately identified, measured, controlled, and monitored within our approved risk appetite and commensurate to returns on capital. She provides executive and strategic risk support to the Board of Directors, through the Risk Management Committee (RMCom), in fulfilling its risk management function and ensuring that the Bank has a robust Enterprise Risk Management (ERM) framework. She works closely with the Chief Audit Executive and Chief Compliance Officer and actively contributes to effective risk management governance, compliance, and control processes across the Bank.

Presently, she serves as the Bank's Chairperson of Fraud and Irregularities Committee, Co-Chairperson of Data Governance Steering Committee, Deputy Commander of Crisis Resiliency Committee, Member of IT Project Steering Committee and Operational Risk Management Committee, Regular Non-voting Member of the Sustainability Council, Non-regular Member of IT Infrastructure Governance Committee, Advisor of Finance Committee and Information Technology Steering Committee, and Resource Person of Credit Committee and Money Laundering Evaluation Committee.

She has a distinguished 29-year career with BPI and has held key roles in Institutiona Banking before joining the Risk Management Office in 2017 as Head of Credit Policy and Risk Management (CPRM) that oversees risks for both the corporate and retail lending activities of the Bank.

Ms. Asis holds a Bachelor's degree in Business Economics and a Master's Degree in Economics from the University of the Philippines Diliman. Currently, she is a member of the Bankers Association of the Philippines (BAP), Bankers Institute of the Philippines (BAIPHIL), and Pan-Asia Risk & Insurance Management Association (PARIMA).

DINO R. GASMEN
Senior Vice President, Treasurer
Head of Global Markets

Filipino, 58 years old, Mr. Gasmen is the Treasurer and Head of Global Markets. He is responsible for optimizing the BankBPI's resources through management of interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution capabilities. He is the Chairman of the Bank's Asset & Liability Committee. Mr. Gasmen also serves as Member of the Finance Committee of the Ayala Multi-Purpose Cooperative. He is also the Head of the Interest-Rate Sub Committee of the Bankers Association of the Philippines Open Market Committee.

Prior to joining BPI in 2014, Mr. Gasmen spent 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 multi-currency liquidity and optimizing portfolio investments. Mr. Gasmen also served as the Head of the Treasury Trading Division from 2015 until 2018, leading the Foreign Exchange (FX) Trading, Foreign and Local Fixed Income Trading, and Derivatives Trading Desks. In 2018, he reassumed the role of Head of ALM until his assignment as the Bank's Treasurer in 2020. Mr. Gasmen

served as the President of the Money Market Association of the Philippines (MART) in 2006, and ACI Financial Markets Association Philippines in 2018.

He holds a Bachelor's degree in Electrical Engineering and a Master's Degree in Business Administration from the University of the Philippines Diliman.

JOSE RAUL E. JEREZA IV
Senior Vice President
Head of Agency Banking

Filipino, 53 years old, Mr. Jereza heads BPI Agency Banking. He is responsible for expanding the Bank's customer base through the establishment of partnerships with physical and digital retail brands that allows for BPI to reach, to acquire, and to serve more Filipinos.

He also introduced the Person-to-Merchant (P2M) model that enables business clients to accept QR payments from any QRPh bank or e-wallet. Through this solution, funds are made available real-time.

Among his roster of innovations is the BPI Salary On-Demand which was launched in July 2023 to offer Earned Wage Access to the Filipino workforce. This allows employees to enjoy immediate access to a portion of their earned salary without waiting for the traditional payday schedule. By increasing quality employee engagement and productivity and addressing financial needs, this innovative product is a win-win to both employer and employees.

Mr. Jereza has been with BPI for more than 17 years, joining the Bank in January 2007.

JENELYN Z. LACERNA
Senior Vice President
Head of Mass Retail Products

Filipino, 59 years old, is the Head of Mass Retail segment of BPI. She oversees the Bank's Unsecured Lending and Cards businesses, and sits on the board of directors of BPI Direct BanKo, Inc. and Legazpi Savings Bank. Ms. Lacerma is also a member of the Board of Directors and President of BPI Payments Holdings, Inc. (formerly "BPI Card Finance Corporation).

She started her career in BPI as Vice President and Division Head for Credit Cards and Personal Loans in 2015, where she has successfully propelled the business volumes, credit card loans, revenues and income. It is also in this role where she won the prestigious BPI Excellence Award – as the Senior Management Unibanker of the Year in 2018.

In 2019, Ms. Lacerma's role expanded as she became a Senior Vice President and the group head for Unsecured Lending and Cards' Product and Sales. Under her leadership, the various businesses continue to significantly contribute to BPI's overall revenue and income, while also growing BPI credit cards' market share in the Credit Card Association of the Philippines.

Prior to joining BPI, Ms. Lacerma was already an esteemed financial institution veteran – with an extensive career in Citibank, where she had a 15-year career in Credit Cards, Retail Banking and Personal Loans. She also worked in American Express gaining 8 years of experience in Card Sales and Marketing. She also led the Global Remittances Group as First Vice President in Philippine National Bank from 2014 to 2015,.

She holds a Bachelor's degree in Business Administration from the University of Santo Tomas.

ERIC ROBERTO M. LUCHANGCO
Senior Vice President
Chief Finance Officer and
Chief Sustainability Officer

Filipino, 54 years old, Mr. Luchangco is the Chief Finance Officer, Chief Sustainability Officer, and Head of Strategy and Finance. In this role, he oversees the Bank's strategic planning and budgeting, capital structure, and sustainability agenda.

Before taking on his current role, Mr. Luchangco was Head of Business Banking from June 2019 to May 2022, where he managed BPI's presence within the space.

Mr. Luchangco initially joined the BPI Group in 2013 as Head of Debt Capital Markets of BPI Capital, the Bank's investment banking unit. His responsibilities were later expanded to concurrently become Head of Execution and Treasurer of BPI Capital. In June 2017, he moved into BPI to become the Head of Corporate Credit Products.

Prior to joining the BPI Group, Mr. Luchangco worked at Daiwa Capital Markets, spending time in their Manila, Hong Kong, and Singapore offices, originating and executing a wide variety of investment banking transactions. He holds a Bachelor's degree in Management Economics from the Ateneo de Manila University and a Master's Degree from the Ross School of Business at the University of Michigan.

DOMINIQUE R. OCLIASA
Senior Vice President
Head of Business Banking

Filipino, 58 years old, Mr. Ocliasa is the Head of Business Banking. He oversees the expansion of BPI's presence in the SME space, which has been identified as a growth area for the Bank. Business Banking envisions to be the partner of choice for SMEs in the Philippines by providing simple, convenient, and relevant product offerings and services to address the needs of small businesses.

Mr. Ocliasa started his banking career in 1987 as Analyst at the Credit Division of Far East Bank and Trust Company where he was later appointed as Deputy Administrative Officer. In 1990, he moved to Corporate Banking as Account Officer covering top corporates, a role he retained upon the merger with BPI in 2000. He was promoted to Assistant Vice President in 2008 and became Team Head of Asian Corporates & PEZA in 2011. In 2015, he was assigned to Corporate Credit Products Group where he concurrently headed the credit divisions covering Metro Manila Lending, Asian Corporates & PEZA, and Leasing Express Lane up to early 2019. He briefly joined the Office of the Chief Credit as member of the BPI Sub-Credit Committee before moving to BPI Family Savings Bank (BFSB) as Co-Chairman of the BFSB Credit Committee in late 2019. In April 2020, he became Retail Credit Division Head and Chairman of the BFSB Credit Committee. He moved back to BPI to cover Business Banking in June 2022.

He holds a Bachelor's degree in Economics and graduated *cum laude* from the University of the Philippines Diliman.

MARY CATHERINE ELIZABETH P. SANTAMARIA
Senior Vice President
Chief Customer and Marketing Officer

Filipino, 57 years old, Ms. Santamaria is the Chief Customer and Marketing Officer (CCMO) of the Bank since August 2021. Her role was expanded to lead a strategic imperative as Chief Customer Officer concurrent with her position as Chief Marketing Officer. She is tasked to understand our customers experience and their behaviors to guide the way we serve them as we add value in the customer journey of our solutions, define the manner by which way we narrate and communicate our brand purpose and promise. In BPI, she leads the branding reinvention and takes on the transformation for customer delight experiences.

Ms. Santamaria joined BPI in 2011, starting with Customer Relationship Marketing (CRM). She had various roles in the Bank, subsequently becoming its Chief Marketing Officer in November 2018.

With over 30 years of marketing experience, Ms. Santamaria began her career in the advertising industry with Adformatix. She worked with leading companies such as Philippine Airlines, Monterey, and Wyeth-Suaco.

Most notable was her stint at Kraft Foods where she held various marketing positions in the Philippines and was appointed to Kraft Foods International headquarters (Rye Brook, New York) as Director, Business Development where she identified business opportunities for specific market categories across Central and Eastern Europe, Brazil, Australia, China, and Saudi Arabia. She was subsequently appointed as General Manager for Kraft Foods Jaya, leading Singapore, Malaysia, and Brunei.

Immediately before joining BPI, Ms. Santamaria was connected with Globe Telecom where she lead the mobile business and spearheaded the repositioning of various brands.

Ms. Santamaria's accolades throughout her career include the Rookie of the Year (Adformatix), President Award (Kraft Foods - Asia Pacific/Kraft Foods International), Best Innovation-TM (Globe Telecom), and various Awards of Excellence in Data-Driven Marketing and Consumer Insight (Marketing Interactive) including Anvil, Quill, and PANA. Also acknowledged by the Ayala Innovation Awards for 2016 and 2023. Within the Bank, her team has won the Best Innovation Project-Employee category in 2016 and 2023, and the teams she leads have been recognized yearly in the Unibank Excellence Awards program since 2018.

Ms. Santamaria served as Vice President for the Bank Marketing Association of the Philippines (BMAP) in 2018; Auditor (2023) and Treasurer (2024) in Philippine Association of National Advertisers (PANA).

She holds a Bachelor's degree in Business Administration and graduated *cum laude* from the University of the Philippines. She also has a Certificate in Strategic Business Economics (with Distinction) and a master's degree in business economics from the University of Asia and the Pacific. She also took a course at the Chicago Business School in February 2006 and completed a Telecoms Marketing Mini-MBA from Informa Telecoms and Media in London in April of the same year.

MARIA PAZ A. GARCIA
Senior Vice President
Chief Compliance Officer

Filipino, 58 years old, Atty. Garcia was the Chief Compliance Officer (CCO) of BPI since Jan. 1, 2024. She heads the Bank's Compliance Division which oversees the implementation of the Bank's enterprise-wide compliance programs and is composed of the following departments: Anti-Money Laundering, Regulatory Compliance, Enterprise Information Security Management and Data Privacy Office, Corporate Governance and Subsidiary Regulatory Oversight, and Compliance Systems, Projects and Analytics. Atty. Garcia has more than 30 years of banking and investment management experience, 22 years of which had been fully dedicated to trust and investment operations covering the areas of Legal, Risk and Compliance.

Prior to moving to BPI as its CCO, she headed the Legal Services and Family Office of BPI Wealth-A Trust Corporation (BPI Wealth). From 2011 to 2022, she led the legal, risk management, compliance and accounts review functions of BPI's trust and investment business (now known as BPI Wealth), a function she assumed as Head of legal, risk and compliance for four years from 2007 to 2011 in ING Bank Trust Department when the latter was acquired by BPI. She was Legal Counsel of Metropolitan and Trust Company-Trust Banking Group from 2000 to 2007 and a Legal Officer of Far East and Trust Company from 1992 to 1999.

She previously served as President and Director of the Trust Association of the Philippines (TOAP) and is currently a professor and faculty member of the Trust Institute Foundation of the Philippines (TIFP).

Atty. Garcia obtained her BA Economics degree from the University of the Philippines Diliman and her Juris Doctor from the Ateneo de Manila School of Law. She completed the Certificate Course in Strategic Compliance for the Banking Industry at the Center for Professional Development in Business of the De La Salle University in 2020 and has regularly undergone corporate governance courses and training provided by the Institute of Corporate Directors (ICD) and the Bankers Institute of the Philippines (BAIPHIL).

ANNA LIZA O. BOBADILLA
Senior Vice President
Chief Audit Executive

Filipino, 56 years old, Ms. Bobadilla is the Chief Audit Executive of the BPI Group of companies since July 2023 and leads the Bank's Internal Audit Division. She oversees the audit of different units, systems, and processes of the BPI Group and provides assessment on the adequacy and effectiveness of the internal control systems, risk management, and governance processes. She supports the Audit Committee in the discharge of its oversight function and also works closely with the Chief Risk Officer, Chief Compliance Officer, external auditor and other assurance units for a comprehensive review of risks and compliance systems in the Bank.

As Chief Audit Executive, she sits as resource person in the board level Related Party Transactions Committee, and the management level Fraud and Irregularities Committee. She is also the appointed Internal Audit Head for BPI Europe, PLC since 2016 and Audit-Manager-in-Charge for BPI Wealth HK (formerly BPI International Finance Ltd.) since 2021.

Prior to her appointment as CAE, she was the Department Head covering the audit of Global Markets, Wealth Management, Enterprise Services, Strategy and Finance, and Insurance. She also headed the Internal Audit (IA) Quality Assurance and Improvement Unit, and played a major role in achieving confirmation for global standards practices with the "Generally Conforms" rating for Internal Audit's first external assessment conducted by an independent assessor in 2007. The audit practices, principles and standards that were crafted and adopted remained to be an integral resource that carried IA to consistently perform at par with international standards to this date.

Ms. Bobadilla is a Certified Public Accountant and a graduate of the University of the East-Calooocan with a bachelor's degree in accounting.

MARIA LOURDES P. GATMAYTAN
Senior Vice President
Corporate Secretary

Atty. Gatmaytan, Filipino, 57 years old, is concurrently the Co-Head of Legal / Head of Corporate Legal Affairs and Corporate Secretary of BPI. She also serves as Corporate Secretary of BPI Asset Management and Trust Corporation (also known as BPI Wealth - A Trust Corporation), BPI Investments Inc. (formerly: BPI Investment Management, Inc.), BPI Direct Banko, Inc., A Savings Bank, BPI/MS Insurance Corporation, and The Bank of the Philippine Islands Foundation, Inc.

Atty. Gatmaytan started her career at ACCRALAW before taking on in-house counsel and leadership roles in top corporations, such as Corporate Legal Counsel at SM Investments Corporation, Associate General Counsel at San Miguel Corporation, Head of Legal at Bahay Financial Services, Inc. and Chief Legal Counsel at Splash Corporation. She was named in Legal 500's maiden GC Powerlist Philippines in 2023 and led the BPI Legal team to be included in the GC Powerlist Southeast Asia Teams 2023 and GC Powerlist Philippines Teams 2024.

Atty. Gatmaytan received her Bachelor of Science degree in Legal Management from the Ateneo de Manila University in 1989. She earned her Juris Doctor degree from the Ateneo de Manila School of Law, graduating with honors in 1993.

SENIOR MANAGEMENT

PRESIDENT AND CEO
Limcaoco, Jose Teodoro K.

AGENCY BANKING

SENIOR VICE PRESIDENT
Jereza, Jose Raul E. IV
Lualhati, Genaro N. IV

VICE PRESIDENT
Barroga, Donna Michelle T.
Barroquillo, Ericson H.
Farinas, Ritche G.
Montenegro, Jose Victor G.
Salvador, Rennielyn T.

BUSINESS BANKING

SENIOR VICE PRESIDENT
Ocliasa, Dominique R.
Pagulayan, Rhodora Adelaida C.
Paulino, Ma. Genalyn R.

VICE PRESIDENT
Basa, Lovellynne D.
Cruz, Katrina Joy G.
Ramos, Mary Jhoanna J.
Raneses, Nino Jesus B.
Rojas, Rosemarie Carmen P.
San Diego, Ma. Cristina L.

CHIEF CREDIT

SENIOR VICE PRESIDENT AND CHIEF CREDIT OFFICER
Alonso, Joseph Anthony M.

SENIOR VICE PRESIDENT
Aniceto, Homer L.

VICE PRESIDENT
Abduhalim, Noel Y.
Catalan, Mari Margaret Z.
Gutierrez, Trisha Marie Gerette B.
Tan, Ma. Elizabeth V.
Villanueva, Ruby D.

COMPLIANCE

SENIOR VICE PRESIDENT AND CHIEF COMPLIANCE OFFICER
Garcia, Maria Paz A.

VICE PRESIDENT
Paz, Jonathan John B.
Sevilla, Don Cesar Teodoro L. II
Villaflor-Balatan, Melissa B.
Abiog, Leni P.

CONSUMER BANKING

EXECUTIVE VICE PRESIDENT
Go, Maria Cristina L.

SENIOR VICE PRESIDENT
Ang, Olga S.
Chee, Fitzgerald S.
Fronza, Dennis T.
Galvez, Marwin L.
Gasa, Jose Mari Israel V.
Gonzales, Glenda M.
Sampang, Maya B.
Sta Ana, Ana Liza C.
Sy, Cristina J.

VICE PRESIDENT
Aberin, Anna Nerissa A.
Alcuaz, Geraldine C.
Alegario, Adonis G.
Amarillo, Lorlei Joy E.
Andrada, Clyde F.
Ang, Neil Vincent T.
Badua, Arrex S.
Balingit, Ma. Corazon C.
Barredo, Manuel Joseph B.
Braganza, Sonia S.
Brocka, Virginia Gloria B.
Casaul, Allan H.
Catindig, Myra Liza D.
Cayco, Noreene T.
Chua, Ma. Lea Jasmin O.
Concepcion, Lorina D.
Cuajotor, Dexter Lloyd C.
Dionisio, Florisa F.
Eleccion, Maximo S.
Espiritu, Hazel Marie O.
Facundo, Alan Ramil T.
Garcia, Manuel Antonio S.
Gonzalvo, Janette C.
Guirgen, Elaine Jean T.
Hasegawa, Edgar C.
Imam, Robert B.
Iringan, Ariel M.
Lataquin, Philip Joel P.
Limson, Agnes B.
Lopez, Redilberto V.
Mallari, Edward C.
Medina, Melissa R.
Mercado, Arlene D.
Meregillano, Ma. Theresa D.
Miranda, Bessie D.
Montemayor, Rochelle S.
Montes, Vivian D.
Navarrete, Rhodora Marie R.
Nicdao, Sheila M.
Ocampo, Amelita C.
Ocampo, Bernadette B.
Panizales, Mark Launcel P.
Paps, Salvador D.
Perez, Art Gerald B.
Quimbo, Joseph Sidney D.
Raymundo, Maribeth A.
Rodriguez, Audrey May M.
Ruiz, Anne Christine O.
Saguindang, Isagani M.
Sampang, Jose P. Jr
Santos, Eric B.
Santos, Maria Claudina C.
Santos, Mylene Riza C.

Soriano, Edwin R.
Soriano, Rhoda A.
Taguba, Janette B.
Teo, William C.
Tined, Edelinda R.
Trinidad, Jonathan V.
Ty, Janice S.
Ureta, Joy L.
Wambangco, Angel Gerald D.
Wee, Ignacio T. Jr.
Yuan, Ma. Teresa M.

CUSTOMER & MARKETING

SENIOR VICE PRESIDENT AND CHIEF CUSTOMER & MARKETING OFFICER
Santamaria, Mary Catherine Elizabeth P.

VICE PRESIDENT
Almendras, Chairrell Winston C.
Dy, Beatrice Joan D.
Francisco, Charles Abelard L.
Segui, Maribeth G.
Torrijos, Maria Elena R.
Valdez, Melissa Joy D.

ENTERPRISE OPERATIONS

EXECUTIVE VICE PRESIDENT
Mercado, Eugenio P.

SENIOR VICE PRESIDENT
Peña, Ricardo D.
Rocero, Anna Lyn J.
Paguntalan, Reygen C.

VICE PRESIDENT
Bato, Carina M.
Bernales, Dominador R. Jr.
Chua, Lea Grace A.
De Jesus, Donna M.
Dee, Jericho S.
Lee, Eugene O.
Lim, Roseller B.
Lustre, Francisca Ann M.
Poblete, Carlo Eduardo P.
Rendon, Alfonso O. Jr.
Reyes, Baby Veroleen A.
Segundo, Servillano R.
Tua, Exequiel T.
Ugsimar, Joel L.
Villanueva, Paul Donato V.

ENTERPRISE TECHNOLOGY

SENIOR VICE PRESIDENT AND CHIEF TECHNOLOGY OFFICER
Seminiano, Alexander G.

SENIOR VICE PRESIDENT AND CHIEF INFORMATION OFFICER
Ngo Sy, Sheryl G.

SENIOR VICE PRESIDENT
Salvador, Agnes Theresa A.

VICE PRESIDENT
Abasolo, Ramon Eduardo E.
Acebuche, Rene B.
Aguirre, Melanie Marie D.
Andal, Ermelindo S. Jr
Aquino, Jose Benjamin Augusto P. Jr.
Cariaso, Maria Theresa G.
Cortes, Ellen S.
Cruz, Napoleon I. Jr
Cruz, Winnie G.
Faustino, Frederick M.
Felizardo, Leah Anna T.
Ferrer, Josephine B.
Hiero, Teodoro Paterno J.
Javier, Ivan Angelo E.
Jugo, Carlos V.
Macalintal, Eric C.
Palafox, John Emmanuel J.
Paran, Giselle M.
Rivas, Rachelle F.
Roselada, Rolando H.
Roque, Archie R.
Roxas, Michael D.
Sacdalan, Rosalie B.
Saveron, Grace Catherine G.
Silverio, Marco Antonio C.
Taguibao, Domingo Digno A. Jr.
Treyes, Anthony Y.
Trocio, Bernadette S.
Umayam, Editha F.
Valeriano, Jovie B.
Villacorta, Ma. Ria D.
Villegas, Christian R.
Zoluaga, Olivia Visminda G.
Zulueta, Janice M.

GLOBAL MARKETS

EXECUTIVE VICE PRESIDENT AND TREASURER
Gasmen, Dino R.*
**Promoted effective March 1, 2025*

SENIOR VICE PRESIDENT
Fernandez, Rinaldo H.
Lumain, Ma. Regina N.
Neri, Emilio S. Jr.
Pineda, Donarber N.
Sorra, Jethro Daniel S.

VICE PRESIDENT
Aquino, Ma. Felicia G.
Barrameda, Ma. Lourdes D.
Bernales, Jesse Allan B.
Cabral, Voltaire P.
Crisostomo, Mari Len S.
Gaerlan, Alejandro Antonio B.
Gingco, Rowena M.
Go, Donna May P.
Infante, Reynante R.
Javier, Marco Miguel M.
Leonen, Lionel F.

Pascual, Benedicto R. Jr.
Reblora, Maria Regina R.
Romagos, Christian Paolo E.
Salvan, Jose Esteban J.
Sanchez, Maria Teresa P.
Singian, Jennifer Gayle P.
Wee Sit, Clive Manuel O.
Yabut, Galo P.

HUMAN RESOURCES

SENIOR VICE PRESIDENT AND CHIEF HUMAN RESOURCES OFFICER
Eala, Maria Virginia O.

VICE PRESIDENT
Del Fierro, Anna Christina U.
Fano, El Ferdinand L.
Garcia, Carlo Demetrius C.
Hipolito, Marie Eileen M.
Mercado, Roberto Isabelo P.
Ona, Laarni V.
Sta Ana, Jose Antonio Rogelio P.

INSTITUTIONAL BANKING

EXECUTIVE VICE PRESIDENT
Syquia, Juan Carlos L.

SENIOR VICE PRESIDENT
Cruz, Luis Geminiano E.
De Vera, Joel A.
Garcia, Jeanette J.
Go, Raymond H.
Lim, Maria Teresa Anna K.
Macapagal, Juan Jesus C.
Marcos, Noelito C.
Sangco, Jose Martin S.
Untalan, Barbara Ann C.

VICE PRESIDENT
Almario, Rey Noel V.
Amante, Xavier Marc C.
Amoranto, John Albert P.
Ampolitud, Mary Jane L.
Ang, Christian Ivan B.
Astorga, Gatsby Carlo T.
Ato, Jacqueline B.
Banico, Alan A.
Basilio, Maria Cristina A.
Buensuceso, Maria Bella T.
Canlas, Mark Emmanuel L.
Casals, Sheree N.
Catelo, Felices V.
Cirujano, Raymond Anthony M.
Costuna, Roel S.
Cruz, Reynaldo S. Jr.
Daluz, Allan Gerard C.
Dela Paz, Cecile Catherine A.
Elefano, Ria Gloria B.
Espiritu, Patricia S.
Estoesta, Nina Monica C.
Felipe, Herman Rufino S.
Garcia, Emmanuel Gualberto R.
Gatmaitan, Jerome Matthew Y.

Guiang, Georgia V.
Henson, Juanito Andres A.
Herrera, Ivy Rose F.
Janea, Maria Wilma C.
Jimenez, Jose Gregorio T.
Laquindanum, Mary Jane Y.
Liang, Adonis G.
Lucido, Roderick G.
Lukang, Maria Arlene L.
Marcelo, Edgardo R. Jr.
Mauhay, Irene C.
Pandan, Michelle Therese B.
Rivera, Eduard S.
Roldan, Maria Ramona Isabelle L.
Ruba, Andres B. Jr.
Ruelo, Arsenio B.
Santos, Rowena A.
Santoyo, Kristine Joy V.
Saulog, Grace Pacita A.
Sison, Rolando Antonio D.
Victor, Ma. Ellen A.

INTERNAL AUDIT

SENIOR VICE PRESIDENT AND CHIEF AUDIT EXECUTIVE
Bobadilla, Anna Liza O.

VICE PRESIDENT
Abaca, Ma. Cecilia L.
Almazan, Jinky C.
Baisac, Michelle M.
Bautista, Cynthia C.
Tan, Janice U.

ROBINSONS INTEGRATION TEAM

EXECUTIVE VICE PRESIDENT
Sarte, Elfren Antonio S. Jr

VICE PRESIDENT
Luna, Maria Ana M.

MASS RETAIL PRODUCTS

EXECUTIVE VICE PRESIDENT
Ocampo, Marie Josephine M.

SENIOR VICE PRESIDENT
Aldip, Alma G.
Lacerna, Jenelyn Z.

VICE PRESIDENT
Bejar, Mary Catherine A.
Celorico, Stephanie Faye C.
Cruz, Jamie Jasmin M.
Delfin, Christine I.
Feranil, Catherine Y.
Francisco, Glenn H.
Ibarra, Girly G.
Manianglung, Luigi A.
Okoye, Ranjit Kaur B.
Punzalan, Renato R.
Villaraza, Carmel Ace Q.
Velasco, Melissa B.

RISK MANAGEMENT

SENIOR VICE PRESIDENT AND CHIEF RISK OFFICER
Asis, Ma. Cristina F.

SENIOR VICE PRESIDENT
Lim, Steven S.

VICE PRESIDENT
Amado, Frances S.
David, Jan Lenard S.
Dimaunahan, Ma. Ofelia R.
Gianan, Maria Lucia P.
Isaac, Christine P.
Ramos, May Lita D.

STRATEGY AND FINANCE

SENIOR VICE PRESIDENT, CHIEF FINANCE OFFICER AND CHIEF SUSTAINABILITY OFFICER
Luchangco, Eric Roberto M.

SENIOR VICE PRESIDENT
Abola, Joaquin Maria B.
Gatmaytan, Ma. Lourdes P.
Lukban, Maria Consuelo A.
Osalvo, Emmanuel Jesus G.
Yee, Andro M.
Ysmael, Paul Roderick A.

VICE PRESIDENT
Agdeppa, Maria Lourdes Valerie C.
Banta, Jeri Alanz A.
Barcelo, Alma L.
Campos, Lourdes Suzanne S.
Clavesillas, John Christopher V.
Coloma, Cesar Bernard R.
Cruz, Feliciana S.
De Castro, Anna Marie A.
Eala, Jo Ann B.
Go, Rhory F.
Leano, Leslie I.
Narvaez, Hermenegildo Z.
Nieva, Trini Anne G.
Paredes, Charlo D.
Pural-Andal, Ana Liza K.
Taco, Eliza May T.
Tan, Cherish Honey C.
Tiu, Jennifer A.
Tuddao, Dennis T.
Velasco, Irma D.

WEALTH MANAGEMENT

SENIOR VICE PRESIDENT
Mapanao, Perlita S.

VICE PRESIDENT
Quiambao, Norhene C.
Verayo, Harold Ceasar T.

BPI WEALTH

PRESIDENT
Marcial, Maria Theresa D.

SENIOR VICE PRESIDENT
De Peralta, Yvette Mari V.
Sevilla, Christmas G.

VICE PRESIDENT
Alonzo-Velasco, Christiane B.
Ambito, Sabrina Rosario A.
Ang, Irene L.
Ayson, Remarie Suzette A.
Balita, Jose Erwin B.
Bello, Ronald Bernard P.
Boon, Lorraine Dominique C.
Buenaventura, Gladys L.
Bustamante, Ma. Carmencita S.
Cuevas, Carlo Lorenzo Q.
Dee, Allen Martin O.
Del Prado, Joselito R.
Evaristo, Mario Gerardo Z.
Gavino, Kenneth John C.
Gomez, Vittorio Raoul M.
Manalaysay, Eric Francis R.
Manalo, Andrae V.
Maranan, Lea Angeline A.
Masilungan, Janet Aurea A.
Melliza, Madeline H.
Mendoza, Barbara B.
Mercado, Gerissa T.
Recto, Enrico Francisco A.
Rocamora, Minette Josephine C.
Roxas, Vilma L.
Sarreal, Lovell A.
Soriano-Lozano, Marian Genevieve A.
Sta. Ana, Lalaine C.
Totanes, Maria Guillermina G.
Ty-Gosingco, Leslie Ann N.
Valdecantos, Francine Angela P.
Velez, Gemma T.
Yap, Jean J.
Yatco, Dominic N.

BPI CAPITAL CORPORATION

PRESIDENT
Velofo, Roland Gerard R. Jr.

SENIOR VICE PRESIDENT
Ong, Lester

VICE PRESIDENT
Guevara, Jenny C.
Jardeleza, Francis L.
Magno, Ann Mayeen D.
Ng Uy, April Ria M.

BPI INVESTMENT MANAGEMENT INC.

PRESIDENT
Chuidian, Tomas S.
(resignation effective January 1, 2025)

BPI SECURITIES CORPORA TEION

PRESIDENT
Race, Mark Rome M.

BPI EUROPE, PLC

MANAGING DIRECTOR
Yulo, Lizbeth Joan P.

BPI WEALTH HONGKONG (formerly BPI International Finance Limited)

CHIEF EXECUTIVE AND MANAGING DIRECTOR
Zialcita, Luis Antonio P.

VICE PRESIDENT
Antonio, Roland Matthew B.
Chan, Wun Yuk Anita
Choi, Wai Kit Winnie
Li, Tsan Man
Lui, Chi Hang
Ng, Wah Chung
Ueng, Yeu Jye

BPI DIRECT BANKO INC.

PRESIDENT
Mabiasen, Rodolfo K. Jr.

SENIOR VICE PRESIDENT
Abad, Mykel D.

VICE PRESIDENT
Abad Santos, Janette Y.
De Jesus, Ma Cynthia Leticia S.
Delos Reyes, Anne A.
Flor, Arthem Edward C.
Florentino, Maria Angelica G.

LEGAZPI SAVINGS BANK, INC.

PRESIDENT
Minglana, Jerome B.

BPI FOUNDATION

EXECUTIVE DIRECTOR
Marquez, Ma. Carmina T.

Products and Services

BUSINESS BANKING

Loans
Ka-Negosyo Credit Line
Ka-Negosyo SME Loan
Ka-Negosyo SME Loan (KSL) for Property Acquisition
Ka-Negosyo Ready Loan

Digital Platforms
BPI BizLink
Ka-Negosyo On The Go

Global Markets
GM Asset & Liability Management (ALM)
Cross-Currency Repo
Global Markets Sales
FX Forwards with Average Swap Points ("Average FX Forwards")
Foreign Exchange (FX) Option

Cash Mgt, Bizlink and BizKo
BizLink
PESONet Payroll
BizKo
ePayroll

BPI MS
Fire
Motor
Personal Accident
Casualty
Personal Cyber
Marine and Aviation
Engineering
Surety Bond
Microinsurance

BPI AIA
Individual Account/In-branch
Family Care Plus
Build Estate Plus
Life Ready Plus
Life Protect
Accident Guard 24/7
Life Extreme Protect
Critical Care Max
Critical Care Plus
Invest Peso Max
Invest Dollar Max
Preferred Life Plus
Dollar Protect Plus
Critical Care 100
Medlife Protect Plus
Total Care Max
BPI AIA Aspire
PamilyaProtect

Future Ready
Aspire Premier
Wealth Advantage

BPI AIA Direct
Smart Shield
Smart Health Shield Series
Life Protect Health Direct
PamilyaProtect

BPI Foundation
Financial Education
FinEd Unboxed
Breakthrough
Personal Finance 101
Enterprise Development and Livelihood
BPI Sinag
TechVoc
BPI SEAL
Farm to Table
Bayanihan
BPI BAYAN
Arts Management and Special Projects
BPI-DOST Innovation Awards
Pagpupugay Scholarship
BPI Art Collection
BPI Museum Cebu
BPI Museum Zamboanga

BPI Wealth TRUST
Unit Investment Trust Funds (UITF)
Institutional Trust Accounts
Employee Benefit Plan/Retirement Fund (Pension and Provident Funds)
Pre-need Trust
Other Institutional Trust Accounts
Individual Trust Accounts
Personal Management Trust

AGENCY
Institutional Agency Accounts
Employee Benefit Plan (Pension and Provident Funds)
Pre-need Accounts
Other Institutional Agency Accounts (Investment Management Account)
Individual Agency Accounts
Other Individual Accounts (Investment Management Account)

OTHER FIDUCIARY SOLUTIONS

UITF – Other Fiduciary Services (ABF Philippines Bond Index Fund)
Personal Equity and Retirement Account (PERA) Administration
Corporate Fiduciary Accounts
Mortgage Trust Indenture
Facility/Loan Agency or Bond Trusteeship
Depository
Escrow Agency
Custody
Other Fiduciary Services - Administrative Agency Services
Safekeeping
Life Insurance Trust
Property Administratorship
Other Services
Court Trust
Executorship
Guardianship
Legislated and Quasi-Judicial Trust
Other Fiduciary Accounts

ADVISORY/CONSULTANCY

INVESTMENT FUNDS

Money Market Funds
UITFs

PHP
BPI Short Term Fund
BPI Money Market Fund

USD
BPI US Dollar Short Term Fund

Mutual Funds

PHP
ALFM Money Market Fund

Fixed Income Funds
UITFs

PHP
BPI Premium Bond Fund
Odyssey Peso Medium Term Bond Fund
Odyssey Peso Bond Fund
ABF Philippines Bond Index Fund
BPI Fixed Income Portfolio Fund-of-Funds

USD
BPI Global Bond Fund-of-Funds
BPI Sustainable Global Bond Fund-of-Funds
BPI Philippine Dollar Bond Index Fund
Odyssey Philippine Dollar Bond Fund

Mutual Funds

PHP
Philam Managed Income Fund
Philam Bond Fund
Philam Dollar Bond Fund
PAMI Global Bond Fund
ALFM Peso Bond Fund
Ekklesia Mutual Fund

USD
ALFM Dollar Bond Fund

EUR
ALFM Euro Bond Fund

Multi-Asset Funds
UITFs

PHP
BPI Balanced Fund
BPI Bayanihan Balanced Fund
BPI Wealth Builder Fund
Odyssey Diversified Balanced Fund
Odyssey Diversified Capital Fund

USD
BPI Sustainable Global Balanced Fund-of-Funds
BPI US Dollar Income Feeder Fund

Mutual Funds

PHP
Philam Fund
PAMI Horizon Fund

USD
PAMI Asia Balanced Fund
Mutual Funds

PHP
Solidaritas Fund

USD
ALFM Global Multi-Asset Income Fund (USD and PHP classes)

Equity Funds
UITFs

PHP
BPI Philippine High Dividend Equity Fund
BPI Equity Value Fund
BPI Philippine Equity Index Fund
BPI Philippine Consumer Equity Index Fund
BPI Philippine Infrastructure Equity Index Fund
Odyssey Philippine Equity Fund
Odyssey Philippine High Conviction Equity Fund
BPI Catholic Values Global Equity Feeder Fund

USD
BPI US Equity Index Feeder Fund (available in USD and PHP classes)
BPI European Equity Feeder Fund
Odyssey Asia Pacific High Dividend Equity Feeder Fund
BPI World Technology Feeder Fund
BPI Global Health Care Feeder Fund
BPI Global Equity Fund-of-Funds
BPI Sustainable Global Equity Fund-of-Funds

Mutual Funds

PHP
ALFM Growth Fund
Philippine Stock Index Fund
Philam Strategic Growth Fund
PAMI Equity Index Fund

BPI PERA Funds
BPI PERA Money Market Fund
BPI PERA Government Bond Fund
BPI PERA Corporate Income Fund
BPI PERA Equity Fund

Retail
Housing Loans
MyBahay program
Auto Loans
MyKotse
Motorsiklo

Trade & Supply Chain

LOANS COMMERCIAL

Agribusiness
Agricultural Production
Agricultural Trading
Agricultural Services
Post-Harvest Operations

Trade Finance
Import Trade Services
Advanced Payment
Direct Remittance
Open Account
Documentary Collection
Letters of Credit

Export Trade Services
Letter of Credit Advising, Confirmation, Negotiation
Outward Bills for Collection

Other Trade Services
Standby Letters of Credit
Shipping Guarantees
BOC Duties Payment
Trade Financing
Import Bills
Trust Receipt Financing
Export Advance Loan
Export Bills Purchase

Supply Chain
Supplier Finance
Receivable Finance

Structured Finance
Project and Infrastructure Finance
Cross Border Loans and Investments
Other Structured Credits

Sustainable Development Finance
Energy Efficiency
Renewable Energy
Climate Resilience
Sustainable Agriculture

BPI Direct Banko, Inc.
Loan Products
NegosyoKo Loan
NegosyoKo Lite
JFC Agri Loan Financing
InstaCashKo Personal Loan

Deposit Products
PondoKo Savings
TODO Savings

Legaspi Savings Bank
Loan Products
Teachers Loan
Express Gabay Loan
Deposit Products

2024 Awards and Citations

AGENCY BANKING

- Best in Digital Goods Category 2024 Lazada Awards
- Best Digital Ecosystem and Platform Initiative in the Philippines: BPI Lazada + 6 Mobile App Suite The Asian Banker
- Grand Panata Brand of the Year: May BPI Dito, Finalist Philippine Association of National Advertisers
- Brand Effectiveness through Customer Experience: May BPI Dito Philippine Association of National Advertisers
- Best Innovation Execution through Mobile: May BPI Dito sa Lazada Philippine Association of National Advertisers
- Marketing Excellence Awards Excellence in eCommerce Marketing: May BPI Dito sa Lazada, 3rd Place Marketing Interactive
- Customer Experience Initiative of the Year - BPI Agency Banking Asian Banking and Finance

BUSINESS BANKING

- Best SME Bank in the Philippines Alpha Southeast Asia Awards
- Best SME Bank in the Philippines Global Finance Awards
- Product Innovation of the Year for Ka-Negosyo On The Go, Finalist Global SME Finance Awards

SUSTAINABLE DEVELOPMENT FINANCE

- Sustainable Finance Initiative of the Year (Philippines) Asian Banking & Finance Wholesale Banking Awards 2024
- Excellence Award for Sustainable Finance (Philippines) ESG Business Awards 2024

GLOBAL MARKETS

- Top 5 Fixed-Income Dealing Participants, Rank #3 19th Annual PDS Awards
- Issuer Award: Special Citation for issuing its Reinforcing Inclusive Support for MSMEs ("RISE") Bonds 19th Annual PDS Awards
- Best Bank in the Philippines for Treasury and Working Capital for LLCs The Asset Triple A Treasurise Awards
- Best Bank in the Philippines for Treasury and Working Capital for SMEs The Asset Triple A Treasurise Awards

- Best Service Provider for Trade Finance The Asset Triple A Treasurise Awards
- Best Service Provider for Risk Management The Asset Triple A Treasurise Awards
- Best Social Bond (BPI RISE Bonds) The Asset Triple A Sustainable Finance Awards 2024
- Philippines Domestic Foreign Exchange Bank of the Year Asian Banking & Finance Wholesale Banking Awards
- Best FX Bank for Corporates & Financial Institutions 14th Annual Alpha SEA Treasury & FX Awards
- Best FX Bank for Structured Products: Commodities, Credit, Equity, FX and Multi-Asset 14th Annual Alpha SEA Treasury & FX Awards
- Best Corporate Treasury Sales and Structuring Team 14th Annual Alpha SEA Treasury & FX Awards
- Derivatives House of the Year (Philippines) Asia Risk Awards
- Highly Commended – Best Bank for FX/ Hedging Solutions Corporate Treasurer Awards
- Highest Estimated Green House Gas Emissions Mitigated: 1,754 thousand tCO2e/year in the East Asia and Pacific Region International Finance Corporation (IFC) Climate Assessment for Financial Institutions (CAFI) Award
- Most Astute Investor Award in the Local Currency Bonds Category 2024 – Jennifer Gayle P. Singian The Asset Benchmark Research Awards
- Best Local Currency Bond Individual for Research, Asian Local Currency Bond Benchmark Review – Emilio S. Neri Jr. (Rank 5) The Asset Benchmark Research Awards
- Best Economist – Emilio S. Neri Jr. Fund Managers Association of the Philippines (FMAP) Awards

MOBILE APP AND WEALTH ONLINE

- Excellence Award 2024 Asian Business Review Asian Technology
- Progressive Modernization at Scale Award 2024 Backbase Excellence Award
- Overall Winner – Project for Clients Category Consumer Bank Heroes Excellence Awards

- BPI App – Overall Winner for ESG Sustainability Innovation Awards
- No. 1 Net Promoter Score (NPS) Award Wealth Management 2024
- International recognition from The Digital Banker 2024 Digital CX Awards

CASH MANAGEMENT, BIZLINK AND BIZKO

- Best Trade Finance Bank in the Philippines Alpha Southeast Asia Annual Awards 2024
- Excellence in Digital Innovation Digital Banker's Global Transaction Banking Awards 2024
- 2023 Best Collecting Agent for Online Collection PhilHealth Stakeholders' Awarding Ceremony
- 2024 Best Collection Partner – Commercial Bank Category (Robinsons Bank) SSS 2024 Balikat Ng Bayan Awards

INSTITUTIONAL BANKING

- Best Corporate Bank – Large Corp. & MNCs FinanceAsia Awards 2024
- Corporate Client Initiative of the Year (JFC Farmer Financing Program) Asian Banking & Finance – Corporate & Investment Banking Awards 2024

CORPORATE GOVERNANCE

- Golden Arrow Award, Top Performing Company (Domestic Recognition) Institute of Corporate Directors (ICD)

BPI CAPITAL

- Top Corporate Issue Manager/Arranger Philippine Dealing System 19th Annual Awards
- Cesar E.A Virata Award Philippine Dealing System 19th Annual Awards
- Best Investment Bank (Highly Commended) FinanceAsia 28th Annual Awards
- Best DCM House (Highly Commended) FinanceAsia 28th Annual Awards
- Best Fixed Income House Investment House of the Philippines 9th IHAP Awards
- Best Advisory House Investment House of the Philippines 9th IHAP Awards
- Best Securities House in the Philippines of the Philippines Euromoney 8th Securities House Awards
- Best Fixed Income House in the Philippines Euromoney 8th Securities House Awards

- Best Acquisition Financing (Aboitiz Equity Ventures PHP17.54 billion Fixed-Rate Bond) The Asset Triple A Sustainable Finance Awards
- Best Corporate Bond (SM Prime Holdings PHP33 billion Fixed-Rate Bond) The Asset Triple A Sustainable Finance Awards
- Best Equity Deal (ACEN PHP25 billion Perpetual Preferred Shares) The Asset Triple A Sustainable Finance Awards
- Best Social Bond (BPI PHP20.4 billion RISE Bonds - ASEAN Social Bonds) The Asset Triple A Sustainable Finance Awards
- Philippine Domestic Project Finance Bank of the Year (Unity Digital Infrastructure, Inc. Acquisition Finance Facilities) Asian Banking & Finance Wholesale Banking Awards
- Mergers and Acquisitions Deal of the Year Philippines (Merger of BPI and Robinsons Bank) Asian Banking and Finance Corporate and Investment Banking Awards
- Deal of the Year (Merger of BPI and Robinsons Bank) Investment House of the Philippines' 9th IHAP Awards
- Best Advisory Deal (Merger of BPI and Robinsons Bank) Investment House of the Philippines' 9th IHAP Awards
- Best Equity Deal (ACEN Perpetual Preferred Shares) Investment House of the Philippines' 9th IHAP Awards
- Best Fixed Income Deal (Bureau of the Treasury – Retail Dollar Bonds 2) Investment House of the Philippines' 9th IHAP Awards
- Most Innovative Deal of the Year (Maynilad PHP15 billion 5 and 10-year Blue Bonds) Alpha Southeast Asia 18th Annual ESG Green Finance Awards 2024
- Best Blue Bond in Southeast Asia (Maynilad PHP15 billion 5 and 10-year Blue Bonds) Alpha Southeast Asia 18th Annual ESG Green Finance Awards 2024
- Most Innovative Deal in Southeast Asia (ACEN PHP11 billion Sustainability-linked Loan) Alpha Southeast Asia 18th Annual ESG Green Finance Awards 2024
- Best Local Currency Bond of the Year in Southeast Asia (ALI PHP14 billion Tranche I & II Sustainability-linked Bonds) Alpha Southeast Asia 18th Annual ESG Green Finance Awards 2024
- Sustainability-linked Transaction of the Year in Southeast Asia (ALI PHP14 billion Tranche I & II Sustainability-linked Bonds) Alpha Southeast Asia 18th Annual ESG Green Finance Awards 2024

BPI MS

- 2023 Golden Arrow Award, 3rd consecutive year 2023 Corporate Governance Scorecard Assessment
- Best Digital Insurer The Digital Banker – Digital CX Awards 2024

BPI AIA

- Best Digital Insurance Product for CX for BPI AIAs PamilyaProtect microinsurance The Digital Banker – Digital CX Awards 2024
- Life Insurance Company of the Year for the Philippines World Finance

BPI FOUNDATION

- Community Impact Award Nordic-Philippine Business Awards
- Award of Excellence in Communication Management, Corporate Social Responsibility The Philippine Quill Awards
- Award of Merit in Communication Management, Corporate Social Responsibility The Philippine Quill Awards
- Leaders for Sustainability and Corporate Purpose, Silver
- Leaders for Sustainability and Corporate Purpose, Bronze Asia Pacific Tambuli Awards

BPI WEALTH

- Best Wealth Manager for Digital CX in the Philippines The Digital Banker – Digital CX Awards 2024
- Best Digital CX with Digital Account Opening and Customer Onboarding The Digital Banker – Digital CX Awards 2024
- Best in NextGen Offerings Euromoney Private Banking Awards
- Best in Family Office Solutions Euromoney Private Banking Awards
- Best Private Bank in the Philippines Global Private Banking Innovations Awards
- Best in NextGen Offerings Global Private Banking Innovations Awards
- High Commendation for Family Office Solutions Global Private Banking Innovations Awards

Multi-year Awards:

- Best Asset Manager – Philippines International Finance Awards
- Best Managed Fund of the Year for Dollar Global Equity Feeder Fund Category CFA Phil – Best Managed Fund Award
- Best Managed Fund of the Year for Peso Equity Fund Category CFA Phil – Best Managed Fund Award
- Best Managed Fund of the Year for Dollar Equity Fund Category CFA Phil – Best Managed Fund Award
- Best Overall Asset & Fund Manager Alpha Southeast Asia Awards 2024
- Best Asset Manager for Equity, Fixed Income, Index Equity, and Open-ended Funds Alpha Southeast Asia Awards 2024
- Best Fund with Optimal Sharpe Ratio Alpha Southeast Asia Awards 2024
- Best Private Bank in the Philippines The Asset
- Asset Management Company of the Year – Highly Commended (Philippines) The Asset
- The Asset Triple A Sustainable Investing Awards 2024 for Institutional Investor, RTF, and Asset Servicing Providers The Asset

BANKO

- 2024 Change Maker for Most Innovative Bank 2024 Change Maker Award
- Best SME Product of the Year (NKLoan) Asian Banking Forum (ABF Retail Banking Awards)
- Special Citation on Digitalization – Awarded to BPI Direct BanKo, Inc. 3rd DFIA Digital Financial Inclusion Awards
- Best Strategic Partnership – AgriNegosyoKo Loan Awarded by: Retail Banker International Asia Trailblazer Awards

Membership in Industry Associations

ACI Philippines The Financial Markets Association
Association of Bank Compliance Officers Inc.
Association of Bank Remittance Officers Inc.
Association of Foundations (Philippines) Inc.
Bank Marketing Association (Phils.),
Bank Security Management Association
Bankers Association of the Philippines
Bankers Institute of the Philippines
British Chamber of Commerce Philippines
Business for Sustainable Development Inc.
Cebu Chamber of Commerce & Industry, Inc.
Credit Card Association of the Philippines
Credit Management Association of the Philippines
Davao City Chamber of Commerce and Industry
Financial Executive Institute of the Philippines
Fund Managers Association of the Philippines
Gen. Santos Chamber of Commerce
Good Governance Advocates and Practitioners Philippines
Information System Audit and Control Association (ISACA)
Institute of Corporate Directors, Inc.
Institute of Internal Auditors
Integrated Bar of the Philippines
Internet and Mobile Marketing Association of the Philippines
Investment House Association of the Philippines
League of Corporate Foundations, Inc.
Management Association of the Philippines
Marketing & Opinion Research Society of the Philippines
Money Market Association of the Philippines
Nextgen Organization of Women Corporate Directors
Philippine Association of National Advertisers, Inc.
Philippine Association of Stock Transfer
Philippine Chamber of Commerce and Industry
Philippine Council for NGO Certification
Philippine Institute of Certified of Accountants
Philippine Payments Management Inc
Philippine Stock Exchange, Inc.
Rotary Foundation of Makati West Inc.
Tax Management Association of the Philippines
The American Chamber of Commerce of the Philippines
The Makati Business Club, Inc.
Various Regional Bankers Association
The Japanese Chamber of Commerce & Industry Philippines
Trust Officers Association of the Philippines
Association of Philippine Correspondent Bank Officers

Group Directory

PHILIPPINES		FOREIGN OFFICES
Bank of the Philippine Islands Tower Two, Ayala Triangle Gardens Paseo de Roxas corner Makati Avenue Bel-Air, Makati City 1226 (632) 889-10000 www.bpi.com.ph/contactus www.bpi.com.ph	BPI Investments Inc. 28/F Ayala Triangle Gardens Tower 2 Paseo de Roxas Cor. Makati Ave., Bel-Air, Makati City (632) 8580-0900 bpi_investment@bpi.com.ph www.alfmmutualfunds.com www.pamifunds.com	BPI (Europe) Plc 6/F 95 Aldwych London, WC2B 4JF, United Kingdom (+44) 0207 8350088 bpinoy@bpieuropeplc.com complaints@bpieuropeplc.com
BPI Direct Banko Inc., A Savings Bank 4/F Banko Center 220 Ortigas Avenue North Greenhills, San Juan City 1503 (632) 8819-6728 Banko_ContactCenter@bpi.com.ph www.banko.com.ph	BPI Foundation, Inc. 2/F BPI Buendia Center 372 Sen. Gil Puyat Avenue Bel-Air Makati City 1209 (632) 8816-9288 bpifoundation@bpi.com.ph www.bpifoundation.org	BPI Wealth Hong Kong Limited (formerly known as BPI International Finance Limited) 5/F LHT Tower 31 Queen's Road Central Central Hong Kong (+852) 2521-1155 BPI-IFL@bpi.com.hk BPI-IFL-Complaints-Officer@bpi.com.hk www.bpi-ifl.com.hk
BPI Capital Corporation 23/F Tower Two, Ayala Triangle Gardens Paseo de Roxas corner Makati Avenue Bel-Air, Makati City 1226 (632) 8580-0888 loc. 15108 bpicapital@bpi.com.ph	BPI/MS Insurance Corporation 11/F, 14/F, 16/F and 18/F 6811 BPI-Philam Life Makati Ayala Avenue, Salcedo Village Bel-Air Makati City 1209 (632) 8840-9000 www.bpims.com	BPI Remittance Centre Hong Kong Ltd. Worldwide Branch Shop 114, 1/F, Worldwide House 19 Des Voeux Road Central Hong Kong (+852) 2522-7105 (+852) 2521-5366 bpiworldwide@bpi.com.ph
BPI Securities Corporation 23/F Tower Two, Ayala Triangle Gardens Paseo de Roxas corner Makati Avenue Bel-Air, Makati City 1226 (632) 8580-4000 bpitrade@bpi.com.ph www.bpitrade.com	BPI AIA Life Assurance Corporation 15/F BPI-Philam Life Makati 6811 Ayala Avenue, Makati City 1226 Hotline: (632) 8528-5501 www.bpi-aia.com.ph	BPI Remittance Centre Hong Kong Ltd. Yuen Long Branch Shop 18 B2, 2/F, Tung Yik Building No. 8 Yu King Square Yuen Long, New Territories Hong Kong (+852) 2443-5377 bpiyuenlong@bpi.com.ph
BPI Wealth, A Trust Corporation 26/F and 27/F Tower Two, Ayala Triangle Gardens, Paseo de Roxas corner Makati Avenue Bel-Air, Makati City 1226 Product-related inquiries: bpi_asset_management@bpi.com.ph bpi_asset_management@bpiamtc.com www.bpiassetmanagement.com	Ayala Plans Inc. 8/F BPI Buendia Center 360 Sen. Gil Puyat Avenue Bel-Air, Makati City 1209 (632) 889-10000 customerservice@ayalaplan.com.ph	Japan Representative Office Kobayashi Mansion Room 401, 2-16-18 Hyakunincho Shinjuku-ku, Tokyo, Japan 169-0073 (+81) 90-8805-1274
	Legazpi Savings Bank 2F 738 Building Rizal Street, Old Albay District Legazpi City 4500 0919 0630944 to 45 (loc. 82134) c3@legazpibank.com.ph https://www.legazpibank.com.ph/	Dubai Representative Office Shop No.1 Al Diyafah Building Al Mankhool Road, Al Hudaiba Dubai, United Arab Emirates (+971) 4354-2977 (+971) 5045-99482 (+971) 5045-90282

Corporate Information

Bank of the Philippine Islands

Tower Two, Ayala Triangle Gardens
Paseo de Roxas corner Makati Avenue
Bel-Air, Makati City 1226
(632) 889-10000
www.bpi.com.ph/contactus
www.bpi.com.ph

BPI Stock Transfer Office

3/F BPI Buendia Center
372 Sen. Gil Puyat Avenue
Bel-Air, Makati City 1209
(632) 8580-4693 to 95
stocktransferoffice@bpi.com.ph

BPI Investor Relations Office

25/F Tower Two, Ayala Triangle Gardens
Paseo de Roxas corner Makati Avenue
Bel-Air, Makati City 1226
(632) 8663-6729
investorrelations@bpi.com.ph

Office of the Corporate Secretary

28/F Tower Two, Ayala Triangle Gardens
Paseo de Roxas corner Makati Avenue
Bel-Air, Makati City 1226

BPI Sustainability Office

25/F Tower Two, Ayala Triangle Gardens
Paseo de Roxas corner Makati Avenue
Bel-Air, Makati City 1226
sustainability@bpi.com.ph

Customer Inquiries

(02) 889-10000
www.bpi.com.ph/contactus

Supplier, Creditor Inquiries

(02) 889-10000
www.bpi.com.ph/contactus

BPI Public Affairs and Communications

22/F Tower Two, Ayala Triangle Gardens
Paseo de Roxas corner Makati Avenue
Bel-Air, Makati City 1226
corporateaffairs@bpi.com.ph

Careers c/o HR

(632) 8548-8933
talent@bpi.com.ph

Whistleblower Reports

eye_report@bpi.com.ph

External Assurance

Isla Lipana & Co.
29/F, Philamlife Tower
8767 Paseo de Roxas
Makati City 1226
(632) 8845 2728

Partner-in-charge

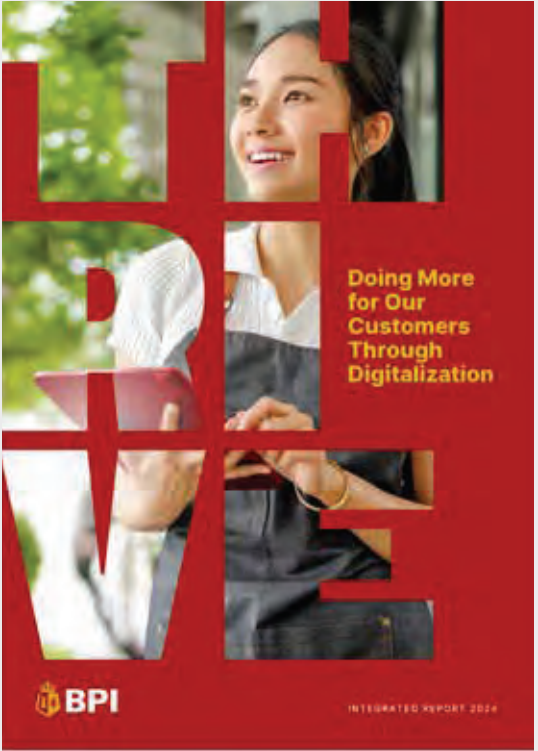
John-John Patrick V. Lim
Accreditation number: 83389-SEC, Category A
Validity: 2022 to 2026 Financial Statements

SyCip, Gorres, Velayo & Co.

6760 Ayala Avenue
San Lorenzo, Makati City 1226
(632) 8891-0307
info@sgv.ph

BPI is regulated by the Bangko Sentral ng Pilipinas

https://www.bsp.gov.ph



ABOUT THE COVER

THRIVE: Doing More for Our Customers Through Digitalization

BPI believes in building a better Philippines—one family, one community at a time.

Through Digitalization and a culture of Customer Obsession, we are able to reach more customers, paving the way for greater financial inclusion and allowing more Filipinos to thrive with BPI.



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www.bpi.com.ph