


April 15, 2024

**Ms. Alexandra D. Tom Wong**  
Head Disclosure Department  
The Philippine Stock Exchange, Inc.  
6/F PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

**Dear Ms. Tom Wong:**

Pursuant to the Structured Continuing Disclosure Requirements for Listed Companies of the Exchange, we hereby submit a copy of our SEC Form 17-A with Sustainability Report as of December 31, 2023.

Very truly yours,

  
**Renato K. De Borja, Jr.**  
**Senior Vice-President/Controller and**  
**Deputy Head of Financial and Control Sector**

cc: Philippine Dealing Exchange Corp.  
29<sup>th</sup> Floor, BDO Equitable Tower  
8751 Paseo de Roxas, 1226 Makati City

# COVER SHEET

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SEC Registration Number

M	E	T	R	O	P	O	L	I	T	A	N		B	A	N	K		&		T	R	U	S	T		C	O	M	P	A	N	Y

(Company's Full Name)

G	T		T	o	w	e	r		I	n	t	e	r	n	a	t	i	o	n	a	l	,		6	8	1	3					
A	y	a	l	a		A	v	e	.	,		c	o	r	n	e	r		H	.	V	.		D	e	l	a					
C	o	s	t	a		S	t	.	,		B	r	g	y	.		B	e	l	-	A	i	r	,		1	2	2	7			
M	a	k	a	t	i		C	i	t	y																						

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

RENATO K. DE BORJA, JR.
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(Contact Person)

8537-2892
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(Company Telephone Number)

1	2
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Month Day  
(Fiscal Year)

3	1
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1	7	-	A	
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(Form Type)

0	4
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Month

2	4
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Day

(Annual Meeting)

NONE
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(Secondary License Type, If Applicable)

Markets and Securities Regulation Department
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Dept. Requiring this Doc.

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Amended Articles Number/Section

2,950
as of 12-31-2023

Total No. of Stockholders

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Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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Document ID

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SEC Number 20573  
File Number\_\_\_\_\_

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**METROPOLITAN BANK & TRUST COMPANY**

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**(Company's Full Name)**

**GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, 1227,  
Makati City**

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**(Company's Address)**

**8537-2892**

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**(Telephone Number)**

**December 31**

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**(Fiscal year ending)**

**FORM 17-A  
(ANNUAL REPORT)**

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**(Form Type)**

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**(Amendment Designation, if applicable)**

**December 31, 2023**

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**(Period Ended Date)**

**None**

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**(Secondary License Type and File Number)**

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

1. For the fiscal year ended : **December 31, 2023**
2. SEC Identification Number : **20573**
3. BIR Tax Identification No. : **000-477-863**
4. Exact name of issuer as specified in its charter : **METROPOLITAN BANK & TRUST COMPANY**
5. Province, Country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**
6. Industry Classification Code : \_\_\_\_\_ (SEC Use Only)
7. Address of principal office : **GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, Makati City**
8. Issuer's telephone number, including area code : **(632) 8898-8000; (632) 8537-2892**
9. Former name, former address and former fiscal year, if changed since last report : **Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City, 1200**

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

- |  |   |  |
|--|---|--|
| Title of Each Class                          | : | <b>Common Stock</b>  |
| Number of Shares of Common Stock Outstanding | : | <b>4,497,415,555 shares as of December 31, 2023</b>  |
| Amount of Debt Outstanding                   | : | <b>₱2.610 trillion for the Group;<br/>₱2.325 trillion for the Parent Company (sum of deposit liabilities, bills payable, bonds payable and subordinated debts as of December 31, 2023)</b> |

11. Are any or all of these securities listed on a Stock Exchange?

Yes [ ☒ ] No [ ☐ ]

All of the securities of the issuer are listed in the Philippine Stock Exchange.

12. Check whether the issuer:

- a. has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 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 12 months (or for such shorter period that the registrant was required to file such reports.)

Yes [ ☒ ] No [ ☐ ]

- b. has been subject to such filing requirements for the past 90 days.

Yes [ ☒ ] No [ ☐ ]

13. Aggregate market value of the voting stock held by non-affiliates based on closing price as of March 31, 2024:

**₱140.70 billion**



## PART I – BUSINESS AND GENERAL INFORMATION

### ITEM 1 – BUSINESS

#### DESCRIPTION OF BUSINESS

##### 1. Business Development

Metropolitan Bank & Trust Company (“Metrobank” or “the Bank”) was incorporated on April 6, 1962 by a group of Filipino businessmen to provide financial services to the Filipino-Chinese community. Since its formation, the Bank has diversified its business, and to date provides a broad range of banking and collateral services to all sectors of the Philippine economy. The original Certification of Incorporation of the Bank was issued by the Securities and Exchange Commission (SEC) for a 50-year corporate term. The SEC approved the renewal on November 19, 2007.

The Bank opened its first office in Binondo, Manila on September 5, 1962. Within a year, the Bank opened its second branch in Divisoria, Manila. Soon after, the Bank started expanding outside Manila with the opening of its first provincial branch in Davao. In 1975, the Bank rolled out its first international branch in Taipei, followed by offices in New York, Guam, Hong Kong, and Tokyo towards the early 1980s. Initially, the role of the Bank’s foreign offices was to tap expanding Overseas Filipino Workers (OFW) remittance business and to complement its corresponding branch network. This strategy proved successful as the OFW market grew strongly and the political turbulence in the Philippines made access to foreign exchange difficult. It was during this period that the Bank started its Foreign Currency Deposit Unit (FCDU) operations. The Philippine Central Bank authorized Metrobank to operate its FCDU on April 15, 1977.

In November 1980, the SEC approved and certified the listing of 500,000 common shares of Metrobank’s capital stock. On February 26, 1981, Metrobank’s common shares were listed on the Makati Stock Exchange Inc. and the Manila Stock Exchange (which has since unified to become The Philippine Stock Exchange, Inc. or PSE), with the trading symbol of **MBT**.

On August 21, 1981, Metrobank became one of the first to be granted a universal banking license by the Philippine Central Bank, now Bangko Sentral ng Pilipinas (BSP). This license allowed the Bank to engage in “non-allied undertakings” which include automobile manufacturing, travel services and real estate, as well as finance-related businesses such as insurance, savings and retail banking, credit card services and leasing.

On August 13, 2013, the SEC approved the amendment of the Articles of Incorporation of the Bank increasing its authorized capital stock from ₱50 billion to ₱100 billion composed of 4.0 billion common shares and 1.0 billion non-voting preferred shares, each with a par value of ₱20 per share. The Bank declared a 30% stock dividend equivalent to 633.4 million common shares (approved for listing by PSE on September 10, 2013) which was applied as payment for the required minimum 25% subscription to the increase in authorized capital stock. Total outstanding shares increased to 2,744,801,066 after the stock dividend.

On February 24, 2015, the SEC confirmed the exemption of a rights offer for up to ₱32.0 billion worth of common shares from the registration requirements under Section 8 of the Securities Regulation Code. Subsequently, in April 2015, the Bank completed a rights offer for 435,371,720 common shares with par value of ₱20.00. Total outstanding shares increased to 3,180,172,786 after the transaction. On April 12, 2018, the Bank completed another stock rights offer for 799,842,250 common shares with par value of ₱20.00. Total outstanding shares increased to 3,980,015,036 after the transaction.

On October 4, 2019, the SEC approved the amendment of the Articles of Incorporation of the Bank increasing its authorized capital stock from ₱100 billion to ₱140 billion composed of 6.0 billion common shares and 1.0 billion non-voting preferred shares, each with a par value of ₱20 per share. The Bank declared a 13% stock dividend equivalent to 517.4 million common shares (approved for listing by PSE on November 19, 2019) which was applied as payment for the required minimum 25% subscription to the increase in authorized capital stock. Total outstanding shares increased to 4,497,415,555 after the stock dividend.

On March 13, 2019, the respective BODs of the Bank and MCC approved the proposal to merge MCC into the Bank which will unlock the value of MCC and help realize the following objectives: (1) improve synergy and cross-sell; (2) increase the profitability and improve capital efficiency; and (3) enable the Bank to be more competitive in the credit card business. The proposed merger was ratified by the stockholders of the Bank on April 24, 2019, approved by the BSP on October 23, 2019, and approved by the SEC on January 3, 2020.

## 2. Business of Registrant

### Services/Customers/Clients

Metrobank offers a complete range of commercial and investment banking services. The Bank's customer base covers a cross section of the top Philippine corporate market. The Bank has always been particularly strong in the middle market corporate sector, a significant proportion of which consists of Filipino-Chinese business.

Metrobank and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering. As a bank, Metrobank, which is the ultimate parent of the Group, provides products and services such as deposits, loans and trade finance, credit card products, programs and facilities, electronic banking facilities, cash management, domestic and foreign fund transfers, treasury products, remittances, institutional fund-management, private banking and trust services. The Bank is also a major participant in the Philippine foreign exchange market. It is accredited as a Government Securities Eligible Dealer (GSED) and has played an active role in the development of the domestic capital markets.

The Bank provides investment banking services through First Metro Investment Corporation (FMIC) and retail banking through the Bank and its subsidiary Philippine Savings Bank (PSBank).

### Contribution to Sales/Revenues

The net interest income derived from lending, investment and borrowing activities represents 78.13%, 75.67% and 73.98% of the Group's revenue net of interest and finance charges in 2023, 2022 and 2021, respectively. Other operating income (consisting of service charges, fees and commissions; net trading and securities gains/(losses); net foreign exchange gain/(loss); leasing income; profit from assets sold; income from trust operations; dividend income and miscellaneous income) and share in net income of associates and a joint venture account for 21.87%, 24.33% and 26.02% of the Group's revenue net of interest and finance charges in 2023, 2022 and 2021, respectively.

### Contribution of Foreign Offices

The percentage contributions of the Group's offices in Asia, the United States and Europe to the Group's revenue, net of interest and finance charges, and external net operating income for the years 2023, 2022 and 2021 are as follows:

Offices in	Year	Percentage Contribution to	
		Revenue, Net	External Net Operating Income
Asia (Other than Philippines)	2023	3.81	3.86
	2022	3.15	3.11
	2021	3.18	3.35
United States	2023	0.49	0.52
	2022	0.49	0.53
	2021	0.49	0.55
Europe	2023	0.03	0.03
	2022	0.03	0.04
	2021	0.03	0.04

## **Significant Subsidiaries**

### **1. First Metro Investment Corporation (FMIC)**

FMIC is the investment banking arm of the Metrobank Group. It is an investment house incorporated in the Philippines on June 25, 1963 with principal place of business at 45th Floor, GT Tower International, Ayala Avenue corner H.V. dela Costa Street, Makati City. On September 22, 2000, FMIC was merged with Solidbank Corporation (Solidbank). Solidbank became the surviving entity and was subsequently renamed First Metro Investment Corporation. FMIC's shares of stocks (originally Solidbank) were listed on the PSE on October 25, 1963 and were subsequently delisted effective December 21, 2012. FMIC is a 99.27%-owned subsidiary of Metrobank.

On March 25, 2021, FMIC's application to return its quasi-banking (QB) license was approved by the BSP. The return of the company's QB license was part of its transformation plan to strengthen its core business of investment banking, further develop its brokering and distribution of capital markets issuances and forge greater synergy with its subsidiaries, FirstMetroSec and FAMI, and Parent, Metrobank. This new strategy will allow the company to better serve the needs of its clients, respond aptly to the changing demands of the market and contribute more effectively in the development of the Philippine capital markets.

FMIC is primarily engaged in investment banking. FMIC and its subsidiaries offer a wide range of services, from debt and equity underwriting to loan syndication, project finance, financial advisory, government securities and corporate debt trading, equity brokering, online trading, asset management and research. It operates through its two main strategic business units:

- **Investment Banking Group (IBG)** - the Group manages the investment banking business of FMIC. FMIC stands at the forefront of the Philippine capital markets as the investment bank of choice for prominent corporations and government agencies. Its track record in debt and equity underwriting rests on its key strength in origination, structuring and execution. The IBG perennially engages in the lion's share of transactions in the debt and equities markets.

FMIC is widely recognized as a leader in debt capital market issuances. The company provides debt financing solutions to help achieve client objectives that normally include expansion plans, refinancing, strategic acquisitions or buy-outs, or complex project financing. For years, it has been actively involved in originating and underwriting Philippines equity issuances, whether private placement or public offering. IBG integrates its expertise and experience in structuring, execution, and distribution to provide optimal solutions for its clients' capital requirements. FMIC is also a PSE-accredited financial advisor providing strategic advice on enhancing corporate value, selecting optimal fundraising structure, and addressing valuation issues.

- **Sales & Distribution Group (SDG)** - the Group is primarily responsible for offering the various FMIC underwritten products to the investing public. As an active brokering participant, SDG makes available to its clients the wide range of tradeable fixed income securities in the market. Driving the success of FMIC's underwritten deals is the dynamic synergy between its two main strategic business units, the IBG and SDG. FMIC's underwriting strength is complemented by its ability to distribute securities widely.

### **2. Philippine Savings Bank (PSBank)**

PSBank was incorporated on June 30, 1959 to primarily engage in savings and mortgage banking. PSBank is the country's first publicly listed thrift bank. Its principal office is located at the PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City. PSBank is 88.38% - owned subsidiary of Metrobank.

It has outpaced some of its key competitors and is now the country's leading thrift bank in terms of assets. It mainly caters the retail and consumer markets and offers a wide range of products and services such as deposits, loans, treasury and trust functions. PSBank's network comprises 250 branches and 556 ATMs in strategic locations nationwide.

PSBank has a 30% interest in Sumisho Motor Finance Corporation (SMFC), a joint venture with Sumitomo Corporation of Japan. SMFC is not listed in the stock exchange.

### 3. ORIX METRO Leasing and Finance Corporation (ORIX METRO)

ORIX METRO was incorporated in the Philippines and was registered with the SEC on June 28, 1977. Its primary purpose is to engage in financing by leasing all kinds of real and personal property; to extend credit facilities to consumers and enterprises by discounting commercial papers or accounts receivable, or by buying or selling evidences of indebtedness; and to underwrite securities. On August 24, 2007, ORIX METRO was authorized by the BSP to engage in quasi-banking functions. ORIX METRO engaged in quasi-banking functions effective January 1, 2008 as agreed to by the BSP subject to certain conditions. On April 20, 2022, the BOD of ORIX METRO approved the voluntary surrender of its quasi-banking license. ORIX METRO voluntarily surrendered its quasi-banking license to the BSP and this was approved by the BSP on June 23, 2022.

ORIX METRO is owned by Orix Corporation, Metrobank and FMIC, with shareholdings of 40%, 40%, and 20%, respectively. ORIX METRO and its subsidiaries' Parent Company is Metrobank. The registered office address of ORIX METRO is at 21st Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, Makati City.

### 4. Metropolitan Bank (China) Ltd. (MBCL)

MBCL is a wholly-owned subsidiary of Metrobank established in the People's Republic of China with the approval of China Banking Regulatory Commission (CBRC) (now China Banking Regulatory and Insurance Commission) on January 14, 2010. Within the territory of China, MBCL may engage in provision of all kinds of foreign exchange services to all types of customers and except for PRC citizens, provide all kinds of Renminbi services to all types of customers, with the business scope to include: accepting deposits; granting short-term, medium-term and long-term loans; handling acceptance and discount of negotiable instruments; buying and selling treasury bonds, financial bonds and other foreign exchange securities (other than stocks); offering L/C services and guarantees; arranging settlements of both domestic and overseas accounts; buying and selling foreign exchange either for itself or on behalf of its clients; handling insurance business as an agent; undertaking inter-bank borrowing or lending; providing service of safety deposit box; providing credit standing investigation and consultation service; and other business activities as approved by CBRC.

MBCL started its operations on March 2, 2010. Its headquarters is located in Nanjing, Jiangsu Province. It is the first wholly foreign-owned bank incorporated in Jiangsu Province, China. The former Metrobank Shanghai Branch and Pudong Sub-Branch were absorbed by MBCL. At present, aside from its Head Office, MBCL has nine (9) branches/sub-branches as follows: Nanjing Branch, Shanghai Branch, Shanghai-Pudong Sub-Branch, Changzhou Branch, Quanzhou Branch, Changzhou Wujin Sub-Branch, Xiamen Branch, Suzhou Branch and Ningbo Branch.

### 5. First Metro International Investment Company Limited (FMIIC)

FMIIC is a Hong Kong-registered company incorporated in 1972. It was engaged mainly in deposit-taking, loans, and remittances. However, since 2008, its activity was limited to investment; non-operating entity. Metrobank acquired majority shares in FMIIC in 1978. FMIIC is 100% owned by Metrobank.

### 6. Metro Remittance (Hong Kong) Limited

A wholly-owned subsidiary of Metrobank incorporated in October 1994 to provide money transmission services in Hong Kong. At present, MRHKL has five (5) branches located in United Centre, Worldwide House, Shatin, Tsuen Wan and Tsueng Kwan O.

### 7. Metro Remittance (Singapore) Pte. Ltd.

A wholly-owned remittance subsidiary of Metrobank established in April 2004 to conduct money-changing businesses and provide remittance services to Filipinos and other nationals in Singapore. The Company started commercial operations on November 12, 2004.

#### 8. Metro Remittance (USA), Inc. (MRUSA)

A wholly-owned remittance subsidiary of Metrobank was initially established to pursue the plan of expanding its remittance operations in California, U.S.A. On December 28, 2017, MRUSA was merged with Metro Remittance Center, Inc. (a wholly-owned subsidiary of Metrobank incorporated under the General Corporation Law of the State of Delaware on November 12, 1992). MRUSA, as a surviving company reclassified its type of business from a money service business to a holding company effective August 1, 2019. Its subsidiaries are:

- Metro Remittance (Canada), Inc.  
The Company was established to further strengthen the Bank's presence and address the remittance needs of the growing number of Filipinos in Canada. Its branches are located in Vancouver and Toronto which opened on August 1 and November 6, 2006, respectively.
- MB Remittance Center Hawaii, Ltd.  
The Company, established in 2002 and acquired by MRCI in 2005, provides money transmission services to Filipinos in Hawaii.

#### 9. Metro Remittance (UK) Limited (MRUK)

Metrobank acquired all of the outstanding shares of MRUK in May 2004. It was incorporated on September 24, 2002 in England as a private limited company and commenced trading at its premises at Kensington Church Street in London on June 4, 2003. The Company provides fast, secure and affordable money transmission services to the Philippines. It utilizes on-line, real-time computerized links with Metrobank which completes the funds delivery processes to named beneficiaries.

#### 10. Metro Remittance (Japan) Co. Ltd. (MR Japan)

A wholly-owned subsidiary of Metrobank incorporated in Yokohama, Japan on May 8, 2013. It started its remittance operations on October 31, 2013. The Company was established to expand the Bank's presence as well as to strengthen its remittance business in Japan.

### **Distribution Methods of Products and Services**

To remain strongly positioned and retain its leadership, Metrobank continued to upgrade and expand its distribution channels:

#### 1. Branches

Metrobank ended 2023 and 2022 with 699 and 697 branches, respectively. The Bank believes that it has reached its optimal state in terms of its branch network and is confident that it has the size and scale to pursue its growth plans.

#### 2. Remittance Centers

To further expand the remittance business of the Bank and its presence in the international market, remittance alliances were established between the Bank and several well-established businesses in the country.

#### 2023 - New International Remittance Tie-Ups

- |                                    |                                       |
|------------------------------------|---------------------------------------|
| a. Terra Payment Services (UK) Ltd | d. Daytona Capital Management Limited |
| b. Tangopay Limited                | e. Lulu Money (Singapore) Pte Ltd     |
| c. Taptap Send (UK) Ltd            |                                       |

#### 3. ATMs

All of Metrobank's 1,765 ATMs are full-featured and allow a wide array of financial and non-financial transactions for its clients and those of BancNet member banks. Apart from being the first bank to secure EMV-chip (Euro MasterCard VISA) certification in the Philippines, it has deployed 170 Cash Accept

Machines to allow clients to make real-time cash deposits to their accounts. Also deployed to branches are 10 Cash Recycling Machines to serve clients withdrawal and deposit transactions. We have installed security device in machines, thus providing more secure and convenient solutions to meet its clients' banking needs.

#### 4. Mobile Banking App

The Metrobank Mobile App is Metrobank's mobile banking channel which allows clients to do various banking transactions through the convenience of their mobile phone anytime, anywhere.

#### 5. Online Banking

Metrobank Online is Metrobank's internet banking service that features a mobile-optimized user interface, allowing customers to do various banking transactions conveniently, 24/7.

#### 6. MBOS (Metrobank Business Online Solution) is a web-based application that provides real-time access to client account statement and transaction history. Corporate enrolled in the facility can likewise initiate transactions at their own convenience. A fully integrated platform that supports latest technology that the market needed. MBOS embodied new functionalities for Cash and Trade solution for corporate clients.

#### 7. E-Government Facilities

- Tax Direct facility is a web based payment facility of Metrobank that allows both retail and corporate clients to pay their tax dues on tax returns filed through the BIR EFPS website.
- Bancnet's eGov Payment facility is a highly convenient online service that allows clients to electronically remit their monthly SSS, Philhealth and PAG-IBIG contributions and loan payments.

#### 8. Direct Sales and Telesales for Credit Card Products and Services

- Branch Sales are the stand-alone bank branches of the Banks where both existing and new-to-bank customers are tapped by the Bank for credit card cross-sell.
- Direct Sales is a third-party channel used by the Bank to market and sell its credit card products outside of its physical locations and offer services to open market segment.
- Telesales is a dedicated team of accredited third-party telesales agents and representatives facilitating credit card applications and promotions of the Bank. It involves contacting potential customers by phone to offer them products and services and operates during specified hours and is staffed by trained professionals who are dedicated to providing excellent customer service.
- Digital channels provide easy access for our customers wherever they are, whenever they need to get in touch with Metrobank.

### **Competition**

The Bank faces competition from both domestic and foreign banks. The number of foreign banks operating in the country has increased in recent years, in part as a result of the liberalization of the banking industry by the Government in 1994 and again in 2014.

As of December 31, 2023, the Philippine universal/commercial banking sector consisted of 45 banks, including 26 foreign bank entities. In terms of classification, there are 22 universal banks and 23 commercial banks. Of the 22 universal banks, 13 are private domestic banks, three are government banks and six are branches of foreign banks. Of the 23 commercial banks, three are private domestic banks, two are subsidiaries of foreign banks and 18 are branches of foreign banks. The ten largest universal/commercial banks in the country accounted for over 80% of total assets, loans and total deposits of the universal/commercial banking system based on published statements of condition as of September 30, 2023.

Products and services offered by the larger commercial banks are fairly similar, and banks have used competitive pricing to attract clients. Customer coverage, accessibility and customer experience also act as other key

differentiating factors. The smaller domestic banks and foreign banks, on the other hand usually operate in smaller niche markets.

The BSP has been encouraging consolidation among banks in order to strengthen the Philippine banking system. Mergers and consolidations may result in greater competition as it strengthens the financial capabilities of a smaller group of “top tier” banks. In December 2016, the BSP issued a memorandum providing regulatory incentives for mergers, consolidations and acquisition of majority or all outstanding shares of stock of a bank or quasi bank.

### **Innovations and Promotions**

In 2023, the Metrobank Group continued to introduce campaigns and promotions to address the market’s needs.

- Metrobank waived InstaPay fees on the Metrobank App from July 19, 2023 to December 31, 2023, which has been extended until June 30, 2024. The waiver is being applied to fund transfers amounting to Php1,000 or below. This is in-line with the BSP’s goal of encouraging more Filipinos to tap into online payment systems.
- Through Earnest, Metrobank’s learning and investing platform, the Bank offered Online Time Deposits. Interest rates could go as high as 4.5% per annum, depending on the amount and term of customers’ investments. This allowed customers to benefit from higher interest rates for their funds, with the convenience offered by the Bank’s secured digital platforms.
- The NEW Metrobank App rolled out its latest feature of sending money via QR, a much more efficient and convenient way of sending money to other banks and E-wallets.
- Metrobank Wealth Manager, Metrobank’s investment facility, which is available on Metrobank Online, introduced a new feature called the Order Submission Facility which allows clients to trade Php – denominated Government securities in the secondary market.
- Metrobank launched the MetroRemit Singapore App E-wallet, powered by FlexM which makes sending money to the Philippines easier. With this new feature, customers can top up their accounts via cash-in at any 7-Eleven stores and do an online transfer from their Singaporean bank account.
- Metrobank initiated the “Your Dream is on Us” promotional campaign which offered low rates and waived up to Php50,000 in fees for approved Car and Home Loan applications which ran until July 31, 2023.
- PSBank's Second-hand Auto Financing gives clients the option to finance used cars from accredited dealerships via PSBank Auto Loan.
- AXA Philippines insures 500 Filipina small and medium enterprise (SME) owners through its partnership with Bixie, an online financial literacy platform. With the aim of making insurance more available to women, this partnership offers micro-insurance products on the Bixie app. The pilot project with Bixie and US-based humanitarian agency Catholic Relief Services (CRS) involved AXA Philippines in providing insurance to 500 Filipina SME owners who were selected by CRS from the graduates of its savings and loan schemes.
- First Metro Investment Corporation (FMIC) continued to urge its clients to join “One First Metro”, Viber Community for real-time updates on the economy and markets. This forms part of First Metro's customer-centric approach, which involves a multifaceted strategy of hosting briefings, and providing in-depth analyses, and real-time updates through accessible platforms to empower clients in their decision-making processes.
- First Metro Securities Brokerage Corporation (FMSBC) conducted over 500 financial and investment literacy seminars in 2023, reflecting its commitment to providing individuals with greater access to financial opportunities. These events include the 'Guided Investment Fearless Trader (GIFT) Series,' a multi-day masterclass designed to provide comprehensive training in both fundamental and technical stock analysis. FMSBC was awarded as the Best Online Trading Platform and Best Online Broker for the

Philippines by London-based publishing firm International Finance. It was also awarded as Most Innovative Online Broker and Best Stock Brokerage House for the Philippines by Global Economics.

- First Metro Asset Management Inc. (FAMI) conducted 44 financial literacy seminars in 2023 nationwide. One of the seminars entitled “Be a Hero, not a Zero” details the steps in budgeting and financial goal setting. A retirement planning seminar, “Invest Early, Retire Comfortably,” provided the audience some guidelines on how to do a lifestyle check and design a customized financial retirement plan based on one’s individual lifestyle. FAMI’s seminars are aligned with its advocacy of improving financial wellness, not just of its clients, but also of the general public. The seminars center on understanding and assessing one’s financial health and making informed decisions about one’s financial status. The courses take a holistic approach, through (1) budget planning and debt management, (2) managing immediate and long-term risks through savings and insurance, (3) determining how money grows through different assets such as stocks, bonds, Mutual Funds, UITF and real estate, and (4) planning investments for education, retirement, and other financial goals.

### **Transactions with and/or Dependence on Related Parties**

Transactions with related parties and with certain directors, officers, stockholders and related interests (DOSRI) are discussed in Notes 32 and 37 of the audited financial statements of the Group as presented in Exhibit 4.

### **Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions, and Royalty Agreements Held**

The Bank’s major products and service lines are sold through Metrobank trade names or trademarks, among others:

1. For ATMs: Metrobank Prime Debit Card, Metrobank Debit Card and Metrobank Prepaid Card
2. For credit cards: Metrobank Rewards Plus Visa; Metrobank Titanium Mastercard; Metrobank Cashback Visa; Metrobank Travel Platinum Visa; Metrobank Peso Platinum Mastercard; Metrobank World Mastercard; Metrobank MFree Mastercard; Toyota Mastercard; PSBank Credit Mastercard; Metrobank Dollar Mastercard; Metrobank Corporate Mastercard and Metrobank Vantage Visa.  
Features: Cash2Go; Balance Transfer; Bills2Pay; M Here (Shopping Perks & Privileges); Rewards and PayNow.
3. For Prepaid Card: YAZZ Reloadable Prepaid Visa; Victory Liner Premiere Visa; PisoPay Prepaid Visa; AXA Rewards Card; Ardeur Bonus Card; JAC Liner My Ride Prepaid VISA; WeEvolve Prepaid VISA; UniPrint Elite Prepaid VISA; IAM Worldwide Prepaid VISA; GMBT Premier Prepaid VISA; Synergreens Prepaid Visa; Rusty Lopez Rewards Prepaid VISA; Metrobank Prepaid Mastercard; Metrobank PayCard; Sta. Ana Multipurpose Cooperative Prepaid Mastercard and STI Alumni Association Prepaid Mastercard.
4. For internet banking: Online Banking and MBOS
5. For mobile banking: Metrobank App
6. For remittance services: Metro Remit and PayStation
7. For consumer lending: MetroHome and MetroCar
8. For special current account: AccountOne
9. For special savings account for kids below 18 years old.: Fun Savers Club
10. For Trust products: Metro Money Market Fund; Metro Short Term Fund; Metro Max-3 Bond Fund; Metro Max-5 Bond Fund; Metro Corporate Bond Fund; Metro Balanced Fund; Metro Unit Paying Fund; Metro Equity Fund; Metro Philippine Equity Index Tracker Fund; Metro High Dividend Yield Fund; Metro Multi-Themed Equity Fund of Funds; Metro Clean Energy Equity Feeder Fund; Metro\$ Money Market Fund; Metro\$ Short Term Fund; Metro\$ Max-3 Bond Fund; Metro\$ Max-5 Bond Fund; Metro\$ Asian Investment Grade Bond Fund; Metro \$ World Equity Feeder Fund; Metro\$ Eurozone Equity Feeder Fund; Metro\$ US Equity Feeder Fund; Metro\$ Japan Equity Feeder Fund; Metro\$ US Investment Grade Corporate Bond Feeder Fund; Metro Aspire Bond Feeder Fund; Metro Aspire Balanced Feeder Fund, Metro Aspire Equity Feeder Fund, Metrobank PERA Money Market Fund; Metrobank PERA Bond Fund; Metrobank PERA Equity Fund; Metro\$ Japan Equity Feeder Fund and Metro\$ China Equity Feeder Fund.



Corporate licenses include the following:

1. For Metrobank: expanded commercial banking license, FCDU license, license for trust operations, type 2 limited dealer authority, government securities eligible dealer (GSED) with broker-dealer of securities functions
2. For PSBank: thrift banking license, FCDU license, license for trust operations, GSED (non-market maker) as dealer-broker, type 3 limited user authority and quasi-banking license
3. For FMIC: investment house, GSED and investment company adviser
4. For ORIX Metro: financing company
5. For MBCL: financial license to expire on January 13, 2040

All the Bank's trademark registrations are valid for 10 years. The Bank closely monitors the renewal dates of registrations to protect and secure its rights to these trademarks. Corporate licenses issued by different regulatory bodies have no specific expiration dates except for the GSED licenses of Metrobank, FMIC and PSBank which is renewable annually every November.

### **Government Approval of Principal Products or Services**

The Group regularly obtains approvals and permits from regulatory bodies and agencies, as applicable, prior to the offering of its products and services to the public.

### **Effect of Existing or Probable Government Regulations**

BSP Reporting

#### *Regulatory Qualifying Capital*

Under existing BSP regulations, the determination of the compliance with regulatory requirements and ratios is based on the amount of the "unimpaired capital" (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies that differ from PFRS in some respects.

The Group complied with BSP Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. BSP Circular No. 781 sets out a minimum CET1 ratio of 6.00% and Tier 1 capital ratio of 7.50%; capital conservation buffer of 2.50% comprised of CET1 capital and Total Capital Adequacy Ratio (CAR) of 10.00%. These ratios shall be maintained at all times. Further, BSP Circular No. 856 covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer (CCB) and countercyclical capital buffer (CCYB).

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations. The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

The Internal Capital Adequacy Assessment Process (ICAAP) supplements the BSP's risk-based capital adequacy framework. In compliance with this, the Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget as well as regulatory edicts.

### *Basel III Leverage Ratio (BLR)*

BSP Circular Nos. 881 and 990 cover the implementing guidelines on the BLR framework designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

### *Liquidity Coverage Ratio (LCR)*

BSP Circular No. 905 provides the implementing guidelines on LCR and disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets to total net cash outflows which should not be lower than 100.00%. Compliance with the LCR minimum requirement commenced on January 1, 2018 with the prescribed minimum ratio of 90.00% for 2018 and 100.00% effective January 1, 2019.

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

On June 6, 2018, the BSP issued BSP Circular No.1007 covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards – NSFR. The NSFR is aimed to promote long-term resilience against liquidity risk by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It complements the LCR, which promotes short term resilience of a bank's liquidity profile. Banks shall maintain an NSFR of at least 100 percent (100%) at all times. The implementation of the minimum NSFR shall be phased in to help ensure that covered banks can meet the standard through reasonable measures without disrupting credit extension and financial market activities. An observation period was set from July 1 to December 31, 2018. Effective, January 1, 2019, banks shall comply with the prescribed minimum ratio of 100%.

The details of CAR, BLR, LCR and NSFR of the Group and the Bank, as reported to the BSP, are discussed in Note 4 of the Audited Financial Statements as presented in Exhibit 4.

### *Applicable Tax Regulations*

Under Philippine tax laws, the Bank and its domestic subsidiaries are subject to percentage and other taxes (presented as ‘Taxes and licenses’ in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include regular corporate income tax (RCIT) and final taxes paid on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, Republic Act (RA) No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate for large corporations from 30% to 25% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33% to 20% of the interest income subjected to final tax.

The regulations also provide for MCIT of 2.00% (provided that effective July 1, 2020 until June 30, 2023, the rate shall be 1%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Bank and its domestic subsidiaries’ income tax liability and taxable income, respectively, over a three-year period from the year of inception. RA No. 11494 or the Bayanihan to Recover as One Act (Bayanihan Act) extended the allowable carry-over period of NOLCO to the next five (5) consecutive years following the year of loss for losses incurred during the taxable years 2020 and 2021. The NOLCO for such can be carried over as a deduction even after the expiration of the Bayanihan Act, provided that same are claimed within the next five (5) consecutive taxable years immediately following the year of the loss.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Bank and its domestic subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

Income derived by the FCDU from foreign currency-denominated transactions with non-residents, OBUs, local commercial banks including branches of foreign banks, is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 15.00%.

The applicable taxes and tax rates for the foreign branches of the Bank are discussed in Note 28 of the Audited Financial Statements as presented in Exhibit 4.

### **Research and Development Costs**

For the last three fiscal years, the Bank has not incurred any expenses for research and development.

### **Employees**

Metrobank had 14,946 employees (including foreign branches) as of December 31, 2023. By year-end 2024, the Bank projects to have 16,596 employees.

	<b>Officers</b>	<b>Rank and File</b>	<b>Total</b>
As of year-end 2023:			
AVPs and up	719		719
Senior Managers and down	6,809	7,418	14,227
	7,528	7,418	14,946
By year-end 2024 (projected):			
AVPs and up	865		865
Senior Managers and down	8,002	7,729	15,731
	8,867	7,729	16,596

Majority of the registrant's rank and file employees are members of the employees' union. Benefits or incentive arrangements of the rank and file employees are covered by the Collective Bargaining Agreement (CBA) that is effective for three years. The Bank continues to ensure that its employees are properly compensated. The latest CBA that is effective for three years beginning January 2022 will end in December 2024. The Bank has not experienced any labor strikes and the management of the Bank considers its relations with its employees and the Union to be harmonious.

### **Risk Management**

The Group has exposure to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks. Detailed discussions and analysis on Risk Management of the Group are disclosed in Note 4 of the Audited Financial Statements as presented in Exhibit 4.

#### ***Risk management framework***

The Board of Directors (BOD) has overall responsibility for the oversight of the Bank's risk management process. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. Supporting the BOD in this function are certain Board-level committees such as Risk Oversight Committee (ROC), Audit Committee (AC) and senior management committees through the Executive Committee (EXCOM) and Asset and Liability Committee (ALCO) among others.

The ROC, which is composed primarily of independent members of the BOD, is responsible for overseeing the Bank's risk infrastructure, the adequacy and relevance of risk policies, and the compliance to defined risk appetite and levels of exposure. The ROC is assisted in this responsibility by the Risk Management Group (RSK). The RSK undertakes the implementation and execution of the Bank's Risk Management framework which involves the identification, assessment, control, monitoring and reporting of risks.

The Bank and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Bank. To a certain extent, the respective risk management programs and objectives are the same across the Group. The risk management policies adopted by the subsidiaries and affiliates are aligned with the Bank's risk policies. To further promote compliance with PFRS and Basel III, the Bank created a Risk Management Coordinating Council (RMCC) composed of risk officers of the Bank and its financial institution subsidiaries.

### **Credit Risk**

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, market segments, and industry concentrations, and by monitoring exposures in relation to such limits, among others. The same is true for treasury-related activities. Each business unit is responsible for the quality of its credit portfolio and for monitoring and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by the RSK and Internal Audit Group, respectively.

### **Liquidity Risk**

Liquidity risk is the current and prospective risk to earnings or capital arising from the inability to meet its obligations when they become due. This may be caused by the inability to liquidate assets or to obtain funding to meet the liquidity needs. The Group manages its liquidity risk by holding adequate stock of high-quality liquid assets, analyzing net funding requirements over time, diversifying funding sources and contingency planning. To measure the prospective liquidity needs, the Group uses Maximum Cumulative Outflow (MCO), a liquidity gap tool to project short-term and long-term cash flow expectations on a business-as-usual condition. The MCO is generated by distributing the cash flows of the Group's assets, liabilities and off-balance sheet items to time bands based on cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products. The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report that realistically captures the behavior of the products and creates a forward-looking cash flow projection.

Cash flows from assets are considered as cash inflows, while cash flows from liabilities are considered cash outflows. The net cash flows are determined for each given time period. If the inflows exceed the outflows, the Group is said to have a positive liquidity gap or has excess funds for the given time bucket. Conversely, if the outflows exceed the inflows, the Group is said to have a negative liquidity gap or has funding need for the given time bucket.

The MCO is monitored regularly to ensure that it remains within the set limits. The Bank generates and monitors daily its MCO, while the subsidiaries generate the report at least monthly. The liquidity profile of the Group is reported monthly to the Bank's ALCO and ROC. To supplement the business-as-usual scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and/or events to the Group's liquidity profile. Liquidity stress testing exercise is performed quarterly on a per firm basis, and at least annually on the Group-wide level.

### **Market Risk**

Market risk is the possibility of loss to future earnings, fair values, or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, and other market factors. Market risk originates from holdings in foreign currencies, debt securities, and derivatives transactions. Depending on the business model for the product, that is, whether they belong to the trading book or banking book, the Group applies different tools and processes to manage market risk exposures. Risk limits, approved by the BOD, are enforced to monitor and control this risk. RSK, as an independent body under the ROC, performs daily market risk analyses to ensure compliance to policies and limits, while Treasury Group manages the asset/liability risks arising from both banking book and trading operations in financial markets. The ALCO, chaired by the President, manages market risks within the parameters approved by the BOD.

As part of group supervision, the Bank regularly coordinates with subsidiaries to monitor their compliance to their respective risk tolerances and to ensure alignment of risk management practices. Each subsidiary has its own risk management unit responsible for monitoring its market risk exposures. The Bank, however, requires regular submission of market risk profiles from subsidiaries which are presented to ALCO and ROC in both individual and consolidated forms to provide senior management and ROC a holistic perspective, and ensure alignment of strategies and risk appetite across the Group.

#### Market Risk - Trading Book

In measuring the potential loss in its trading portfolio, the Bank uses Value-at-Risk (VaR). VaR is an estimate of the potential decline in the value of a portfolio, under normal market conditions, for a given “confidence level” over a specified holding period. The Bank measures and monitors the Trading Book VaR daily and this value is compared against the set VaR limit. Meanwhile, the Group VaR is monitored and reported monthly. The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures and by doing stress testing analysis. These processes address potential product concentration risks, monitor portfolio vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be tolerable to the Group and the Bank, even before the VaR limit is hit.

Stress testing is performed by the Bank on a quarterly basis and the results are reported to the ALCO and, subsequently, to the ROC and BOD. On a group-wide perspective, stress testing is done, at least, annually. The results are reported by the Bank’s Risk Management Group to the BOD through ROC.

#### Market Risk - Banking Book

The Group has in place their own risk management system and processes to quantify and manage market risks in the banking book. To the extent applicable, these are generally aligned with the Bank’s framework/tools.

The Group assesses interest rate risk in the banking book using measurement tools such as Interest Rate Repricing Gap, Earnings-at-Risk (EaR), Delta Economic Value of Equity ( $\Delta$ EVE) and Sensitivity Analysis.

Interest Rate Repricing Gap is a tool that distributes rate-sensitive assets and liabilities into pre-defined tenor buckets according to time remaining to their maturity (if fixed rate) or repricing (if floating rate). Items lacking definitive repricing schedules (for example, current and savings account) and items with actual maturities that could vary from contractual maturities (for example, securities with embedded options) are assigned to repricing tenor buckets based on an analysis of historical patterns, past experience and/or expert judgment.

The Group calculates EaR using Historical Simulations (HS) approach, with one-year horizon and using five years data. EaR is then derived as the 99th percentile biggest drop in net interest income.

#### *Foreign currency risk*

Foreign exchange risk is the probability of loss to earnings or capital arising from changes in foreign exchange rates. Foreign currency liabilities generally consist of foreign currency deposits in the Group’s FCDU account. Foreign currency deposits are generally used to fund the Group’s foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held in FCDUs. Outside the FCDU, the Group has additional foreign currency assets and liabilities in its foreign branch network. The Group’s policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

## **ITEM 2 – PROPERTIES**

Metrobank temporarily change its business address from Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City (former Head Office) to GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, Makati City, effective August 14, 2023. The Bank owns the premises occupied by its former Head Office, including most of its branches (40% of its branch sites are owned). Presented in Exhibit 1 is the list of Bank-owned nationwide branches as of December 31, 2023. The Bank also owns the premises occupied by the Cash Management Services Unit (CMSU) located at Metropolitan Technological Park which becomes the main hub of all CMSU operations and the premises occupied by various support units including Trust Banking Group located at Metrobank Center, Bonifacio Global City, Taguig City. The Bank holds clean titles to these properties.

The Bank leases the premises occupied by many of its branches. Generally, lease contracts are for periods ranging from 1 to 10 years and are renewable under certain terms and conditions. Presented in Exhibit 2 is a summary of the Bank’s nationwide branches as of December 31, 2023 that occupy leased premises.

The Bank has no current plans to acquire properties in the next twelve (12) months other than those discussed in Item 6, Management’s Discussion and Analysis or Plan of Operations under Material Commitments for Capital Expenditures Section.

The composition of and movements in the properties of the Bank are disclosed in Note 10 of the Audited Financial Statements as presented in Exhibit 4.

### ITEM 3 – LEGAL PROCEEDINGS

Several suits and claims relating to the Group’s operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group’s financial statements.

## PART II – OPERATIONAL AND FINANCIAL INFORMATION

### ITEM 5 – MARKET FOR ISSUER’S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### Market Information

In November 1980, the SEC approved and certified the listing of 500,000 common shares of Metrobank’s capital stock with par value of ₱100.00 each. On February 26, 1981, the listing and trading of Metrobank’s common shares with the Makati Stock Exchange, Inc. and Manila Stock Exchange (which unified to become The PSE) took effect with the trading symbol of **MBT**. Today, the Bank’s common shares are all listed at the PSE.

Average market prices per share for each quarter within the last two years and subsequent interim periods were as follows:

YEAR	QUARTER ENDED	MARKET PRICES			AVERAGE
		HIGH	LOW	CLOSE	
2024	March 31	66.50	53.05	65.15	59.25
	February 29	62.95	56.80	62.00	59.28
	January 31	58.00	53.05	57.10	55.90
2023	March 31	62.50	54.00	58.50	58.76
	June 30	60.50	52.90	55.70	57.65
	September 30	60.00	52.00	54.00	55.81
2022	December 31	54.35	49.95	51.30	52.06
	March 31	60.75	52.00	57.00	56.74
	June 30	57.00	47.75	47.80	52.50
	September 30	54.00	45.65	48.50	50.24
	December 31	57.30	48.40	54.00	52.62

Closing price as of April 11, 2024 was ₱69.50 per share.

#### Holders

The Bank has 2,950 stockholders as of December 31, 2023.

#### Top Twenty Stockholders

Following are the top 20 stockholders as of December 31, 2023:

	NAME OF STOCKHOLDER	NO. OF SHARES AS OF DECEMBER 31, 2022	ADDITIONS/ (DISPOSALS)	NO. OF SHARES AS OF DECEMBER 31, 2023	PERCENT TO TOTAL NO. OF OUTSTANDING COMMON SHARES
1	GT Capital Holdings, Inc.	1,670,611,010	-	1,670,611,010	37.146
2	PCD Nominee Corporation (Filipino) <sup>a</sup>	1,276,767,528	41,048,083	1,317,815,611	29.302
3	PCD Nominee Corporation (Non-Filipino)	911,270,436	(31,518,521)	879,751,915	19.561
4	Grand Titan Capital Holdings, Inc.	203,246,909	-	203,246,909	4.519

NAME OF STOCKHOLDER		NO. OF SHARES AS OF DECEMBER 31, 2022	ADDITIONS/ (DISPOSALS)	NO. OF SHARES AS OF DECEMBER 31, 2023	PERCENT TO TOTAL NO. OF OUTSTANDING COMMON SHARES
5	Nove Ferum Holdings, Inc.	76,226,918	-	76,226,918	1.695
6	82 Alpha Holdings Corporation	54,871,292	-	54,871,292	1.220
7	Neiman Rhodes Holdings, Inc.	28,607,046	-	28,607,046	0.636
8	Philippine Geiko Holdings, Inc.	28,276,333	-	28,276,333	0.629
9	Metrobank Foundation, Inc. <sup>b</sup>	25,379,981	-	25,379,981	0.564
10	Go, James	20,192,545	-	20,192,545	0.449
11	Ty, George Siao Kian	19,717,814	-	19,717,814	0.438
12	Ty, Alfred Vy	17,087,722	-	17,087,722	0.380
13	Ty, Arthur <sup>c</sup>	15,627,513	-	15,627,513	0.347
14	Bloomingdale Enterprises, Inc.	15,027,844	10,000	15,037,844	0.334
15	Asia Pacific Capital Equities and Securities Corp.	10,914,927	-	10,914,927	0.243
16	Solid State Multi-Products Corporation	10,547,559	-	10,547,559	0.235
17	Ty, Alesandra Vy <sup>d</sup>	7,708,695	-	7,708,695	0.171
18	Grand Asia Realty Investment Corp.	7,542,152	-	7,546,152	0.168
19	Dy Buncio, Anjanette	7,377,216	-	7,377,216	0.164
20	Chusuey, Henry O.	5,248,615	100,000	5,348,615	0.119

*December 31, 2023 balances are:*

- a Net of 7,465,361 shares owned by Metrobank Foundation, Inc.; 645,036 shares owned by Arthur Ty; and 265,557 shares owned by Alesandra V. Ty.
- b. Inclusive of 7,465,361 shares lodged with PCD Nominee Corporation
- c. Inclusive of 645,036 shares lodged with PCD Nominee Corporation
- d. Inclusive of 265,557 shares lodged with PCD Nominee Corporation

As of December 31, 2023, public ownership on the Bank was at 48.02%. Of the total shares issued, 19.59% represents foreign ownership.

### **Dividends**

There are no restrictions that limit the ability of the Bank to pay cash dividends. Details of cash dividend distribution from 2021 to 2023 follow:

Date of Declaration	Per Share	Amount (In Millions)	Record Date	Payment Date
February 22, 2023	₱0.80 (regular)	₱3,598	September 8, 2023	September 22, 2023
February 22, 2023	₱0.80 (regular)	₱3,598	March 17, 2023	March 31, 2023
February 22, 2023	₱1.40 (special)	₱6,296	March 17, 2023	March 31, 2023
February 23, 2022	₱0.80 (regular)	₱3,598	September 9, 2022	September 23, 2022
February 23, 2022	₱0.80 (regular)	₱3,598	March 17, 2022	March 31, 2022
February 23, 2022	₱1.40 (special)	₱6,296	March 17, 2022	March 31, 2022
February 17, 2021	₱1.00 (regular)	₱4,497	March 5, 2021	March 18, 2021
February 17, 2021	₱3.00 (special)	₱13,492	March 5, 2021	March 18, 2021

On February 23, 2022, the BOD of the Bank approved a new dividend policy of increasing the regular cash dividends from ₱1.00 to ₱1.60 per share for the year, payable on semi-annual basis at ₱0.80 per share.

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 16 issued in September 2023 differs to a certain extent from the computation following BSP guidelines.

### **Recent Sales of Unregistered or Exempt Securities**

The information required under Part II paragraph (A) (4) of Annex C of the Securities Regulation Code (SRC) under SRC Rule 12 is not applicable to the Bank.

## **Compliance with Lead Practice on Corporate Governance**

### **Gaining Public Trust**

The business of banking involves more than just handling people's money. It is about creating long-term positive changes for the community as a whole, and helping individuals and businesses toward the path of success. This noble aspiration starts by gaining and safeguarding public trust and faith in the stability and soundness of the bank and the banking system, and doing business the right way.

As greater fiduciary responsibilities are placed on the financial institution, the Board of Directors and managers must be effective, transparent, and accountable in governing the bank while protecting the interests of our stakeholders, including shareholders, creditors, regulators, and the public.

At Metrobank, the Bank makes sure to stay true to its brand promise of ensuring Filipinos stay in good hands when they bank with us. This means putting good governance at the heart of what the Bank do, and being accountable for its actions and decisions.

The Bank has an unwavering commitment to integrity, responsibility, and sustained value creation. In the latest corporate governance scorecard assessment of the ASEAN Capital Markets Forum, Metrobank received a 3-Golden Arrow recognition for our ongoing efforts to uphold the highest standards of governance. This achievement motivates the Bank to further strengthen its governance practices and continue setting the benchmark for being a responsible and well-governed financial institution.

### **Good Governance**

For Metrobank, good governance is more than just a box-ticking exercise of compliance with Philippine laws and regulations. We go beyond the minimum regulatory requirements as part of good business.

The Bank's **Corporate Governance Manual (CGM)** serves as our guidepost for accountability, integrity, fairness, and transparency. It ensures that everyone adheres to the highest standards of good governance. It defines the roles and responsibilities of Board of Directors and employees, lays down the sound practices and procedures, and prescribes the principles and values that must observe in all operations and dealings.

The Bank periodically reviews and updates the CGM to reflect evolving regulatory landscapes and industry best practices. In 2023, CGM had two comprehensive updates to incorporate the latest regulatory requirements and ensure seamless implementation of the provisions, and was approved by the Board in March and September.

Compliance/Corporate Governance Officer plays a crucial role in leading and overseeing the compliance program, which includes actively monitoring adherence to the CGM.

The Bank has complied with all the provisions of the manual in 2023.

## **OUR GOVERNANCE PILLARS**

Guiding the Bank every decision and action are these pillars of corporate governance framework:

### **ACCOUNTABILITY**

The Bank takes full responsibility for its decisions and actions. The decisions that the Bank make are bound by rules and it acts for the benefit of the company and of its stakeholders.

### ***Board of Directors***

Good governance starts from the top.

The Bank's Board of Directors follows a process of executing strategies to ensure effective management performance and that it is attuned to our business environment and culture.



Reviewed at least annually, the strategies which include corporate governance framework, strategic and business plans, risk management, internal control systems, financial performance, consumer protection framework, and the adoption of sustainability or Environment, Social, and Governance (ESG) principles.

The Board defines the corporate values and culture, appoints key members of senior management, identifies our priorities, sets goals and objectives, and allocates funds to support decisions.

With the help of various business units and an independent Corporate Secretary, the Board develops, reviews, and approves the execution of the business strategies; manages risks; sets up internal controls; evaluates financial performance; and supports our sustainability program. The Board adheres to our CGM found on our company website.

The Board is comprised of a sufficient mix of directors with relevant knowledge, independence, competence, industry experience, and diversity of perspectives. This fosters productive discussions that lead to sound and balanced decision-making and risk management.

The following policies that aimed to protect the Bank's best interest guide the Board:

- Term limits for independent directors
- Threshold of board memberships in publicly listed companies
- Disclosure about holding multiple board seats/memberships, and other significant commitments
- Periodic evaluation of directors with interlocking positions by the Board through the Corporate Governance and Compensation Committee tasked to guard against any conflict of interest and adverse effect on the Bank
- For first-time directors, attendance to a corporate governance seminar and full understanding and acceptance of the general and specific duties and responsibilities of the Board, as prescribed by the BSP Manual of Regulations for Banks (MORB)

To ensure the Independent Directors (IDs) remain objective, we set the following policies:

- Prohibition from management roles
- Non-engagement in any transaction with the Bank or with any of its related companies, or with any of its majority shareholders, whether by themselves or with other persons or through a firm in which they are partners, directors, or majority shareholders. On the other hand, they can engage in transactions conducted at arm's length and those that could not materially interfere with or influence exercise of their judgment.
- Non-reelection to the Board for those who have served their maximum cumulative term of nine years. They may, however, continue to be nominated and elected as a regular director.

The Bank's commitment to board diversity continues to shape our success. In 2023, the diverse Board, with expertise in finance, technology and sustainability, successfully guided the Bank in driving balanced decision-making and mitigating risk. In the 2023 Annual Stockholders Meeting, the Board was reelected, comprising of 12-directors: 10 Non-Executive Directors (NEDs) and two Executive Directors (EDs). Of the 10 NEDs, five, including one female, served as Independent Directors (IDs). The tenure of each of the IDs on the Board remains within the nine-year maximum limit. They possess all the qualifications and none of the disqualifications to become part of the Board. None of the NEDs have interlocking directorship roles in more than five publicly listed companies. Likewise, none of the EDs served in more than two boards of publicly listed companies outside the Metrobank Group.

### ***Chairman of the Board and the President***

The Chairman of the Board and the President carry out clearly defined roles and responsibilities autonomously, in accordance with the Bank's By-Laws and the CGM. This is to make sure they both uphold the Board's decision-making and act for the Bank's benefit.

Chairman, Mr. Arthur Ty, steers the Board's overall leadership and direction. He is tasked to ensure the Board carries out its obligations to the Bank and stakeholders. As Chairman, he creates an environment for directors to openly discuss matters with trust and respect, and collectively decide for the Bank's greater good.

Acting on the Board's decisions and based on his sound judgment, President, Mr. Fabian S. Dee, manages the Bank's business and operations. He embodies and articulates the vision and mission to the organization. He is in-charge of directing and ensuring the officers and employees perform their duties well.

### ***Lead Independent Director***

Recognizing the importance of robust checks and balance within the Board, the Bank established the position of Lead Independent Director in 2020. This key role is held by Director Philip G. Soliven effective August 18, 2021. He works closely with the Chairman to facilitate constructive board discussions, champion independent director engagement, and ensure balanced decision-making.

### ***Nomination and Election***

The Board nomination process emphasizes transparency and stakeholder engagement. Any shareholder, whether controlling or non-controlling, has the right to submit nominations for directorial positions to the Nomination Committee. The Nomination Committee screens the nominations of directors based on its pre-defined criteria, taking into consideration skills, experience, integrity and independence. Additionally, the Bank seeks inputs from various stakeholders, such as referrals from existing directors and officers, established external databases, and reputable search firms. Only nominees who reached the Final List of Candidates shall be eligible for election as director. No other nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting. This approach allows the Bank to attract the most qualified individuals to serve on our Board, who embody our values and culture, and firmly believe in our strategic directions.

### **Engaging for Effective Board Governance**

#### ***Board Meetings***

The Bank's Board and its committees held regular meetings throughout the year. The directors' high attendance rates demonstrate their dedication to effective governance and strategic decision-making. Regular meetings are held every second Wednesday of each month. Special meetings may be called anytime, either by the Chairman or, in his absence, the Vice Chairman, or upon written request from at least four directors. Committees meet in accordance with their respective charters and approved schedules.

Corporate Secretary and committee secretaries ensure that the agenda and meeting materials can be accessed from our intranet site within five banking days before the meeting, whenever practicable. They also assist the directors in participating in the meetings via in-person or remote communication, and in actively taking part to address key strategic, financial, risk management and governance matters in accordance with the applicable rules and regulations. The directors maintain open lines of communication with senior management and key advisors to discuss any matters relating to our operations and strategy.

The Bank requires a majority of the Board to constitute a quorum for the transaction of business. The vote of a majority of the quorum of the Board is also needed to decide on any action. In accordance with the corporate governance guidelines, the Bank has no agreements or arrangements in place that could compromise the independent voting rights of its directors.

As shown below, the directors' attendance at the board meetings demonstrates their commitment and dedication to their responsibilities.

<b>Board</b>	<b>Name</b>	<b>Board Meetings Attendance</b>
Chairman (NED)	Arthur Ty	12/12
Vice Chairman (NED)	Francisco C. Sebastian	12/12
President/Director (ED)	Fabian S. Dee	12/12
Director (NED)	Alfred V. Ty	12/12
Director (ED)	Vicente R. Cuna, Jr	12/12
Director (NED)	Solomon S. Cua	12/12
Independent	Edgar O. Chua	12/12
Independent	Angelica H. Lavares	12/12
Independent	Philip G. Soliven	11/12
Independent	Marcelo C. Fernando, Jr.	12/12
Director (ED)	Jose Vicente L. Alde	12/12
Independent	Juan Miguel L. Escaler	11/12

Demonstrating their commitment to proactive oversight, the Board's non-executive directors, headed by Lead Independent Director, Director Philip G. Soliven, held a dialogue with the heads of compliance, audit and risk as well

as representatives from SGV & Co. on October 25, 2023. The dialogue aimed to deepen their understanding of the Bank's approach to cybersecurity, risk management dashboards, transformation initiative of the Internal Audit Group, and corporate governance reminders.

### **Board Committees**

Aiding in effective Board governance are ten Board committees that deliberate on specific and complex issues.

Seven of the committees are chaired by Independent Directors (IDs). Their respective charters, which state the comprehensive details of the Committee's duties and responsibilities, purposes, compositions, reporting process, and other relevant information, are fully disclosed in our CGM and posted on our website.

Members of these Board-level committees meet in-person or via remote communication, and as prescribed in their respective charters:

1. **Anti-Money Laundering Committee**

The committee helps the Board fulfill its oversight responsibility over our Anti-Money Laundering Compliance Management, the Anti-Money Laundering Act (AMLA) and its revised Implementing Rules and Regulations, and other related orders. The committee is composed entirely of four Non-Executive Directors (NEDs), three of whom are IDs, including the Chairperson. It meets every other month or as often as necessary.

<b>Members</b>	<b>Committee Membership</b>	<b>Attendance</b>
Angelica H. Lavares (ID)	Chairman	6/6
Arthur V. Ty, Chairman (NED)	Regular Member	5/6
Edgar O. Chua (ID)	Regular Member	6/6
Jose Vicente L. Alde (NED)	Regular Member	6/6

2. **Audit Committee**

The committee serves as the Board's arm in fulfilling statutory and fiduciary responsibilities, enhancing shareholder value, and protecting shareholders' interest. It oversees our internal and external audit functions and controls, transparent and proper reporting, compliance with laws and the Code of Conduct, and implementation of adequate and effective internal controls. It is also responsible for selecting, appointing or re-appointing, and dismissing the internal auditor and independent external auditor, following fair and transparent criteria. The committee is composed of three NEDs, two of whom are IDs, including the Chairperson. All members have relevant financial expertise and have clear understanding of how sustainability factors can impact the company's financial statements. The committee meets monthly or as often as necessary.

<b>Members</b>	<b>Committee Membership</b>	<b>Attendance</b>
Edgar O. Chua (ID)	Chairman	13/13
Solomon S. Cua (NED)	Regular Member	13/13
Angelica H. Lavares (ID)	Regular Member	13/13

3. **Corporate Governance and Compensation Committee**

The committee ensures that we fulfill our corporate governance responsibilities and effectively implement our Compliance System. It is primarily responsible for creating a formal and transparent process in determining the remuneration of directors and officers based on our culture, strategy, business environment, and the industry practice. It is run by IDs, including the Chairperson.

<b>Members</b>	<b>Committee Membership</b>	<b>Attendance</b>
Angelica H. Lavares (ID)	Chairman	7/7
Marcelo C. Fernando Jr. (ID)	Regular Member	7/7
Juan Miguel L. Escaler (ID)	Regular Member	7/7
Arnulfo B. Pascioles Jr.	Corporate Governance Officer	7/7

4. **Executive Committee**

The committee is mainly tasked to review and approve credit proposals and policies within its authority and limitations, as well as provide sound recommendations or conditions on lending. It may also attend to matters delegated by the Board and/or stockholders within its capability and following the Bank's By-Laws.

Members	Committee Membership	Attendance
Arthur V. Ty, Chairman (NED)	Chairman	43/48
Francisco C. Sebastian, Vice-Chairman (NED)	Vice Chairman	43/48
Fabian S. Dee, President (ED)	Regular Member	46/48
Vicente R. Cuna Jr. (ED)	Regular Member	45/48
Mary Mylene A. Caparas, Head, Institutional Banking Sector	Regular Member	44/48
Charlotte T. Bilongilot, Head, Credit Group	Regular Member	47/48

5. Information Technology Steering Committee

The committee is chiefly responsible for governing and overseeing how we manage our information technology (IT) resources and ensures the alignment of our IT strategies with our business objectives. It also supervises our IT Risk Management Program and lends its competence by helping develop policies, controls, and specific accountabilities in line with our IT Risk Management Framework. The Board delegated to the committee the approval of IT-related requests and services/arrangements, including outsourcing/insourcing activities. The committee submits periodic reports about our IT performance, status of major IT projects, and other significant issues on IT risk matters. The committee is composed of four directors, the Head of Financial Control Sector, and the Head of the Information Technology Group.

Members	Committee Membership	Attendance
Vicente R. Cuna Jr. (ED)	Chairman	9/9
Jose Vicente L. Alde (NED)	Regular Member	9/9
Fabian S. Dee, President (ED)	Regular Member	8/9
Juan Miguel L. Escaler (ID)	Regular Member	9/9
Joshua E. Naing, Head, Financial and Control Sector	Regular Member	9/9
Bernardino V. Ramos, Head, Information Technology Group	Regular Member	9/9

6. Nominations Committee

The committee reviews and evaluates the qualifications of all persons nominated to the Board. It also scrutinizes the eligibility of persons nominated to other positions that require the Board's approval. It is also composed entirely of Independent Directors, including the Chairperson.

Members	Committee Membership	Attendance
Juan Miguel L. Escaler (ID)	Chairman	12/12
Marcelo C. Fernando Jr. (ID)	Regular Member	12/12
Edgar O. Chua (ID)	Regular Member	12/12
Philip G. Soliven (ID)	Regular Member	12/12

7. Overseas Banking Committee

The committee watches over the conduct of operations and financial performance of our overseas branches and subsidiaries. It also serves as the Board's oversight on Metrobank expatriates assigned to countries without a foreign office, but with remittance tie-up arrangements. It also helps the Board ensure the overseas branches and subsidiaries' compliance with the rules and regulations in their host countries and their adherence to our business and corporate governance policies.

Members	Committee Membership	Attendance
Francisco C. Sebastian, Vice Chairman (NED)	Chairman	6/7
Alfred V. Ty (NED)	Regular Member	5/7
Solomon S. Cua (NED)	Regular Member	7/7

8. Related Party Transactions Committee

The committee helps the Board in ensuring that transactions with related parties are reviewed to minimize and mitigate risks, and that appropriate actions are enforced. It also makes sure that related party transactions (RPT) are conducted at arm's length basis and misappropriation of resources is avoided. Three IDs, including the chairperson, compose the committee, which meets monthly and is supported by the Compliance Officer.

Members	Committee Membership	Attendance
Philip G. Soliven (ID)	Chairman	16/16
Edgar O. Chua (ID)	Regular Member	16/16
Angelica H. Lavares (ID)	Regular Member	16/16

## 9. Risk Oversight Committee

The committee develops and oversees how our Bank, our subsidiaries and affiliates, and our trust-banking arm strictly follow our risk management framework. It is steered by NEDs, majority of whom are IDs, including the Chairperson. We ensure that committee members are experts in risk management and have a deep understanding of our risk exposures.

Members	Committee Membership	Attendance
Marcelo C. Fernando Jr. (ID)	Chairman	12/12
Philip G. Soliven (ID)	Regular Member	10/12
Jose Vicente L. Alde (NED)	Regular Member	12/12

## 10. Trust Committee

The committee has oversight control over our trust and fiduciary activities. Its mandate follows BSP rules, as laid down in the Manual of Regulations for Banks and Circular No. 766, which outlines the guidelines for strengthening corporate governance and risk management on trust, other fiduciary business, and investment management activities. The committee is run by three NEDs, the President, and a Trust Officer. The Chairperson is an ID and is not a part of the Audit Committee.

Members	Committee Membership	Attendance
Philip G. Soliven (ID)	Chairman	11/12
Marcelo C. Fernando Jr. (ID)	Regular Member	12/12
Fabian S. Dee, President (ED)	Regular Member	12/12
Jose Vicente L. Alde (NED)	Regular Member	12/12
Angelica S. Reyes, Head, Trust Banking Group	Regular Member	9/9*

\* Angelica S. Reyes became Trust Banking Group Head effective April 16, 2023. Former Trust Banking Group Head, Mr. Leandro Antonio G. Santillan, attended the committee meetings from January to March 2023.

## Strengthening Board Competence

### Onboarding and Continuing Education

The Bank's long-term success depends on the quality of the leaders. The Bank has orientation program to new directors and robust continuing education. These programs help the director to:

- Fulfill their fiduciary duty to be fully informed about our actions and decisions
- Enhance their leadership qualities and skills
- Get fresh insights and perspectives on Board matters
- Gain knowledge to enable Board effectiveness

First-time directors are required to attend an orientation session for at least eight hours in line with applicable SEC rules and as stated in our CGM. They are given an orientation kit which contains, among others, a copy of our Articles of Incorporation, By-Laws, Code of Conduct, CGM, and applicable Board Committee Charters. During the orientation, directors learn about the general responsibilities and specific duties of the Board and as an individual director. To hold them to account, first-time directors certify under oath that they have received copies of, fully understood, and wholeheartedly accepted their general responsibilities and specific duties. They are also required to attest that they meet all the qualifications and none of the disqualifications for the post to comply with the requirements of Section 136 of the BSP Manual of Regulations for Banks.

For directors to be an effective overseer, they must continually learn about the organization, the industry, and operating environment. With shareholders holding high expectations of the Board, directors are required to undergo and complete their annual training. The Compliance Division, supported by the Organizational Effectiveness and Learning Division, rolls out a four-hour training program for directors every year. Directors get updated on corporate governance and other matters in these training sessions conducted by an accredited SEC training provider. The Bank's directors, Corporate Secretary, and key officers have completed the 2023 Advanced Corporate Governance Training Program facilitated by the Center for Global Best Practices on various dates via Zoom virtual meeting platform. Among the topics were: Governance of Data Privacy Management, Cybersecurity Management Orientation, Updates on Anti-Money Laundering Laws and Regulations and Environment, and Social and Governance Overview.

Directors are highly encouraged to further take professional offerings provided by external parties. Participants may be requested to conduct an echo session for fellow directors and select Bank officers.

### ***Performance Evaluation***

The Board and its committees undergo a regular performance evaluation to ensure upholding the highest standards of governance and remain at the forefront of responsible banking. The Board, through the Corporate Governance and Compensation Committee (CGCCOM), conducts an annual performance evaluation of the entire Board, the Chairman, the President, individual directors, and Board committees. The performance evaluation equips our leaders with the knowledge and understanding of whether the Board's activities and decisions are aligned with our long-term strategy and objective.

The Bank uses a combination of quantitative data and qualitative assessments to gain a holistic understanding of performance across key areas. The CGCCOM, through Board- and Bank-level committee secretariats, designs the Board-approved rating system/template. A five-point rating system is used for self-assessment. The applicable questionnaires are also found in our CGM posted on our website.

Rating	Description
5	<b>Strong</b> – exceeds what is considered necessary given the size, risk profile, and complexity of operations of the Bank. Deficiencies/weaknesses are considered to be minor and insignificant.
4	<b>Satisfactory</b> – meets what is considered necessary given the size, risk profile, and complexity of operations of the Bank. Deficiencies/weaknesses are considered to be minor and insignificant.
3	<b>Less than Satisfactory</b> – does not meet what is considered necessary given the size, risk profile, and complexity of operations of the Bank. However, the Board is committed (with ability and willingness) to correct the situation in a timely manner.
2	<b>Deficient</b> – deficient, in a material way, to meet what is considered necessary given the size, risk profile, and complexity of operations of the Bank. Moreover, the ability of the Board to correct the situation in a timely manner is doubtful.
1	<b>Critically deficient</b> – critically deficient to meet what is considered necessary given the size, risk profile, and complexity of operations of the Bank. The deficiencies/weaknesses pose an imminent threat to the safety and soundness of the Bank.

The Board and its committees completed self-assessments via Survey Monkey and printed questionnaires in March 2023. The evaluation revealed that the Board's composition and practices are aligned with the Bank's long-term strategic goals. The overall results were presented to the Corporate Governance and Compensation Committee in its meeting on March 13, 2023.

An external facilitator also conducted an independent assessment of the corporate governance performance of the Bank. In 2021, Reyes Tacandong & Co. found that the Bank's corporate governance was effective and substantially compliant with all the regulatory requirements. In line with the SEC rules, another assessment by an external facilitator is set in 2024.

### ***Ensuring Board Continuity (Retirement and Succession)***

Metrobank's long-term success depends on the Board and Senior Management ability to remain a strong and stable force of leadership. Thus, the Board built a succession plan to identify, encourage, and take care of top-caliber leaders who can readily assume high-level positions in case of change, vacancies, and retirement.

The Bank's By-Laws provides that any vacancy in the Board may be filled by the vote of majority of the directors constituting a quorum. Through a regular or special meeting, stockholders can also fill a vacant director's post that may result from their removal by stockholders, term expiration, or an increase in the number of directors.

As a rule, no director may be reelected following the calendar year when they turn 75 years old. The Nominations Committee can recommend the waiver of the age requirement to the Board if this serves our Bank's best interest. Retirement is compulsory for employees who reach 55 years old or who complete a 30-year continuous service, whichever comes first.

## **INTEGRITY**

The Bank's commitment to integrity and responsible behavior is rooted in the community's established morals, ethical guidelines, and internal policies. To ensure consistent and informed decision-making, there are the guiding principles of the Bank:

### **Good Conduct and Ethics for Directors**

Being fair, accountable, transparent, and ethical is the bare minimum qualification expected of the Bank's Board.

Bank leaders are expected to "walk the talk." As articulated in the Code of Conduct and Ethics for Directors, directors must not use their position to profit or benefit from bank dealings. They must not prioritize their self-interest above the Bank's needs, and must avoid situations that may compromise their impartiality. As highest-ranking leaders, they are expected to show utmost integrity, develop their skills, widen their knowledge, and deepen their understanding of Bank-related activities.

The Code is included in the director's orientation kit to ensure they fully understand the rules governing their professional and ethical behavior. Directors are also expected to adhere to the Code's standards. The details of the Code are incorporated in the CGM accessible through Bank intranet and uploaded on the corporate governance page of the website.

### **Good Conduct for Employees**

Integrity starts with every employee. It is the obligation of all employees to take good care of the Bank. All employees must act in accordance with the governing rules and policies, abide by authority, and become protectors of the Bank's stakeholders.

All actions and decision making are guided by the Bank's Code of Conduct for Employees, which requires them to do the following, among other things, in any circumstance:

- Avoid conflict of interest between the Bank's business and personal activities
- Preserve confidential information
- Avoid accepting any form of gift or gratuity from any person, which can influence their judgment when performing their duties for the Bank

All employees, including new hires, receive a copy of the Code, which is also found on the Bank's intranet and the Corporate Governance page of company website. Aside from distributing copies of the Code, the Human Resource Management Group releases regular advisories about our values. A code refresher course, first administered in 2021, is scheduled in the middle of 2024.

### **People Empowerment for Good Governance**

Good governance starts with people. We make sure our employees are inspired, proud, and confident to take on responsibilities and act with the Bank's best interest in mind.

- **Learning**  
The Bank's strategy is to provide the right learning solutions for the right learners at the right time. This ensures that learners have access to carefully curated content aligned with our business needs and direction.

In 2023, Learning and Development Department continued to build its learning portfolio to focus on three areas for talent development:—building the Foundational, Functional, and Leadership capabilities of employees.

- The Foundational learning portfolio focuses on the 'must-know' areas of knowledge such as core values and regulatory policies.
- The Functional learning portfolio is about deepening expertise required for every position such as Treasury certifications, and Java programming.
- The Leadership learning portfolio tackles the development of leaders aligned with Bank's Leadership Behaviors on Intellectual Capacity, Interpersonal Skills and Intensity.

- **Performance Assessment**

Employee performance is assessed regularly to serve as basis for career advancement. The assessment is carried out through one-on-one sessions between individual employees and their respective supervisors, followed by leaders' deliberation and evaluation of evidence-based performance metrics.

In 2023, the Bank sustained performance management framework and processes in monitoring employee productivity performance.

- **Talent Management and Succession**

The Bank continues to identify and develop high-performing and high-potential talent through Talent Reviews. The 360 tool is also utilized to support readiness assessments of successors and ensure the quality of the next generation of leaders.

The Bank has also taken active steps in hastening the development of successors who can already take on key roles through cross-posting assignments and immersions, preparing them for the imminent retirement of incumbent leaders.

- **Senior Management Selection**

Senior leaders are selected and appointed based on a rigorous behavioral assessment of their leadership potential. Appointments are further assessed and approved by the Manpower Committee, Nominations Committee, and the Board.

## **Managing Compliance Risks**

Given the depth and breadth of the business, the Bank is exposed to various risks and uncertainties, including compliance risk, which may impact the operational and financial results. The Bank stands ready to manage, defend, protect, and mitigate risk exposures inherent in the business, industry, regulations, stock ownership, and other risks.

The Bank's comprehensive Compliance Policy Manual serves as the foundation for the robust compliance risk management system. The manual formalizes and documents the policies, procedures and controls for managing compliance risks across the Group. The Bank regularly reviews and updates the manual to ensure it remains aligned with evolving requirements and best practices. The Manual also empowers the Bank to create a system of values, beliefs, and behaviors so compliance will become a way of life and culture at Metrobank.

Helping create this culture is our Compliance Division, which performs these roles:

- Keeping employees informed of the latest rules and regulations
- Acting as an overseer of all our activities
- Collaborating with business and support units in identifying, assessing, monitoring, and managing possible regulatory compliance risks
- Providing sound advice to management with regard to managing regulatory and compliance risks
- Actively encouraging the Bank to implement its compliance system and address any breach that may arise
- Building a culture of compliance by conducting regular compliance awareness trainings and issuing advisories, whenever needed

Providing strong leadership to the Compliance Division is the Compliance Officer who reports to the Board through the Corporate Governance and Compensation Committee and performs the following:

- Oversees the identification and management of regulatory compliance risks that may arise
- Supervises the compliance function staff and exercise functional supervision over designated Compliance Coordinators of the Head Office units and domestic branches and Compliance Officers of foreign branches
- Provides essential compliance oversight function on Compliance Officers of the BSP-supervised financial institutions under the Metrobank Group.

## **FAIRNESS**

With the help of the Board, The Bank make sure its actions are fair and we abide by the rules and relevant laws.



## **Fair Business Dealings**

The Bank has zero tolerance for bribery and corruption. All directors and officers are prohibited from:

- Soliciting, arranging or accepting a bribe, facilitating payments and kickbacks for the benefit of the Bank, a director, an employee, or for the benefit of their family, friends, associates or acquaintances
- Taking advantage of their positions and privileges to gain or profit directly or indirectly

Directors and employees strictly follow our Anti-Bribery and Corruption (ABC) Policy. In 2023, Compliance Division conducted 15 training sessions, in which the ABC guidelines is one of the items discussed for continuous reminder.

Directors also transact business fairly and set aside personal interests when performing their duties for the Board. They are expected to lead and govern based on ethics, moral principles, and upright values. They immediately notify the Bank of any material fact or conflict of interest, and take appropriate actions to avoid such conflict.

Employees manage their personal affairs so that any conflict is avoided. They also manage situations or business endeavors arising from associations, interests, or relationships that could lead to conflict or potential conflict with the Bank's interest. Any knowledge of unethical behavior or conflict of interest may be reported by the employees and stakeholders under the Bank's Whistleblowing Policy guidelines.

As part of our corporate governance policies, all related parties are properly identified and related party transactions (RPTs) are vetted and approved by any of these committees, depending on the threshold:

- Related Party Transactions Management Committee (RPTMC), a management-level committee comprised of the Bank's senior officers
- Related Party Transactions Committee (RPTC), a Board-level committee fully composed of Independent Directors

Directors and officers must abstain from the discussion, approval, and management of any transaction for which they or any member of their close family or related interests are involved. This includes transactions of subordinates, except to provide material information on the transaction.

An appointed external independent party will evaluate the material RPT if it reaches 10% or higher of the Bank's total consolidated assets. All acts of the Board, including material RPTs, are confirmed by the majority vote of our stockholders during the Annual Stockholders' Meeting.

Applicable policies on RPTs are periodically updated and aligned with recent regulatory issuances. In 2023, all RPTs were conducted fairly and at arm's length. Full discussion on these are under the Notes to the Financial Statements No. 32 in our Audited Financial Statements.

## **Protection of Stockholders' Rights and Interests**

The Bank assures that all shareholders are treated fairly and stockholders are respected in accordance with the Revised Corporation Code.

The Bank is committed to upholding the voting rights of all our stockholders and ensuring fair and efficient shareholder meetings. It is open and fair in conducting our annual and special stockholders' meetings. The Bank provides clear and timely notice of meetings, offer voting methods, and ensure that the voting process is conducted with integrity.

The Bank actively encourages shareholder participation in meetings and listen carefully to their concerns. Minority stockholders have a right to vote on all matters requiring their consent or approval. This includes, but not limited to, approval of shareholders on the sale of corporate assets, inspection of books and records, dividends, and appraisal rights. They can also add to the agenda of regular/special stockholders' meetings, and call for special meetings, among other things. These basic shareholder rights are properly disclosed in the Bank's CGM.

Cumulative voting is allowed as long as the total votes cast by a stockholder shall not exceed the number of shares in their name as of the record date, and multiplied by the number of directors to be elected.

Matters submitted to stockholders for their approval shall be decided by the required vote of stockholders present in person or by proxy. The Bank created a safe space and process so everyone has the opportunity to seek effective redress for alleged violation of their rights.

Majority vote is required for these matters:

- Approval of the minutes of the annual meeting of stockholders
- Approval of corporate acts
- Election of external auditors

For Board directorship, nominees who received the highest number of votes shall be declared elected.

For timely and accurate communication with the shareholders, the Bank published regular financial reports, hold quarterly earnings calls, and engage in active dialogue with investors through various channels such as media briefings and press conferences. The Bank's website also provides easy access to important information and documents.

Due to the lingering effects of the COVID-19 pandemic, the 2023 Annual Stockholders' Meeting (ASM) was held virtually on April 26, 2023. An organizational meeting was held immediately after the ASM and Board-level committees were reconstituted during this meeting.

The notice for the 2023 ASM was published and distributed to all stockholders as of record date April 3, 2023, pursuant to the SEC rules of sending notices of at least 21 days prior to the meeting. Those who cannot attend were apprised ahead of time of their right to appoint a proxy. Subject to Bank's By-Laws, the exercise of the right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

The proxies, attendance, and votes cast at the 2023 ASM were tabulated by our Stock Transfer Agent (Metrobank-Trust Banking Group) and validated by SGV & Co. as our third-party validator.

The results of the votes were disclosed the next working day. The Minutes of the Annual Stockholders' Meeting was made publicly available on April 28, 2023 and posted on our website.

### **Creditors' Rights**

As a publicly listed institution, the Bank strictly adheres to accounting and disclosure standards, which guarantees the provision of dependable and comparable information. Disclosures are being provided either through Bank's website or required stock exchanges. To ensure fulfillment with the contractual commitments with depositors, subordinated debt noteholders, and service providers, the Bank conducts its business in an ethical and streamlined manner.

### **Customers' Interest First**

The Bank ensures the protection of the interests of the Bank's customers. From Board, management, and all employees, serving and protecting customers is a shared responsibility.

The Bank sets a high standard of service when dealing with customers and creditors. Everyone must follow these five pillars of customer protection:

- Equitable and Fair Treatment
- Disclosure and Transparency of Financial Products and Services
- Protection of consumer assets against fraud and misuse
- Data Privacy and Protection
- Timely Handling and Redress of complaints

Everyone is expected to live up to these ideals. The Customer Protection Policy allows to integrate a customer-centric mindset in the daily operations and dealings. Overseeing the customer practices is the Board, through the Corporate Governance and Compensation Committee and Customer Governance Committee. Moreover, an annual employee training has been instituted on Consumer Protection to fully inculcate the policies on consumer protection across all employees.

To meet the requirements of the regulators and the expectations of customers, the policy and processes such as standardizing customer handling processes and redefining turnaround time for resolving incidents are continuously being updated.

The Bank has a Social Media Risk Management Policy so that customers are protected on social media channels. The policy guides covered individuals on the business and legal risks in using social media.

These rules enable to respect coworkers' and customers' privacy, protect the confidentiality and security of their personal information, and safeguard the Bank's information and assets.

### **Right Suppliers and Contractors**

Metrobank conducts business with suppliers and partners fairly and responsibly. This allows to make an economic impact and promote inclusion through the local procurement practices. Suppliers and contractors are carefully selected through an accreditation/re-accreditation process that is in accordance with BSP regulations. General Services Group (GSG) collaborates with concerned business units for the accreditation, contracting, selection, bidding, and performance review of vendors. A policy on canvassing and bidding in the conduct of purchase of products or contracts for services is established to ensure that the Bank secures the best deal in terms of price, quality of materials or work services, delivery time frame, and related terms and conditions.

Outsourcing Policy guides the business units in outsourcing an activity or function. The policy is aligned with the outsourcing regulations of the BSP to ensure compliance with applicable laws. As part of vendor accreditation, securing an Environmental Compliance Certificate for projects that may potentially impact the environment is required.

Metrobank also secures certifications from relevant government agencies to ensure that vendors classified as a manpower services provider are legitimate and independent contractors, and in good standing with the Social Security System, Pag-IBIG Fund, and PhilHealth in payments and contributions.

### **Employees' Health, Safety, and Wellbeing**

Employees' health and wellbeing is Metrobank top priority. The Bank designs the safety and wellness programs to ensure all aspects of employees' wellbeing are safeguarded.

#### **Physical Well-being**

Metrobank advocates and provides a safe and healthy workplace. It continuously improves its preventive measures and empower employees in their health and wellness, as well as ensure our compliance with relevant labor laws and emergency/disaster preparedness.

In 2023, the Bank continued to engage employees through the Metrobank CARES Program, the health and wellness initiative of Metrobank.

Metrobank CARES is our commitment to foster employee well-being. It focuses on physical, emotional/mental, social, spiritual, financial and occupational wellness.

This program aims to:

1. Provide employees with support and resources to help them achieve well-being
2. Enable employees to be more productive
3. Engage employees to have a more positive employee experience

Metrobank also engaged employees on actively managing their health through:

- a. Health assessments via annual physical examinations and executive checkups
- b. Health and wellness resources via various webinars and infographics
- c. Health and wellness caravans in various Metrobank sites

### **TRANSPARENCY**

Metrobank ensures and promotes transparency in all the affairs, especially when it is aimed at protecting the welfare of the Bank, shareholders, and customers. The Bank is committed to upholding the standards set by these policies and obligations.

## Insider Trading

As a publicly listed company, Metrobank protects shareholders from individuals who may get hold of valuable insider information for their own personal gain. The Insider Trading Policy, which is part of CGM and available on the website, ensures that a “need-to know basis” is strictly followed for disclosing material and non-public information about any of the companies under the Metrobank Group or partners.

In accordance with this policy, Metrobank prohibits from trading during blackout periods during which access to certain actions is limited or denied:

- All directors and specific employees within the Metrobank Group and their immediate family members residing in the same household
- Corporate, other entities, and funds subject to their influence or control

These individuals and reporting insiders disclose their respective beneficial ownership of Metrobank shares, if they have any. Reporting to the Bank any changes on the next trading day following the date of the change is required, as per the SEC and Philippine Stock Exchange requirements.

## Whistleblowing Policy

Whistleblowing prevents corruption, violations, and malpractice. The Bank’s Whistleblowing Policy aims to create a safe space and secure process so anyone can speak up without fear of retribution. Reports or concerns may be filed through our company website, emailed to [whistleblowing@metrobank.com.ph](mailto:whistleblowing@metrobank.com.ph), or messaged via the text hotline at (+63) 942 747 1359.

Employees and other stakeholders may file complaints with the Bank’s Chief Audit Executive/Head of the Internal Audit. Exceptional cases may be filed directly with the Chairman of the Board.

In 2023, majority of the complaints filed were about employee misconduct. Appropriate feedback and interventions were taken by business units, in close coordination with the Human Resources Management Group. Interventions made involved reiteration of the Bank’s core values and culture of professionalism, adherence to the highest standard of work ethics, and/or imposition of disciplinary action corresponding to the degree of misdemeanor.

## Dividend Policy

The Bank’s dividend policy is part of its capital management process that ensures the Bank has sufficient resources to support long term growth. At the same time, it aims to improve the returns to shareholders.

In February 2024, the Board approved a new dividend policy:

- The annual regular cash dividends were raised from PHP1.60 per common share to PHP3.0 per common share, which is equivalent to 15% of par value. The regular cash dividend will be paid in two (2) equal semi-annual tranches of PHP1.50 per common share, in March and in September.
- A special cash dividend of PHP2.00 per common share was also declared.

The Board determines according to laws and regulations how the dividends are declared and paid out of the Bank's unrestricted retained earnings.

The majority of the Board approves the declaration of cash dividends. The record date should not be earlier than ten trading days from the declaration, while payment date should not be later than eighteen trading days from the record date. Meanwhile, stock dividends require prior clearance from the BSP, the SEC, and the PSE.

The Board may also approve special cash dividends in addition to the regular cash dividends from time to time. The cash dividend payout depends on the Bank's earnings, cash flows, financial condition, and regulatory requirements for capital, among other factors.

On the other hand, payout may be restricted should the Bank undertake major projects and developments that will require substantial cash outflow, among other circumstances. In these cases, the Board may change the dividend ratio based on results of its operations, plans, and projects.

## Compensation Policy

Metrobank ensures that compensation policies are aligned to its strategic and financial objectives, performance, market conditions as well as labor laws and regulations. These are designed to promote performance and excellence among our people. To attract and retain talent, the Bank ensures that the compensation package remains competitive against industry standards.

### *Directors' Compensation Package*

Board directors receive a fixed package, which includes a per diem, transportation allowance, and other fees. Their pay is based on their banking or finance experience, professional background, level of responsibilities, attendance in Board and committee meetings, and market conditions.

Executive Directors receive compensation as full-time Executive Officers while Non-Executive Directors (NEDs) receive a per diem and other fees for attending Board and committee meetings.

### *Executive and Employee Compensation*

Executive officers and employees receive salaries reflective of their qualifications and experience, job nature, position, and level of responsibility.

Composed of fixed pay and variable bonus, individual compensation is reviewed regularly and benchmarked against competition through annual industry compensation and benefit surveys. Adjustments are made commensurate with adherence to individual and company-wide scorecards as well as salary scales.

Our Corporate Governance and Compensation Committee oversees our compensation strategy.

### *Fair Compensation*

Labor laws and requirements guide our compensation package for non-officers or rank-and-file employees, whose salaries are linked to both their performance and mutually agreed upon obligations under the Bank's Collective Bargaining Agreement (CBA).

## Corporate Governance Scorecard

The Bank's Integrated Annual Corporate Governance Report (I-ACGR) was submitted to SEC on 26 May 2023 and a copy was posted on the Bank's website. The I-ACGR provides a consolidated reporting tool to disclose compliance/non-compliance with the recommendations provided under the Corporate Governance Code for Publicly-Listed Companies as well as practices under the PSE CG Guidelines and the ASEAN Corporate Governance Scorecard.

The Bank has substantially complied with the recommendations of the Code of Corporate Governance for Publicly-Listed Companies.

## Plans for Improvement of Corporate Governance

Commitment to having good corporate governance remains at the heart of the Bank's overall strategy and strong risk culture. The Board plays a key role in overseeing management performance and ensuring that controls and systems of check and balance are in place and effective. Hence, continuous adoption of best practices in corporate governance coupled with the aim of facilitating sustained growth and steady improvement of the corporate value in the medium and long term will be the foremost focus.

## AWARDS

- Bank of the Year in the Philippines, The Banker
- Strongest Bank in the Philippines, The Asian Banker
- Best Domestic Bank in the Philippines, Asiamoney
- Best Domestic Private Bank in the Philippines, Asiamoney Private Banking Awards
- Best for Ultra-High Net Worth in the Philippines, Asiamoney Private Banking Awards
- Top Market Maker for Government Securities Eligible Dealers (GSED), Bureau of the Treasury

- Best Service (Domestic Bank) for Cash Management in the Philippines, Asiamoney Cash Management Survey
- Euromoney 2023 Cash Management Survey
  - #1 Best Service, Overall Financial Facilities
  - #1 Best Service, Medium Companies
  - #2 Best Service, Overall Tech Provisions
  - #4 Best Service, Overall Services
- The Asset's 2023 Benchmark Research
  - #1 Top Investment House in Philippine Currency Bonds, Bank Category
  - #1 Top Sell-side Firm in the Secondary Market, PHP Government Bonds Category
  - #1 Top Sell-side Firm in the Secondary Market, PHP Corporate Bonds Category
  - #2 Top Arranger Investors' Choice for Primary Issues, PHP Government Bonds Category
- 2023 Philippine Dealing System Awards
  - Cesar Virata Award for Best Securities House, Bank Category
  - Top Dealing Participant for Corporate Securities
  - Top Fixed Income Dealing Participant
  - #2, Fixed Income Cash Settlement Bank
  - #2, Top Corporate Securities Market Makers
  - Top RTS (RMB Transfer System) Participant
- One of the 2023 Best Fixed Income Houses in the Philippines, Fund Managers' Association of the Philippines (FMAP)

#### *Deviations*

This is not applicable to the Group.

### **ITEM 6 – MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS**

The audited financial statements of the Group and the Bank are presented in Exhibit 4 as an attachment to this report.

Details of the Group's financial statements as of and for the years ended December 31, 2023, 2022, 2021 and 2020 are presented below.

#### **Statements of Financial Position**

*(Amounts in millions)*

	December 31				Increase (Decrease) 2023 vs. 2022		Increase (Decrease) 2022 vs. 2021		Increase (Decrease) 2021 vs. 2020	
	2023	2022	2021	2020	Amount	%	Amount	%	Amount	%
<b>Assets</b>										
Cash and Other Cash Items	₱39,431	₱40,683	₱41,302	₱38,469	(₱1,252)	(3.08)	(₱619)	(1.50)	₱2,833	7.36
Due from Bangko Sentral ng Pilipinas (BSP)	207,807	252,628	253,257	304,906	(44,821)	(17.74)	(629)	(0.25)	(51,649)	(16.94)
Due from Other Banks	90,535	75,472	48,831	38,233	15,063	19.96	26,641	54.56	10,598	27.72
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (SPURA)	72,979	73,744	70,447	79,394	(765)	(1.04)	3,297	4.68	(8,947)	(11.27)
Investment Securities at Fair Value Through Profit or Loss (FVTPL)	74,856	63,599	50,792	77,551	11,257	17.70	12,807	25.21	(26,759)	(34.51)
Fair Value Through Other Comprehensive Income (FVOCI)	536,623	530,464	648,808	569,445	6,159	1.16	(118,344)	(18.24)	79,363	13.94
Amortized Cost	470,638	317,776	83,810	23,293	152,862	48.10	233,966	279.16	60,517	259.81
Loans and Receivables	1,537,166	1,418,382	1,236,071	1,252,929	118,784	8.37	182,311	14.75	(16,858)	(1.35)
Property and Equipment	27,243	27,153	25,783	24,617	90	0.33	1,370	5.31	1,166	4.74
Investments in Associates and a Joint Venture	6,241	5,877	5,851	6,248	364	6.19	26	0.44	(397)	(6.35)
Goodwill	4,720	5,194	5,194	5,199	(474)	(9.13)	-	-	(5)	(0.10)
Investment Properties	8,107	7,901	7,327	7,667	206	2.61	574	7.83	(340)	(4.43)
Deferred Tax Assets	14,171	13,362	13,094	14,028	809	6.05	268	2.05	(934)	(6.66)
Other Assets	14,385	10,855	12,249	13,184	3,530	32.52	(1,394)	(11.38)	(935)	(7.09)
<b>Total Assets</b>	<b>₱3,104,902</b>	<b>₱2,843,090</b>	<b>₱2,502,816</b>	<b>₱2,455,163</b>	<b>₱261,812</b>	<b>9.21</b>	<b>₱340,274</b>	<b>13.60</b>	<b>₱47,653</b>	<b>1.94</b>

	December 31				Increase (Decrease) 2023 vs. 2022		Increase (Decrease) 2022 vs. 2021		Increase (Decrease) 2021 vs. 2020	
	2023	2022	2021	2020	Amount	%	Amount	%	Amount	%
<b>Liabilities</b>										
Deposit Liabilities										
CASA	₱1,439,373	₱1,479,551	₱1,462,717	₱1,311,357	(₱40,178)	(2.72)	₱16,834	1.15	₱151,360	11.54
<i>Demand</i>	586,345	581,473	588,434	515,378	4,872	0.84	(6,961)	(1.18)	73,056	14.18
<i>Savings</i>	853,028	898,078	874,283	795,979	(45,050)	(5.02)	23,795	2.72	78,304	9.84
Time	925,885	715,415	438,046	450,103	210,470	29.42	277,369	63.32	(12,057)	(2.68)
Long-Term Negotiable Certificates	17,514	26,158	29,521	35,755	(8,644)	(33.05)	(3,363)	(11.39)	(6,234)	(17.44)
	2,382,772	2,221,124	1,930,284	1,797,215	161,648	7.28	290,840	15.07	133,069	7.40
Bills Payable and Securities Sold Under Repurchase Agreements (SSURA)	156,896	91,322	70,334	139,614	65,574	71.81	20,988	29.84	(69,280)	(49.62)
Derivative Liabilities	16,865	16,865	8,349	13,465	-	-	8,516	102.00	(5,116)	(37.99)
Manager's Checks and Demand Drafts Outstanding	7,048	6,501	5,396	6,024	547	8.41	1,105	20.48	(628)	(10.42)
Income Taxes Payable	3,601	1,478	1,749	2,711	2,123	143.64	(271)	(15.49)	(962)	(35.49)
Accrued Interest and Other Expenses	19,785	13,956	9,858	9,149	5,829	41.77	4,098	41.57	709	7.75
Bonds Payable	70,089	88,409	79,823	91,397	(18,320)	(20.72)	8,586	10.76	(11,574)	(12.66)
Subordinated Debts	-	1,169	1,168	1,167	(1,169)	(100.00)	1	0.09	1	0.09
Non-equity Non-controlling Interest	10,260	10,139	10,619	8,315	121	1.19	(480)	(4.52)	2,304	27.71
Other Liabilities	70,848	64,037	57,504	52,931	6,811	10.64	6,533	11.36	4,573	8.64
Total Liabilities	2,738,164	2,515,000	2,175,084	2,121,988	223,164	8.87	339,916	15.63	53,096	2.50

Equity										
Equity Attributable to Equity Holders of the Bank										
Common stock	₱89,948	₱89,948	₱89,948	₱89,948	₱-	-	₱-	-	₱-	-
Capital paid in excess of par value	85,252	85,252	85,252	85,252	-	-	-	-	-	-
Treasury stock	(70)	(72)	(70)	(65)	2	2.78	(2)	(2.86)	(5)	(7.69)
Surplus reserves	2,752	2,613	2,442	2,260	139	5.32	171	7.00	182	8.05
Surplus	204,896	176,374	157,260	153,282	28,522	16.17	19,114	12.15	3,978	2.60
Net unrealized income (loss) on investment securities at FVOCI	(10,065)	(23,076)	(3,751)	7,611	13,011	56.38	(19,325)	(515.20)	(11,362)	(149.28)
Remeasurement losses on retirement plan	(7,491)	(4,404)	(4,747)	(4,778)	(3,087)	(70.10)	343	7.23	31	0.65
Equity in other comprehensive income (losses) of investees	116	(145)	(118)	(22)	261	180.00	(27)	(22.88)	(96)	(436.36)
Translation adjustment and others	(8,673)	(7,982)	(7,711)	(9,284)	(691)	(8.66)	(271)	(3.51)	1,573	16.94
	356,665	318,508	318,505	324,204	38,157	11.98	3	0.00	(5,699)	(1.76)
Non-controlling Interest	10,073	9,582	9,227	8,971	491	5.12	355	3.85	256	2.85
Total Equity	366,738	328,090	327,732	333,175	38,648	11.78	358	0.11	(5,443)	(1.63)
Total Liabilities and Equity	₱3,104,902	₱2,843,090	₱2,502,816	₱2,455,163	₱261,812	9.21	₱340,274	13.60	₱47,653	1.94

**Statements of Income**

	December 31				Increase (Decrease) 2023 vs. 2022		Increase (Decrease) 2022 vs. 2021		Increase (Decrease) 2021 vs. 2020	
	2023	2022	2021	2020	Amount	%	Amount	%	Amount	%
Interest Income	₱153,612	₱102,370	₱87,177	₱107,787	₱51,242	<b>50.06</b>	₱15,193	<b>17.43</b>	(₱20,610)	<b>(19.12)</b>
Interest and Finance Charges	48,642	16,841	12,128	21,680	31,801	<b>188.83</b>	4,713	<b>38.86</b>	(9,552)	<b>(44.06)</b>
Net Interest Income	104,970	85,529	75,049	86,107	19,441	<b>22.73</b>	10,480	<b>13.96</b>	(11,058)	<b>(12.84)</b>
Provision for Credit and Impairment Losses	8,978	8,112	11,834	40,760	866	<b>10.68</b>	(3,722)	<b>(31.45)</b>	(28,926)	<b>(70.97)</b>
Net Interest Income After Provision for Credit and Impairment Losses	95,992	77,417	63,215	45,347	18,575	<b>23.99</b>	14,202	<b>22.47</b>	17,868	<b>39.40</b>
Other Operating Income	28,504	26,793	25,831	35,129	1,711	<b>6.39</b>	962	3.72	(9,298)	<b>(26.47)</b>
Other Operating Expenses	69,522	60,996	59,473	60,120	8,526	<b>13.98</b>	1,523	2.56	(647)	(1.08)
Income Before Share in Net Income of Associates and a Joint Venture	54,974	43,214	29,573	20,356	11,760	<b>27.21</b>	13,641	<b>46.13</b>	9,217	<b>45.28</b>
Share in Net Income of Associates and a Joint Venture	875	704	568	664	171	<b>24.29</b>	136	<b>23.94</b>	(96)	<b>(14.46)</b>
Income Before Income Tax	55,849	43,918	30,141	21,020	11,931	<b>27.17</b>	13,777	<b>45.71</b>	9,121	<b>43.39</b>
Provision for Income Tax	12,890	10,620	7,777	7,046	2,270	<b>21.37</b>	2,843	<b>36.56</b>	731	<b>10.37</b>
<b>Net Income</b>	<b>₱42,959</b>	<b>₱33,298</b>	<b>₱22,364</b>	<b>₱13,974</b>	<b>₱9,661</b>	<b>29.01</b>	<b>₱10,934</b>	<b>48.89</b>	<b>₱8,390</b>	<b>60.04</b>
Attributable to:										
Equity holders of the Bank	₱42,238	₱32,776	₱22,156	₱13,831	₱9,462	<b>28.87</b>	₱10,620	<b>47.93</b>	₱8,325	<b>60.19</b>
Non-controlling interest	721	522	208	143	199	<b>38.12</b>	314	<b>150.96</b>	65	<b>45.45</b>
	<b>₱42,959</b>	<b>₱33,298</b>	<b>₱22,364</b>	<b>₱13,974</b>	<b>₱9,661</b>	<b>29.01</b>	<b>₱10,934</b>	<b>48.89</b>	<b>₱8,390</b>	<b>60.04</b>

**Statements of Comprehensive Income**

Net Income	₱42,959	₱33,298	₱22,364	₱13,974	₱9,661	<b>29.01</b>	₱10,934	<b>48.89</b>	₱8,390	<b>60.04</b>
Other Comprehensive Income for the Year, net of tax										
Items that may not be reclassified to profit or loss:										
Change in net unrealized gain (loss) on equity securities at FVOCI	256	(62)	137	(94)	318	<b>512.90</b>	(199)	<b>(145.26)</b>	231	<b>245.74</b>
Change in remeasurement gain (loss) on retirement plan	(3,157)	318	99	794	(3,475)	<b>(1,092.77)</b>	219	<b>221.21</b>	(695)	<b>(87.53)</b>
Items that may be reclassified to profit or loss:										
Change in net unrealized gain (loss) on investment on debt securities at FVOCI	12,685	(19,270)	(11,505)	5,038	31,955	<b>165.83</b>	(7,765)	<b>(67.49)</b>	(16,543)	<b>(328.36)</b>
Change in equity in other comprehensive income (loss) of investees	263	(26)	(96)	(370)	289	<b>1,111.54</b>	70	<b>72.92</b>	274	<b>74.05</b>
Translation adjustment and others	(719)	(257)	1,702	(23)	(462)	<b>(179.77)</b>	(1,959)	<b>(115.10)</b>	1,725	<b>7,500.00</b>
	12,229	(19,553)	(9,899)	4,645	31,782	<b>162.54</b>	(9,654)	<b>(97.53)</b>	(14,544)	<b>(313.11)</b>
Total Comprehensive Income for the Year	₱52,287	₱14,001	₱12,701	₱19,319	₱38,286	<b>273.45</b>	₱1,300	<b>10.24</b>	(₱6,618)	<b>(34.26)</b>
Attributable to:										
Equity holders of the Bank	₱51,647	₱13,497	₱12,296	₱19,140	₱38,150	<b>282.66</b>	₱1,201	<b>9.77</b>	(₱6,844)	<b>(35.76)</b>
Non-controlling Interest	640	504	405	179	136	<b>26.98</b>	99	<b>24.44</b>	226	<b>126.26</b>
	<b>₱52,287</b>	<b>₱14,001</b>	<b>₱12,701</b>	<b>₱19,319</b>	<b>₱38,286</b>	<b>273.45</b>	<b>₱1,300</b>	<b>10.24</b>	<b>(₱6,618)</b>	<b>(34.26)</b>



### **Key Performance Indicators**

The performance of the Bank and its significant majority-owned subsidiaries are measured by the following key indicators:

Company Name	Performance Indicators				
	Book Value Per Share	Basic/ Diluted Earnings Per Share	Return on Average Equity	Return on Average Assets	Net Interest Margin on Average Earning Assets

#### **For the Year 2023**

Metrobank Group	₱79.33	₱9.39	12.51%	1.42%	3.90%
FMIC (a)	2,200.97*	74.09*	3.46%	1.72%	5.29%
ORIX METRO	140.69	6.48	4.70%	2.22%	8.31%
PSBank	94.07	10.61	11.72%	1.80%	5.18%

#### **For the Year 2022**

Metrobank Group	₱70.84	₱7.29	10.29%	1.23%	3.56%
FMIC (a)	41.59	0.98	2.35%	1.12%	2.47%
ORIX METRO	135.10	3.29	2.47%	0.94%	7.83%
PSBank	87.01	8.62	10.21%	1.40%	4.66%

(a) FMIC and Subsidiaries

\* On September 15, 2023, the SEC approved the amendment on the Articles of Incorporation of FMIC thereby decreasing the number of authorized common shares from 800 million shares to 16 million shares with increase in par value from ₱10 to ₱500 per share.

A separate schedule showing financial soundness indicators of the Group as of December 31, 2023 and 2022 is presented in Exhibit 5 as an attachment to this report.

#### **Book value per share**

Book value per share is computed by dividing the equity attributable to equity holders of the Parent Company by the total number of common shares outstanding.

#### **Earnings Per Share**

Basic earnings per share (EPS) is computed by dividing the net income by the weighted average number of common shares outstanding after giving retroactive effect to stock dividends declared, stock rights exercised and stock splits made during the period, if any. As of December 31, 2023, 2022 and 2021, the Parent Company had no shares of stock that had a dilutive effect on its basic earnings per share.

#### **Return on Average Equity**

Return on average equity (ROE) or the ratio of net income attributable to equity holders of the Parent Company for the year divided by average total equity attributable to the Parent Company, measures the return on capital provided by the stockholders.

#### **Return on Average Assets**

Return on average assets (ROA) or the ratio of net income attributable to equity holders of the Parent Company for the year divided by average total assets, measures the return on money provided by both stockholders and creditors, as well as how efficiently all assets are managed.

#### **Net Interest Margin**

Net interest margin (NIM) is the ratio of net interest income for the year divided by average interest-earning assets.

## **2023 Performance**

### ***Financial Position***

As of December 31, 2023, the audited consolidated total assets and total liabilities of the Metrobank Group stood at ₱3.10 trillion and ₱2.74 trillion, respectively. Compared with December 31, 2022, total assets and total liabilities went up by ₱261.81 billion or 9.21% and by ₱223.16 billion or 8.87%, respectively. On the other hand, equity attributable to equity holders of the Parent Company was higher by ₱38.16 billion or 11.98% from ₱318.51 billion to ₱356.67 billion.

Due from BSP decreased by 17.74% driven by lower level of term deposit partially offset by the increase in level of overnight facility placements both maintained with BSP. Due from Other Banks increased by ₱15.06 billion or 19.96% as a result of the net movements in the balances maintained with various local and foreign banks.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost represents 34.85% and 32.07% of the Group's total assets as of December 31, 2023 and 2022, respectively, went up by ₱170.28 billion or 18.67%. Securities at amortized cost went up by ₱152.86 billion particularly on treasury notes and government bonds. FVTPL securities consist of debt and equity securities and derivative assets amounting to ₱46.13 billion, ₱6.80 billion and ₱21.92 billion, respectively, as of December 31, 2023 and ₱32.0 billion, ₱7.16 billion and ₱24.44 billion, respectively, as of December 31, 2022. FVOCI securities increased by ₱6.16 billion due to higher portfolio of debt securities particularly treasury notes and bonds.

Net loans and receivables, representing 49.51% and 49.89% of the Group's total assets as of December 31, 2023 and 2022, respectively, went up by ₱118.78 billion or 8.37% driven by the growths in corporate loans, consumer loans and credit card portfolios.

Investments in Associates and a Joint Venture went up by ₱0.36 billion or 6.19% due to the net income and other comprehensive income contributed by the associates of FMIC. Deferred Tax Assets increased by ₱0.81 billion or 6.05% due to movements on temporary tax differences particularly on allowance for credit and impairment losses. In 2023, the Group recognized impairment loss of ₱474.3 million on the outstanding goodwill. Other Assets on the other hand, increased by ₱3.53 billion or 32.52% from ₱10.86 billion to ₱14.39 billion primarily due to the movements in miscellaneous assets.

Deposit liabilities represent 87.02% and 88.32% of the consolidated total liabilities as of December 31, 2023 and 2022, respectively, wherein, low cost deposits represent 60.41% and 66.61% of the Group's total deposits, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱2.38 trillion as of December 31, 2023, an increase of ₱161.65 billion or 7.28% from ₱2.22 trillion as of December 31, 2022. The increment came from time deposits by ₱210.47 billion partially offset by the ₱40.18 billion decrease in CASA deposits and the maturity of the ₱8.65 billion LTNCD of the Parent Company.

Bills Payable and SSURA went up by ₱65.57 billion or 71.81% mainly due to higher level of SSURA from ₱67.12 billion as of December 31, 2022 to ₱134.80 billion as of December 31, 2023. Manager's Checks and Demand Drafts Outstanding increased by ₱0.55 billion or 8.41% as a result of the normal banking operations of the Bank and PSBank. Income taxes payable increased by ₱2.12 billion or 143.64% due to higher tax base for the last quarter of 2023.

Accrued Interest and Other Expenses went up by ₱5.83 billion or 41.77% wherein accrued interest increased by ₱3.53 billion while accrual for other bank expenses increased by ₱2.30 billion. Bonds payable decreased by ₱18.32 billion or 20.72% due to maturities of the ₱13.75 billion and ₱4.65 billion fixed rate bonds of the Parent Company and PSBank, respectively. Subordinated debts decreased by 100% due to maturity of the ₱1.17 billion peso notes of the Parent Company. Other liabilities increased by ₱6.81 billion or 10.64% due to movements in accounts payable, retirement liability, bills purchased contra account and marginal deposits.

The ₱0.49 billion or 5.12% increase in equity of non-controlling interest was attributed to the net income generated by the majority-owned subsidiaries of the Parent Company for the year ended December 31, 2023. On the other hand, equity attributable to equity holders of the Parent Company increased by ₱38.16 billion or 11.98% on account of the ₱42.24 billion net income reported during the year reduced by the ₱13.49 billion total cash paid by the Parent Company plus the favorable movement in net unrealized loss recognized in investment securities at FVOCI from ₱23.08 billion in 2022 to ₱10.07 billion in 2023.

## ***Results of Operations***

Net income attributable to equity holders of the Parent Company for the year ended December 31, 2023 amounted to ₱42.24 billion and improved by ₱9.46 billion or 28.87% from the ₱32.78 billion net income reported in the previous year. The improvement was driven by the following:

Interest income went up by ₱51.24 billion or 50.06% on account of higher interest income on loans and receivables by ₱30.36 billion, on investment securities by ₱17.96 billion, on interbank loans receivable by ₱1.88 billion and on deposit with banks and others by ₱1.05 billion. Meanwhile, increase in interest expense on deposit liabilities particularly on time deposits by ₱29.70 billion and in interest expense on borrowings by ₱2.10 billion accounted for the increase of ₱31.80 billion or 188.83% in interest and finance charges. As a result, net interest income improved by ₱19.44 billion or by 22.73%.

Other operating income of ₱28.50 billion increased by ₱1.71 billion or 6.39% from ₱26.79 billion in 2022 on account of the ₱1.36 billion increase in fee-based income, the ₱1.22 billion increase in profit from assets sold and the positive movement in foreign exchange gain from a loss of ₱2.43 billion in 2022 to a gain of ₱4.10 billion in 2023; reduced by the negative movement in trading and securities gain from a gain of ₱6.40 billion in 2022 to a loss of ₱94 million in 2023 and the ₱0.65 billion decrease in miscellaneous income.

Total operating expenses went up by ₱8.53 billion or 13.98% from ₱61.00 billion to ₱69.52 billion due to increases in taxes and licenses by ₱3.40 billion, manpower cost by ₱2.13 billion, and miscellaneous expenses by ₱1.94 billion. Total provision for credit and impairment losses of the Group amounted to ₱8.98 billion for the year ended December 31, 2023 or ₱0.87 billion higher compared with ₱8.11 billion provision in 2022. Provision for income tax was higher by ₱2.27 billion from ₱10.62 billion to ₱12.89 billion due to net movements in corporate, final and deferred income taxes.

Income attributable to non-controlling interests went up by ₱0.20 billion or 38.12% from ₱0.52 billion to ₱0.72 billion due to higher net income of majority owned subsidiaries.

Total comprehensive income went up by ₱38.29 billion from ₱14.00 billion for the year ended December 31, 2022 to ₱52.29 billion for the same year in 2023 due to the net effect of the higher net income and favorable movement in net unrealized gain(loss) recognized on FVOCI investments for the year 2023 partially offset by the movement in remeasurement loss recognized on retirement plans. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱38.15 billion from ₱13.50 billion for the year ended December 31, 2022 to ₱51.65 billion for the year ended December 31, 2023. Total comprehensive income attributable to non-controlling interest increased by ₱0.14 billion or 26.98%.

Market share price as of December 31, 2023 was at ₱51.30 (from ₱54.00 as of December 31, 2022) with a market capitalization of ₱230.72 billion.

## **2022 Performance**

### ***Financial Position***

The audited consolidated total assets and total liabilities of the Metrobank Group as of December 31, 2022 stood at ₱2.84 trillion and ₱2.52 trillion, respectively. Compared with December 31, 2021, total assets and total liabilities went up by ₱340.27 billion or 13.60% and by ₱339.92 billion or 15.63%, respectively. On the other hand, equity attributable to equity holders of the Parent Company stood at ₱318.51 billion as of December 31, 2022 and 2021.

Due from BSP which represents 8.89% of the Group's total assets decreased by 0.25% on account of lower levels of term deposit and overnight facility placements maintained with BSP. Due from Other Banks increased by ₱26.64 billion or 54.56% as a result of the net movements in the balances maintained with various local and foreign banks.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost represents 32.07% and 31.30% of the Group's total assets as of December 31, 2022 and 2021, respectively, went up by ₱128.43 billion or 16.39%. The increase was due to the net effect of the growth in the portfolios of FVTPL and securities at amortized cost partially reduced by lower portfolio of FVOCI securities. Securities at amortized cost went up by ₱233.97 billion particularly on investments in treasury notes and bonds. FVTPL securities consist of HFT securities and derivative assets amounting to ₱39.16 billion and ₱24.44 billion, respectively, as of December 31, 2022 and ₱40.94 billion and

₱9.85 billion, respectively, as of December 31, 2021. FVOCI securities decreased by ₱118.34 billion due to lower portfolio of debt securities.

Net loans and receivables, representing 49.89% and 49.39% of the Group's total assets as of December 31, 2022 and December 31, 2021, respectively, went up by ₱182.31 billion or 14.75% contributed by the growths in all segments – corporate, commercial and consumer (particularly credit card portfolio). Property and Equipment increased by ₱1.37 billion or 5.31% due to acquisitions of various furniture, fixture and office equipment, renovations of various branches and recognition of ROU assets on new assets/properties leased in 2022. Investment Properties increased by ₱0.57 billion or 7.83% due to new foreclosures during the year. Other Assets decreased by ₱1.39 billion or 11.38% from ₱12.25 billion to ₱10.86 billion primarily due to the net movements in miscellaneous assets and software cost.

Deposit liabilities represent 88.32% and 88.75% of the consolidated total liabilities of the Group as of December 31, 2022 and 2021, respectively, wherein, low cost deposits represent 66.61% and 75.78% of the Group's total deposits, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱2.22 trillion as of December 31, 2022, an increase of ₱290.84 billion or 15.07% from ₱1.93 trillion as of December 31, 2021 on account of the growth in time deposits by ₱277.37 billion and CASA deposits by ₱16.83 billion partially reduced by the maturity of the ₱3.36 billion LTNCD of PSBank.

Bills Payable and SSURA went up by ₱20.99 billion or 29.84% largely on account of the ₱16.32 billion increase in SSURA and ₱4.67 billion increases in other borrowings including interbank borrowings. Derivative Liabilities which represent mark-to-market of foreign currency forwards, interest rate swaps, cross currency swaps, foreign currency options and bond futures with negative fair value increased by ₱8.52 billion or 102.0%. The increase of ₱1.11 billion or 20.48% in Manager's Checks and Demand Drafts Outstanding resulted from the normal banking operations of the Bank and PSBank. Income Taxes Payable decreased by ₱0.27 billion or 15.49%. Accrued Interest and Other Expenses went up by ₱4.10 billion or 41.57% due to the increase in interest accruals for deposit liabilities and borrowings (volume-related) and other bank expenses. Bonds payable increased by ₱8.59 billion or 10.76% due to the net effect of the ₱23.7 billion additional bonds issued in October 2022; redemption of ₱17.5 billion fixed rate bonds in April 2022; and the movement in the peso value of the USD-denominated senior unsecured notes issued by the Parent Company. Other Liabilities increased by ₱6.53 billion or 11.36% primarily due to the increases in accounts payable, bills purchased contra account and marginal deposits.

Equity attributable to equity holders of the Parent Company stood at ₱318.51 billion as of December 31, 2022 or a very minimal movement compared with previous year. The ₱32.78 billion net income for the year reduced by the ₱13.49 billion total cash dividends paid by the Bank and the ₱19.33 billion increase in net unrealized loss recognized in investment securities at FVOCI, accounted for the minimal movement in this account.

### ***Results of Operations***

For the year ended December 31, 2022, net income attributable to equity holders of the Parent Company improved to ₱32.78 billion or by 47.93% (₱10.62 billion) from the ₱22.16 billion net income reported in previous year. The increase was driven by the following:

Interest income went up by ₱15.19 billion or 17.43% mainly due to increases in interest income on investment securities by ₱9.62 billion (due to higher volume of investment securities at amortized cost), interest income on loans and receivables by ₱4.66 billion and interest income on interbank loans receivable by ₱0.68 billion. Meanwhile, total interest expense increased by ₱4.71 billion or 38.86% due to the net effect of the higher interest expense on deposit liabilities by ₱5.92 billion and lower interest expense on borrowings by ₱1.21 billion (mainly due to maturities of various fixed rate bonds). As a result, net interest income improved by ₱10.48 billion or by 13.96%.

Other operating income of ₱26.79 billion was up by ₱0.96 billion or 3.72% from ₱25.83 billion in 2021 on account of higher fee-based income by ₱1.62 billion and profit from asset sold by ₱0.52 billion reduced by the ₱1.33 billion decrease in net trading securities and foreign exchange gain.

Total operating expenses were maintained at almost same level with previous year and increased only by ₱1.52 billion or 2.56% from ₱59.47 billion to ₱61.0 billion contributed mainly by higher compensation and fringe benefits of ₱0.86 billion or 3.41% and miscellaneous expenses of ₱1.07 billion or 6.0% on account of the increases in IT expenses and advertising and publicity. Total provision for credit and impairment losses of the Group amounted to ₱8.11 billion for the year ended December 31, 2022 or ₱3.72 billion lower compared with ₱11.83 billion provision in 2021. Provision for income tax was higher by ₱2.84 billion from ₱7.78 billion to ₱10.62

billion due to net movements in corporate, final and deferred income taxes. Provision for income taxes in 2021 included the one-time adjustments on the corporate and deferred income taxes due to the effectivity of the new tax rate under CREATE law.

Income attributable to non-controlling interests went up to ₱0.52 billion from ₱0.21 billion or by ₱0.31 billion or 150.96% due to higher net income of majority owned subsidiaries.

Total comprehensive income went up by ₱1.30 billion from ₱12.70 billion for the year ended December 31, 2021 to ₱14.0 billion for the year ended December 31, 2022 mainly due to improvement in net income reduced by the increase in net unrealized loss recognized this year on FVOCI investments. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱1.20 billion from ₱12.30 billion in 2021 to ₱13.50 billion for the year ended December 31, 2022.

Market share price as of December 31, 2022 was at ₱54.0 (from ₱55.70 as of December 31, 2021) with a market capitalization of ₱242.86 billion.

## **2021 Performance**

### ***Financial Position***

As of December 31, 2021, the Metrobank Group posted a total assets of ₱2.50 trillion or higher by ₱47.65 billion compared with ₱2.46 trillion as of December 31, 2020. Total liabilities of the Group increased to ₱2.18 trillion from ₱2.12 trillion or by ₱53.10 billion. On the other hand, equity attributable to equity holders of the Parent Company was lower by ₱5.70 billion from ₱324.20 billion to ₱318.51 billion.

Cash and Other Cash Items increased by ₱2.83 billion or 7.36%. Due from BSP which represents 10.12% of the Group's total assets decreased by 16.94% on account of lower level of overnight deposit facility placement partially offset by the increases in term deposit and reserve requirement. Due from Other Banks increased by ₱10.60 billion or 27.72% as a result of the net movements in the balances maintained with various local and foreign banks. Interbank Loans Receivable and SPURA went down by ₱8.95 billion or 11.27% due to the ₱22.12 billion decrease in SPURA offset by the ₱13.17 billion increase in interbank loans receivable.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost and represents 31.30% and 27.30% of the Group's total assets as of December 31, 2021 and 2020, respectively, went up by ₱113.12 billion or 16.88%. The increase was due to the net effect of the growth in FVOCI and securities at amortized cost and decrease in FVTPL securities. FVOCI securities increased by ₱79.36 billion particularly on treasury notes and bonds (₱90.88 billion) and BSP bonds (₱48.42 billion) offset by the decrease in treasury bills (₱63.44 billion). Securities at amortized cost went up by ₱60.52 billion particularly on treasury bills, notes and bonds. In 2020, the Group disposed of investment securities at amortized cost with total carrying value of ₱113.5 billion. FVTPL securities consist of HFT securities and derivative assets amounting to ₱40.94 billion and ₱9.85 billion, respectively, as of December 31, 2021 and ₱65.71 billion and ₱11.85 billion, respectively, as of December 31, 2020.

Net loans and receivables, representing 49.39% and 51.03% of the Group's total assets as of December 31, 2021 and 2020, respectively, went down by ₱16.86 billion or 1.35% due to lower portfolio of consumer loans offset by the higher portfolios of corporate loans. Investments in Associates and a Joint Venture went down by ₱0.40 billion or 6.35% due to lower net income of the associates and additional impairment recognized on the investment in LCMC. Deferred Tax Assets decreased by ₱0.93 billion or 6.66% due to net effect of the decrease in tax rate under the CREATE Law and movements on temporary tax differences. Other Assets decreased by ₱0.94 billion or 7.09% from ₱13.18 billion to ₱12.25 billion primarily due to movements in miscellaneous assets, chattel properties acquired in foreclosures, amortization of software cost and prepaid expenses.

Deposit liabilities represent 88.75% and 84.69% of the consolidated total liabilities as of December 31, 2021 and 2020, respectively, wherein, low cost deposits represent 75.78% and 72.97% of the Group's total deposits, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL reached ₱1.93 trillion as of December 31, 2021, an increase of ₱133.07 billion or 7.40% from ₱1.80 trillion as of December 31, 2020. The increment came from demand and savings deposits by ₱73.06 billion and ₱78.30 billion, respectively, while time deposits went down by ₱12.06 billion. Further, the ₱6.25 billion LTNCD of the Parent Company had matured in November 2021.

Bills Payable and SSURA representing 3.23% and 6.58% of the Group's total liabilities as of December 31, 2021 and 2020, respectively, went down by ₱69.28 billion or 49.62% due to the ₱42.26 billion decrease in SSURA and lower borrowings from foreign banks, local banks and deposit substitutes by ₱12.09 billion, ₱10.66 billion and ₱4.27 billion, respectively. Derivative Liabilities which represent mark-to-market of foreign currency forwards, interest rate swaps, cross currency swaps, credit default swaps and foreign currency options with negative fair value decreased by ₱5.12 billion or 37.99%.

The decrease of ₱0.63 billion or 10.42% in Manager's Checks and Demand Drafts Outstanding resulted from normal banking operations of the Bank and PSBank. Income taxes payable decreased by ₱0.96 billion or 35.49% due to lower tax base and new tax rate and Accrued Interest and Other Expenses went up by ₱0.71 billion or 7.75% due to the increase in accruals of other bank expenses. Total bonds payable decreased by ₱11.57 billion on account of the movements on the fixed rate bonds issued by the Parent Company - ₱19.0 billion additional bonds issued in June 2021 and redemption of the ₱11.25 billion and ₱10.5 billion bonds in July and September of this year, respectively; and the redemption of the ₱6.3 billion fixed rate bonds of PSBank in July 2021 and the ₱4.16 billion fixed rate bonds of ORIX METRO.

Non-equity Non-controlling Interest representing the portion of net income and net assets of the mutual fund subsidiaries of FMIC not attributed to the Group went up by ₱2.30 billion or 27.71% on account of the net increase in income of these mutual funds. Other Liabilities increased by ₱4.57 billion or 8.64% primarily due to the ₱7.83 billion increase in marginal deposits offset by the ₱4.76 billion decrease in bills purchased contra account.

Equity attributable to equity holders of the Parent Company decreased by ₱5.70 billion or 1.76% primarily due to the ₱17.99 billion total cash dividends paid by the Bank, net unrealized loss on investments securities at FVOCI recognized during the year offset by the ₱22.16 billion net income for the year.

### ***Results of Operations***

For the year ended December 31, 2021, interest income went down by ₱20.61 billion or 19.12% mainly due to lower interest income on loans and receivables by ₱20.17 billion (volume related and interest rate cap on credit card) and interest income on investment securities by ₱0.96 billion partially offset by the ₱0.52 billion increase in interest income on deposit with banks and others. Meanwhile, lower interest expense on deposit liabilities by ₱5.82 billion and on borrowings by ₱3.73 billion accounted for the decrease of ₱9.55 billion or 44.06% in interest and finance charges. These resulted to a ₱11.06 billion or 12.84% decline on net interest income.

Other operating income of ₱25.83 billion decreased by ₱9.30 billion or 26.47% from ₱35.13 billion in 2020 on account of lower net trading and securities gain by ₱11.38 billion (due to last year's disposal of investment securities at amortized cost by the Group with total carrying value of ₱113.5 billion) and the ₱2.46 billion decrease in foreign exchange gain offset by the increases in fee-based income by ₱1.71 billion, profit from assets sold by ₱0.37 billion and miscellaneous income by ₱2.33 billion.

Total operating expenses was maintained at same level with slight decrease of ₱0.65 billion or 1.08% from ₱60.12 billion to ₱59.47 billion with lower occupancy and equipment-related costs by ₱0.13 billion or 6.35% and taxes and licenses by ₱2.0 billion or 20.09% offset by the increases in miscellaneous expenses by ₱0.21 billion or 1.21% and compensation and fringe benefits by ₱0.38 billion or 1.52%. Total provision for credit and impairment losses of the Group amounted to ₱11.83 billion for the year ended December 31, 2021 or ₱28.93 billion lower compared with ₱40.76 billion provision in 2020. Provision for income tax, after considering the net impact of the new tax rate under CREATE Law, was higher by ₱0.73 billion from ₱7.05 billion to ₱7.78 billion due to net movements in corporate, final and deferred income taxes.

Income attributable to non-controlling interests went up to ₱0.21 billion from ₱0.14 billion or by ₱0.07 billion or 45.45% due to higher net income of majority owned subsidiaries.

As a result, net income attributable to equity holders of the Parent Company for the year ended December 31, 2021 improved by ₱8.33 billion or 60.19% to ₱22.16 billion from the ₱13.83 billion net income reported in 2020.

Total comprehensive income went down by ₱6.62 billion from ₱19.32 billion to ₱12.70 billion for the year ended December 31, 2021 and 2020, respectively, due to the net effect of the net unrealized loss recognized this year on FVOCI investments compared with gain in previous year, mitigated by the higher net income and increase in translation adjustment and others. This caused the total comprehensive income attributable to equity holders of the

Parent Company to decrease by ₱6.84 billion from ₱19.14 billion in 2020 to ₱12.30 billion for the year ended December 31, 2021.

Market share price as of December 31, 2021 was at P55.70 (from P49.05 as of December 31, 2020) with a market capitalization of P250.51 billion.

### **Key Variable and Other Qualitative and Quantitative Factors**

#### **Plans for 2024**

As the second largest private bank in the country, Metrobank has consistently worked towards enabling both corporate and individual clients achieve their business objectives and maximize their potential. The Bank creates and customizes financial solutions to meet its stakeholders' needs, continuously expanding its scope of reach and leading in community service. This is Metrobank's way of living up to its brand promise, "You're in Good Hands," which embodies its customer-centric approach.

Metrobank, together with its subsidiaries, aims to be the trusted partner of its customers by providing them with tailored products & services in new and meaningful ways. Key strategies are anchored on enhancing customer experience, expanding digital banking solutions, improving operational efficiency, having a sound and effective corporate governance and risk & compliance management, and investing in people development.

The Bank intends to further its strong market share in both the corporate and consumer segments by evolving its organization to be customer-obsessed, agile and innovative. New products will be introduced to cater to new and existing customers and to tap select emerging markets. Existing products will be reviewed for relevance and enhance or sunset as needed. Moreover, as the trend shifts to digital banking, Metrobank remains committed on properly serving its clients by enhancing its digital platforms, migrating relevant branch services to digital channels, and enabling more digital servicing features.

The Bank is cognizant that the evolving digital and operating environment calls for a robust IT infrastructure and strong control & risk management practices thus substantial investment is allocated to the Bank's IT projects to enhance information security, process efficiencies, and risk management & control systems. Metrobank will also invest in people development, equipping its employees with the necessary skills training and knowledge transfer they need to materialize the customer-centric strategy of the Bank.

Metrobank is firmly focused on its growth and core business objectives anchored on delivering Meaningful Banking to its clients through relevant financial solutions, best-in-class customer experience, and secured and efficient operations. All these are guided by the Bank's mission, vision and values proving that "You're in Good Hands with Metrobank" benefits its employees, customers, and all its stakeholders.

#### **Capital position**

The Bank will continue to actively improve on the Group's strong capital position. The Bank has benefited from a series of capital markets transactions to raise Tier 1 and Tier 2 capital.

In 2006, the Bank issued US\$125.0 million Hybrid Tier 1 capital security in February and 173,618,400 common shares at P38.00 per common share in October. In May 2010, the Bank raised an additional P5.0 billion in capital through a private placement of common shares. In January 2011, the Bank raised approximately P10.0 billion through a rights offer for 200 million common shares at the offer price of P50.00 per rights share. In August 2013, the Bank increased its capital stock from P50 billion to P100 billion and on September 16, 2013, it issued a stock dividend equivalent to 633,415,049 common shares (with a par value of P20) that was applied as payment of the required subscription to the increase in capital stock. In April 2015, the Bank raised P32.0 billion through a rights offer for 435,371,720 common shares with par value of P20.00 priced at P73.50 per share. The newly issued shares were listed on the PSE on April 7, 2015. Further, in April 2018, the Bank raised P60.0 billion through a rights offer for 799,842,250 common shares with par value of P20.00 priced at P75.00 per share. The newly issued shares were listed on the PSE on April 12, 2018. In October 2019, the Bank increased its capital stock from P100 billion to P140 billion and on November 26, 2019, it issued a stock dividend equivalent to 517,401,955 common shares (with a par value of P20) that was applied as payment of the required subscription to the increase in capital stock, which further improved the Bank's capital position.

The Bank also issued Tier 2 instruments to boost its capital adequacy ratio. The Bank issued Basel II compliant Tier 2 subordinated notes in October 2007 for P8.5 billion with a coupon of 7.0%; in October 2008 for P5.5 billion with a coupon of 7.75%; and in May 2009 for P4.5 billion with a coupon of 7.5%. With the advent of Basel III, the Bank subsequently redeemed these previously issued subordinated debt issuances as they would not have been considered as capital beginning January 1, 2014. The Bank exercised the call option on its P8.5 billion 7.0%; P5.5 billion 7.75% and P4.5 billion 7.5% Lower Tier 2 Notes on October 22, 2012, October 4, 2013 and May 6, 2014, respectively. The early redemptions of these instruments were in accordance with the terms and conditions of the notes when they were originally issued. By redeeming the notes, the Bank avoided a step-up in the interest rate and the capital decay from the instruments. In 2014, the Bank raised a total of ₱22.5 billion in subordinated debt wherein ₱16.0 billion was issued on March 27, 2014 at a coupon rate of 5.375% and ₱6.5 billion on August 8, 2014 at 5.25%. The terms of the notes contain a loss absorption feature, allowing them to be recognized as bank capital in accordance with Basel III standards. The transactions were done in part to replace the Basel II Tier 2 notes which were redeemed on their call option dates. As approved by the BSP on April 25, 2019, on June 27, 2019, the Bank redeemed its 2024 Peso Notes amounting to ₱16.0 billion, ahead of its maturity. Likewise, on August 8, 2020, the Bank redeemed the 2025 Peso Notes amounting to P6.5 billion, ahead of its maturity after approval by the BSP on May 7, 2020.

As part of the Group's capital efficiency initiatives, the Group has been active in optimizing its allied and non-allied undertakings. Among the initiatives include the sale of the Bank's ownership in Toyota Motor Philippines Corporation in tranches between 2012 and 2013 as well as the sale of FMIC's holdings in Global Business Power Corporation in tranches between 2013 and 2016 and FMIC's holdings in Charter Ping An Insurance Corporation in 2014. In 2014, the Bank and PSBank also disposed of its holdings in Toyota Financial Services Philippines Corporation. Altogether, these sales further improved the Bank's capital adequacy under Basel III. As discussed in Part I - Business item number 2 "Description of Business-Business of Registrant", on March 13, 2019, the respective BODs of the Bank and MCC approved the proposal to merge MCC into the Bank. The proposed merger was ratified by the stockholders of the Bank on April 24, 2019, approved by the BSP on October 23, 2019, and approved by the SEC on January 3, 2020.

As of December 31, 2023, the Group's Capital Adequacy Ratio (CAR) and Common Equity Tier 1 (CET1) Ratio are 18.28% and 17.44%, respectively, both well above the regulatory requirements.

### **2023 Economic Performance**

In 2023, global economies continued their post-pandemic recovery but growth was hampered by geopolitical tensions and other external risk factors. These include the continuing conflict between Russia and Ukraine and the outbreak of the Israel-Hamas conflict which disrupted global supply chains. These put upward pressure on commodity prices and led central banks around the world scrambling to mitigate inflationary pressures.

Nonetheless, the Philippines still remains one of the fastest-growing economy among major Asian countries in 2023 despite elevated inflation and slower growth. The economy grew by 5.6% in 2023, outpacing China, Vietnam, Indonesia, Malaysia and Singapore. Although the 2023 GDP settled below the government target of 6%-7%, it still exceeded market expectations.

In the first half of the year, the Philippines' Gross Domestic Product (GDP) registered its slowest growth since the COVID-19 pandemic amid high prices, high borrowing costs and poor government spending. While the country's GDP rebounded in the third quarter, surging 6.0% following a massive catch-up spending by the government and an already moderating domestic consumption. In the last quarter of 2023, investments and imports were also seen picking up as well, indicating that business activity appears to be stirring up already. However, tailwinds will continue to beset the local economy due to the El Nino weather condition and increasing rice inflation.

Full-year average inflation, on the other hand, came in at 6.0% versus 5.8% in 2022. This was in the face of ongoing geopolitical tensions (ie. Israel-Hamas conflict), supply chain bottlenecks, imposition of trade restrictions and extreme weather events resulting in high domestic commodity prices, especially for rice and fuel. Thus, the risks from elevated inflation rate and external factors kept the Bangko Sentral ng Pilipinas (BSP) on its toes in 2023. The BSP Monetary Board hiked further the country's key policy rate by a total of 100 basis points (bps) to 6.5% to manage inflation expectations.

The balance of risks to the inflation outlook still leans significantly toward the upside. Key upside risks are associated with potential pressures emanating from higher transport charges, increased electricity rates, and higher oil prices.



Meanwhile, the impact of a relatively weak global recovery as well as government measures to mitigate the effects of El Niño weather conditions provide some downward pressure on prices.

According to the Department of Finance, economic growth will continue to be broad-based, led by the services and industry sectors. It will be continually buoyed by robust domestic demand, supported by the further easing of inflation, low unemployment rate, and strong inflows of remittances from overseas Filipinos. The acceleration in government spending will also push growth as it expedites the implementation of catch-up plans, programs, and projects, particularly on infrastructure. Under newly appointed Finance Secretary Ralph Recto's leadership, he will push for the Reduce Emerging Inflation Now (REIN) to boost private spending further. Moreover, NEDA Secretary Arsenio Balisacan cited liberalization reforms to attract more foreign investments and improve the quality of employment.

Markets think the BSP is done raising rates and will start cutting by the second half of 2024 as tight monetary policy has worked its way through the economy as can be seen from the declining path of core inflation. Metrobank research is aligned with this view. Moving forward, the BSP continues to see the need to keep interest rates higher for longer to allow inflation expectations to settle more firmly within their 2%-4% target range.

For the USD/PHP, the Philippines settled at PHP 55.57 per US dollar to end 2023, averaging PHP 55.59 year-to-date (YTD). This remains within the exchange rate assumption of the government for 2023, which is PHP 55.50 to 56.00 per US dollar.

The peso retested the PHP 57-level following the US Federal Reserve's string of interest rate hikes before regaining some lost ground to hover above the PHP 55 handle. While the US dollar enjoyed relative strength throughout 2023, market expectations of policy rate cuts by the Fed as early as March, could further diminish the "strong dollar" theme seen last year. While the BSP is also expected to ease monetary policy, albeit later in the year, high borrowing costs may keep investment spending and imports tempered. There is also a strong possibility of the USD/PHP retesting above the 56.00 level in Q2 and Q3 2024 when imports normally peak.

### **Liquidity**

The Bank proactively monitors its liquidity position to ensure that funds are adequate to meet its obligations. Liquidity risk is measured, monitored and controlled via a system of risk tools available on a daily basis.

As of December 31, 2023, the contractual maturity profile of assets and liabilities shows that the Bank has at its disposal about ₱1.25 trillion of cash inflows in the next twelve months from its portfolio of cash, placements with banks, debt securities and receivable from customers. This will cover 59.19% of the ₱2.11 trillion total deposits estimated to come due during the same period. These cash inflows exclude securities in FVTPL and FVOCI with maturities beyond one year but may easily be liquidated in an active secondary market. Including these securities, the total current assets will cover 74.17% of the total deposits that will mature within one year. The historical behavior of deposits balances has shown, however, that a substantial portion of these contractual outflows is not withdrawn in one year.

### **Events That Will Trigger Material Direct or Contingent Financial Obligation**

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. No material losses are anticipated as a result of these transactions.

Several suits and claims relating to the Group's operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

The summary of the commitments and contingent liabilities of the Group is discussed in Note 30 of the audited financial statements of the Group as presented in Exhibit 4.

### **Material Off-Balance Sheet Transactions, Arrangements or Obligations**

The summary of off-balance sheet transactions, arrangement or obligations (including contingent obligations) is discussed in Note 30 of the audited financial statements of the Group as presented in Exhibit 4.

### **Other Relationships of the Registrant with Unconsolidated Entities or Other Persons**

The Group has ownership in the following significant unconsolidated entities as of December 31, 2023:

	Effective % of Ownership
Taal Land, Inc.	35.00%
Cathay International Resources Corporation	34.49%
Sumisho Motor Financing Corporation*	26.52%
SMBC Metro Investment Corporation	30.00%
AXA Philippines Life and General Insurance Corporation (formerly Philippine AXA Life Insurance Corporation)	27.97%
Northpine Land, Inc.	20.00%
Lepanto Consolidated Mining Company	13.36%

\* Represents investments in a joint venture of the Group and effective ownership interest of the Bank through PSBank.

### **Material Commitments for Capital Expenditures**

For the year 2024, the Bank estimates to incur capital expenditures of about P3.0 to P5.0 billion, of which 70% is estimated to be incurred for information technology.

### **Significant Elements from Continuing Operations**

#### **Standards Issued But Not Yet Effective**

Standards issued but not yet effective up to date of issuance of the Group's financial statements are listed in Note 2 of the audited financial statements of the Group as presented in Exhibit 4. The listing consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements. The Group will assess impact of these amendments on its financial position or performance when they become effective.

### **Material Subsequent Events**

- a. On January 18, 2024, the BOD of PSBank declared a 7.50% regular cash dividend for the fourth quarter of 2023 amounting to ₱320.14 million or ₱0.75 per share payable on February 19, 2024 to all stockholders at record date as of February 2, 2024.
- b. On February 9, 2024, the ₱5.1 billion LTNCD of PSBank matured.
- c. On February 21, 2024, the BOD of the Bank approved a new dividend policy of increasing the regular cash dividends from ₱1.60 per share to ₱3.00 per share for the year, payable on a semi-annual basis at ₱1.50 per share. In addition, a special cash dividend of ₱2.00 per share was also declared. The first tranche of the regular cash dividend of ₱1.50 per share and special cash dividend of ₱2.00 per share are payable on March 25, 2024 to all stockholders of record as of March 8, 2024.

### **Others**

As of December 31, 2023, the Group has no significant matters to report on the following:

1. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.
2. Explanatory comments about the seasonality or cyclical nature of operations.
3. Issuances, repurchases and repayments of debt and equity securities except for the maturities of the ₱8.65 billion LTNCD of the Bank as discussed in Note 16; the ₱13.75 billion fixed rate bonds of the Bank and the ₱4.65 billion fixed rate bonds of PSBank as discussed on Note 19; and the ₱1.17 billion subordinated debts of the Bank as discussed in Note 20 of the audited financial statements of the Group as presented in Exhibit 4.
4. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payment of cash dividends by the Bank, as discussed in Note 23 of the audited financial statements of the Group as presented in Exhibit 4; and
5. Effect of changes in the composition of the Group during the year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.

### **ITEM 7 – FINANCIAL STATEMENTS**

Presented in Exhibit 4 is the Audited Financial Statements of Metrobank and its Subsidiaries as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021. SyCip Gorres Velayo & Co. (SGV) audited such financial statements.

Attached to the audited financial statements is the notarized Statement of Management Responsibility for Financial Statements which was signed by Messrs. Arthur Ty (Chairman), Fabian S. Dee (President), Joshua E. Naing (Head of Financial and Control Sector), Fernand Antonio A. Tansingco (Treasurer and Head of Financial Markets Sector) and Mr. Renato K. De Borja, Jr. (Controller and Deputy Head of Financial and Control Sector).

### **Information on Independent Accountant**

1. SGV has been the external auditors of the registrant since 1962. In compliance with the revised SRC Rule 68 (3) (b) (ix), the signing partners are rotated after every five years reckoned from the year 2002 (increased to seven cumulative years effective August 2019 per Professional Regulatory Board of Accountancy Resolution No. 53, Series of 2019). The following SGV Partners have reviewed/audited the financial statements of the registrant and signed the reports of the independent auditors for the years ended as indicated below:

<b>SGV Partner</b>	<b>Years Ended December 31</b>
Mr. Miguel U. Ballelos, Jr.	2023 and 2022
Ms. Janeth T. Nuñez-Javier	2022 and 2021 2021 and 2020
Ms. Josephine Adrienne A. Abarca	2020 and 2019 2019 and 2018
Ms. Janeth T. Nuñez-Javier	2018 and 2017 2017 and 2016 2016 and 2015 2015 and 2014 2014 and 2013
Mr. Aris C. Malantic	2013 and 2012 2012 and 2011 2011 and 2010 2010 and 2009 2009 and 2008

2. The Bank intends to retain SGV as its external auditors for the year 2024. The external auditors are appointed annually by the registrant's BOD and the appointment is ratified by the stockholders during the Annual Stockholders' Meeting.

### Professional Services and Fees

The aggregate fees billed and paid for each of the last two fiscal years for professional services rendered by the registrant's external auditors are summarized below:

Nature of Services Rendered		Aggregate Fees (in millions)	
		2023	2022
Audit and Audit-Related Fees	Annual audit of the Bank's financial statements in connection with statutory and regulatory filings; annual audit of the Trust financial statements; limited review of financial statements and offering circulars based on agreed-upon procedures and issuance of comfort letters relative to the issuances of debt securities.	₱18.15	₱17.24
Tax Fees		-	-
All Other Fees	Seminar fees and others	0.06	0.57
<b>Total Fees</b>		<b>₱18.21</b>	<b>₱17.81</b>

### Audit Committee's Approval Policies and Procedures for Above Services

The Institutional Accounting Division of the Bank's Controllership Group, upon consultation with the Controller, the Financial and Control Sector Head and the President, reviews the continuing eligibility of the Bank's external auditor and/or other probable candidates, considering certain criteria.

Upon selection by the Controller, the Financial and Control Sector Head and the President, the recommendation for engaging the preferred external auditor shall be presented by the Controller to the Audit Committee, which shall then evaluate and endorse the appointment of the external auditor to the Board of Directors for approval.

On March 22, 2023, the BOD approved the endorsement of the Audit Committee re-appointing SyCip Gorres Velayo & Co. (SGV) as the external auditors for 2023, and it was ratified by the stockholders during the Annual Stockholders' Meeting on April 26, 2023.

### Appointment of Members and Composition of the Audit Committee

The members of the Audit Committee are appointed annually by the BOD. It shall be composed of at least three (3) qualified non-executive directors, and majority of whom shall be independent directors, including the Chairperson. All of the members of the Audit Committee must have relevant background, knowledge, skills and/or experience in the areas of accounting, auditing and finance commensurate with the size, complexity of operations and risk profile of the bank. It shall have access to independent experts to assist them in carrying out its responsibilities. The Chairman of the Audit Committee should not be the chairman of the board or of any other board-level committees.

Each member shall serve for a maximum tenure of nine years. If a member does not serve the position of director within the term, his/her Audit Committee membership is automatically removed; the vacancy should then be filled up by the remaining BOD, if still constituting a quorum. Once an independent director loses his/her independent director's position within the term, he/she will automatically lose qualification of Audit Committee chairperson. A new chairperson shall be appointed subject to the approval of the BOD. The Audit Committee chairperson or member so appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor in office. The committee members, including the chairperson, may also be occasionally rotated.

Metrobank's Audit Committee is composed of the following:

Name of Member	Designation - Audit Committee	Designation – Registrant
Edgar O. Chua	Chairman	Independent Director
Solomon S. Cua	Regular Member	Director
Atty. Angelica H. Lavares	Regular Member	Independent Director

As provided for in its amended charter, among the duties and responsibilities of the Audit Committee is the exercise of an effective oversight of external audit function. With respect to the registrant's independent external auditor, the Audit Committee is responsible to:

1. Recommend the appointment or selection, re-appointment and dismissal of the independent external auditor based on fair and transparent criteria. The external auditor shall be selected from the List of Selected External Auditors for Bangko Sentral Supervised Financial Institutions and the recommendation should be approved by the Board and ratified by the stockholders. If the external auditor resigns or communicates an intention to resign, the Audit Committee should follow up the reasons or explanations giving rise to such resignation, and should consider whether it needs to take any action in response to those reasons. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures. The external auditor, including the engagement and quality control partners, shall be periodically rotated in accordance with the relevant regulatory requirements.
2. Discuss and agree to the terms of the engagement letter issued by the external auditor prior to the approval of the engagement; obtain an understanding of the nature, audit approach, and scope of work covering areas specifically prescribed by the BSP and other regulators and those relevant to the Bank's operations and risk exposures. These include (i) review of the adoption of applicable reporting framework as well as the assessment of the accuracy, adequacy, and reliability of accounting records and financial reports; (ii) assessment of the propriety and adequacy of disclosures in the financial statements; (iii) assessment of the adequacy and effectiveness of internal controls and risk management systems; (iv) assessment of the quality of capital in relation to risk exposures; and (v) evaluation of the quality of corporate governance, among others.
3. Set compensation of the external auditor in relation to the scope of its duties upon recommendation of Controller and ensure coordination where more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.
4. Ensure that the external auditor shall have free and full access to all the Bank's records, properties and personnel relevant to the audit activity, and that audit be given latitude in determining the scope of auditing examinations, performing work, and communicating results and shall be free from interference by outside parties in the performance of work.
5. Assess the extent of cooperation provided by the management during the conduct of external audit.
6. Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to the significance to the total annual income of the external auditor and in relation to the Bank's total expenditure on consultancy and disallow any non-audit work that will conflict with or pose a threat to the independence of the external auditor. The non-audit work, if allowed, should be disclosed in the Annual Report and Annual Corporate Governance Report.

All non-audit services to be rendered by the external auditor to the controlled entities of the Bank, regardless of materiality, shall be concurred by the Audit Committee, after the approval of the companies' respective Audit Committees, but prior to the actual engagement of the external auditor.

7. Review management representation letters before these are transmitted to the external auditor to ensure that items in the letter are complete and appropriate.
8. Review the disposition of the recommendations in the external auditor's management letter.
9. Review and monitor the overall suitability and effectiveness and conduct of regular performance appraisal of external auditor on an annual basis. These shall involve assessing and monitoring the integrity, independence and objectivity of external auditor, and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.
10. Continually engage external auditor on matters concerning audit quality and enhancements in audit processes.
11. Oversee the financial reporting process, practices, and controls; and ensure that the reporting framework enables the generation and preparation of accurate and comprehensive information and reports. The Audit Committee shall perform review of independent external auditor's report on the results of the financial statements audit, focusing particularly on any change/s in accounting policies and procedures; areas where a significant amount of judgment has been exercised; significant adjustments resulting from the audit; going concern assumption; compliance with accounting standards, and tax, legal and regulatory requirements; and, full funding of employee pension funds or recognition of corresponding liability in the books; and conduct discussion with external auditor

and management to decide on the appropriate action to be taken to address issues noted before these are submitted to the BOD for approval.

12. Understand and assess the external auditor's opinion regarding the capability of the management and the adequacy of accounting or information systems to comply with the financial and prudential reporting responsibilities.

## **ITEM 8 – CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

SGV has been the external auditors of the Bank since 1962 with engagement partner being changed every five (5) years effective 2002 (increased to seven cumulative years effective August 2019 per Professional Regulatory Board of Accountancy Resolution No 53, Series of 2019) in accordance with SEC and BSP regulations. There have been no disagreements with the Bank's independent accountants on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedure.

## **PART III – CONTROL AND COMPENSATION INFORMATION**

### **ITEM 9 – DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER**

#### **Directors and Executive Officers of the Issuer**

The names and ages of all directors and executive officers as of December 31, 2023 are as follows:

#### **Directors - 12**

	<b>Office</b>	<b>Name</b>	<b>Citizenship</b>	<b>Age</b>
1	Chairman	Arthur Ty	Filipino	57
2	Vice-Chairman	Francisco C. Sebastian	Filipino	69
3	President	Fabian S. Dee	Filipino	61
4	Director	Alfred V. Ty	Filipino	56
5	Director	Vicente R. Cuna, Jr.	Filipino	61
6	Director	Solomon S. Cua	Filipino	68
7	Director	Jose Vicente L. Alde	Filipino	57
8	Independent Director	Edgar O. Chua	Filipino	67
9	Independent Director	Atty. Angelica H. Lavares	Filipino	70
10	Lead Independent Director	Philip G. Soliven	Filipino	62
11	Independent Director	Marcelo C. Fernando, Jr.	Filipino	63
12	Independent Director	Juan Miguel L. Escaler	Filipino	57

The Independent Directors, namely, Mr. Edgar O. Chua, Atty. Angelica H. Lavares, Mr. Philip G. Soliven, Mr. Marcelo C. Fernando, Jr. and Mr. Juan Miguel L. Escaler have always possessed the qualifications, and none of the disqualifications of an independent director.

#### **Officers - Sectors and Group Heads - 33**

	<b>Office</b>	<b>Name</b>	<b>Citizenship</b>	<b>Age</b>
1	Senior Executive Vice-President	Joshua E. Naing	Filipino	63
2	Senior Executive Vice-President	Fernand Antonio A. Tansingco	Filipino	57
3	Executive Vice-President	Mary Mylene A Caparas	Filipino	59
4	Executive Vice-President	Aniceto M. Sobrepeña	Filipino	70
5	Senior Vice-President	Charlotte T. Bilongilot	Filipino	43
6	Senior Vice-President	Hiroko M. Castro	Filipino	54
7	Senior Vice-President	Anna Therese Rita D. Cuenco	Filipino	50
8	Senior Vice-President	Renato K. De Borja, Jr.	Filipino	52
9	Senior Vice-President	Ramon Jaime L.V. Del Rosario	Filipino	47

	Office	Name	Citizenship	Age
10	Senior Vice-President	Hierbert A. Dimagiba	Filipino	46
11	Senior Vice-President	Rommel Enrico C. Dionisio	Filipino	50
12	Senior Vice-President	Harrison C. Gue	Filipino	58
13	Senior Vice-President	David Holmes	Brithish	48
14	Senior Vice-President	Frances Gail E. Male	Filipino	48
15	Senior Vice-President	Aline A. Novilla	Filipino	41
16	Senior Vice-President	Christian Paul Philippe L. Orlino	Filipino	46
17	Senior Vice-President	Homer Gerrard L. Ortega	Filipino	56
18	Senior Vice-President	Ricardo Leon N. Pedrosa	Filipino	53
19	Senior Vice-President	Bernardino D. Ramos	Filipino	58
20	Senior Vice-President	Angelica S. Reyes	Filipino	50
21	Senior Vice-President	Christian D. San Juan	Filipino	47
22	Senior Vice-President	Leandro Antonio G. Santillan	Filipino	55
23	Senior Vice-President	Nelson G. See	Filipino	52
24	Senior Vice-President	Lita S. Tan	Filipino	60
25	Senior Vice-President	Jose Antonio O. Vasco	Filipino	54
26	Senior Vice-President	Christine W. Yang	Filipino	57
27	Senior Vice-President	Anthony Paul C. Yap	Filipino	47
28	First Vice-President	Marie Chorie Candice R. Chan	Filipino	51
29	First Vice-President	Ely Roy B. Lindo	Filipino	59
30	First Vice-President	Rey T. Maraingan	Filipino	60
31	First Vice-President	Maria Nelia S. Medalla	Filipino	55
32	First Vice-President	Christopher Hector L. Reyes	Filipino	49
33	First Vice-President	Randell D. Victoriano	Filipino	56

## Directors - 12

Name	Experience
<b>ARTHUR TY</b> Chairman Chairman, Executive Committee Member, Anti-Money Laundering Committee Adviser, Corporate Governance and Compensation Committee Information Technology Steering Committee	<p>Mr. Arthur Ty, Filipino, 57 years old, has been the Chairman of Metrobank since 2012. He was the Bank's President from 2006 to 2012. He has been the Director of GT Capital Holdings, Inc. (GTCAP) since 2007, Chairman of Metropolitan Bank China (Ltd.) (MBCL) since 2010 and Vice-Chairman of Philippine Savings Bank (PSBank) since 2001. He was the Chairman of GTCAP from 2016 to 2022 and Vice-Chairman of First Metro Investment Corporation (FMIC) from 2012 to 2020. He earned his Bachelor of Science degree in Economics at the University of California, Los Angeles and obtained his Masters in Business Administration degree from Columbia University, New York.</p> <p>He is married to Zandra M. Ty, Metrobank First Vice-President. His brother Alfred Ty is a Director of the Bank.</p>
<b>FRANCISCO C. SEBASTIAN</b> Vice-Chairman Chairman, Overseas Banking Committee Vice-Chairman, Executive Committee Adviser, Risk Oversight Committee	<p>Mr. Francisco C. Sebastian, Filipino, 69 years old, has been the Vice-Chairman of the Bank since 2006. He is currently the Chairman of GTCAP since May 2022. He joined the Metrobank Group in 1997 as FMIC President and held this position for 13 years until he was appointed as FMIC Chairman from 2011 to 2022. He was the Chairman of GTCAP from 2014 to April 2016 and Vice-Chairman from 2016 to May 2022. He earned his AB degree in Economics, Magna Cum Laude, from the Ateneo de Manila University in 1975.</p>

Name	Experience
<p>FABIAN S. DEE President Member, Executive Committee Information Technology Steering Committee Trust Committee</p>	<p>Mr. Fabian S. Dee, Filipino, 61 years old, became President of Metrobank in 2012. Before becoming President, he headed the National Branch Banking Sector (2006-2012), Account Management Group (2002-2006) and Marketing Center (2001-2002) of Metrobank. He has been a Trustee of Metrobank Foundation, Inc. (MBFI) since 2012; and President of Bancnet, Inc. since April 16, 2021. He was the Director of Bankers Association of the Philippines from 2014 to 2017 and from 2019 to 2023. He was the Chairman and Director of Metrobank Card Corporation (MCC) from 2006 to January 2020; Chairman of Metro Remittance Singapore PTE Ltd. from 2010 to 2019; Chairman of LGU Guarantee Corporation from 2017 to 2019; Chairman of SMBC Metro Investment Corporation (SMBC Metro) from 2014 to 2017; and Director of Bancnet from 2015 to 2017. He holds a degree in Management Engineering from the Ateneo de Manila University.</p>
<p>ALFRED V. TY Director Member, Overseas Banking Committee</p>	<p>Mr. Alfred V. Ty, Filipino, 56 years old, became a director of Metrobank in September 2015. He has been the Chairman of Toyota Motor Philippines Group of Companies and Federal Land Group of Companies. He has been the Vice-Chairman of Metro Pacific Investment Corp. since March 2018 and GTCAP since 2012. He graduated with a Bachelor of Science degree in Business Administration from the University of Southern California in 1989.</p> <p>His brother Arthur Ty is the Chairman of the Bank. He is the brother-in-law of Zandra M. Ty, Metrobank First Vice-President.</p>
<p>VICENTE R. CUNA, JR. Director Chairman, Information Technology Steering Committee Member, Executive Committee Adviser, Risk Oversight Committee</p>	<p>Mr. Vicente R. Cuna, Jr., Filipino, 61 years old, became a director of Metrobank in 2014. He has been the Head of the Enterprise Services Sector of Metrobank since 2018 and Chairman of PSBank since April 2023. Prior to this, he was the Vice-Chairman from April 2018 to 2023 and President from 2013 to 2018 of PSBank; Head of Institutional Banking Sector (2012-2013) and Corporate Banking Group (2006-2012) of Metrobank. He was the Director of FMIC from 2011 to 2015 and Chairman of ORIX Metro Leasing and Finance Corporation (ORIX Metro) from 2016 to 2022. He graduated from De La Salle University with a degree in AB Economics.</p>
<p>SOLOMON S. CUA Director Member, Audit Committee Overseas Banking Committee</p>	<p>Mr. Solomon S. Cua, Filipino, 68 years old, is a former Undersecretary of the Department of Finance. He became a director of Metrobank in 2018. He is currently the Chairman of Philippine AXA Life Insurance Corporation (AXA Philippines) since April 2010. He was the Chairman of Charter Ping An Insurance Corporation from April 2016 to December 2022. He has been the Vice-Chairman since June 2012 and Director since 2001 of Philippine Racing Club, Inc.; Adviser of MBCL since 2018 and Director of Grand Titan Capital Holdings, Inc. since 2011. He is also the President/Director of SC &amp; SSC Holdings, Inc. since 2015 and Director/Treasurer of Palm Integrated Commodities, Inc. since 2011. He obtained his Bachelor of Arts (Mathematical Sciences and Economics) in University of Melbourne, Australia; Bachelor of Law in University of Queensland, Australia and Masters of Laws in London School of Economics &amp; Political Science, England.</p>



Name	Experience
<p><b>JOSE VICENTE L. ALDE</b>  Director  Member, Anti-Money Laundering Committee  Information Technology Steering Committee  Risk Oversight Committee  Trust Committee</p>	<p>Mr. Jose Vicente L. Alde, Filipino, 57 years old, became a director of Metrobank in 2022. He is currently the President of PSBank since 2018 and as Director since 2016. He is also the Chairman of Sumisho Finance Corporation and a Trustee of Chamber of Thrift Banks. He also served as Director of MCC from 2015 to 2016 and also held various executive positions in ABN AMRO Bank from 1995 to 2007. He holds a Bachelor's Degree, Cum Laude, in Computer Science from the University of the Philippines and a Master's Degree in Business Management from the Asian Institute of Management (AIM).</p>
<p><b>EDGAR O. CHUA</b>  Independent Director  Chairman, Audit Committee  Member, Anti-Money Laundering Committee  Nominations Committee  Related Party Transactions Committee</p>	<p>Mr. Edgar O. Chua, Filipino, 67 years old, became an independent director of Metrobank in 2017. He is currently an Independent Director of JG Summit Olefins Corporation (since August 2022) and the President and Chief Executive of Amber Kinetics, Inc. He has been an Independent Director of PhilCement, PHINMA and First Gen since 2021 and Integrated Micro-Electronics, Inc. since 2014. He is also the Chairman of Philippine Business for the Environment, Philippine Eagle Foundation since 2017, De La Salle Philippines, De La Salle Science Foundation since 2017 and Makati Business Club since 2016. He is currently the Chairman for the University of La Salle Bacolod. He is a Trustee/Treasurer of Philippine Business for Education and Trustee for the De La Salle Greenhills, De La Salle National Mission Council, Integrity Initiative, Gawad Kalinga Community Development Foundation, Inc. since 2005, Zuellig Family Foundation, Pilipinas Shell Foundation, Inc. since 2003, Philippine Disaster Relief Foundation and Alvarez Foundation Philippines. He is the Chairman of The English-Speaking Union of the Philippines, Inc. since 2009. He is the Co Vice-Chairman of National Resilience Council and Governor of Employers Confederation of the Philippines. He is also the Board Advisor of Mitsubishi Motors Phil. Corp. and Coca Cola Bottlers Philippines. He was the President and Chief Executive of Cavitex Holdings, Inc. He was the Chairman of Pilipinas Shell Petroleum from September 2003 to May 2017; and the Country Chairman of Shell companies in the Philippines from September 2003 to October 2016. He holds a degree in BS Chemical Engineering from De La Salle University in 1978.</p>
<p><b>ANGELICA H. LAVARES</b>  Independent Director  Chairman, Anti-Money Laundering Committee  Corporate Governance and Compensation Committee  Member, Audit Committee  Related Party Transactions Committee</p>	<p>Ms. Angelica H. Lavares, Filipino, 70 years old, is a Teaching Fellow at the Institute of Corporate Directors. She became an independent director of Metrobank in 2019. She is also an Independent Director of Prulife UK and the Rural Bank of Silay since April 2022 and an adviser/consultant of the Bank of Commerce. She was a founder member of NextGen Organization of Women Corporate Directors Phils., Inc. She was also the Head of Strategic Support Group of Bank of Commerce from 2009 to 2015. Prior to joining Bank of Commerce, she served as Chief Legal Counsel (2003 to 2007), concurrent Chief Compliance Officer and Chief Legal Officer - Legal Services Department (2007 to 2009) and Assistant Corporate Secretary (2007-2009) of Metrobank. She was also the Chief Legal Counsel and Head of Legal Services Division for United Coconut Planters Bank (UCPB) from 1999 to 2002 acting concurrently as its Head for Human Resource Division. Previous to that, she was the</p>

Name	Experience
ANGELICA H. LAVARES (continuation)	Vice-President for Sales Documentation and Head of Collection Department of Filinvest Land Inc. and Special Assistant to the Commissioner for the Bureau of Customs in 1987. She obtained her degree in AB Psychology, Cum Laude, from St. Theresa's College, QC in 1973 and Bachelor of Laws, First Honorable Mention, from the University of the Philippines in 1981.
PHILIP G. SOLIVEN Lead Independent Director Chairman, Related Party Transactions Committee Trust Committee Member, Nominations Committee Risk Oversight Committee	Mr. Philip G. Soliven, Filipino, 62 years old, is the Lead Independent Director of Metrobank. He became an independent director of Metrobank in 2020. He is also an independent director of Century Pacific Food, Inc. a PSE Index Company, in 2023; Vice Chairman of Multico Prime Power Inc. and Treasurer and Director of The American Chamber of Commerce of the Philippines. He was the former President and Chairman of Cargill Philippines, Inc.; President of Philippine Bio-Industries; and Director of C-Joy Poultry Meats, Inc. He began his professional career with the First National Bank of Boston, in Manila, Philippines branch as foreign exchange trader. He moved to the Bank of Boston's corporate headquarters in Boston, Massachusetts in 1984 to assume a role within corporate banking. In 1985, he was assigned to Hong Kong as manager of the Bank's corporate banking business where he occupied a number of positions across Corporate Loan Recovery, Treasury Sales-Foreign Exchange, Debt Trading and Trade Services. He relocated to Singapore in 1991 as Vice-President for Corporate Banking covering corporate banking clients in Singapore, Indonesia and Thailand. Apart from his professional affiliations, he holds Directorships in non-profit institutions such as The Rotary Club of Makati and the Advancement for Rural Kids. He holds a degree in Business Management from the Ateneo de Manila University.
MARCELO C. FERNANDO, JR. Independent Director Chairman, Risk Oversight Committee Member, Corporate Governance and Compensation Committee Nominations Committee Trust Committee	Mr. Marcelo C. Fernando, Jr., Filipino, 63 years old became an independent director of Metrobank in 2021. He has been a Director of the AIC Group of Companies Holding Corp. since September 2018 and was the Group Treasury Head/Corporate Treasurer of SM Investments Corporation (SMIC), a minority shareholder of the former from 2015 to 2020. He is also the President of Fuego Y Hielo, Inc., a family-owned publishing company that prints titles of Filipino authors. He has been a member of AIM Board of Trustees since September 2022. He was the Managing Director of Citibank, N.A. Philippines, Citi Markets Cluster Head for Brunei, Indonesia, Malaysia, Philippines, Thailand and Vietnam for Asia Pacific Markets and concurrent Markets Head and Country Treasurer from 2009 to 2015. He also served as Citibank's Thailand Branch Managing Director, Fixed Income and Commodities Head and Country Treasurer from 2004 to 2008 both primarily responsible for the sales, trading and structuring activities in foreign exchange, fixed income, money markets, commodities, credits and their corresponding derivatives products. He is a three-time recipient of Citicorp's Service Excellence Awards and Citicorp Team Awards together with UP's School of Economics Distinguished Alumni Award where he graduated cum laude with a degree in Bachelor of Arts in Economics.

Name	Experience
MARCELO C. FERNANDO, JR. (continuation)	He also holds a Master's Degree in Business Management with distinction from the AIM). He is the youngest son of former MERALCO SVP and Finance Undersecretary and Energy Regulatory Board (ERB) Chairman, Marcelo N. Fernando. He was an Open Market Committee Member (2001-2004, 2009), Sub-Committee Chairman for Risk Management (2001) and Sub-Committee Chairman for Derivatives (2000) of the Bankers Association of the Philippines.
JUAN MIGUEL L. ESCALER Independent Director Chairman, Nominations Committee Member, Corporate Governance and Compensation Committee Information Technology Steering Committee	Mr. Juan Miguel L. Escaler, Filipino, 57 years old, became an Independent Director of Metrobank in 2022. He is the Country CEO and Director of Trusting Social AI Philippines. He also holds several Directorship positions in other companies like PASUDECO, Pointwest Technologies, Inc. and M. De Leon Inc. He was a former Co-Head of Investment Banking at Credit Suisse Philippines from 2012 to 2017 and an Executive Director at Goldman Sachs Singapore from 2008 to 2012. His vast banking experience includes his previous roles in Merrill Lynch Singapore as Director, ING Bank Manila as Vice President, and ING Bank New York as trader. He holds a degree in BS Management, with Honors from the Ateneo De Manila University and an MBA from Columbia University.

The Directors of the Bank are elected during the Annual Stockholders' Meeting. Each director holds office until the Annual Stockholders' Meeting in the succeeding year, or until a successor is elected, appointed or shall have been qualified.

#### Executive Officers - 33

Name	Experience
Joshua E. Naing Senior Executive Vice-President	Mr. Joshua E. Naing, Filipino, 63 years old, has been the Head of the Financial and Control Sector since November 2013 after serving as Controller from October 2002 to November 2013. He has been a director of FMIC since April 2015 and Manila Medical Service, Inc. (MMSI) since April 2018.
Fernand Antonio A. Tansingco Senior Executive Vice-President	Mr. Fernand Antonio A. Tansingco, Filipino, 57 years old, has been the Head of Financial Markets Sector since 2013, and Treasurer since 2007. He was a director from 2012 to 2016 and adviser of MBCL since 2016, Chairman of Metrobank Bahamas from August 2010 to April 2019 and Vice-Chairperson of AXA Philippines since 2010. He is the Adviser to the Board of FMIC since 2019.
Mary Mylene A. Caparas Executive Vice-President	Ms. Mary Mylene A. Caparas, Filipino, 59 years old, has been the Head of the Institutional Banking Sector since 2014. She has been the Vice-Chairman of FMIC since June 2020 before she was appointed as its Chairman in April 2022. She was the Director of ORIX Metro from 2015 to March 2020. From 2013 to 2014, she was the Managing Director, Regional Head of Client Delivery, Treasury and Trade Solutions of Citibank N.A., Hong Kong Branch. From 2011 to 2013, she was the Managing Director, Country Head of Citi Transaction Services of Citibank N.A., Manila Branch.

Name	Experience
Aniceto M. Sobrepeña Executive Vice-President	Mr. Aniceto M. Sobrepeña, Filipino, 70 years old, has been the President of MBFI since 2006 and Executive Director of GT Foundation, Inc. (GTFI) since January 2010. He is also the Chairman of Manila Tytana Colleges (MTC) and Vice-Chairman of MMSI. He is a member of the Board of Trustees of PinoyMe Foundation since 2007 and Philippine Business for Education since 2008. He is also a member of Galing Pook Foundation since 2000, International Center for Innovation Transformation and Excellence in Governance since 2006 and Philippine Institute of Environmental Planners since 1995.
Charlotte T. Bilongilot Senior Vice-President	Ms. Charlotte T. Bilongilot, Filipino, 43 years old, joined the Bank in April 2021. She assumed the position of Head of Credit Group effective July 2021 after serving as Deputy Head from April to June 2021. She previously served as the Business Unit Head and Credit Risk Officer of Global Institutional Credit Group Risk Analysis Unit – Manila, Citibank N.A. Regional Operating Head Quarters from November 2014 to March 2021.
Hiroko M. Castro Senior Vice-President	Ms. Hiroko M. Castro, Filipino, 54 year old, assumed the position of Head of Credit Operations Group under the Consumer Business Sector in January 2020. Prior to this, she was the Head of Credit Operations Group (April 2012 to December 2019), Credit Risk (2008 to 2012) and Credit Acquisition (2005 to 2008) of MCC (before the merger with Metrobank in January 2020).
Anna Therese Rita D. Cuenco Senior Vice-President	Ms. Anna Therese Rita D. Cuenco, Filipino, 50 years old, assumed the position of Head, Consumer Lending Group under the Consumer Business Sector in January 2020. She was previously seconded from MCC to Metrobank as Head of Consumer Lending Group from 2018 to 2019. She also served as the Deputy Cards Head, Marketing and Service Quality Group (2009 to 2018) and the Head of Sales, Marketing and Portfolio Management (2008 to 2009) of MCC.
Renato K. De Borja, Jr. Senior Vice-President	Mr. Renato K. De Borja, Jr., Filipino, 52 years old, has been the Controller since November 16, 2020. He was appointed as the Deputy Head of the Financial and Control Sector, concurrent to his function as Controller in January 1, 2024. He is also the Director of Metro Remittance (Hong Kong) Limited since June 20, 2022. He previously served as a Group Head of Remittance, Cards and Contact Center of China Banking Corporation from 2016 to 2020 and was a Director of China Bank Insurance Brokers, Inc. from 2017 to 2019. He was the Chief Finance Officer of East West Banking Corporation from 2009 to 2016.
Ramon Jaime L.V. Del Rosario Senior Vice-President	Mr. Ramon Jaime L.V. Del Rosario, Filipino, 47 years old, assumed the position of Head, Consumer Business Sector in September 2020 after serving as Head of Cards and Personal Credit Sector from January to August 2020. He was appointed as director of AXA Philippines in April 2023. Prior to this, he was the President of MCC from July to December 2019 (before the merger with Metrobank in January 2020) and the Director of Cards and Loans Business of Citibank Indonesia from 2016 to June 2019.
Hierbert A. Dimagiba Senior Vice-President	Mr. Hierbert Dimagiba, Filipino, 46 years old, is the Chief Marketing Officer and Head of the Analytics, Brand, Communications & Marketing Technology Group (ABCMGTG), formerly Analytics, Brand, Communications and Marketing Division (ABCMD) in 2017. He served as the 2022 President of the Internet & Mobile Marketing Association of the Philippines (IMMAP) industry group of which he has served as a Director and Executive Officer since 2018. He is also an incorporator and member of the board of directors of the H&D Group of Companies since 1999. He was the first Country Director of Facebook Philippines from 2016 to 2017 and the Country Director of the IT & Mobile Business Unit of Samsung Philippines from 2014 to 2016 and has also served with Unilever from 1999 to 2016 in international Senior Brand Marketing Director positions.

Name	Experience
Rommel Enrico C. Dionisio Senior Vice-President	Mr. Rommel Enrico C. Dionisio, Filipino, 50 years old, assumed the position as Head of Treasury Group in January 2023. He was the Head of Markets Sales Group from January 1, 2020 to December 31, 2022. He was the Head of Institutional Sales Division from February 2017 to December 2019 after serving as Deputy Head from July 2016 to February 2017. He was the Head of Corporate Sales Department under Sales and Structuring Division - Markets Sales Group from October 2014 to July 2016 and Head of Multinational Corporations and Financial Institutions from November 2011 to September 2014.
Harrison C. Gue Senior Vice-President	Mr. Harrison C. Gue, Filipino, 58 years old, assumed the position of Head of Operations Group under Consumer Business Sector since September 2020 after serving as the Head of Operation, Cards and Personal Credit Sector from January to August 2020. Prior to this, he was the Senior Vice-President for Operation of MCC from January 2015 to December 2019 (before the merger with Metrobank in January 2020) and Credit Acquisition Head of Citibank Philippines from January 2008 to March 2009. He was also the Operation Head of Equitable Card Network, Inc. from June 2003 to December 2006 and Head of Banco de Oro's Consumer Lending Group from January to December 2007. He is a member of the Board of Directors of the Credit Card Association of the Philippines since September 2009.
David Holmes Senior Vice-President	Mr. David Holmes, British, 48 years old, assumed the position of Head of Branch Operations Support Group under Branch Banking Sector in July 2020. He also served as the Head of Centralized Processing Division from October 2019 to August 2020 concurrent to his position as Deputy Head of Branch Support Center (now Branch Operations Support Group) from June 2019 to November 2020. Before joining Metrobank, he was the Head of Customer Experience for Europe, the Middle East and Africa of Citibank and prior to that for Asia Pacific between 2014 and 2018.
Frances Gail E. Male Senior Vice-President	Ms. Frances Gail E. Male, Filipino, 48 years old, assumed the position of Head of Credit Cards, Personal Loans and Retail Digital Channels Group under Consumer Business Sector in February 2022. She was the Head of Digital Lending and Insurance from May 1, 2020 to February 2, 2022. She was a Senior Vice-President for Digital Acquisition and Partnerships at Citibank PH.
Aline A. Novilla Senior Vice-President	Ms. Aline A. Novilla, Filipino, 41 years old, assumed the position of Chief Audit Executive and Head of the Internal Audit Group effective February 16, 2023 after serving as Deputy Head from August 2022 to February 15, 2023. Before joining Metrobank, she was the Chief Audit Executive and Head of Internal Audit (August 2020 to July 2022), Deputy Chief Audit Executive (January 2020 to August 2020) and Head of the Anti-Money Laundering Segment (November 2019 to January 2020) of Rizal Commercial Banking Corporation. She was a Partner (Audit and Advisory Services) in R.G. Manabat & Co. (KPMG Philippines) from October 2014 to October 2019.
Christian Paul Philippe L. Orlino Senior Vice-President	Mr. Christian Paul Philippe L. Orlino, Filipino, 46 years old, has been the Senior Vice-President/Group Head of Institutional Transaction Banking Group since May 1, 2023. He was the First Vice-President/Group Head of the same Group from May 1, 2021 to April 30, 2023. He was also the Group/Division Head of Institutional Transaction Banking Group (formerly Institutional Banking Division) under the Institutional Banking Sector from August 2017 to April 2021 (as Division Head) and since May 2021 (as Group Head). He also served as the Head of Sales and Marketing Department under the same Division from July 2016 to July 2017. Before joining Metrobank, he was the Vice President, Philippine Solution Sales Officer, for the Treasury and Trade Solutions Group of Citibank N.A. from July 2010 to June 2016.

Name	Experience
Homer Gerrard L. Ortega Senior Vice-President	Mr. Homer Gerrard L. Ortega, Filipino, 56 years old, assumed the position of Head of Human Resources Management Group in February 2021 after serving as Deputy Head from September 2018 to January 2021. Before joining Metrobank, he was the Vice-President and Country HR Manager for Shell Companies in the Philippines (2007-2018) and Cluster HR Manager for Shell in Japan and South Korea (2013-2018).
Ricardo Leon N. Pedrosa Senior Vice-President	Mr. Ricardo Leon N. Pedrosa, Filipino, 53 years old, is the Head of Institutional Sales under Financial Markets Sector in January 2023. He was the Head of Investment Distribution Metro Manila from 2019 to 2023; Client Solutions Division from 2017 to 2023; Sales and Structuring Division from 2013 to 2016 and Corporate Sales in 2012.
Bernardino D. Ramos Senior Vice-President	Mr. Bernardino D. Ramos, Filipino, 58 years old, has been the Head of Information Technology Group since August 2015. He also served as the Head of Program Management Division from July 2013 to July 2015.
Angelica S. Reyes Senior Vice-President	Ms. Angelica S. Reyes, Filipino, 50 years old, assumed the position as Head of Trust Banking Group on April 16, 2023. She was the Deputy Head of Trust Banking Group from January 2023 to April 15, 2023; Head of Treasury Group from January 2020 to December 2022; Head of the Markets Sales Group from 2013 to 2019; Head of Sales and Structuring Division from 2010 to 2013; and Head of Investment Distribution Division from 2012 to 2013. Concurrent to her position, she serves as Director of FMIC since 2023. She served as Corporate Secretary of both AXA Philippines and Charter Ping An Insurance Corporation from 2016 to 2022.
Christian D. San Juan Senior Vice-President	Mr. Christian D. San Juan, Filipino, 47 years old, was appointed Chief Risk Officer and Sustainability Officer and Head of Risk Management Group effective February 1, 2021 after serving as Deputy Head from July 2017 to January 2021. Before joining Metrobank, he was the Enterprise Risk Officer and Head of Credit and Group Risk Division of Rizal Commercial Banking Corporation from March 2010 to June 2017.
Leandro Antonio G. Santillan Senior Vice-President	Mr. Leandro Antonio G. Santillan, Filipino, 55 years old, assumed the position of Deputy Head of Financial Markets Sector effective April 16, 2023 and OIC Head of Asset Liability Management Division in September 1, 2023. He was the Head of Trust Banking Group from May 2018 to April 2023 after serving as Deputy Head from January 2017 to April 2018. He was the Head of Fixed Income Division from 2013 to 2015 and Treasurer of PSBank from June 30, 2015 to December 2016.
Nelson G. See Senior Vice-President	Mr. Nelson G. See, Filipino, 52 years old, was appointed as the Head of Branch Banking Sector effective January 1, 2023. He held various positions in the Bank before his previous appointment as the Head of Commercial Banking Center Manila under Institutional Banking Sector from 2019 until 2022.
Lita S. Tan Senior Vice-President	Ms. Lita S. Tan, Filipino, 60 years old, was the Deputy Head of Branch Banking Sector from July 2023 to February 2024. She was the Branch Banking Group Head from October 2020 to June 2023. She was the Head of Retail Banking Sector (RBS/ now Branch Banking Sector) from September 2018 to September 2020. She also served as the Head of Branch Banking Group for Metro Manila branches under National Branch Banking Sector; Region Head of Central Metro Manila Region from 2015 to 2016 and Area Head from 2006 to 2015. She has been the Director of ORIX Metro from June 2016 to December 2021.
Jose Antonio O. Vasco Senior Vice-President	Mr. Jose Antonio O. Vasco, Filipino, 54 years old, has been the Head of Operations Group under Enterprise Services Sector in May 2023 after serving as Deputy Head of Operations Group from February 2021 to April 2023.

Name	Experience
Christine W. Yang Senior Vice-President	Ms. Christine W. Yang, Filipino, 57 years old, has been the Head of General Services Group since June 2014, and the President of Circa 2000 Homes, Inc. since 2009. She has been the Head of Acquired Assets Management and Disposition Group from May 2007 to December 2015.
Anthony Paul C. Yap Senior Vice-President	Mr. Anthony Paul C. Yap, Filipino, 47 years old, is the Head of Corporate Banking Group since January 2023 and is the Co-Head of the Commercial Segment since November 2022. Prior to this, he was the Head of Branch Banking Sector from October 2020 to December 2022; Head of Strategy & Transformation from January to September 2020; Head of Treasury Group from 2018 to 2019; Head of Trading from July 2016 to December 2017; and Head of Rates and Foreign Exchange Division from December 2013 to July 2016 after serving as Deputy Head from August to December 2013. He was the Chairman of ORIX Metro in December 2022 and advisor to the Board from April to December 2022. He was also a member of the Board of Directors of First Metro Asset Management, Inc. from January 2016 to June 2023.
Marie Chorie Candice R. Chan First Vice-President	Ms. Marie Chorie Candice R. Chan, Filipino, 51 years old, is the Head of Investment Distribution under Financial Markets Sector since January 2023. She was the Head of Investment Distribution-Countryside from 2017 to 2022; Head of Investment Distribution-Visayas & Mindanao from 2012-2017 and Head of Investment Distribution-Visayas from 2010 to 2012.
Ely Roy B. Lindo First Vice-President	Mr. Ely Roy B. Lindo, Filipino, 59 years old, assumed the position of Head of Operations Control Group under the Financial and Control Sector effective January 1, 2020. He was the Head of Branch Operations Control Division from December 2013 to 2019 after serving as Deputy Head from June 2012 to November 2013. He was the Head of Booking and Reconciliation Unit from October 2001 to June 2012.
Rey T. Maraingan First Vice-President	Mr. Rey T. Maraingan, Filipino, 60 years old, assumed the position of Head of Special Accounts Management Group effective June 1, 2021. He has been the Head of Commercial Banking - Countryside from August 2020 to May 2021 after serving as Deputy Head from March to July 2020; and the Head of Commercial Banking Center - South Luzon from June 2019 to June 2020.
Maria Nelia S. Medalla First Vice-President	Ms. Maria Nelia S. Medalla, Filipino, 55 years old, assumed the position of Head of Branch Banking – Metro Manila effective July 1, 2023. Prior to this, she was the Area Head of South Metro Manila Area II from 2017 to 2019 and Region Head of South Metro Manila from 2020 to 2023.
Christopher Hector L. Reyes First Vice-President	Mr. Christopher Hector L. Reyes, Filipino, 49 years old, assumed the position of Head of Commercial Banking – Metro Manila effective April 1, 2023. He has been a Board of Director of FMIC since April 2022. Prior to this, he was the Deputy Head of Metro Manila Commercial Banking Group from February 2022 to March 2023 and Sub-Group Head of Metro Manila Commercial Banking Group from January 2019 to January 2022.
Randell D. Victoriano First Vice-President	Mr. Randell D. Victoriano, Filipino, 56 years old, assumed the position as Head of Branch Banking – Countryside effective July 1, 2023. Prior to this, he was the Head of South Luzon Region from June 2019 to June 2023.

Principal officers are elected annually by the BOD at the organizational meeting held immediately following the Annual Stockholders Meeting.

### **Significant Employees**

Except for the above list of executive officers, there are no other significant employees as contemplated under the Securities Regulation Code.

### **Family Relationships Among the Directors and Officers of the Bank**

The family relationships among the directors and/or senior officers of the Bank are:

1. Chairman, Arthur Ty is related to the following:

Name	Position Held in the Bank	Relationship
Alfred Ty	Director	Brother
Zandra M. Ty	First Vice President	Wife

2. Director Alfred Ty, is related to the following:

Name	Position Held in the Bank	Relationship
Arthur Ty	Chairman	Brother
Zandra M. Ty	First Vice President	Sister-in-law

### **Involvement in Certain Legal Proceedings**

To the Bank's best knowledge and information, there are no material legal proceedings filed by or against Metrobank's directors and executive officers specified under Part IV (A)(4) of Annex C of SRC Rule 12 during the past five (5) years such as:

- a) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b) Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c) Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- d) Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

### **ITEM 10 – COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS**

Information as to the aggregate compensation paid during the last two fiscal years and to be paid in the ensuing fiscal year to the Bank's Chief Executive Officer and each of Metrobank's four other most highly compensated executive officers follows:



## SUMMARY OF COMPENSATION TABLE

Name and Principal Position	2024 (Estimate)		
	Salary	Bonus	Other Annual Compensation *
Fabian S. Dee - President Vicente R. Cuna, Jr. - Senior Executive Vice President Joshua E. Naing - Senior Executive Vice President Fernand Antonio A. Tansingco - Senior Executive Vice President Mary Mylene A. Caparas - Executive Vice President			
<b>Total for the President and four (4) other highest paid executive officers named above</b>	<b>₱276.06 million</b>	<b>₱38.06 million</b>	
<b>All executive officers as a group unnamed (except the President and four other highly compensated executive officers mentioned above)</b>	<b>₱538.92 million</b>	<b>₱65.97 million</b>	
<b>All Directors</b>			<b>₱71.00 million</b>

Name and Principal Position	2023		
	Salary	Bonus	Other Annual Compensation *
Fabian S. Dee – President Vicente R. Cuna, Jr. - Senior Executive Vice President Joshua E. Naing - Senior Executive Vice President Fernand Antonio A. Tansingco - Senior Executive Vice President Mary Mylene A. Caparas - Executive Vice President			
<b>Total for the President and four (4) other highest paid executive officers named above</b>	<b>₱250.97 million</b>	<b>₱34.60 million</b>	
<b>All executive officers as a group unnamed (except the President and four other highly compensated executive officers mentioned above)</b>	<b>₱489.92 million</b>	<b>₱59.98 million</b>	
<b>All Directors</b>			<b>₱70.28 million</b>

Name and Principal Position	2022		
	Salary	Bonus	Other Annual Compensation *
Fabian S. Dee – President Vicente R. Cuna, Jr. - Senior Executive Vice President Joshua E. Naing - Senior Executive Vice President Fernand Antonio A. Tansingco - Senior Executive Vice President Mary Mylene A. Caparas - Executive Vice President			
<b>Total for the President and four (4) other highest paid executive officers named above</b>	<b>₱230.62 million</b>	<b>₱23.30 million</b>	
<b>All executive officers as a group unnamed (except the President and four other highly compensated executive officers mentioned above)</b>	<b>₱522.67 million</b>	<b>₱47.25 million</b>	
<b>All Directors</b>			<b>₱68.05 million</b>

\* Each director receives a monthly professional fee for attending Board and committee meetings. In 2023 and 2022, the total per diem paid to the directors of the Bank are as follows (in millions):

	2023	2022
Board Meetings	₱50.18	₱48.75
Board Committee Meetings	20.10	19.30
	<b>₱70.28</b>	<b>₱68.05</b>

The directors receive per diem, bonuses and allowances that are already included in the amounts stated above. Aside from said amounts, they have no other compensation plan or arrangement with the Bank. The directors receive compensation based on their banking or finance experience and their attendance in the meetings of the board and the committees where they are members or chairs of. The directors receive a per diem of ₱305,000 for attending Board meetings and ₱38,500 for Committee meetings.

For the protection and security of its directors and officers, the Bank is unable to provide their individual compensation.

The executive officers receive salaries, bonuses and other usual cash benefits that are also already included in the amounts stated above. Aside from the said amounts, they have no other compensation plan or arrangement with Metrobank.

### **Warrants and Options Outstanding: Repricing**

The information required under Part IV, Paragraph B (5) of the SRC is not applicable to the Bank. None of the directors and officers holds any warrant or option related to Metrobank.

## **ITEM 11 – SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT**

### **Security Ownership of Certain Record and Beneficial Owners**

The following stockholders own more than 5% of the common voting securities as of December 31, 2023:

	<b>Class of Shares</b>	<b>Name, Address of Record Owner and Relationship with Issuer</b>	<b>Name of Beneficial Owner and Relationship with Record Owner</b>	<b>Citizenship</b>	<b>No. of Shares Held</b>	<b>Percentage</b>
1	Common	<b>GT CAPITAL HOLDINGS, INC.</b>  Stockholder  43/F GT Tower International Ayala Avenue Corner H.V. Dela Costa Street, Makati City  Arthur Ty is authorized to vote the shares of GT Capital Holdings, Inc. (GTCAP) in Metrobank.	Beneficial and Record Owner  <i>The following persons own more than 5% of the outstanding voting shares of GTCAP as of December 31, 2023:</i>  <i>Grand Titan Capital Holdings, Inc. - 55.93%</i>  <i>PCD Nominee Corporation (Non-Filipino) – 18.55%</i>  <i>PCD Nominee Corporation (Filipino) – 25.08%</i>  GTCAP is a publicly-listed company that is majority owned and controlled by the family of the late George S.K. Ty through Grand Titan Capital Holdings, Inc.	Filipino	1,670,611,010	37.146%
2	Common	<b>PCD NOMINEE CORPORATION (Filipino)</b>  29 <sup>th</sup> Floor, BDO Equitable Tower, 8751 Paseo de Roxas, 1226 Makati City	Various Scrippless Stockholders  <i>There is no beneficial owner of PCD who holds more than 5% of the common stock of Metrobank.</i>	Filipino	1,317,815,611	29.302%

	Class of Shares	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
3	Common	<b>PCD NOMINEE CORPORATION (Non-Filipino)</b>  29 <sup>th</sup> Floor, BDO Equitable Tower, 8751 Paseo de Roxas, 1226 Makati City	Various Scripless Stockholders  <i>There is no beneficial owner of PCD who holds more than 5% of the common stock of Metrobank.</i>	Foreign	879,751,915	19.561%
		<b>TOTAL</b>			<b>3,868,178,536</b>	<b>86.009%</b>

PCD Nominee Corporation (Filipino and Non-Filipino) (PNC) is a wholly-owned subsidiary of the Philippine Central Depository (PCD) and acts as trustee-nominee for all shares lodged in the PCD system where trades effected on the PSE are finally settled and lodged. Persons who opt to trade through the PCD do not receive stock certificates as an evidence of ownership as trading using the PCD is completely scripless. Beneficial ownership of shares lodged with the PCD remains with the lodging stockholder.

#### **Voting Trust Holders of 5% or More**

There are no persons who own more than 5% of the registrant's securities under a voting trust or similar agreement.

#### **Changes in Control**

There are no arrangements that may result in a change in control of the registrant. There is no change in control that has occurred since the beginning of the last fiscal year.

#### **Security Ownership of Management**

The Bank's directors and officers as a group held a total of **34,989,966** common voting shares as of December 31, 2023. This is broken down as follows:

	Class of Shares	Name of Beneficial Owner	Citizenship	No. of Shares as of December 31, 2022	Additions/ (Disposal)	No. of Shares as of December 31, 2023	Nature	Percent of Class
<b>Directors (12)</b>								
1	Common	ARTHUR TY	Filipino	15,627,513	-	15,627,513	Direct	0.347
2	Common	FRANCISCO C. SEBASTIAN	Filipino	1,445,283	-	1,445,283	Direct	0.032
3	Common	FABIAN S. DEE (a)	Filipino	734	-	734	Direct	0.000
4	Common	ALFRED V. TY	Filipino	17,087,722	-	17,087,722	Direct	0.380
5	Common	VICENTE R. CUNA, JR. (b)	Filipino	129	-	129	Direct	0.000
6	Common	SOLOMON S. CUA	Filipino	113	-	113	Direct	0.000
7	Common	JOSE VICENTE L. ALDE	Filipino	100	-	100	Direct	0.000
8	Common	EDGAR O. CHUA (c)	Filipino	113	-	113	Direct	0.000
9	Common	ATTY. ANGELICA H. LAVARES (c)	Filipino	113	-	113	Direct	0.000
10	Common	PHILIP G. SOLIVEN (c)	Filipino	30,100	-	30,100	Direct	0.001
11	Common	MARCELO C. FERNANDO, JR. (c)	Filipino	100	-	100	Direct	0.00
12	Common	JUAN MIGUEL L. ESCALER (c)	Filipino	100	-	100	Direct	0.00
	Sub-total			34,192,120	-	34,192,120		0.760

Class of Shares		Name of Beneficial Owner	Citizenship	No. of Shares as of December 31, 2022	Additions/ (Disposal)	No. of Shares as of December 31, 2023	Nature	Percent of Class
Officers (33)								
Senior Executive Vice Presidents (2)								
1	Common	JOSHUA E. NAING	Filipino	339,000	-	339,000	Direct	0.008
2	Common	FERNAND ANTONIO A. TANSINGCO	Filipino	202,184	50,000	252,184	Direct	0.006
Executive Vice Presidents (2)								
3		MARY MYLENE A. CAPARAS	Filipino	-	-	-		
4	Common	ANICETO M. SOBREPEÑA	Filipino	9,088	-	9,088	Direct	0.000
Senior Vice Presidents (23)								
5		CHARLOTTE T. BILONGILOT	Filipino	-	-	-		
6		HIROKO M. CASTRO	Filipino	-	-	-		
7		ANNA THERESE RITA D. CUENCO	Filipino	-	-	-		
8	Common	RENATO K. DE BORJA, JR.	Filipino	100,000	-	100,000	Direct	0.002
9		RAMON JAIME L.V. DEL ROSARIO	Filipino	-	-	-		
10		HIERBERT A. DIMAGIBA	Filipino	-	-	-		
11		ROMMEL ENRICO C. DIONISIO	Filipino	-	-	-		
12		HARRISON C. GUE	Filipino	-	-	-		
13		DAVID HOLMES	British	-	-	-		
14		FRANCES GAIL E. MALE	Filipino	-	-	-		
15		ALINE A. NOVILLA	Filipino	-	-	-		
16		CHRISTIAN PAUL PHILIPPE L. ORLINO	Filipino	-	-	-		
17		HOMER GERRARD L. ORTEGA	Filipino	-	-	-		
18		RICARDO LEON N. PEDROSA	Filipino	-	-	-		
19	Common	BERNARDINO D. RAMOS	Filipino	14,658	-	14,658	Direct	0.000
20	Common	ANGELICA S. REYES	Filipino	21,000	-	21,000	Direct	0.000
21		CHRISTIAN D. SAN JUAN	Filipino	-	-	-		
22		LEANDRO ANTONIO G. SANTILLAN	Filipino	-	-	-		
23		NELSON G. SEE	Filipino	-	-	-		
24		LITA S. TAN	Filipino	18,365	-	18,365	Direct	0.000
25		JOSE ANTONIO O. VASCO	Filipino	-	-	-		
26		CHISTINE W. YANG	Filipino	-	-	-		
27	Common	ANTHONY PAUL C. YAP	Filipino	43,551	-	43,551	Direct	0.001
First Vice President (6)								
28		MARIE CHORIE CANDICE R. CHAN	Filipino	-	-	-		
29		ELY ROY B. LINDO	Filipino	-	-	-		
30		REY T. MARAINGAN	Filipino	-	-	-		
31		MARIA NELIA S. MEDALLA	Filipino	-	-	-		
32		CHRISTOPHER HECTOR L. REYES	Filipino	-	-	-		
33		RANDELL D. VICTORIANO	Filipino	-	-	-		
Sub-total				747,846	50,000	797,846		0.017
Total (Directors and Officers)				34,939,966	50,000	34,989,966		0.778

(a) Director and President

(b) Director and Senior Executive Vice-President

(c) Independent Directors

## ITEM 12 – CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectibility and did not present other unfavorable conditions.

The Bank has a Related Party Transactions Committee (RPTC) and a Related Party Transactions Management Committee (RPTMC), both of which are created to assist the BOD in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that corporate or business resources of the Bank are not misappropriated or misapplied. After appropriate review, RPTMC (through RPTC) and RPTC disclose all information and endorses to the BOD with recommendations, the proposed related party transactions. Major subsidiaries, which include FMIC, PSBank, and MBCL, have their own respective RPTCs which assist their respective BODs in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that their corporate or business resources are not misappropriated or misapplied.

Moreover, in the ordinary course of business, the Group has loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI) based on BSP Circular No. 423 dated March 15, 2004, as amended. Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% of which must be secured, to the total of their respective deposits and book value of their respective investments in the lending company within the Group. In the aggregate, loans to DOSRI generally should not exceed the respective total equity or 15.00% of the respective total loan portfolio, whichever is lower, of the Bank, PSBank, FMIC, and ORIX Metro.

Transactions with related parties and with DOSRI are discussed in Note 32 and 37 of the audited financial statements of the Group as presented in Exhibit 4.

In 2023, none of the Bank's directors had self-dealing/related party transactions with the Bank directly by themselves that required disclosure.

## PART IV – EXHIBITS AND SCHEDULES

### ITEM 13 – EXHIBITS AND REPORTS ON SEC FORM 17-C

#### Exhibits

EXHIBIT 1	Nationwide Branches Bank-Owned as of December 31, 2023
EXHIBIT 2	Nationwide Branches Under Lease as of December 31, 2023
EXHIBIT 3	Events Previously Reported under SEC Form 17-C (Current Report)
EXHIBIT 4	Audited Financial Statements as of December 31, 2023 and 2022 and Years Ended December 31, 2023, 2022 and 2021 (together with the notarized Statement of Management's Responsibility for Financial Statements signed by the registrant's Chairman, President, Head of Financial and Control Sector, Treasurer/Head of Financial Market Sector and Controller)
EXHIBIT 5	Index to Consolidated Financial Statements and Supplementary Schedules (together with Independent Auditors' Report)
EXHIBIT 6	Sustainability Report

#### Reports on SEC Form 17-C

Summarized in Exhibit 3 are the reports filed under SEC Form 17-C during the year 2023 up to the date of filing of the report under SEC Form 17-A.

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, thereunto duly authorized, in the \_\_\_\_\_ on April 15, 2024.

MAKATI CITY



**FABIAN S. DEE**  
President



**JOSHUA E. NAING**  
SEVP and Head of Financial  
and Control Sector



**FERNAND ANTONIO A. TANSINGCO**  
SEVP, Treasurer and Head of Financial  
Markets Sector




**RENATO K. DE BORJA, JR.**  
SVP, Controller and  
Deputy Head of Financial and Control Sector



**JANELLA MARIE PANLILIO-AMORANTO**  
Assistant Corporate Secretary

MAKATI CITY APR 15 2024

**SUBSCRIBED AND SWORN** to before me at \_\_\_\_\_ this \_\_\_\_\_, affiants exhibiting to me their respective Passports with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
FABIAN S. DEE			
JOSHUA E. NAING			
FERNAND ANTONIO A. TANSINGCO			
RENATO K. DE BORJA, JR.			
JANELLA MARIE PANLILIO-AMORANTO			

Doc. No. 5 ;  
Page No. 2 ;  
Book No. IV ;  
Series of 2024

  
 ATTY. JAY Y. RODRIGUEZ

NOTARY PUBLIC, CITY OF MAKATI

APPOINTMENT NO. M-119 UNTIL DECEMBER 31, 2024  
G1 Tower International, 6813 Ayala Ave., corner H.V. Deia  
Costa St., Brgy. Bel-Air, Makati City, 1227.



**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**BANK-OWNED**  
As of December 31, 2023

BRANCH NAME	BRANCH ADDRESS
<b><u>METRO MANILA BRANCHES</u></b>	
1 A. ARNAIZ-SAN LORENZO	908 Arnaiz Avenue, Makati City
2 A. MACEDA	1174 A. Maceda St., Sampaloc, Manila
3 ACROPOLIS	E. Rodriguez Ave. Acropolis, Quezon City
4 ADDITION HILLS	204 Wilson St., San Juan, MM
5 ANGONO	Along M. L. Quezon Ave., Brgy. San Isidro, Angono, Rizal
6 ANNAPOLIS-GREENHILLS	14 Annapolis St. corner La Salle St., North Greenhills, San Juan
7 ARRANQUE CENTER	1346 Soler St., Sta. Cruz Manila
8 ASUNCION	Chinatown Steel Tower, Asuncion St., Tondo, Manila
9 AYALA AVENUE CENTER	6778, Metrobank Card Center Ayala Avenue, Legaspi, Makati City
10 B. F. HOMES	22 Aguirre Ave., B.F. Homes, Paranaque City
11 BACLARAN	Quirino Avenue corner M. Roxas St., Bacalaran, Paranaque City
12 BAGBAGUIN-VALENZUELA	Gen. Luis St. corner J. Molina St., Bagbaguin, Valenzuela City
13 BALINTAWAK	295 Del Monte Avenue corner G. Roxas Street, Barangay Manresa, Quezon City
14 BAYVIEW	Bayview International, Roxas Blvd., Paranaque City
15 BINANGONAN	Along National Road, Binangonan, Rizal
16 BLUE RIDGE	No. 222 Katipunan Avenue, Blue Ridge, Quezon City
17 BLUMENTRITT-STA. CRUZ	2460 Rizal Avenue corner Cavite St., Sta. Cruz, Manila
18 BONI AVENUE	743 Boni Ave., Brgy. Malamig, Mandaluyong City
19 BONI SERRANO	45 Boni Serrano Avenue corner Greenview Compound, Quezon City
20 BUENDIA-DIAN	Buendia Avenue corner Dian St., Makati City
21 C. M. RECTO-MENDIOLA	2046-2050 CM Recto Ave., Sampaloc, Manila
22 CAINTA	Felix Avenue, Cainta, Rizal
23 CALOOCAN	315 Rizal Avenue Ext., Grace Park, Caloocan City
24 CALUMPANG-MARIKINA	J. P. Rizal St., Calumpang, Marikina
25 CAMARIN ROAD-CALOOCAN	Camarin Road cor. Susano Road, Caloocan City
26 CIRCUMFERENTIAL ROAD-ANTIPOLO	Along Circumferential Rd., Antipolo City
27 CONCEPCION-MARIKINA	15 Bayan-Bayanan Ave., Concepcion, Marikina City
28 CONGRESSIONAL AVENUE	141 Congressional Ave., Bahay Toro 1, Q.C.
29 CORINTHIAN PLAZA-MAKATI	G/F Corinthian Plaza Bldg., 121 cor Paseo de Roxas & Gamboa Sts., Legaspi Village, Makati City
30 CUBAO-P. TUAZON	210 P. Tuazon cor. 12th Ave., Cubao, Quezon City
31 DASMARIÑAS-T. PINPIN	321 Dasmariñas St. cor. Ugalde St., Binondo, Manila
32 DEL MONTE	295 Del Monte Avenue, Quezon City
33 DON ANTONIO HEIGHTS	Lot 20, Blk.6, Holy Spirit Drive, Don Antonio Heights, Diliman, Quezon City
34 DOÑA SOLEDAD AVE.-BICUTAN	65 Doña Soledad Ave., Better Living Subd., Bicutan, Paranaque City
35 DOWNTOWN CENTER	Tytana Plaza, Plaza Lorenzo Ruiz, Binondo, Manila
36 E. RODRIGUEZ-CORDILLERA	E. Rodriguez Sr. Blvd. cor. Cordillera St., Doña Aurora Dist. 4, Quezon City
37 EDSA-KALOOCAN CENTER	487 EDSA cor. A. De Jesus St., Caloocan City
38 EDSA-SHAW	Beside Shangrila Shopping Center, Shaw Blvd., Mandaluyong City
39 EL GRANDE-B.F. HOMES	Aguirre St., cor. Tehran El Grande Phase 3, B.F. Homes, Paranaque City
40 F. B. HARRISON-GIL PUYAT AVENUE	Gil J. Puyat Ave., cor. F.B. Harrison St., Pasay City
41 FAIRVIEW	Commonwealth Ave. cor. Winston St., Quezon City
42 FEDERAL TOWER	Dasmariñas St. cor. Muelle de Binondo, San Nicolas, Manila
43 FELIX AVENUE	Along Felix Avenue, Brgy. Tatlong Kawayan, Pasig City
44 FILINVEST CORPORATE CITY	Asean Drive cor. Singapura Lane, Filinvest Corp. City, Alabang, Muntinlupa City
45 FORT-GRAND HYATT	Veritown, 8th Ave. & 35th St., Bonifacio Global City, Fort, Taguig City
46 GRACE PARK CENTER	446 Rizal Ave. Ext., Grace Park, Caloocan City
47 GT TOWER CENTER	GT Tower, Ayala Ave. corner dela Costa St., Makati City
48 H. V. DE LA COSTA	G/F Westgate Condominium Plaza, 120 H.V. dela Costa St., Salcedo Village, Makati City
49 J. NAKPIL-TAFT AVENUE	Along Taft Ave. near cor. J. Nakpil St., Manila
50 J.P. RIZAL	Along J. P. Rizal St., Makati City
51 KALAYAAN-BEL AIR	G/F Primetown Tower, Kalayaan Ave., Bel-air, Makati City
52 KAMAGONG-SAMPALOC	Kamagong corner Sampaloc St., San Antonio Vill., Makati City
53 KAMIAS	#39 Kamias Road cor. K-H St., Diliman, Quezon City
54 KAMUNING	22 Kamuning Road, Kamuning, Quezon City
55 KATIPUNAN	339 Katipunan Road, Loyola Heights, Quezon City
56 LAS PIÑAS-ALABANG ZAPOTE ROAD	Real St., Alabang Zapote Road, Las Pinas City
57 LEGASPI VILLAGE-MIDORI TOWER	Unit G01, The Grand Midori Makati Tower 1, Legaspi St., Legaspi Village, Makati City
58 M. NAVAL-NAVOTAS	767 M. Naval St., Navotas, MM
59 MAGALLANES VILLAGE	Lot 3, Block 5, Paseo de Magallanes, Magallanes Village, Makati City
60 MALABON	696 Rizal Avenue, Malabon City
61 MALANDAY-VALENZUELA	Km 16, MacArthur H-Way, Malanday, Valenzuela City
62 MARIKINA CENTER	321 J. P. Rizal St., Sta. Elena, Marikina City
63 MARULAS-VALENZUELA	Km. 12 MacArthur H-Way, Marulas, Valenzuela, MM
64 MASANGKAY	942 G. Masangkay St., Binondo, Manila
65 MAYON-STA. TERESITA	177 Mayon St., Brgy. Sta. Teresita, Quezon City
66 MIDTOWN- U. N. AVE.	1268 Midtown Executive Homes, U.N. Avenue, Paco, Manila
67 MOTHER IGNACIA-TIMOG	#23 Carlos P. Garcia Ave., Quezon City
68 MUNTINLUPA	Along National Road Poblacion, Muntinlupa City
69 NORTH BAY BLVD.-NAVOTAS	130 Northbay Blvd., Navotas MM
70 NOVALICHES	Quirino Highway Gulod, Novaliches, Quezon City
71 OCEAN TOWER	Ocean Tower, Roxas Blvd. Manila
72 ONGPIN	910 Ongpin St., Sta. Cruz, Manila
73 ORTIGAS AVE. EXT.-CAINTA	Fairtrade Comm'l Center, Ortigas Ave. Ext., Cainta, Rizal
74 ORTIGAS COMM'L. COMPLEX CENTER	Banker's Plaza Bldg., J. Vargas St., cor. San Miguel Ave., Ortigas Comm'l. Center, Pasig City
75 ORTIGAS-EMERALD AVENUE	G/F Wynsum Corp. Plaza, Emerald Ave., Pasig City
76 PASAY-BUENDIA AVENUE	2183 Taft Avenue near Gil Puyat Ave., Pasay City
77 PASAY-LIBERTAD	232 Libertad St., Pasay City
78 PASIG MABINI	A. Mabini St., Brgy. Kapasigan, Pasig City
79 PASO DE BLAS-MAYSAN	179 Paso De Blas, Valenzuela City
80 PASONG TAMO-BAGTIKAN	G/F Unit A BM Lou-Bel Plaza, Bagtikan cor. Pasong Tamo, Makati City
81 PASONG TAMO-JAVIER	The Oriental Place, Chino Roces Avenue, Makati City
82 PRITIL-TONDO	1995 Juan Luna St., Tondo, Manila

**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**BANK-OWNED**  
As of December 31, 2023

BRANCH NAME	BRANCH ADDRESS
83 Q. C. ROTONDA CENTER	17 Quezon Ave. cor. Speaker Perez St., Quezon City
84 QUEZON AVENUE	982 Quezon Ave., Quezon City
85 QUIRINO AVE.-LEON GUINTO	Quirino Ave. cor. Leon Guinto St., Malate, Manila
86 RADA-RODRIGUEZ	Unit 101 La Maison Condo., 115 Rada St., Legaspi Village, Makati City
87 RAON	633 Gonzalo Puyat St., Sta. Cruz, Manila
88 ROCKWELL CENTER	Phinma Plaza, 39 Plaza Drive, Rockwell Center, Makati City
89 ROOSEVELT	285 Roosevelt Ave., San Antonio 1, Quezon City
90 ROXAS BLVD. VITO CRUZ	G/F Legaspi Towers 300 Inc., 2600 Roxas Blvd. cor. Vito Cruz, Manila
91 SALCEDO VILLAGE	G/F Plaza Royale Bldg., 120 LP Leviste St., Salcedo Village, Makati City
92 SAMSON ROAD-CALOOCAN	Cor. U.E. Tech. & Samson Road, Caloocan City
93 SAN MATEO	121 Gen. Luna St., Guitnangbayan 1, San Mateo, Rizal
94 SAN ROQUE-MARIKINA	67 Tuazon corner Chestnut St., San Roque, Marikina City
95 SANTOLAN-PASIG	A. Rodriguez Ave. cor. Santolan St., Santolan, Pasig City
96 SEAFRONT	Seafont Garden Homes, Roxas Blvd., Pasay City
97 SHAW BLVD.	676 Shaw Blvd., Pasig City
98 SHAW BLVD.-ORANBO	Along Shaw Blvd., near Hill Crest Circle, Pasig City
99 SHAW BLVD.-PINAGTIPUNAN	Shaw Blvd., corner Pinagtipunan St., Mandaluyong City
100 SIKATUNA VILLAGE-ANONAS	Anonas Road, corner K-7th St., Proj. 2, Quezon City
101 STA. CRUZ-MANILA	582 Gonzalo Puyat St., Raon, Sta. Cruz Manila
102 STA. MESA	73 Aurora Blvd. corner G. Araneta Bgy. Santos Dist. 4, Quezon City
103 SUCAT-GATCHALIAN	8165 Dr. A. Santos Ave., Parañaque City
104 SUCAT-IRENEVILLE	Dr. A. Santos Ave. cor. Ireneville Ave., Sucat Pque. City
105 SUCAT-SAN ANTONIO VALLEY	Along Dr. A. Santos Ave. Beside Uniwide, Parañaque City
106 TAFT AVENUE	1915 Taft Ave., Pasay City
107 TANDANG SORA	185 Tandang Sora Ave., Quezon City
108 TAYTAY	East Road Avenue (fronting New Taytay Public Market) Taytay, Rizal
109 TAYUMAN-FELIX HUERTAS	Tayuman cor. Felix Huertas Sts., Sta. Cruz, Manila
110 THE CAPITAL TOWERS	222 E. Rodriguez Senior Blvd., Barangay Kalusugan, Quezon City
111 TIMOG	Timog Ave. cor. Scout Torillo St., Quezon City
112 TUGATOG-MALABON	139 M.H. del Pilar St., Tugatog, Malabon City
113 UST-ESPANA	1364 Espana cor. Centro St., Sampaloc, Manila
114 V. MAPA	3244 V. Mapa St. corner Valenzuela, Sampaloc, Manila
115 VALENCIA HILLS	Valencia St. corner N. Domingo, Quezon City
116 VALLE VERDE	73 E. Rodriguez cor. P.E. Antonio St., Bo. Ugong, Pasig City
117 VASRA-VISAYAS AVENUE	Along Visayas Ave., Proj. 6, Quezon City
118 WEST AVENUE	98 West Avenue, Quezon City
119 WEST TRIANGLE	1387 Quezon Avenue, Quezon City
120 YLAYA-TONDO	1057 Ylaya Mansion, Ylaya St., Tondo, Manila

**COUNTRYSIDE BRANCHES**

1 ALAMINOS, PANGASINAN	Quezon Avenue, Poblacion Alaminos, Pangasinan
2 ALBAY-TABACO	Corner Luna & Llorente Sts., Tabaco, Albay
3 ANGELES-BALIBAGO	MacArthur Highway, Balibago, Angeles City
4 ANGELES-MAIN	Henson Street, Angeles City, Pampanga
5 ANTIQUE	T.A. Fornier St., San Jose, Antique
6 APALIT	MacArthur Highway, San Vicente, Apalit, Pampanga
7 APARRI	Rizal St. Aparri, Cagayan
8 BACAO-CEPZ	Bacao Diversion Road, Gen. Trias, Cavite
9 BACOLOD-ARANETA	Araneta St., Bacolod City, Negros Occidental
10 BACOLOD-CAPITOL	Capitol Shopping Ctr., Hilado St. cor. Yakal St., Bacolod City, Negros Occ.
11 BACOLOD-GATUSLAO	175-177 Gov. Gatuslao St., Bacolod City, Negros Occidental
12 BACOLOD-NORTH DRIVE	B.S. Aquino Drive, Bacolod City
13 BACOR-CAVITE	206 Gen. Aguinaldo Hi-way, Bacor, Cavite
14 BAGUIO-BONIFACIO	Bonifacio Street, Baguio City
15 BAGUIO-MAGSAYSAY	Magsaysay Ave. cor. Gen. Luna Road, Baguio City
16 BALAGTAS-BULACAN	McArthur Highway, Wawa, Balagtas (Bigaa), Bulacan
17 BALANGA MAIN	Paterno St. cor. Hugo St., Balanga, Bataan
18 BALIUAG-J. P. RIZAL	J.P. Rizal St., San Jose, Baliuag, Bulacan
19 BASILAN	J.S. Alano St. cor. L. Magno St., Isabela, Basilan
20 BATANGAS-BALAYAN	Antorcha cor. Emma Sison St., Balayan, Batangas
21 BATANGAS-LEMERY	Along Independencia & Ilustre Sts., Lemery, Batangas
22 BATANGAS-MAIN	Corner J.P. Rizal & P. Burgos Sts., Batangas City
23 BATANGAS-TANAUAN JP LAUREL	J.P. Laurel Highway, Tanauan, Batangas
24 BINAN	A. Bonifacio St. Canlalay, Binan, Laguna
25 BOCAUE-BULACAN	23 McArthur Highway, Wakas, Bocaue, Bulacan
26 BUKIDNON-VALENCIA	Apolinario Mabini St., Valencia Bukidnon
27 BUTUAN-MAIN	San Francisco St. cor. P. Burgos St., Butuan City
28 CABANATUAN-MAHARLIKA SOUTH	Maharlika Highway, Cabanatuan
29 CABANATUAN-MAIN	Burgos Avenue cor. Sanciango St., Cabanatuan City
30 CABUYAO-LAGUNA	Along Nat'l Highway near cor. F. Bailon St., Sala, Cabuyao
31 CAGAYAN DE ORO-CARMEN	Cor. Max Suniel & Ipil Sts., Carmen Market, Cag. De Oro City
32 CAGAYAN DE ORO-COGON	Osmeña St., Cogon, Cagayan de Oro City
33 CAGAYAN DE ORO-DIVISORIA PARK	G/F RN Abejuela Pabayo St., Cagayan de Oro City
34 CAGAYAN DE ORO-J.R. BORJA	J.R. Borja St., Cagayan de Oro City
35 CAGAYAN DE ORO-LAPASAN	National Highway cor. Agora Road, Lapasan District, Misamis Oriental
36 CAGAYAN DE ORO-MAIN	Corales Avenue, Cag. de Oro City
37 CAGAYAN DE ORO-OSMENA	Osmena, Capitol Comp., Poblacion, Cagayan de Oro City
38 CAGAYAN DE ORO-VELEZ	A. Velez St. cor. Yacapin St., Cagayan de Oro City
39 CALAMBA-CROSSING	J.P. Rizal Street, Calamba, Laguna
40 CALAPAN	J.P. Rizal St., Calapan, Oriental, Mindoro
41 CANDON	National Highway cor. Calle Gray, Candon, Ilocos Sur
42 CARIDAD-CAVITE	P. Burgos Avenue, Caridad, Cavite



**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**BANK-OWNED**  
**As of December 31, 2023**

BRANCH NAME	BRANCH ADDRESS
43 CARMEN ROSALES, PANGASINAN	MacArthur Highway, Carmen West, Rosales, Pangasinan
44 CATARMAN	Cor. Bonifacio St. & P. Garcia St., Brgy. Mabolo, Catarman, Northern Samar
45 CATBALOGAN	Lot 116 Rizal Ave. corner Callejon St., Catbalogan, Western Samar
46 CATICLAN	Caticlan, Malay, Aklan 5608
47 CAUAYAN-MAIN	Rizal Ave. cor. Roxas & Reyes Sts., Cauayan, Isabela
48 CEBU-BANILAD	Metrobank Bldg. Gov. Cuenco Ave., Banilad Road, Banilad, Cebu City
49 CEBU-BORRAMEO	Borromeo St. cor. Lopez St., Cebu City
50 CEBU-BUSINESS PARK	Mindanao Ave. cor. Cardinal Rosales Ave., Cebu Business Park, Cebu City
51 CEBU-CAPTOL	N. Escario St. cor. M. Zosa St., Cebu City
52 CEBU-COLON CENTER	0251 Palaez Street, Cebu City
53 CEBU-DOWNTOWN CENTER	191 Plaridel St., Cebu City
54 CEBU-FUENTE OSMENA CENTER	Metrobank (Cebu) Plaza, Osmeña Blvd near Rotonda, Cebu City
55 CEBU-LAPU LAPU	Nat'l Highway, Pusok, Lapu Lapu City
56 CEBU-MABOLO	1956 M. J. Cuenco Ave. Mabolo, Cebu City
57 CEBU-MAGALLANES	Magallanes St., Barangay Ermita, Cebu City
58 CEBU-MANDAUE CENTER	Corner Nat'l Highway & Jayme St., Mandaue, Cebu City
59 CEBU-MANGO AVENUE	Metrobank Bldg., Gen. Maxilom Ave., Cebu City
60 CEBU-NORTH ROAD	Metrobank Bldg., North Nat'l Road, Bgy. Tabok, Mandaue City
61 CEBU-OPON	G.Y. dela Serna St. Poblacion, Lapu Lapu City
62 CEBU-RAMOS	Metrobank Bldg. F. Ramos St. cor. Junguera Ext., Cebu City
63 CEBU-SUBANGDAKU	Lopez Jaena St., Subangdaku, Mandaue City
64 CEBU-TABO-AN	Along B. Aranas St., Taboan, Cebu City
65 CEBU-TABUNOK	South National Road, Bulacao, Talisay, Cebu City
66 COTABATO-MAIN	Makakua St., Cotabato City
67 DAET	Vinzons Avenue, Daet, Camarines Norte
68 DAGUPAN-MAIN	A. B. Fernandez Avenue, Dagupan City
69 DASMARINAS-CAVITE	Aguinaldo Hi-way, Dasmariñas, Cavite
70 DAU	MacArthur Highway, Dau, Malabacat, Pampanga
71 DAVAO-AGDAO	J.P. Cabaguio Ave., Agdao, Davao City
72 DAVAO-BANKEROHAN	Corner Quirino Ave. & Pichon St., Davao City
73 DAVAO-BUHANGIN	Along Kilometer 5, Buhangin Road, Davao City
74 DAVAO-CENTER	Magsaysay Ave. cor. J. dela Cruz St., Davao City
75 DAVAO-RIZAL	J. Rizal St. cor. F. Inigo St., Davao City
76 DAVAO-STA. ANA	Monteverde Ave. cor. Lizada St., Sta. Ana District, Davao City
77 DAVAO-TAGUM	JP Rizal St. cor. Abad Santos St., Tagum, Davao Del Norte
78 DAVAO-TORIL	61 Saavedra St., cor. D. Agaton St., Toril, Davao City
79 DIGOS	Estrada St. cor. Cabrillo St., Digos
80 DIPOLONG-GEN. LUNA	Gen. Luna St. Dipolog City, Zamboanga del Norte
81 DUMAGUETE-MAIN	Dr. Vicente Locsin St., Dumaguete City, Negros Oriental
82 DUMAGUETE-REAL	131 Real St., Dumaguete City
83 GAPAN	Gen. Tinio St., Sto. Niño, Gapan, Nueva Ecija
84 GENERAL SANTOS-MAKAR	Makar-National Highway, Purok Bagong Silang, Brgy. Labangal, General Santos City
85 GENERAL SANTOS-NATIONAL HIGHWAY	Along National Highway, General Santos City
86 GENERAL SANTOS-PIONEER	Pioneer Ave., General Santos City
87 GENERAL SANTOS-SANTIAGO BLVD.	I. Santiago Blvd., General Santos City
88 GUAGUA	Sto. Cristo, Guagua, Pampanga
89 GUMACA	A. Bonifacio St., Gumaca Quezon
90 ILAGAN	Rizal St., Ilagan, Isabela
91 ILIGAN-MAIN	# 0055 Gen. Aguinaldo St., Iligan City
92 ILOILO-DELGADO	Delgado St., Iloilo City
93 ILOILO-GEN. LUNA	Gen. Luna St., Iloilo City
94 ILOILO-IZNART	Iznart St., Iloilo City
95 IMUS-CAVITE	Along Nuevo Ave., Tansang Luma, Imus, Cavite
96 IRIGA, CAMARINES SUR	Poblacion, Iriga, Camarines Sur
97 JOLO	Gen. Arolas St., Jolo, Sulu
98 KALIBO	Along Roxas Ave., Kalibo, Aklan
99 KAWIT-CAVITE	National Road corner Visita, Binakayan, Kawit, Cavite
100 KIDAPAWAN	Along National Highway, Kidapawan, North Cotabato
101 KORONADAL-NATIONAL HIGHWAY	Southwest National Highway, Koronadal City, South Cotabato
102 LA UNION-MAIN	Quezon Ave., Along Nat'l. Highway, San Fernando, La Union
103 LAGUNA BEL-AIR STA. ROSA	Sta. Rosa Tagaytay Nat'l Road cor. Rodeo Drive, Sta. Rosa, Laguna
104 LAGUNA TECHNOPARK	LTI Complex Spine Road, Biñan, Laguna
105 LAOAG-RIZAL	Rizal cor. Guerrero Streets, Brgy. 19, Sta. Marcella, Laoag City
106 LEGAZPI-MABINI	Rizal St. cor. Mabini St., Legazpi City
107 LEGAZPI-RIZAL	85 Rizal St. Brgy. 35, Tinago, Legazpi City, Albay
108 LIPA-B. MORADA	B. Morada Avenue, Lipa City
109 LUCENA-MAIN	Cor. Enriquez/Magallanes St., Lucena City
110 LUCENA-QUEZON	Enriquez near cor. San Fernando St., Lucena City
111 MACARIA BUS. CENTER-CARMONA	Blk 2, Lot 4, Macaria Business Center, Governors Drive, Carmona, Cavite
112 MALOLOS-PASEO DEL CONGRESO	Paseo del Congreso, Catmon, Malolos, Bulacan
113 MARBEL	Gen Santos Drive, Nat'l. Highway, Marbel, South Cotabato
114 MARILAO-BULACAN	MacArthur Highway, Abangan Norte, Marilao, Bulacan
115 MEYCAUAYAN-MC ARTHUR HIGHWAY	MacArthur Highway, Calvario, Meycauayan, Bulacan
116 MOLINO-BACOR CAVITE	Molino II, Molino Road, Bacoor, Cavite
117 NAGA-GEN. LUNA	Gen. Luna St., Naga City
118 NAGA-MAIN	Caceres cor. Dela Rosa St., Naga City
119 NAGA-PENAFRANCIA	Peñafrancia Ave. cor. Arana St., Naga
120 NAIC-CAVITE	Governor's Drive, Ibayo Silangan, Naic, Cavite
121 OCCIDENTAL MINDORO SAN JOSE	C. Liboro St. cor. Rajah Soliman St., San Jose, Occidental Mindoro
122 OLONGAPO-MAIN	# 1967 Rizal Ave., West Bajac-Bajac, Olongapo City
123 ORMOC	Real St., cor. Lopez Jaena St., Ormoc City, Leyte
124 OZAMIS-BURGOS	602-604 Burgos St., Ozamis City
125 OZAMIS-RIZAL	38-C Rizal Ave., Ozamis City
126 PANQUI-TARLAC	M.H. del Pilar St., Paniqui, Tarlac
127 PLARIDEL-BULACAN	Gov. Padilla Road, Banga, Plaridel, Bulacan

**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**BANK-OWNED**  
**As of December 31, 2023**

BRANCH NAME	BRANCH ADDRESS
128 PUERTO PRINCESA-RIZAL AVENUE	Rizal Ave., Puerto Princesa City, Palawan
129 ROSARIO-CAVITE	Along Gen. Trias Drive, Rosario, Cavite
130 ROXAS	Roxas Ave., Roxas City, Capiz
131 SAN CARLOS-NEGROS OCC.	Carmona St., San Carlos City, Negros Occidental
132 SAN FERNANDO-DOLORES	MacArthur Highway, Dolores, San Fernando, Pampanga
133 SAN FERNANDO - JASA	Jose Abad Santos Ave., City of San Fernando, Pampanga
134 SAN FERNANDO-MAIN	V. Tiomico Street, San Fernando, Pampanga
135 SAN JOSE DEL MONTE-QUIRINO HIGHWAY	#27 Quirino Highway, Pecsonville Subdivision, Bo. Tungkong Mangga, San Jose Del Monte, Bulacan
136 SAN JOSE, NUEVA ECIIA	Maharlika Highway cor. Market Road, San Jose City, Nueva Ecija
137 SAN PABLO-COLAGO	Colago Avenue, San Pablo City
138 SAN PABLO-MAHARLIKA	Maharlika Highway, San Pablo City
139 SAN PABLO-MAIN	Corner Regidor & Paulino Sts., San Pablo City
140 SANTIAGO-MAHARLIKA	Daang Maharlika St. cor. Camacam St., Santiago, Isabela
141 SILANG-CAVITE	139 J. Rizal St., Bgy. I, Silang, Cavite
142 SILAY-NEGROS OCCIDENTAL	Rizal St., Silay City
143 SOLANO	National Highway cor. Mabini St., Solano, Nueva Vizcaya
144 STA. MARIA-BULACAN	Corazon De Jesus St., Poblacion, Sta. Maria, Bulacan
145 STA. ROSA-BALIBAGO	Old Nat'l Highway, Balibago, Sta. Rosa, Laguna
146 SURIGAO	Borromeo St., Surigao City, Surigao del Norte
147 SULTAN KUDARAT-ISULAN	National Highway, Brgy. Poblacion (Kalawag III), Isulan, Sultan Kudarat
148 TACLOBAN-P. BURGOS	P. Burgos cor. Del Pilar St., Tacloban City
149 TACLOBAN-MAIN	P. Zamora St., Tacloban City
150 TACLOBAN-RIZAL AVENUE	109 Rizal Ave. Tacloban City
151 TACURONG	Tacurong, Sultan Kudarat
152 TAGAYTAY	Foggy Heights Subd., San Jose, Tagaytay City, Cavite
153 TAGBILARAN-MAIN	20 C.P. Garcia Ave., Tagbilaran, City 6300 Bohol
154 TANZA-CAVITE	Along A. Soriano Highway, Daang Amaya I, Tanza, Cavite
155 TARLAC-F. TANEDO	F. Tanedo St., Poblacion, Tarlac, Tarlac
156 TARLAC-MACARTHUR HIGHWAY	MacArthur Highway, Tarlac, Tarlac
157 TARLAC-MAIN	MacArthur Highway, San Roque, Tarlac City
158 TRECE MARTIRES-CAVITE	Governor's Drive, Bgy. San Agustin, Trece Martires, Cavite City
159 TUGUEGARAO-MAIN	Luna St. cor. Blumentritt, Tuguegarao, Cagayan
160 URDANETA, PANGASINAN	Alexander Street, Urdaneta, Pangasinan
161 ZAMBOANGA-GALLERIA	Gov. Lim Ave. cor. Almonte St., Zamboanga City
162 ZAMBOANGA-GOV. LIM	Gov. Lim Ave., Zamboanga City
163 ZAMBOANGA-VETERANS AVE.	Cor. Veterans & Gov. Alvarez Ave., Zamboanga City

**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**UNDER LEASE**  
As of December 31, 2023

BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
<b>METRO MANILA BRANCHES</b>				
1 168 MALL	6th Floor, Unit 607, 168 Shopping Mall, Sta. Elena/Soler Streets, Binondo, Manila	86,110.95	July 31, 2028	renewable upon mutual agreement of both parties
2 20TH AVE.-CUBAO	No. 100, 20th Ave., Cubao, Quezon City	180,000.00	December 14, 2028	renewable upon mutual agreement of both parties
3 A. LACSON AVE.-SAMPALOC	Mother Rosario Bldg., 1234 Lacson Ave., Sampaloc, Manila	243,674.24	November 30, 2025	renewable upon mutual agreement of both parties
4 ACACIA-AYALA ALABANG	Unit 101, Alabang Business Tower, Acacia Ave., Madrigal Business Park, Ayala Alabang, Muntinlupa City	358,146.48	February 18, 2026	renewable upon mutual agreement of both parties
5 ADB	6 ADB Avenue 1501, Mandaluyong City	Rent Free	Auto-Renewal	renewable upon mutual agreement of both parties
6 ADRIATICO	1633 M. Adriatico Street, Malate, Manila	297,799.03	November 4, 2028	renewable upon mutual agreement of both parties
7 AGUIRRE-SALCEDO	G/F Cattleya Condominium Salcedo cor. Aguirre Sts., Legaspi Village, Makati City	380,189.05	July 31, 2025	renewable upon mutual agreement of both parties
8 ALABANG	JM Bldg., West Service Road cor. Montillano St., Alabang Viaduct, Muntinlupa City	350,041.49	July 31, 2027	renewable upon mutual agreement of both parties
9 ALFARO	G/F ALPAP Building, 140 LP Leviste St., Salcedo Vill., Makati City	383,423.93	December 15, 2024	renewable upon mutual agreement of both parties
10 ANDA CIRCLE-PORT AREA	Knights of Rizal Bldg., Bonifacio Drive, Port Area, Manila	164,440.79	May 31, 2027	renewable upon mutual agreement of both parties
11 ANTIPOLLO-IMALL	IMall Antipollo Bayan, J. Sumulong cor. M.L. Quezon, Brgy. San Roque, Antipollo City	355,686.23	May 29, 2024	renewable upon mutual agreement of both parties
12 AURORA BLVD.-MANHATTAN PARKWAY	Parkway Shopping Arcade, Manhattan Garden City, Aurora Blvd., Araneta Center, Cubao, Quezon City	396,870.00	September 30, 2025	renewable upon mutual agreement of both parties
13 AURORA BLVD-ANONAS	986 Caly Bldg., cor. F. Castillo, Aurora Blvd., Cubao, Quezon City	316,778.00	December 31, 2024	renewable upon mutual agreement of both parties
14 AYALA ALABANG	Sycamore Prime Bldg., Alabang-Zapote Rd. cor. Buencamino St., Alabang, Muntinlupa	477,797.94	February 29, 2024	renewable upon mutual agreement of both parties
15 AYALA AVENUE-BANKMER	Bankmer Bldg., 6756 Ayala Avenue, Makati City	554,029.50	December 31, 2027	renewable upon mutual agreement of both parties
16 AYALA AVENUE-VA RUFINO	GF Rufino Bldg., 6784 Ayala Ave., Makati City	287,160.93	June 30, 2027	renewable upon mutual agreement of both parties
17 AYALA MALLS MANILA BAY	Unit 2009, 2F Macapagal Blvd. cor. Asean Ave., Brgy. Tambo, Paranaque City	396,075.00	September 30, 2024	renewable upon mutual agreement of both parties
18 AYALA TRIANGLE	Units E1 & E2, Tower One and Exchange Plaza, Ayala Triangle, Ayala Ave., cor. Paseo de Roxas, Makati City	783,601.14	January 31, 2026	renewable upon mutual agreement of both parties
19 BACLARAN-MILENYO	2nd Floor, Baclaran Bagong Milenyo Plaza, F.B. Harrison cor. Russel Ave., Baclaran	351,841.24	September 19, 2026	renewable upon mutual agreement of both parties
20 BAESA	131 Quirino Highway corner Palm Road, Baesa, Quezon City	163,375.00	April 15, 2030	renewable upon mutual agreement of both parties
21 BANAWE-CARDIZ	Ground Floor of Medical Arts Building, 11 Banawe corner Cadiz Street, Quezon City	183,178.99	June 30, 2032	renewable upon mutual agreement of both parties
22 BARANGKA-RIVERBANKS	164 A. Bonifacio Avenue, Brgy. Tainong, Marikina City	147,410.52	May 15, 2026	renewable upon mutual agreement of both parties
23 BENAVIDEZ	943-945 Benavidez St., Sta. Cruz, Manila	175,521.53	November 1, 2024	renewable upon mutual agreement of both parties
24 BETTER LIVING-RUSSIA	Russia St., Better Living Subd., Brgy. Don Bosco, Paranaque City	136,500.00	December 31, 2025	renewable upon mutual agreement of both parties
25 BRIXTON HILL	118 G. Araneta Ave. Sta. Mesa, Quezon City	170,772.11	January 31, 2024	renewable upon mutual agreement of both parties
26 BUSTILLOS-SAMPALOC	Dona Paz Bldg., 443 J. Figueras St., Sampaloc, Manila	224,414.21	June 30, 2026	renewable upon mutual agreement of both parties
27 C-3-A. MABINI	G/F Marea Commercial Complex, 200 A. Mabini St., Maypajo, Caloocan City	178,232.64	May 31, 2026	renewable upon mutual agreement of both parties
28 CALOOCAN-DEPARO	Puregold, Deparo Road cor. Road Lot. 1, Villa Maria Subd., Deparo, Caloocan City	100,982.26	July 31, 2026	renewable upon mutual agreement of both parties
29 CHINA PLAZA-TOMAS MAPUA	645 Tomas Mapua Street, Sta. Cruz, Manila	240,000.00	July 31, 2028	renewable upon mutual agreement of both parties
30 COMMONWEALTH	UGF, Lenjul Bldg., Commonwealth Ave., Quezon City	224,858.65	May 31, 2023	under negotiation
31 CONCEPCION-MALABON	G/F Domana Bldg., Gen Luna St., Concepcion, Malabon City	134,017.25	September 30, 2025	renewable upon mutual agreement of both parties
32 CUBAO	Along Aurora Blvd., Cubao, Quezon City	301,521.52	March 31, 2026	renewable upon mutual agreement of both parties
33 CULIAT-TANDANG SORA	No. 96859 D & B Royal Midway Plaza, 419 Tandang Sora, Brgy. Culiat, Quezon City	113,258.57	March 31, 2031	renewable upon mutual agreement of both parties
34 D. TUAZON-DEL MONTE(DEL MONTE-TALAYAN)	Along D. Tuazon near corner Del Monte Avenue, Quezon City	97,240.50	July 19, 2029	renewable upon mutual agreement of both parties
35 DAPTAN-BANAWE	Unit 1-4 Solmac Bldg., Dapitan corner Banaue Sta. Teresita, Quezon City	218,278.08	March 31, 2024	renewable upon mutual agreement of both parties
36 DELA ROSA-SALCEDO ST.	Unit I, Kalayaan Bldg., 164 Salcedo St., Legaspi Village, Makati City	278,273.44	June 30, 2025	renewable upon mutual agreement of both parties
37 DIVISORIA CENTER	Doña Salustiana Bldg., Ylaya St., Binondo, Manila	355,914.79	February 28, 2027	renewable upon mutual agreement of both parties
38 DOMESTIC AIRPORT	Salem Int'l Comm'l Complex, Domestic Road, Pasay City	143,309.33	February 15, 2024	renewable upon mutual agreement of both parties
39 DON BOSCO-MAKATI	La Fuerza Plaza Bldg., 2241 Don Chino Roces Ave., Makati	437,582.25	May 31, 2024	renewable upon mutual agreement of both parties
40 E. RODRIQUEZ	1661 E. Rodriguez Sr., Blvd., Quezon City	154,837.10	November 1, 2024	renewable upon mutual agreement of both parties
41 EAST SERVICE ROAD-BICUTAN	East Service Road, South Superhighway, Bicutan Interchange, Paranaque City	85,462.87	November 14, 2025	renewable upon mutual agreement of both parties
42 EASTWOOD CITY	Techno Plaza One Bldg., 118 E. Rodriguez, Brgy. Bagumbayan, Quezon City	726,867.99	April 30, 2025	renewable upon mutual agreement of both parties
43 EDSA-CONGRESSIONAL	Global Trade Center Building, 1024 North EDSA, Quezon City	244,334.94	March 14, 2027	renewable upon mutual agreement of both parties
44 EDSA-CORINTHIAN	219-223 CLMC Building, Edsa, Mandaluyong City	165,612.69	June 30, 2024	renewable upon mutual agreement of both parties
45 EDSA-MUNOZ MARKET	1199 E. Delos Santos Avenue, Brgy. Katipunan, Quezon City	100,340.35	November 14, 2026	renewable upon mutual agreement of both parties
46 EDSA-POEA	GF Lobby, POEA Building, Ortigas Ave. cor EDSA, Mandaluyong	30,262.95	December 31, 2024	renewable upon mutual agreement of both parties
47 EDSA-TRAMO	453 Highway Master Bldg, EDSA, Pasay City	450,000.00	July 31, 2024	renewable upon mutual agreement of both parties
48 ERMITA	Metrobank Bldg., A. Mabini cor. A. Flores Sts., Ermita, Manila	200,000.00	January 31, 2027	renewable upon mutual agreement of both parties
49 ESCOLTA TOWER	288 Escolta Twin Tower, Escolta St., Binondo, Manila	136,553.60	August 31, 2023	under negotiation
50 ESPANA	Espana Blvd., corner Vicente Cruz St., Sampaloc, Manila	297,180.56	October 31, 2025	renewable upon mutual agreement of both parties
51 EVANGELISTA-BANGKAL	1645 Evangelista Street, Brgy. Bangkal, Makati City	201,614.98	November 30, 2027	renewable upon mutual agreement of both parties
52 EVANGELISTA-QUIAPO	675-679 B. Evangelista St., Quiapo, Manila	135,603.30	May 31, 2026	renewable upon mutual agreement of both parties
53 EXAMINER-QUEZON AVENUE	Ave Maria Bldg., 1517 Quezon Ave., West Triangle, Quezon City	263,880.92	October 14, 2028	renewable upon mutual agreement of both parties
54 FAIRVIEW-REGALADO AVE.	College Square Dormitory cor. Lyric St. & Regalado Ave., West Fairview, Quezon City	243,544.34	July 31, 2024	renewable upon mutual agreement of both parties
55 FARMERS PLAZA	LGF Farmers Plaza, Araneta Center, Cubao, Quezon City	426,870.00	March 31, 2026	renewable upon mutual agreement of both parties
56 FOLGUERAS	918 Folgueras Street, Tondo, Manila	139,089.50	March 31, 2024	renewable upon mutual agreement of both parties
57 FORT MILESTONE-5TH AVE.	Milestone Bldg., 5th Ave., Bonifacio Global City, Taguig City	908,421.06	August 31, 2024	renewable upon mutual agreement of both parties
58 FORT-MITSUKOSHI BGC	Mitsukoshi BGC Unit 0126, 8th Avenue corner 36th Street, Grand Central Park, North BGC, Taguig City	340,440.00	December 15, 2029	renewable upon mutual agreement of both parties
59 FORT SEIBU TOWER	Seibu Tower, 24th St. cor. 6th Ave., Bonifacio Global City, Taguig City	708,153.94	January 31, 2025	renewable upon mutual agreement of both parties

**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**UNDER LEASE**  
**As of December 31, 2023**

BRANCHES		ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
60	FORT SOUTH OF MARKET	North Tower Bldg. Cor. 11th Ave. and 26th St. South of Market, Fort Bonifacio Global City, Taguig	310,752.42	October 31, 2023	under negotiation
61	FORT-BAYANI ROAD	Ground Flr., GPI Bldg., 9A Bayani Road, Fort Bonifacio, Taguig City	257,180.75	September 30, 2033	renewable upon mutual agreement of both parties
62	FORT-BONIFACIO GLOBAL CITY	32nd St., 5th Avenue, Bonifacio Global City, Taguig, MM	479,851.48	August 31, 2028	renewable upon mutual agreement of both parties
63	FORT-BURGOS CIRCLE	Ground Floor, The Fort Residences, 30th Street cor 2nd Ave., cor Padre Burgos Circle, Crescent Park, West Bonifacio Global City, Taguig	462,816.90	July 15, 2026	renewable upon mutual agreement of both parties
64	FORT-CLIPP CENTER	11th Ave. Corner 39th Street, Bonifacio Global City, Taguig City	391,557.69	May 31, 2028	renewable upon mutual agreement of both parties
65	FORT-ECOPRIME TOWER	Ecoprime Tower, 32nd St., cor. 9th Ave., Bonifacio Global City, Taguig City	1,048,408.17	August 31, 2024	renewable upon the written agreement of both parties
66	FORT-FINANCE CENTRE	The Finance Centre, 26th St., Bonifacio Global City, Taguig City	736,597.04	November 14, 2028	renewable upon the written agreement of both parties
67	FORT-MCKINLEY	Unit B, McKinley Hill 1820 Bldg., McKinley Hill, Fort Bonifacio, Taguig City	729,476.89	July 31, 2025	renewable upon mutual agreement of both parties
68	FORT-TEN WEST CAMPUS	Ten West Campus, Le Grand Avenue, McKinley West, Fort Bonifacio, Taguig City	396,582.38	September 30, 2024	renewable upon mutual agreement of both parties
69	FORT-TFT	GF-07 TFT, 7th Ave. cor. 32nd St., BGC, Fort, Taguig City	751,800.00	June 30, 2026	renewable upon mutual agreement of both parties
70	FORT-W 5TH AVE.	W. Fifth Bldg., 5th Ave., Bonifacio Global City, Taguig City	575,912.10	May 14, 2024	renewable upon the written agreement of both parties
71	FTI COMPLEX-TAGUIG	Old Admin Bldg., FTI Ave., FTI Complex, Taguig, Metro Manila	164,451.31	December 31, 2026	renewable upon mutual agreement of both parties
72	G ARANETA-QUEZON AVENUE	Ground Floor, C. Ramirez Company Bldg., G. Araneta corner Quezon Ave., Quezon City	286,650.00	November 30, 2027	renewable upon mutual agreement of both parties
73	GEN LUIS-NOVALICHES	St. Claire Building, Gen. Luis St., Novaliches, Quezon City	167,456.23	November 15, 2022	under negotiation
74	GEN. LUNA-PACO	1547 Gen. Luna St., Paco, Manila	271,937.92	January 31, 2026	renewable upon mutual agreement of both parties
75	GREENBELT	G/F Pioneer House Bldg., 108 Paseo de Roxas cor. Legaspi St., Makati	374,407.99	September 30, 2026	renewable upon mutual agreement of both parties
76	GREENHILLS NORTH	338 Ortigas Avenue, San Juan, Metro Manila	169,338.03	March 3, 2026	renewable upon mutual agreement of both parties
77	GREENHILLS-EISENHOWER	G/F Goldland Plaza Bldg., Eisenhower St., Greenhills, San Juan	174,580.48	June 30, 2027	renewable upon mutual agreement of both parties
78	GREENHILLS-PROMENADE	Unit #131 Ground Flr., Promenade Bldg., Greenhills, Shopping Center, San Juan City	361,830.27	December 31, 2025	renewable upon mutual agreement of both parties
79	GREENHILLS-V MALL	GF, Unit V-108B1, V-Mall Greenhills	679,257.39	September 15, 2027	renewable upon mutual agreement of both parties
80	GREENHILLS-WILSON	One Wilson Square, Ortigas Ave. cor. Wilson St., Greenhills, San Juan City	1,105,252.84	August 31, 2029	renewable upon mutual agreement of both parties
81	HONORIO LOPEZ BLVD.-BALUT TONDO	262 Honorio Lopez Blvd. cor. Rodriguez St., Balut, Tondo, Manila	80,933.90	December 31, 2025	renewable upon mutual agreement of both parties
82	INTRAMUROS	FEMII Bldg., A. Soriano Jr. Avenue, Intramuros, Manila	134,464.43	March 31, 2026	renewable upon mutual agreement of both parties
83	INTRAMUROS-CBCP	CBCP Building, 470 General Luna St., Intramuros, Manila	183,014.48	June 30, 2028	renewable upon mutual agreement of both parties
84	J. ABAD SANTOS-MAYHALIGUE	1385 Jose Abad Santos Avenue, Tondo, Manila	184,297.79	October 31, 2024	renewable upon mutual agreement of both parties
85	J.P. LAUREL-SAN MIGUEL MANILA	G/F First Residences, 1557 J.P. Laurel St. cor. Matienza St., San Miguel, Manila	242,236.20	April 30, 2025	renewable upon mutual agreement of both parties
86	JUPITER-68TH BEL-AIR	68 Jupiter St., Bel-Air, Makati City	388,359.72	February 28, 2025	renewable upon mutual agreement of both parties
87	JUPITER-BEL AIR	112 Jupiter St., Bel-Air, Makati City	301,292.19	October 31, 2026	renewable upon mutual agreement of both parties
88	KALAW HILL	Commonwealth Ave. cor. Kalaw Hill Subd., Culiati, Quezon City	164,441.20	July 7, 2028	renewable upon mutual agreement of both parties
89	KALAYAAN - CENTURY CITY	Unit GF 9 & 10 Centuria Medical Makati, Century City, Kalayaan Ave., Makati City	773,512.97	April 1, 2025	renewable upon mutual agreement of both parties
90	KALAYAAN AVENUE	Odelco Bldg., 128 Kalayaan Avenue, Diliman, Quezon City	136,602.26	September 15, 2027	renewable upon mutual agreement of both parties
91	KALENTONG-MANDALUYONG	188 Gen. Kalentong, Daang Bakal, Mandaluyong City	199,456.00	May 4, 2025	renewable upon mutual agreement of both parties
92	KARUHATAN-VALENZUELA	246 McArthur Highway, Karuhatan, Valenzuela City	150,000.00	January 31, 2033	renewable upon mutual agreement of both parties
93	KAYAMANAN C	2300 PIFCO Bldg., Pasong Tamo Ext., Makati City	544,710.40	October 31, 2025	renewable upon mutual agreement of both parties
94	LAGRO	KM 21 Lester Bldg., Quirino Highway, Lagro, Novaliches, Quezon City	250,896.92	October 31, 2024	renewable upon mutual agreement of both parties
95	LAS PIÑAS-ALMANZA	Cilben Bldg., 467 Alabang-Zapote Road, Almanza Uno, Las Piñas City	206,843.76	February 18, 2026	renewable upon mutual agreement of both parties
96	LAS PIÑAS-BF RESORT	Lot 18 & 20, Block 18, BF Resort Drive, Las Piñas City	92,486.60	May 31, 2027	renewable upon mutual agreement of both parties
97	LAS PIÑAS-NAGA ROAD	Naga Road, Pulang Lupa II, Las Piñas City	133,787.03	June 15, 2028	renewable upon mutual agreement of both parties
98	LAVEZARES	403 CDC Building, Lavezares St. cor. Asuncion St., Binondo, Manila	203,614.27	July 31, 2027	renewable upon mutual agreement of both parties
99	LEGASPI VILLAGE-MAKATI	Don Pablo Bldg., 114 Amorsolo St., Legaspi Village, Makati City	451,473.75	August 31, 2024	renewable upon mutual agreement of both parties
100	LIBERTAD-MANDALUYONG	G/F PGM C Bldg., Domingo M. Guevarra St., corner Calbayog Street, Mandaluyong City	250,300.09	March 31, 2025	renewable upon mutual agreement of both parties
101	LUNET-A.T.M. KALAW	470 T.M. Kalaw cor. Cortada St., Ermita, Manila	293,670.93	May 15, 2023	under negotiation
102	MADRIGAL BUSINESS PARK-ALABANG	El Molito Bldg., Madrigal Business Park, Alabang-Zapote Road., Muntinlupa City	617,475.84	August 31, 2025	renewable upon mutual agreement of both parties
103	MANDALUYONG - PIONEER	Sunshine 100 City, Plaza Pioneer, Pioneer St., Mandaluyong City	227,649.66	February 29, 2028	renewable upon mutual agreement of both parties
104	MARIKINA-LILAC	3 Lilac St., Hacienda Heights Subd., Concepcion 2, Marikina City	123,499.17	July 12, 2024	renewable upon mutual agreement of both parties
105	MASANGKAY-LUZON	1161-1163 Masangkay St., Sta. Cruz, Manila	171,547.83	July 31, 2025	renewable upon mutual agreement of both parties
106	MASANGKAY-MAYHALIGUE	1348-1352 Broadview Towers, G. Masangkay St., Sta. Cruz, Manila	374,811.99	July 31, 2024	renewable upon mutual agreement of both parties
107	MASINAG-MARCOS H-WAY	Kingsville Arcade, Marcos Highway, Mayamot, Antipolo City	386,143.55	September 30, 2025	renewable upon mutual agreement of both parties
108	MAYSILLO CIRCLE-MANDALUYONG (MINI)	344 Maysillo St., Jojemar Bldg., Boni Avenue, Mandaluyong City	109,677.70	October 31, 2027	renewable upon mutual agreement of both parties
109	MCCARTHUR HIGHWAY-MALINTA	Km 14, McArthur Highway, Malinta, Valenzuela City	118,013.42	March 20, 2026	renewable upon mutual agreement of both parties
110	METROPOLITAN PARK-IMET	iMET Bldg., Metropolitan Park, Bay Area, Roxas Blvd., Pasay City	254,078.39	May 31, 2028	renewable upon mutual agreement of both parties
111	METROPOLITAN PARK-ROXAS BLVD.	Bldg. M, Blue Bay Walk, Metropolitan Ave. cor. EDSA Extension, Bay Area, CBD, Pasay City	271,369.37	January 31, 2026	renewable upon mutual agreement of both parties
112	MINDANAO AVENUE	Units 1-3 Ground Floor, Puregold, Mindanao Avenue, Quezon City	212,832.10	January 31, 2026	renewable upon mutual agreement of both parties
113	MORAYTA	870 Nicanor Reyes Sr. Ave., Sampaloc , Manila	233,595.87	September 30, 2028	renewable upon mutual agreement of both parties
114	MUNTINLUPA-LAKEFRONT	Space No. B 04, Presidio Walk Lakefront, Sucat, Muntinlupa City	115,581.17	July 31, 2023	under negotiation
115	MUNTINLUPA-TUNASAN	Gian Plaza, Blk. 9, Lot 1, Carolina Subd., National Road, Brgy. Tunasan, Muntinlupa City	133,100.00	September 30, 2024	renewable upon mutual agreement of both parties
116	N. DOMINGO-SAN JUAN	128-132 N. Domingo St., San Juan, M.M.	462,543.39	August 31, 2029	renewable upon mutual agreement of both parties
117	NAIA	Columbia Airfreight Complex Building, Ninoy Aquino Ave., Parañaque City	179,585.63	April 30, 2027	renewable upon mutual agreement of both parties
118	NEW MANILA	676 Aurora Blvd., New Manila, Quezon City	450,773.50	May 31, 2029	renewable upon mutual agreement of both parties
119	NOVALICHES-TALIPAPA	Quirino Highway cor. Marigold St. Brgy. Talipapa, Novaliches, Q.C.	157,657.50	August 15, 2031	renewable upon mutual agreement of both parties
120	NUOVA	562-568 Nueva St., Binondo, Manila	231,348.60	April 30, 2025	renewable upon mutual agreement of both parties
121	ORTIGAS-SAN MIGUEL AVENUE	G/F Bevedere Tower Condominium, San Miguel Ave., Pasig	368,606.95	November 14, 2025	renewable upon mutual agreement of both parties

**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**UNDER LEASE**  
**As of December 31, 2023**

	BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
122	ORTIGAS-SAPPHIRE	Unit G105-B, GF AIC Gold Tower, F. Ortigas Jr. Ave. (formerly Emerald Ave.) cor. Garnet & Sapphire Sts., Ortigas Center, Pasig City	624,942.97	July 15, 2024	renewable upon mutual agreement of both parties
123	ORTIGAS-TAIPAN	G/F Taipan Place Bldg., Emerald Ave., Ortigas, Pasig City	423,276.64	August 31, 2026	renewable upon mutual agreement of both parties
124	ORTIGAS-XAVIER	Ortigas Ave. corner Xavier St., San Juan, Metro Manila	205,816.77	January 31, 2027	renewable upon mutual agreement of both parties
125	PACO	1756 Singalong St., Paco, Manila	249,713.82	May 31, 2026	renewable upon mutual agreement of both parties
126	PARANG-MARIKINA	94 Balagtas St., cor. Tanguille St., Parang, Marikina	133,490.47	December 16, 2031	renewable upon mutual agreement of both parties
127	PASAY-BACLARAN	Kapt. Ambo St., Pasay City	602,691.02	August 1, 2030	renewable upon mutual agreement of both parties
128	PASAY-NAIA 3	Stall No. 10, Arrival Lobby, NAIA Terminal III, Pasay City	22,744.20	August 31, 2022	under negotiation
129	PASAY-ROTONDA	2717 Taft Ave. Ext., Pasay City	169,162.50	September 30, 2026	renewable upon mutual agreement of both parties
130	PASEO DE ROXAS	Ground Floor, 777 Paseo de Roxas, Makati City	740,242.75	August 31, 2024	renewable upon mutual agreement of both parties
131	PASEO-MAKATI AVE.	8735 Makati Avenue cor. 1226 Paseo de Roxas, Makati City	932,351.18	October 15, 2028	renewable upon mutual agreement of both parties
132	PASIG-C. RAYMUNDO	Along C. Raymundo Ave., Brgy. Rosario, Pasig City	132,805.52	January 31, 2032	renewable upon mutual agreement of both parties
133	PASIG-ESTANCIA MALL	LG-12B Estancia East Wing, Capitol Commons, Pasig City	390,808.57	January 31, 2026	renewable upon mutual agreement of both parties
134	PASIG-ROSARIO	Choice Market Ortigas, #68 Ortigas Ave. Ext., Brgy. Rosario, Pasig City	219,636.98	January 25, 2029	renewable upon mutual agreement of both parties
135	PASIG-SILVER CITY	KPO-2 Plaza, Silver City 2, Frontera Verde, Pasig City	327,179.55	December 31, 2024	renewable upon mutual agreement of both parties
136	PASONG TAMO	2300 Leelin Building, Pasong Tamo St., Makati City	455,563.31	August 15, 2024	renewable upon mutual agreement of both parties
137	PASONG TAMO EXTENSION	UPRC VII, 2287 Pasong Tamo Extension, Makati City	476,016.55	March 31, 2028	renewable upon mutual agreement of both parties
138	PASONG TAMO-BUENDIA	Unit A, Lilac Tower, Oriental Garden Makati, Chino Roxas Ave., Makati City	442,451.69	August 9, 2025	renewable upon mutual agreement of both parties
139	PASONG TAMO-METROPOLITAN AVENUE	Prudence Building, 1140 Pasong Tamo, Brgy. San Antonio Village, Makati City	274,279.05	September 15, 2026	renewable upon mutual agreement of both parties
140	PATEROS	No. 104 M. Almeda Street, Pateros, Metro Manila	167,248.87	February 28, 2030	renewable upon mutual agreement of both parties
141	PEREA-GALLARDO	G/F Century Plaza Condominium, 120 Perea St., Legaspi Village, Makati City	245,730.39	January 31, 2027	renewable upon mutual agreement of both parties
142	PLAZA CERVANTES	State Investment Center Bldg., No. 333 Juan Luna St., Binondo, Manila	521,282.01	November 30, 2024	renewable upon mutual agreement of both parties
143	PLAZA LORENZO RUIZ	475 Juan Luna St., Binondo, Manila	187,357.75	August 31, 2025	renewable upon mutual agreement of both parties
144	POTRERO-MALABON	Ponciana Center, Along McArthur Highway corner Del Monte Avenue, Potrero, Malabon City	231,513.40	November 30, 2027	renewable upon mutual agreement of both parties
145	PROJECT 8-SHORTORN	No. 37 Shortorn St., Project 8, Quezon City	286,779.73	January 2, 2025	renewable upon mutual agreement of both parties
146	PUREZA-R. MAGSAYSAY BLVD.	2244 De Ocampo Memorial School Annex Bldg., R. Magsaysay Blvd. near cor. Pureza Sts., Sta. Mesa, Manila	125,419.37	August 31, 2025	renewable upon mutual agreement of both parties
147	QUIAPO	No. 117 & 119 C. Palanca St., Quiapo, Manila	128,011.04	July 15, 2031	renewable upon mutual agreement of both parties
148	QUINTIN PAREDES	No. 457-459 Quintin Paredes Street, Binondo, Manila	212,713.59	March 31, 2024	renewable upon mutual agreement of both parties
149	REINA REGENTE	852-882 Reina Regente St., Binondo, Manila	188,137.32	June 30, 2028	renewable upon mutual agreement of both parties
150	RETIRO-CORDILLERA	N. S. Amoranto corner Cordillera St., Quezon City	130,000.00	November 15, 2032	renewable upon mutual agreement of both parties
151	RETIRO-MAYON	314 N. Amoranto Ave. cor. Mayon St., Quezon City	372,689.06	February 28, 2025	renewable upon mutual agreement of both parties
152	RIZAL AVENUE EXT.-3RD AVE.	213-C Rizal Ave. Ext. Bet. 2nd & 3rd, Calocan	108,896.21	December 31, 2024	renewable upon mutual agreement of both parties
153	RIZAL-RODRIGUEZ	100 J.P. Rizal Ave., Brgy. Manggahan, Rodriguez, Rizal	211,942.50	February 28, 2031	renewable upon mutual agreement of both parties
154	ROBINSON'S PLACE-ADRIATICO	1413 M. Adriatico St., Ermita, Manila	666,000.00	March 28, 2024	renewable upon written agreement of both parties
155	ROCES AVENUE	Roces Avenue cor Scout Reyes St., Quezon City	199,499.92	March 15, 2026	renewable upon mutual agreement of both parties
156	ROXAS BLVD.-PADRE FAURA	Units C2, C3 & C4, Grand Riviera Suites, Roxas Blvd., cor. Padre Faura St., Ermita, Manila	389,710.53	May 31, 2025	renewable upon mutual agreement of both parties
157	SAN AGUSTIN-HV DELA COSTA	Unit 101 Liberty Center Bldg., 104 HV dela Costa St. cor. San Agustin St., Salcedo Vill., Makati	379,228.00	October 31, 2026	renewable upon mutual agreement of both parties
158	SAN JOAQUIN-PASIG	25 R. Jabson St., San Joaquin, Pasig City	366,164.13	February 28, 2029	renewable upon mutual agreement of both parties
159	SAN LORENZO VILLAGE	G/F la O' Ctr. 1000 A. Arnaiz Ave., Makati City	383,562.24	May 31, 2024	renewable upon mutual agreement of both parties
160	SAN NICOLAS CENTER	455 and 457 Clavel St., San Nicolas, Binondo, Manila	298,649.89	January 31, 2028	renewable upon mutual agreement of both parties
161	SHAW BLVD-CBC CENTER	CBC Corporate Center, Shaw Blvd., Mandaluyong City	150,559.75	October 15, 2025	renewable upon mutual agreement of both parties
162	SHAW BLVD-J.M. ESCRIVA	J. M. Escriva, Shaw Blvd., Pasig City	404,458.03	November 30, 2027	renewable upon mutual agreement of both parties
163	SKYLAND PLAZA	G/F Skyland Plaza Condominium, Sen. Gil Puyat Ave., Makati City	121,410.55	December 31, 2024	renewable upon mutual agreement of both parties
164	SOLER	1064-1074 Soler, Binondo Manila	234,233.02	August 31, 2026	renewable upon mutual agreement of both parties
165	STA. ANA-MANILA	G/F Commercial Bldg., 2447 Pedro Gil St., Sta. Ana, Manila	187,000.00	July 31, 2023	under negotiation
166	STA. ELENA	602 Bodega Sales Bldg., Sta. Elena St., San Nicolas St., Manila	154,247.74	March 31, 2028	renewable upon mutual agreement of both parties
167	STA. MONICA-NOVALICHES	1035 Quirino Highway, Sta. Monica, Novaliches, Quezon City	71,000.00	August 31, 2028	renewable upon mutual agreement of both parties
168	STO. CRISTO-C.M. RECTO	859 Sto. Cristo Street, Binondo, Manila	101,200.00	June 30, 2026	renewable upon mutual agreement of both parties
169	STO. CRISTO-SAN NICOLAS ST.	600 Sto. Cristo St. cor. San Nicolas St., Binondo, Manila	94,300.00	April 30, 2026	renewable upon mutual agreement of both parties
170	STO. NINO-MARIKINA	Sumulong Highway, Toyota Ave. Brgy. Sto. Niño, Marikina City	163,383.98	June 30, 2023	under negotiation
171	SUMULONG-FATIMA	Unit R-106, Antipolo Valley Mall, Brgy. Sta. Cruz, Sumulong Highway, Antipolo City	171,978.94	August 20, 2027	renewable upon mutual agreement of both parties
172	SUSANO ROAD-NOVALICHES	29 Susano Road, Novaliches Proper, Novaliches, Quezon City	276,059.70	April 30, 2026	renewable upon mutual agreement of both parties
173	TAFT AVE.-P. OCAMPO	2456 Taft Avenue, Manila	178,679.42	October 31, 2027	renewable upon mutual agreement of both parties
174	TAFT-APACIBLE	883 G. Apacible cor. Leon Guinto Sts., Ermita Manila	218,328.08	January 31, 2030	renewable upon mutual agreement of both parties
175	TAGUIG-PUREGOLD	Commercial Units 7-10, Puregold, Taguig. Gen. Luna St., Tuktukan, Taguig City	147,426.04	October 31, 2026	renewable upon mutual agreement of both parties
176	TEACHER'S VILLAGE-MAGINHAWA STREET	Ground Floor M-Place Building, 96 Maginhawa Street, Barangay Teacher's Village East, Diliman, Quezon City	220,000.00	May 31, 2033	renewable upon mutual agreement of both parties
177	THE FORT MARAJO	G/F, Marajo Tower 4th Ave. cor. 26th St., Bonifacio Global City, Taguig	568,442.49	July 14, 2028	renewable upon mutual agreement of both parties
178	TOMAS MAPUA-FUGOSO	1052-1056 Tomas Mapua corner Fugoso St., Sta. Cruz, Manila	111,390.54	September 30, 2027	renewable upon mutual agreement of both parties
179	TOMAS MORATO	46 Tomas Morato Ave. corner Scout Gandia St., Quezon City	229,731.26	August 8, 2028	renewable upon mutual agreement of both parties
180	TONDO-GAGALANGIN	2569 Juan Luna St., Gagalangin, Tondo, Manila	163,798.75	June 15, 2025	renewable upon mutual agreement of both parties
181	TORDESILLAS-GIL PUYAT AVE.	Condominium Units 102 and 103 G/F Le Triomphe Condominium, Sen. Gil Puyat Ave. cor. Dela Costa St., Salcedo Village Makati City	538,439.43	March 31, 2026	renewable upon mutual agreement of both parties
182	TUTUBAN	L5, CM17, Tutuban Centermall II along Loop Road, East and CM Recto Ave., Manila	n/a	n/a	renewable upon mutual agreement of both parties
183	TUTUBAN PRIME BLOCK	Tutuban Prime Block C, M. Recto Ave., Tondo, Manila	n/a	n/a	renewable upon mutual agreement of both parties

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184	U.N. AVENUE	G/F Manila Doctors Hospital, 667 U.N. Avenue, Ermita, Manila	742,695.00	December 31, 2023	renewable upon mutual agreement of both parties
185	V LUNA-EAST AVENUE	18 Lyman Bldg., V. Luna Road cor East Ave., Diliman, Quezon City	260,930.65	November 2, 2028	renewable upon mutual agreement of both parties
186	VALENZUELA-GEN. T. DE LEON	Our Lady of Lourdes College, Gen. T. De Leon St., Valenzuela City	171,818.62	August 31, 2024	renewable upon mutual agreement of both parties
187	VALENZUELA-NLEX GATEWAY	Unit LG-4, Valenzuela Gateway Complex, #318 Paso de Blas St., Brgy. Paso de Blas, Valenzuela City	112,453.17	December 31, 2026	renewable upon mutual agreement of both parties
188	VISAYAS AVENUE	Visayas Avenue cor. Congressional Ave., Quezon City	134,152.13	August 15, 2028	renewable upon mutual agreement of both parties
189	WACK-WACK	S & R Compound, 514 Shaw Blvd., Mandaluyong City	182,312.37	December 1, 2023	under negotiation
190	WEST SERVICE ROAD-ALABANG HILLS	G/F Don Jesus Blvd. cor. West Service Road, South Superhighway, Muntinlupa City	114,473.51	April 30, 2026	renewable upon mutual agreement of both parties
191	WEST SERVICE ROAD-MERVILLE	Km. 12, West Service Road, Pasay City	158,366.42	April 30, 2025	renewable upon mutual agreement of both parties
192	XAVIERVILLE	Xavierville Avenue, corner B. Gonzales Street, Loyola Heights, Quezon City	89,339.39	July 31, 2025	renewable upon mutual agreement of both parties
193	ZABARTE ROAD-NOVALICHES	C.I. Plaza, 1151 Old Zabarte Road cor. Quirino Highway, Kaligayahan, Novaliches, Quezon City	266,684.86	November 30, 2025	renewable upon mutual agreement of both parties
194	ZURBARAN	1662 V. Fugoso St., corner Oroquieta St., Sta. Cruz, Manila	257,384.29	December 5, 2028	renewable upon mutual agreement of both parties

**COUNTRYSIDE BRANCHES**

1	AGUINALDO-IMUS	Aguinaldo Highway, Brgy. Tanzang Luma, Imus, Cavite	145,860.75	October 18, 2029	renewable upon mutual agreement of both parties
2	AGUSAN DEL SUR	Bonifacio Street, San Francisco, Agusan Del Sur	149,585.48	August 31, 2024	renewable upon mutual agreement of both parties
3	ALBAY-DARAGA	Vicente Dy Bldg., Along Rizal St., Daraga, Albay	79,373.07	March 31, 2026	renewable upon mutual agreement of both parties
4	ANGELES-MARQUEE MALL	Space M00017, GF Marquee Mall, Francisco G. Nepomuceno Ave., Angeles City	180,668.27	September 30, 2026	renewable upon written agreement of both parties
5	ANGELES-MC ARTHUR HI-WAY	Lot 22-27, Blk. 42, Mc Arthur Hi-way, Brgy. Lourdes, Angeles City	98,592.75	January 31, 2027	renewable upon mutual agreement of both parties
6	ANGELES-STO DOMINGO	Lot 408, Sto. Rosario, Sto. Domingo, Angeles City	82,737.50	June 30, 2025	renewable upon mutual agreement of both parties
7	ANGELES-STO. ROSARIO	772 Santo Rosario St., Brgy. Santo Rosario, Angeles City	219,948.75	September 15, 2030	renewable upon mutual agreement of both parties
8	BACOLOD-AYALA CAPITOL CENTRAL	Ayala Malls Capitol Central, Gatuslao St., Brgy. 8, Bacolod City, Negros Occidental	139,868.20	October 31, 2024	renewable upon mutual agreement of both parties
9	BACOLOD-EASTSIDE	Villa Angela Arcade Annex, Circumferential Road, Bacolod City	99,242.44	April 30, 2025	renewable upon mutual agreement of both parties
10	BACOLOD-GONZAGA	MGL Bldg., Gonzaga Street, Bacolod City	140,778.36	August 31, 2024	renewable upon mutual agreement of both parties
11	BACOLOD-LACSON	Lacson-San Sebastian Sts., Brgy. 37, Bacolod City	125,371.19	April 15, 2027	renewable upon written agreement of both parties
12	BACOLOD-LIBERTAD	San Lorenzo Ruiz Bldg., Lopez Jaena St., Bacolod City	153,644.86	May 31, 2028	renewable upon written agreement of both parties
13	BACOLOD-MANDALAGAN	Paseo Verde, Lacson St., Brgy. Mandalagan, Bacolod City	92,304.03	June 10, 2024	renewable upon written agreement of both parties
14	BACOLOD-SINGCANG	UTC Building corner Araneta-Alunan Street, Bacolod City	117,967.50	February 28, 2030	renewable upon mutual agreement of both parties
15	BACOR-BAYANAN BACOR BLVD.	Altrove Building, Bacoor Blvd., Brgy. Bayanan, Bacoor City	186,046.88	March 31, 2030	renewable upon mutual agreement of both parties
16	BAGUIO BURNHAM	Heritage Mansion, Kisdad Rd. thru Abanao Ext. cor. G. Del Pilar St., Baguio City	333,193.82	September 14, 2023	under negotiation
17	BAGUIO-LUCBAN	F2 Building, No. 532 Magsaysay Avenue, Baguio City	83,530.54	January 31, 2024	renewable upon mutual agreement of both parties
18	BAGUIO-MARCOS HIGHWAY	GF Dacanay Building, Marcos Highway, Barangay Imelda Marcos, Baguio City	191,586.94	July 31, 2031	renewable upon mutual agreement of both parties
19	BAGUIO-SESSION ROAD	Porta Vaga Bldg., Session Road, Baguio City	267,931.54	December 31, 2025	renewable upon mutual agreement of both parties
20	BAIS CITY, NEGROS ORIENTAL	National Highway Cor. Aguinaldo St., Bais City, Negros Oriental	93,170.00	August 15, 2028	renewable upon mutual agreement of both parties
21	BALANGA-DON M. BANZON AVE.	Don Manuel Banzon Ave., Balanga, Bataan	107,751.38	October 21, 2023	under negotiation
22	BALUAG-TRINIDAD HIGHWAY	Doña Remedios Trinidad Highway, Baliuag	186,270.53	September 14, 2028	renewable upon mutual agreement of both parties
23	BATAAN-MARIVELES	Ground Flr. Jascana Bldg., Baseco Road, Freeport Area of Bataan (AFAB), Mariveles, Bataan	73,340.89	March 31, 2024	renewable upon mutual agreement of both parties
24	BATAC, ILOCOS NORTE	Washington St., Brgy., Ablan, Batac, Ilocos Norte	121,451.59	November 30, 2025	renewable upon mutual agreement of both parties
25	BATANGAS-CALICANTO	P. Burgos St. Extension, Brgy. Calicanto, Batangas City	118,662.47	August 8, 2025	renewable upon mutual agreement of both parties
26	BATANGAS-KUMINTANG ILAYA	PPG Building, National Highway, Kumintang Ilaya, Batangas City	85,692.42	April 14, 2025	renewable upon mutual agreement of both parties
27	BATANGAS-LIMA PARK	Units R01-S01, Block D, The Outlets at Lipa, Lima Technology Center, Brgy. Bugtong na Pulo, Lipa City, Batangas	102,697.60	October 31, 2023	under negotiation
28	BATANGAS-MABINI	Along National Road, Poblacion, Mabini, Batangas	73,500.00	November 15, 2027	renewable upon mutual agreement of both parties
29	BATANGAS-SAN JUAN	Gen. Luna cor. Dandan Sts., Poblacion, San Juan, Batangas	95,632.74	January 31, 2025	renewable upon mutual agreement of both parties
30	BATANGAS-STO. TOMAS	Brgy. 2, Maharlika Highway, Sto. Tomas, Batangas	172,200.00	July 31, 2028	renewable upon mutual agreement of both parties
31	BAUAN-BATANGAS	National Highway, Poblacion I, Bauan, Batangas City	106,981.72	May 31, 2025	renewable upon mutual agreement of both parties
32	BAYAWAN CITY, NEGROS ORIENTAL	Purok 1, National Highway, Tinago, Bayawan City, Negros Oriental	84,061.97	October 27, 2028	renewable upon mutual agreement of both parties
33	BAYBAY	Magsaysay Ave. cor. Tres Martires St., Baybay City	95,787.06	July 14, 2023	under negotiation
34	BOHOL-TALIBON	Blk. 248, Talibon Commercial Building 1, Carlos P. Garcia Street, Talibon, Bohol	60,206.31	May 31, 2023	under negotiation
35	BORACAY	Brgy Balabag, Boracay, Malay, Aklan (infront of Astoria Boracay)	169,233.58	July 14, 2030	renewable upon mutual agreement of both parties
36	BORACAY-STATION II	Brgy. Balabag, Boracay, Malay Aklan (beside Boracay Crown Regency Resort)	351,646.22	January 14, 2024	renewable upon mutual agreement of both parties
37	BORONGAN, SAMAR	Real cor. G. Abogado Street, Borongan, Eastern Samar	95,000.00	June 14, 2024	renewable upon mutual agreement of both parties
38	BUKIDNON-MALAYBALAY	Sayre Highway, Brgy. 3 Fortich St., Malaybalay City, Bukidnon	138,999.01	November 30, 2028	renewable upon mutual agreement of both parties
39	BUKIDNON-MARAMAG	JBC Tyson Bldg., National Highway, North Poblacion, Maramag, Bukidnon	73,134.04	September 20, 2029	renewable upon mutual agreement of both parties
40	BULACAN-NORZAGARAY	786 Crossing, Partida, Norzagaray, Bulacan	106,376.79	October 31, 2024	renewable upon mutual agreement of both parties
41	BULACAN-SAN ILDEFONSO	Brgy. San Juan, San Ildefonso, Bulacan	106,575.00	January 27, 2027	renewable upon mutual agreement of both parties
42	BULACAN-SAN MIGUEL	Zone 5, Tecson St., San Jose, San Miguel, Bulacan	66,651.77	January 29, 2026	renewable upon mutual agreement of both parties
43	BUTUAN-JC AQUINO	JC Aquino Ave., Butuan City	112,655.98	August 31, 2024	renewable upon mutual agreement of both parties
44	BUTUAN-MONTILLA BLVD.	Montilla corner Villameva Sts., Butuan City, Agusan del Norte	129,729.26	March 14, 2027	renewable upon mutual agreement of both parties
45	CABANATUAN-MAHARLIKA H. CONCEPCION	Priscilla Bldg., Brgy. H. Concepcion, Maharlika Highway, Cabanatuan City	124,106.26	July 7, 2026	renewable upon mutual agreement of both parties
46	CABANATUAN-MAHARLIKA NORTH	Maharlika Highway, Sangitan, Cabanatuan City	173,489.17	January 2, 2030	renewable upon the option of the lessee

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47 CAGAYAN DE ORO GAISANO-C.M. RECTO	Ground Level, Gaisano City Mall, C.M. Recto Ave., cor. Corrales Ext., Cagayan de Oro City	77,516.60	August 5, 2024	renewable upon mutual agreement of both parties
48 CALAMBA CARMELRAY	Aries 1400 Bldg., Carmelray Industrial Park (CIP) II, along National Highway, Brgy. Tulo, Calamba, Laguna	126,799.66	October 15, 2028	renewable upon mutual agreement of both parties
49 CALAMBA MARKET	Pabalan St., Calamba, Market Site, Calamba City	127,220.19	October 31, 2029	renewable upon mutual agreement of both parties
50 CALAMBA-PARIAN	728 South Nat'l Highway Brgy., Parian, Calamba, Laguna	131,299.42	March 31, 2033	renewable upon mutual agreement of both parties
51 CALAMBA-REAL	PJM Bldg., Along National Highway Brgy. Real Calamba, Laguna	145,926.39	December 31, 2023	renewable upon mutual agreement of both parties
52 CALAPAN-LALUD	J.P. Rizal cor. Bayabas St., Brgy. Laud, Calapan City, Oriental Mindoro	98,814.82	August 22, 2024	renewable upon mutual agreement of both parties
53 CALASIAO-PANGASINAN	MacArthur Highway, San Miguel, Calasiao, Pangasinan	160,262.15	May 12, 2024	renewable upon mutual agreement of both parties
54 CALBAYOG	G/F Gaisano Mall Corner Orquin and Gelera Sts., Brgy. Central, Calbayog City	144,060.28	November 30, 2027	renewable upon mutual agreement of both parties
55 CAMARINES SUR-GOA	Jose Remo Bldg., San Jose St. cor. Scout Funtabella, Goa, Camarines Sur	44,323.66	November 30, 2023	under negotiation
56 CAMILING-TARLAC	Quezon Avenue, Camiling Tarlac	61,854.79	March 31, 2024	renewable upon the option of the lessee
57 CANLUBANG-CARMELRAY	Integrity corner Excellence Avenue, Carmelray Industrial Park I, Canlubang, Laguna	157,694.32	June 30, 2024	renewable upon mutual agreement of both parties
58 CARMONA BINAN-HIGHWAY	88 National Highway, Brgy. Madya, Carmona, Cavite	83,380.79	June 15, 2024	renewable upon mutual agreement of both parties
59 CARMONA-CAVITE	Grandville Ind. Complex, Bangkal, Carmona, Cavite City	114,022.62	June 30, 2026	renewable upon mutual agreement of both parties
60 CAUAYAN-MAHARLIKA	Highway Renew Lumber Bldg., Maharlika Highway, Cauayan City	80,189.31	October 14, 2024	renewable upon mutual agreement of both parties
61 CAVITE ECONOMIC ZONE	Lot A, Cavite Economic Zone, Rosario, Cavite	18,494.04	October 11, 2024	renewable upon mutual agreement of both parties
62 CEBU M.C. BRIONES	La Nueva Supermart, City Hall Center, M.C. Briones St., Cebu City	174,980.51	June 30, 2027	renewable upon mutual agreement of both parties
63 CEBU-A.S. FORTUNA OAKRIDGE	Ground Floor Unit 3-102 & Unit 3-103, OITC 3, Oakridge Business Park, A.S. Fortuna Street, Banilad, Mandaue City, Cebu	232,031.73	November 14, 2025	renewable upon mutual agreement of both parties
64 CEBU-ARGAO	Prince Warehouse Club, Lakandula St., cor. Kintanar St., Argoa, Cebu City	53,053.10	January 15, 2024	renewable upon mutual agreement of both parties
65 CEBU-AYALA CENTER MALL	Stall PL11/EBB1, Basement Level 1, Ayala Center Cebu, Archbishop Reyes Ave., Cebu Business Park, Cebu City	267,534.00	November 30, 2020	under negotiation
66 CEBU-BALAMBAN	E.S. Bingham St., Balamban, Cebu City	55,404.58	July 31, 2028	renewable upon mutual agreement of both parties
67 CEBU-BOGO	SIM Building, P. Rodriguez St., Bogo City, Cebu	70,000.00	August 15, 2027	renewable upon mutual agreement of both parties
68 CEBU-CARCAR	Gaisano Price Club Carcar, Poblacion III, Awayan, Carcar City, Cebu	136,516.89	August 31, 2022	under negotiation
69 CEBU-CONSOLACION	Cansaga Road, National Highway, Consolacion, Cebu	158,250.55	July 15, 2026	renewable upon mutual agreement of both parties
70 CEBU-DANAO CITY	C.P. Garcia Avenue, Danao City, Cebu	87,187.45	January 16, 2027	renewable upon mutual agreement of both parties
71 CEBU-FLB CORPORATE CENTER	FLB Corporate Center, Bohol Ave., Cebu Business Park, Cebu City	155,483.90	April 30, 2025	renewable upon mutual agreement of both parties
72 CEBU-GORORDO	117 Gorordo Avenue, Lahug, Cebu City	186,892.24	March 14, 2028	renewable upon mutual agreement of both parties
73 CEBU-GUADALUPE	No. 97 M. Velez St., Guadalupe Cebu	218,295.00	December 31, 2024	renewable upon mutual agreement of both parties
74 CEBU-IT PARK	Ayala Malls Central Bloc, Blk. 10 Cebu IT Park, Apas, Cebu City	244,804.70	November 14, 2024	renewable upon mutual agreement of both parties
75 CEBU-LAHUG	JEG Tower, Arch. Reyes Ave. cor. Acacia St., Cebu City	175,554.75	November 30, 2031	renewable upon mutual agreement of both parties
76 CEBU-LEON KILAT	Gaisano Capital South cor. Colon & Leon Kilat Sts., Cebu City	93,611.58	November 17, 2023	under negotiation
77 CEBU-LILOAN	Gaisano Grandmall, Purok Sampaguita, Poblacion, Liloan Cebu	87,938.15	January 31, 2026	renewable upon mutual agreement of both parties
78 CEBU-MACTAN MEPZ	Mactan Economic Zone 1, Lapu-lapu City	97,729.03	June 30, 2028	renewable upon mutual agreement of both parties
79 CEBU-MAMBALING	N. Basalco Avenue (Cebu South Road), Mambaling, Cebu City	137,467.97	August 30, 2028	renewable upon mutual agreement of both parties
80 CEBU-MEPZ II	N.G.A. Devt. Corp. Bldg., MEPZ II, Basak, Lapu Lapu City	181,673.89	July 15, 2025	renewable upon mutual agreement of both parties
81 CEBU-MINGLANILLA	Carlita Uno Building, Cebu South Road, Poblacion Barangay Ward 1, Minglanilla Cebu	154,709.64	July 15, 2028	renewable upon mutual agreement of both parties
82 CEBU-NORKIS CYBERPARK	GF, Unit 3, Cyberpark BPO Bldg., A.S. Fortuna St. Cor. V. Albano St., Brgy. Bakilid, Mandaue City, Cebu	116,602.05	July 14, 2026	renewable upon mutual agreement of both parties
83 CEBU-PARKMALL	North Reclamation Area, Mandaue City	195,276.08	February 29, 2024	renewable upon mutual agreement of both parties
84 CEBU-SRP TALISAY	Gaisano Capital SRP Mall, Brgy. San Roque, SRP Highway, Talisay City, Cebu	93,235.71	January 7, 2023	under negotiation
85 CEBU-TALAMBAN	PNF Commercial Bldg., Talamban, Cebu City	84,000.00	August 31, 2027	renewable upon mutual agreement of both parties
86 CEBU-TOLEDO	Along Diosdado Macapagal Highway, Barangay Poblacion, Toledo City, Cebu	200,373.21	June 21, 2034	renewable upon mutual agreement of both parties
87 CLARK	Unit 24, The Pavilion Mall, PhilExcel Business Park Clark Freeport Zone, Pampanga	106,855.49	March 15, 2028	renewable upon mutual agreement of both parties
88 CONCEPCION-TARLAC	Concepcion Consumers Marketing Bldg., Poblacion, Concepcion, Tarlac	88,271.46	October 31, 2025	renewable upon mutual agreement of both parties
89 COTABATO-QUEZON	Crossroads Arcade Building, Quezon Ave., Cotabato City	91,930.74	May 31, 2031	renewable upon mutual agreement of both parties
90 DAGUPAN-FERNANDEZ AVENUE	Vicar Bldg., AB Fernandez Avenue, Dagupan City	144,031.79	June 30, 2031	renewable upon mutual agreement of both parties
91 DAGUPAN-PEREZ	Siapno Bldg., Perez Boulevard, Dagupan City	155,132.82	December 31, 2027	renewable upon mutual agreement of both parties
92 DAGUPAN-TAPUAC	No. 371, Tapuac District, Dagupan City, Pangasinan	85,109.75	July 10, 2026	renewable upon mutual agreement of both parties
93 DASMARINAS-SALAWAG	Salawag Crossing, Molino-Paliparan Rd., Dasmariñas City, Cavite	114,345.00	November 30, 2031	renewable upon mutual agreement of both parties
94 DAVAO C.M. RECTO	Hotel UNO, C.M. Recto Street, Davao City	224,180.05	May 15, 2028	renewable upon mutual agreement of both parties
95 DAVAO ORIENTAL-MATI	Andrada Bldg., 56 Rizal St., Mati City, Davao Oriental	65,000.00	December 31, 2026	renewable upon mutual agreement of both parties
96 DAVAO-ABREZZA	Ground Floor, Abrezza Mall, J.P. Laurel Avenue, Brgy. 20-B, Davao City	283,174.62	April 30, 2023	under negotiation
97 DAVAO-AIRPORT VIEW	LDL Commercial Bldg., Phil-Japan Friendship Highway, Catitipan, Davao City (Fronting Davao International Airport)	118,196.44	July 31, 2028	renewable upon mutual agreement of both parties
98 DAVAO-BAJADA	JP Laurel Avenue, Bajada, Davao City	143,938.75	June 30, 2026	renewable upon mutual agreement of both parties
99 DAVAO-BANGYO CHINATOWN	Delgar Commercial Bldg., F. Bangoy St., Davao City	206,843.76	October 15, 2028	renewable upon mutual agreement of both parties
100 DAVAO-D. SUAZO	Sta. Ana Avenue corner Damaso Suazo Street, Davao City	103,500.00	January 31, 2026	renewable upon mutual agreement of both parties
101 DAVAO-DAMOSA	Damosa Business Center, Anglionto Ave., Lanang, Davao City	105,057.59	June 14, 2028	renewable upon mutual agreement of both parties
102 DAVAO-DOCTORS	Santos Bldg. 2 corner Gov. Duterte St. and Quirino Avenue Davao City	94,268.05	February 15, 2032	renewable upon mutual agreement of both parties
103 DAVAO-ECOLAND	Quimpo Blvd. Cor. Eco W. Drive, Ecoland District, Davao City	163,800.00	September 15, 2027	renewable upon mutual agreement of both parties
104 DAVAO-GAISANO J.P. LAUREL	Upper Ground Level, Gaisano Mall, J.P. Laurel Ave., Davao City	163,403.54	October 31, 2025	renewable upon mutual agreement of both parties
105 DAVAO-I.T. PARK MATINA	GF, Bldg. 2, Matina I.T. Park, McArthur Highway, Matina, Davao City	191,442.23	May 31, 2028	renewable upon mutual agreement of both parties
106 DAVAO-LANANG	Insular Village Phase 1, Lanang, Davao City	109,036.21	May 31, 2025	renewable upon mutual agreement of both parties
107 DAVAO-MATINA	Catotal Building, Km 5, MacArthur Highway, Matina, Davao City	92,019.90	March 15, 2028	renewable upon mutual agreement of both parties
108 DAVAO-PANABO	Lot 9, Block 13, National Highway, Barangay Santo Niño, Panabo City	127,682.50	April 30, 2032	renewable upon mutual agreement of both parties

**METROPOLITAN BANK & TRUST COMPANY**  
**NATIONWIDE BRANCHES**  
**UNDER LEASE**  
As of December 31, 2023

BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
109 DAVAO-TIONKO	Tionko Ave., Brgy. 10-A Poblacion, Davao City	130,337.70	November 15, 2026	renewable upon mutual agreement of both parties
110 DINALUPIHAN, BATAAN	No. 3 San Ramon Highway, Dinalupihan, Bataan	90,294.75	October 4, 2025	renewable upon mutual agreement of both parties
111 DIPOLOG-QUEZON	Grnd. Flr., Top Plaza Hotel Cor., Quezon Ave., & Echaves St., Dipolog City	155,317.08	December 31, 2024	renewable upon mutual agreement of both parties
112 DUMAGUETE-CAPITOL	Victoria Residence Condominium Bldg., Capitol Front, North National Highway, Dumaguete City	98,589.12	July 15, 2023	under negotiation
113 FPIP-STO TOMAS, BATANGAS	First Philippine Industrial Park (FPiP), Sto. Tomas, Batangas	109,950.39	July 31, 2023	under negotiation
114 GEN. TRIAS-CAVITE	Governor's Drive, Manggahan, Gen. Trias, Cavite	55,000.00	February 28, 2026	renewable upon mutual agreement of both parties
115 GUIGUINTO-BULACAN	GF HPL Centre Annex II, Cagayan Valley Road, Sta. Cruz, Guiguinto, Bulacan	100,000.00	February 15, 2032	renewable upon mutual agreement of both parties
116 GUIGUINTO-RIS	RIS 5, Industrial Complex, Tab, Guiguinto, Bulacan	42,542.72	January 15, 2028	renewable upon mutual agreement of both parties
117 GUIUAN, EASTERN SAMAR	Lugay St., Brgy. 08, Guiuan, Eastern Samar	55,125.00	July 24, 2026	renewable upon mutual agreement of both parties
118 HAGONUY-BULACAN	Poblacion, Hagonoy, Bulacan	84,426.03	March 2, 2025	renewable upon mutual agreement of both parties
119 IBA-ZAMBALES	G/F Magsaysay National Highway, Iba, Zambales	85,323.05	March 31, 2021	under negotiation
120 ILIGAN-ROXAS AVENUE	Eltnal Building, Roxas Avenue corner Zamora St., Iligan City	82,730.66	September 30, 2024	renewable upon mutual agreement of both parties
121 ILOCOS NORTE-SAN NICOLAS	McKinley Bldg., National Highway, San Nicolas, Ilocos Norte	103,738.32	December 31, 2027	renewable upon mutual agreement of both parties
122 ILOCOS SUR-TAGUDIN	JTC Tagudin Central, Brgy. Del Pilar, National Highway, Tagudin, Ilocos Sur	70,616.46	October 30, 2024	renewable upon mutual agreement of both parties
123 ILOILO-DIVERSION ROAD	JSD Bldg., 88 B.S. Aquino Avenue (Iloilo Diversion Road), Mandurriao, Iloilo City	112,866.12	October 14, 2025	renewable upon mutual agreement of both parties
124 ILOILO-GUANCO	Guanco Street, Iloilo City	130,071.28	December 31, 2023	renewable upon mutual agreement of both parties
125 ILOILO-JARO	JEC Diakonia Bldg. cor. Plaza Rizal & E. Lopez Sts., Jaro, Iloilo City	137,640.45	August 31, 2029	renewable upon mutual agreement of both parties
126 ILOILO-JM BASA	Ground Floor, Magdalena Bldg, J.M. Basa St., Iloilo City	150,916.28	May 15, 2023	under negotiation
127 ILOILO-LA PAZ	Rizal corner Huervana Sts., La Paz Iloilo City	186,440.80	February 15, 2026	renewable upon mutual agreement of both parties
128 ILOILO-MABINI	Valiant Building, Mabini Street, Iloilo City	99,079.57	October 14, 2025	renewable upon mutual agreement of both parties
129 ILOILO-MANDURRIAO	Along Q. Abeto St., Mandurriao, Iloilo City	84,218.66	November 30, 2023	under negotiation
130 ILOILO-OTON	Gaisano Capital Oton, JC Zulueta St. cor. Benedicto St., Oton, Iloilo	91,011.26	May 17, 2023	under negotiation
131 ILOILO-PAVIA	GT Town Center, Benigno S. Aquino, Jr. Avenue, Ungka II, Pavia, Iloilo	129,282.30	November 30, 2026	renewable upon mutual agreement of both parties
132 ILOILO-QUINTIN SALAS	Brgy. Quintin Salas, McArthur Highway, Tagbac, Jaro, Iloilo City	88,647.33	December 15, 2023	under negotiation
133 JAGNA, BOHOL	Along National Highway, Pagina, Jagna, Bohol	99,225.00	September 7, 2026	renewable upon mutual agreement of both parties
134 KALINGA-TABUK	National Highway, Brgy. Bulanao, Tabuk City, Kalinga	103,421.88	September 23, 2024	renewable upon mutual agreement of both parties
135 LA TRINIDAD-BENGUET	JB78 Central Pico KM. 4, La Trinidad, Benguet	181,670.81	November 15, 2023	under negotiation
136 LA UNION-AGOO	Sta. Barbara, National Highway, Agoo, La Union	220,000.00	September 15, 2033	renewable upon mutual agreement of both parties
137 LA UNION-BAUANG	McArthur Highway, National Rd., Brgy. Central West, Bauang, La Union	85,085.44	June 15, 2024	renewable upon mutual agreement of both parties
138 LA UNION-ML QUEZON	Kenny's Plaza, Quezon Ave., San Fernando City, La Union	92,466.60	March 15, 2025	renewable upon mutual agreement of both parties
139 LA UNION-ROSARIO	NORLU CEDEC Building, MacArthur Highway, Camp One, Rosario, La Union	82,256.00	July 31, 2033	renewable upon mutual agreement of both parties
140 LAOAG-GEN. SEGUNDO AVE.	Gen. Segundo Avenue Laoag City	134,009.55	October 31, 2025	renewable upon mutual agreement of both parties
141 LA-UNION-SEVILLA MONUMENTO	Tan Bldg., Quezon Avenue, National Highway, Brgy. Sevilla, San Fernando City, La Union	94,500.00	May 15, 2026	renewable upon mutual agreement of both parties
142 LEGAZPI-ALBAY DISTRICT	863 Rizal St., Albay District, Legazpi City	58,109.84	October 25, 2024	renewable upon mutual agreement of both parties
143 LEGAZPI-MARISON	Marison Plaza, Tahao Rd. cor. Lakandula Dr., Brgy 38, Gogon, Legazpi City	98,784.00	December 31, 2029	renewable upon mutual agreement of both parties
144 LEYTE-PALO CATHEDRAL	Cathedral Compound Cor. Brgy. Luntad & Maharlika Highway, Palo, Leyte	767,164.68	May 22, 2040	renewable upon mutual agreement of both parties
145 LEYTE-PALOMPON	Ipil 1, Public Market, Palompon, Leyte	31,322.06	July 15, 2028	renewable upon mutual agreement of both parties
146 LIGAO CITY, ALBAY	Chua Kim Chio Bldg., McKinley St., Ligao City, Albay	85,394.14	September 15, 2026	renewable upon mutual agreement of both parties
147 LIPA-AYALA	Ayala Highway, Brgy. San Carlos, (Lipa by-pass) Lipa City	124,860.53	November 30, 2024	renewable upon mutual agreement of both parties
148 LIPA-CATHEDRAL	Brgy. 9A, C.M. Recto Ave., Lipa City	147,087.50	December 19, 2030	renewable upon mutual agreement of both parties
149 LIPA-TAMBO	National Road, Brgy. Tambo, Lipa City	70,917.86	August 15, 2024	renewable upon mutual agreement of both parties
150 LOS BAÑOS	Olivarez Plaza, National Highway, Los Banos, Laguna	185,185.73	November 30, 2029	renewable upon written agreement of both parties
151 LUCENA-IYAM	ML Tagarao St., Gaisano/Pacific Mall Compound, Iyam, Lucena City	85,516.97	August 15, 2031	renewable upon mutual agreement of both parties
152 LUCENA-RED V	5365 Dalahican Road, Purok 1, Little Baguio, Red-V, Lucena City	70,355.02	September 14, 2025	renewable upon mutual agreement of both parties
153 MALOLOS-CABANAS	The Cabanas, KM 44/45, Mac Arthur Highway, Malolos City	54,541.60	October 31, 2023	under negotiation
154 MALOLOS-MC ARTHUR HIGHWAY	CARZEN Bldg. MacArthur Highway, Malolos City	161,627.07	November 15, 2025	renewable upon mutual agreement of both parties
155 MAASIN, SOUTHERN LEYTE	Tomas Oppus St., Maasin City, Southern Leyte	97,733.67	September 15, 2023	under negotiation
156 MASBATE	Zurbito Street, Masbate	80,000.00	June 15, 2026	renewable upon mutual agreement of both parties
157 MEXICO-GLOBAL PLAZA MALL	Global Plaza Mall, Brgy. Panipuan, Mexico, Pampanga	77,400.00	November 30, 2032	renewable upon mutual agreement of both parties
158 MEYCAUAYAN-IBA	287 Iba Road, Brgy. Iba, Meycauayan City, Bulacan	117,593.39	October 31, 2026	renewable upon mutual agreement of both parties
159 MIDSAYAP	ML Quezon Ave., Poblacion 6, Midsayap, Cotabato	93,855.88	January 31, 2026	renewable upon mutual agreement of both parties
160 MISAMIS OCCIDENTAL-OROQUIETA	Mayor Enerio St., Pob. 2, Oroquieta City, Miss. Occ.	48,866.84	August 14, 2026	renewable upon mutual agreement of both parties
161 NAGA-ROXAS AVENUE	Doña Dolores Bldg., Diversion Road, Naga City	87,494.91	May 14, 2027	renewable upon mutual agreement of both parties
162 NASUGBU-BATANGAS	J.P. Laurel corner R. Martinez Sts., Nasugbu, Batangas	116,349.62	October 15, 2027	renewable upon mutual agreement of both parties
163 NAVAL-BILIRAN	Along Ballesteros St., Brgy. Santissimo Rosario, Naval, Biliran	57,881.25	August 15, 2024	renewable upon mutual agreement of both parties
164 NEGROS OCCIDENTAL-CADIZ CITY	Villena St., Cadiz City, Negros Occidental	79,350.44	August 31, 2024	renewable upon mutual agreement of both parties
165 NEGROS OCCIDENTAL-KABANKALAN CITY	Mercedes Bldg., Brgy. 5 Guanzon St., Public Plaza, Kabankalan City, Negros Occidental	68,214.30	December 31, 2029	renewable upon mutual agreement of both parties
166 NUEVA ECija-GUIMBA	Faigal St., Sto. Cristo, Guimba, Nueva Ecija	96,104.78	October 15, 2024	renewable upon mutual agreement of both parties
167 NUEVA ECija-TALAVERA	Marcos District, Maharlika Highway, Brgy. Marcos Talavera, Nueva Ecija	90,720.23	March 26, 2027	renewable upon mutual agreement of both parties
168 NUEVA VIZCAYA-BAMBANG	National Highway, Banggot, Bambang, Nueva Vizcaya	96,034.60	October 15, 2029	renewable upon mutual agreement of both parties
169 ORIENTAL MINDORO-PINAMALAYAN	Armando Mariano Bldg. corner Mabini St. and Quezon St., Pinamalayan Oriental Mindoro	52,500.00	July 15, 2027	renewable upon mutual agreement of both parties
170 ORMOC-COGON	Lilia Ave., Cogon, Ormoc City	173,767.49	November 30, 2025	renewable upon mutual agreement of both parties



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	BRANCHES	ADDRESS	MONTHLY RENTAL (In Pesos)	EXPIRATION OF LEASE	TERM OF RENEWAL
171	PAGADIAN-RIZAL	Ariosa Street, San Francisco District, Pagadian City	236,900.00	February 28, 2029	renewable upon mutual agreement of both parties
172	PAGADIAN-STA. LUCIA	J.P. Rizal Avenue, Pagadian City	116,458.65	May 31, 2026	renewable upon mutual agreement of both parties
173	PALAWAN-CORON	#45 Don Pedro St., Brgy. 2, Coron, Palawan	46,539.85	August 31, 2023	under negotiation
174	PALAWAN-EL NIDO	Sea Shell Hotel, Rizal and Real Sts., Brgy. Buena Suerte, El Nido, Palawan	164,608.40	February 28, 2024	renewable upon mutual agreement of both parties
175	PAMPANGA-LUBAO	VIMA Bldg., Jose Abad Santos Ave. (JASA), Sta. Cruz, Lubao, Pampanga	70,544.25	December 15, 2023	under negotiation
176	PANGASINAN-BAYAMBANG	Rizal Avenue, Poblacion Sur, Bayambang, Pangasinan	87,227.30	November 15, 2026	renewable upon mutual agreement of both parties
177	PANGASINAN-LINGAYEN	Avenida Rizal East, Lingayen, Pangasinan	147,745.54	June 15, 2025	renewable upon mutual agreement of both parties
178	PANGASINAN-MANGALDAN	Casa Filomena, 546 Rizal Avenue, Mangaldan, Pangasinan	75,789.47	July 15, 2028	renewable upon mutual agreement of both parties
179	PANGASINAN-MANGATAREM	Brgy. Poblacion, Mangatarem, Pangasinan	77,390.52	October 15, 2029	renewable upon mutual agreement of both parties
180	PASEO DE STA. ROSA	Paseo 5, Paseo de Sta. Rosa, Greenfield City, Sta. Rosa, Laguna	172,546.25	July 31, 2027	renewable upon mutual agreement of both parties
181	PUERTO PRINCESA-SAN PEDRO	Along National Highway, Brgy. San Pedro, Puerto Princesa, Palawan	176,852.08	August 12, 2026	renewable upon mutual agreement of both parties
182	PULILAN-BULACAN	Doña Remedios Trinidad, National Highway, Sto. Cristo, Pulilan, Bulacan	107,751.38	September 15, 2026	renewable upon mutual agreement of both parties
183	QUEZON-CANDELARIA	Maharlika Highway, Poblacion, Candelaria, Quezon	80,536.45	September 15, 2027	renewable upon mutual agreement of both parties
184	ROSARIO-BATANGAS	Gualberto Ave., Brgy. D. Poblacion, Rosario, Batangas (beside Tan Wanam Grocery)	99,225.00	December 14, 2026	renewable upon mutual agreement of both parties
185	ROXAS-ARNALDO BLVD.	Unit 10 & 11 Gaisano Arcade Comm'l Complex, Arnaldo Blvd., Roxas City	110,263.07	March 31, 2023	under negotiation
186	ROXAS-ISABELA	No. 34 National Road cor. Gen. A. Luna St. Bantug Roxas, Isabela	117,510.00	January 11, 2025	renewable upon mutual agreement of both parties
187	SAN CARLOS, PANGASINAN	Mabini St., San Carlos City, Pangasinan	70,930.66	February 28, 2026	renewable upon the option of the lessee
188	SAN FERNANDO-DOLORES MCARTHUR	LK Bldg., Dolores City, San Fernando, Pampanga	82,687.00	June 30, 2026	renewable upon mutual agreement of both parties
189	SAN FERNANDO-MAC ARTHUR HI-WAY	Medical Arts Bldg. Mother Theresa of Calcutta Medical Center Mac Arthur Hiway, Brgy. Maimpis San Fernando City, Pampanga	121,830.90	September 19, 2025	renewable upon mutual agreement of both parties
190	SAN FERNANDO-SINDALAN	McArthur Highway, Sindalan, San Fernando Pampanga	160,459.75	December 15, 2028	renewable upon mutual agreement of both parties
191	SAN JOSE DEL MONTE-MUZON	Carriedo St., Zone 3, Brgy. Muzon, San Jose Del Monte City, Bulacan	108,427.14	May 31, 2027	renewable upon the option of the lessee
192	SAN PEDRO-LAGUNA	National Highway, San Pedro, Laguna	255,256.31	May 1, 2024	renewable upon mutual agreement of both parties
193	SAN PEDRO-SHOPWISE PACITA	Shopwise San Pedro, Along National Highway, Brgy. Landayan, Pacita Complex, San Pedro, Laguna	85,766.12	June 30, 2024	renewable upon mutual agreement of both parties
194	SANTIAGO CITY ROAD	G/F and 2/F Commercial Bldg., City Road Centro, West Santiago City	73,335.54	November 30, 2025	renewable upon mutual agreement of both parties
195	SIQUIJOR-SIQUIJOR	Brgy. Poblacion, Siquijor, Siquijor	30,387.66	October 13, 2029	renewable upon mutual agreement of both parties
196	SOGOD, SOUTHERN LEYTE	Along J.P. Rizal Street, Sogod, Southern Leyte	112,942.98	May 30, 2024	renewable upon mutual agreement of both parties
197	SORSOGON	Magsaysay cor. Nening Berenguer St., Sorsogon, Sorsogon	94,591.57	July 28, 2027	renewable upon mutual agreement of both parties
198	SOUTH COTABATO-POLOMOLOK	Gaisano Grand Mall Polomolok, GL 06 & GL 07, Polomolok, South Cotabato	96,245.67	March 31, 2024	renewable upon mutual agreement of both parties
199	STA. MARIA-BAGBAGUIN	Along F. Halili Ave., Bagbaguin, Sta. Maria, Bulacan	98,398.13	October 15, 2025	renewable upon mutual agreement of both parties
200	STA. CRUZ-LAGUNA	1527 P. Guevarra St., Sta. Cruz, Laguna	124,106.26	June 15, 2028	renewable upon mutual agreement of both parties
201	SUBIC BARACA	Lot 83 National Highway, Baraca-Camachile, Subic, Zambales	187,187.96	July 14, 2028	renewable upon mutual agreement of both parties
202	SUBIC BAY	Bldg. 640, Sampson Rd., Subic Bay Freeport Zone, Zambales, Olongapo City	131,127.24	April 30, 2027	renewable upon mutual agreement of both parties
203	SURIGAO DEL SUR-TANDAG	Along National Highway, Brgy. Mabua, Tandag City, Surigao del Sur	67,962.95	October 31, 2028	renewable upon mutual agreement of both parties
204	SURIGAO-GAISANO CAPITAL MALL	Gaisano Capital Mall, GF, Unit 01, KM4 Brgy. Luna, National Highway, Surigao City	78,379.01	September 16, 2023	under negotiation
205	TACLOBAN-MARASBARAS	Marasbaras National Highway Tacloban City	131,941.39	January 31, 2030	renewable upon mutual agreement of both parties
206	TAGBILARAN-COGON	JUNEVIL Bldg., Beldero Street, Cogon District, Tagbilaran City	84,141.35	July 31, 2025	renewable upon mutual agreement of both parties
207	TAGUM-APOKON	Apokon Road, Maguppo East, Tagum City	92,711.69	September 30, 2028	renewable upon mutual agreement of both parties
208	TARLAC-CAPAS	City Center, Capas Bldg., McArthur Highway, Capas, Tarlac	75,084.29	October 31, 2025	renewable upon mutual agreement of both parties
209	TAWI TAWI-BONGAO	Awwal St., Bongao, Tawi-Tawi	92,440.79	November 15, 2028	renewable upon mutual agreement of both parties
210	TAYUG, PANGASINAN	Bonifacio St., National Highway, Tayug, Pangasinan	69,785.83	January 31, 2026	renewable upon option of the lessee
211	TUBIGON, BOHOL	Jose P. Dual cor. Salustiano Baura St., Centro, Tubigon, Bohol	75,883.03	October 15, 2026	renewable upon mutual agreement of both parties
212	TUGUEGARAO-BALZAIN	Balzain Highway, Tuguegarao City, Cagayan	109,942.54	August 31, 2024	renewable upon mutual agreement of both parties
213	TUGUEGARAO-BUNTUN	Buntun Highway, Tuguegarao City	104,900.77	February 28, 2026	renewable upon mutual agreement of both parties
214	URDANETA-NANCAYASAN	S. Com Bldg., MacArthur Highway, Nancayasan, Urdaneta City, Pangasinan	94,557.15	May 31, 2029	renewable upon mutual agreement of both parties
215	VIGAN	Quezon Avenue, Vigan Ilocos Sur	150,868.42	May 15, 2026	renewable upon mutual agreement of both parties
216	VIGAN-MARKET	Vigan Landmark Commercial Building, Brgy. VIII, Vigan City	129,250.00	October 31, 2032	renewable upon mutual agreement of both parties
217	ZAMBOANGA DEL SUR-MOLAVE	Along Rizal Avenue, Molave, Zamboanga Del Sur	53,188.40	March 31, 2024	renewable upon mutual agreement of both parties
218	ZAMBOANGA SIBUGAY-IPIL	National Highway, Poblacion Ipil, Zamboanga Sibugay	61,083.55	August 15, 2031	renewable upon mutual agreement of both parties
219	ZAMBOANGA-CANELAR	Mayor Jaldon Street, Canelar, Zamboanga City	152,058.75	August 17, 2024	renewable upon mutual agreement of both parties
220	ZAMBOANGA-GUIWAN	National Highway, Brgy. Guiwan, Zamboanga City	130,972.46	September 14, 2024	renewable upon mutual agreement of both parties
221	ZAMBOANGA-LA PURISIMA	GF, Senior High School Bldg. (SHS), Ateneo de Zamboanga University, La Purisima St., Zamboanga City	214,214.93	September 15, 2028	renewable upon mutual agreement of both parties
222	ZAMBOANGA-NUÑEZ EXT	Nunez Extension, Zamboanga City	139,438.57	January 3, 2025	renewable upon mutual agreement of both parties

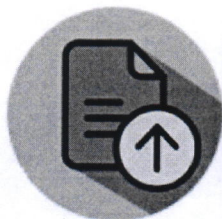
**METROPOLITAN BANK & TRUST COMPANY  
EVENTS PREVIOUSLY REPORTED UNDER  
SEC FORM 17-C (CURRENT REPORT)  
FOR THE YEAR ENDED DECEMBER 31, 2023 AND  
INTERIM PERIOD ENDED APRIL 11, 2024**

<b>Particulars</b>		<b>Date of Report</b>
1	The Board of Directors (BOD) of Metrobank approved the holding of Annual Stockholders' Meeting (ASM) on Wednesday, April 26, 2023 at 2:00 p.m., with March 10, 2023 as the Record Date. The meeting will be held purely on virtual mode via Cisco Webex. The BOD also granted the President the authority to change the date, time and place of the meeting as well as the Record Date as may be required by exigencies.	January 25, 2023
2	Appointment of Ms. Aline A. Novilla with the rank of Senior Vice President (SVP) as Head, Internal Audit Group effective February 16, 2023. She will replace Mr. Leo R. Fragante who will retire on February 16, 2023.	January 25, 2023
3	Metrobank submitted copies of its Published Balance Sheet and Consolidated Balance Sheet as of December 31, 2022.	February 2, 2023
4	Revised write-up on the profile of Ms. Aline A. Novilla in her appointment as the Bank's Head of Internal Group effective February 16, 2023.	February 15, 2023
5	Metrobank will hold an Analysts' Briefing on February 27, 2023 (Monday), at 4:30 p.m. to discuss the Bank's financial results for the full year 2022.	February 22, 2023
6	Metrobank submitted a copy of the Audited Financial Statements of Metropolitan Bank & Trust Company and Subsidiaries as of December 31, 2022 and 2021 and for the years ended December 31, 2022, 2021 and 2020 and the corresponding Management Discussion and Analysis.	February 22, 2023
7	Metrobank released to the press the statement entitled "Metrobank's net income rises 48% to Php32.8 billion in 2022. High dividend payout sustained on strong capital position."	February 22, 2023
8	Press Release: "Metrobank's net income rises 48% to PHP32.8 billion in 2022; High dividend payout sustained on strong capital position".	February 22, 2023
9	The BOD of Metrobank approved the declaration of regular cash dividend payable on semi-annual basis at P0.80 per share. The first payment to be paid to all stockholders as of March 17, 2023 (Record Date), with March 31, 2023 as the payment date and to authorize the President to change the dates as may be required by exigencies.	February 22, 2023
10	The BOD of Metrobank approved the declaration of P1.40 special cash dividend to be paid to all stockholders as of March 17, 2023 (Record Date), with March 31, 2023 as the payment date and to authorize the President to change the dates as may be required by exigencies.	February 22, 2023
11	Appointment of Ms. Angelica S. Reyes as Head of Trust Banking Group and Trust Officer effective April 16, 2023. She will replace Mr. Leandro Antonio G. Santillan who will transfer to another unit within the Bank.	February 22, 2023
12	Retirement and appointment of the following officers effective April 1, 2023: a. Retirement of Mr. Ferlou I. Evangelista as Head, Commercial Banking Group b. Appointment of Mr. Christopher Hector L. Reyes as Head, Commercial Banking Group	March 9, 2023
13	Amendment of the disclosure regarding the approval of holding of ASM on Wednesday, April 26, 2023 at 2:00 p.m., with March 10, 2023 as the Record Date, to include the Agenda, Explanatory Notes, and Proxy Form.	March 31, 2023
14	The BOD of Metrobank approved the promotion of Mr. Christian Paul Philippe D. Orlino from FVP/Head, Institutional Transaction Banking Group to SVP/Head, Institutional Banking Group effective May 1, 2023.	April 26, 2023
15	Metrobank reported the results of the ASM held on April 26, 2023 via CISCO Webex Events application. No physical venue was provided for the Meeting. The Stockholders' approved the following items included in the Agenda: 1. Minutes of the ASM held on April 27, 2022; 2. Ratification of all Acts and Resolutions of the BOD, Management and all Committees from April 27, 2022 to April 25, 2023; 3. Election of Directors for 2023 to 2024; and 4. Appointment of SGV & Co. as External Auditor for the year 2022 to 2023. Votes casts during the Meeting were conducted by the Company's Stock Transfer Agent and validated by SGV & Co.	April 26, 2023

Particulars		Date of Report
16	Metrobank reported the following items that were approved during the Organizational Meeting of the BOD on April 26, 2023: 1. Appointment of the Chairman, Vice-Chairman, President, Treasurer, Concurrent Corporate Secretary/General Counsel, Assistant Corporate Secretary, Compliance Officer, Senior Advisers and Advisers. 2. Reconstitution of the members of the Board-level Committee	April 26, 2023
17	Amendment of the disclosure regarding the results of the ASM of Metrobank held on April 26, 2023, to indicate voting results and resolutions passed during the meeting.	April 28, 2023
18	Metrobank will hold an Analysts' Briefing on May 8, 2023 (Monday), at 4:00 p.m. to discuss the Bank's financial results for the first quarter of 2023.	May 2, 2023
19	Metrobank released to the press the statement entitled "Metrobank reports a solid net income growth of 31% to PHP10.5 billion in 1Q 2023."	May 4, 2023
20	Press Release: "Metrobank reports a solid net income growth of 31% to PHP10.5 billion in 1Q 2023".	May 4, 2023
21	Metrobank submitted copies of its Published Balance Sheet and Consolidated Balance Sheet as of March 31, 2023.	May 4, 2023
22	Retirement/Appointment of Officer effective May 16, 2023: a. Retirement of Mr. Paul Robert Y. Murga as Head of Operations Group b. Appointment of Mr. Jose Antonio O. Vasco as Deputy Head of Operations Group	May 16, 2023
23	Amendment of initial disclosure on Mr. Jose Antonio O. Vasco's appointment. He is appointed as the Head of Operations Group effective May 16, 2023.	May 16, 2023
24	Resignation of Mr. Ricardo D. Peña as SVP/Head, Strategic Support and Transformation Division effective May 27, 2023.	May 18, 2023
25	Metrobank will hold an Analysts' Briefing on August 3, 2023 (Thursday), at 4:00 p.m. to discuss the Bank's financial results for the first half of 2023.	July 24, 2023
26	Metrobank released to the press the statement entitled "Metrobank sustains robust net income growth of 34% to PHP20.9 billion in 1 <sup>st</sup> half 2023".	August 2, 2023
27	Press Release: "Metrobank sustains robust net income growth of 34% to PHP20.9 billion in 1 <sup>st</sup> half 2023".	August 2, 2023
28	Metrobank changed its business address from Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City to GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, Makati City due to temporary relocation of the Metrobank Head Office to give way to the re-development of Metrobank Head Office Building.	August 11, 2023
29	Metrobank submitted copies of its Published Balance Sheet and Consolidated Balance Sheet as of June 30, 2023.	August 23, 2023
30	The BOD of Metrobank, in its regular meeting held on August 23, 2023, approved the fixing of September 8, 2023 as the record date and September 22, 2023 as payment date for the second payout of the regular cash dividend of Php0.80 per share representing the second half of the previously approved Php1.60 regular cash dividend per share last February 22, 2023.	August 23, 2023
31	Metrobank released to the press the statement entitled "Metrobank named the Asian Banker's Strongest Bank".	September 26, 2023
32	Press Release: "Metrobank first to get three-peat Strongest Bank title from The Asian Banker".	September 26, 2023
33	Metrobank will hold an Analysts' Briefing on October 27, 2023 (Friday), at 4:00 p.m. to discuss the Bank's financial results for the first nine months of 2023.	October 20, 2023
34	Metrobank released to the press the statement entitled "Metrobank reports its highest net income of PHP31.8B in 9M 2023, up by 36%".	October 26, 2023
35	Press Release: "Metrobank reports its highest net income of PHP31.8B in 9M 2023, up by 36%".	October 26, 2023
36	Metrobank will participate in the PSE STAR: Investor Day 2023 on November 15, 2023 (Wednesday), at 1:00PM, organized by the Philippine Stock Exchange.	November 9, 2023
37	Metrobank submitted copies of its Published Balance Sheet and Consolidated Balance Sheet as of September 30, 2023.	November 22, 2023
38	Cessation of Mr. Richard Benedict Sha So as Head of Products, Channels and Overseas Banking Group effective December 25, 2023 due to death.	December 27, 2023
39	The BOD of Metrobank approved the holding of ASM on Wednesday, April 24, 2024 at 2:00 p.m., with March 8, 2024 as the Record Date. The BOD also granted the President the authority to approve the venue of, or manner of conducting the ASM and to change the date and time of the meeting as well as the Record Date as may be required by exigencies.	January 17, 2024
40	Resignation of Mr. David Peter Buckley Holmes as SVP/Head, Branch Operations Support Group effective February 11, 2024.	January 22, 2024
41	Metrobank will hold an Analysts' Briefing on February 26, 2024 (Monday), at 4:00 p.m. to discuss the Bank's financial results for the full year 2023.	February 16, 2024

Particulars		Date of Report
42	Metrobank submitted copies of its Published Balance Sheet and Consolidated Balance Sheet as of December 31, 2023.	February 19, 2024
43	Metrobank released to the press the statement entitled “Metrobank books 29% increase in full-year net income in 2023”.	February 21, 2024
44	Press Release: “Metrobank books 29% increase in full-year net income in 2023”.	February 21, 2024
45	Metrobank submitted a copy of the Audited Financial Statements of Metropolitan Bank & Trust Company and Subsidiaries as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021 and the corresponding Management Discussion and Analysis.	February 21, 2024
46	The BOD of Metrobank approved the declaration of Php3.00 regular cash dividend payable on semi-annual basis. The first payment to be paid to all stockholders as of March 8, 2024 (Record Date), with March 25, 2024 as the payment date and to authorize the President to change the dates as may be required by exigencies.	February 21, 2024
47	The BOD of Metrobank approved the declaration of Php2.00 special cash dividend to be paid to all stockholders as of March 8, 2024 (Record Date), with March 25, 2024 as the payment date and to authorize the President to change the dates as may be required by exigencies.	February 21, 2024
48	The President of Metrobank approved the planned issuance of Reg S only USD-denominated Senior Unsecured Notes (the “Notes”) of 500 Million, with option to upsize.	February 23, 2024
49	Metrobank released to the press the statement entitled “Metrobank raises landmark USD1 billion from international debt capital markets”	February 29, 2024
50	Press Release: “Metrobank raises landmark USD1 billion from international debt capital markets”	February 29, 2024
51	Metrobank provided further details on the approval to issue Reg S only USD-denominated Senior Unsecured Notes (the “Notes”) of 500 Million, with option to upsize.	February 29, 2024
52	Retirement of Ms. Lita Salonga Tan as SVP/Deputy Head of Branch Banking Sector effective March 1, 2024.	February 29, 2024
53	Amendment of Notice of Annual Stockholders’ Meeting to reflect the venue and agenda of the meeting.	March 18, 2024
54	Amendment of Notice of Annual Stockholders’ Meeting to include the Notice, Explanatory Notes and Proxy Form.	March 26, 2024

## File Upload




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Submission Date/Time:

**Apr 12, 2024 05:49 PM**

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**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

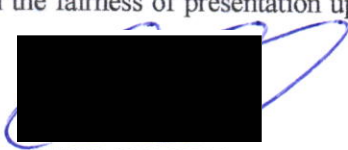


The management of Metropolitan Bank & Trust Company and Subsidiaries (the Group) and of Metropolitan Bank & Trust Company (the Parent Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group and the Parent Company'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 Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the 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.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has audited the financial statements of the Group and of the Parent Company 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.

  
**ARTHUR TY**  
Chairman  
**FABIAN S. DEE**  
President  
**JOSHUA E. NAING**  
SEVP and Head, Financial and  
Control Sector  
**FERNAND ANTONIO A. TANSINGCO**  
SEVP, Treasurer and Head, Financial  
Markets Sector  
**RENATO K. DE BORJA, JR.**  
SVP, Controller and  
Deputy Head, Financial and Control Sector

Signed this 21st day of February, 2024.

SUBSCRIBED AND SWORN to before me at \_\_\_\_\_ this \_\_\_\_\_, affiants exhibiting to me their respective Passports with the following details:

TAGUIG CITY  
MAR 04 2024

Names	Passport No.	Date/Place of Issue	Valid Until
ARTHUR TY			
FABIAN S. DEE			
JOSHUA E. NAING			
FERNAND ANTONIO A. TANSINGCO			
RENATO K. DE BORJA, JR.			



ATTY. LOURDES B. BARRERO

Notary Public - Taguig City

Appoint No. 156 (2023-2024) until December 31, 2024  
2/F The Shops at Grand Central Park, 7th Avenue corner  
36th and 38th Streets, North Bonifacio District, Taguig City



Doc. No. 48 ;  
Page No. 10 ;  
Book No. 11 ;  
Series of 2024.

**Exhibit 4****COVER SHEET**

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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**COMPANY NAME**

M	E	T	R	O	P	O	L	I	T	A	N		B	A	N	K		&		T	R	U	S	T		C	O	M	P	
A	N	Y		A	N	D		S	U	B	S	I	D	I	A	R	I	E	S											

**PRINCIPAL OFFICE** (No. / Street / Barangay / City / Town / Province)

G	T		T	o	w	e	r		I	n	t	e	r	n	a	t	i	o	n	a	l	,		6	8	1	3		
A	y	a	l	a		A	v	e	.	,		c	o	r	n	e	r		H	.	V	.		D	e	l	a		
C	o	s	t	a		S	t	.	,		B	r	g	y	.		B	e	l	-	A	i	r	,		1	2	2	7
M	a	k	a	t	i		C	i	t	y																			

Form Type

A	A	F	S
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Department requiring the report

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Secondary License Type, If Applicable

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**COMPANY INFORMATION**

Company's Email Address

<https://www.metrobank.com.ph>

Company's Telephone Number

8537-2892

Mobile Number

N/A

No. of Stockholders

2,950

Annual Meeting (Month / Day)

04/24

Fiscal Year (Month / Day)

12/31

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

Name of Contact Person

RENATO K. DE BORJA, JR.

Email Address

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Telephone Number/s

8537-2892

Mobile Number

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**CONTACT PERSON'S ADDRESS**

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

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





## INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders  
Metropolitan Bank & Trust Company

### Report on the Consolidated and Parent Company Financial Statements

#### Opinion

We have audited the consolidated financial statements of Metropolitan Bank & Trust Company and its subsidiaries (the Group) and the parent company financial statements of Metropolitan Bank & Trust Company (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2023 and 2022, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated and parent company financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2023 and 2022, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2023, in accordance with Philippine Financial Reporting Standards (PFRS).

#### Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report. We are independent of the Group and the Parent Company 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 company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and parent company financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and parent company financial statements.

**Applicable to the audit of the consolidated and parent company financial statements**

**Allowance for Credit Losses**

The Group's and the Parent Company's application of the expected credit loss (ECL) model in calculating the allowance for credit losses on loans and receivables is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting the Group's and the Parent Company's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality, taking into account extension of payment terms; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset, expected recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information in calculating ECL.

Allowance for credit losses on loans and receivables as of December 31, 2023 for the Group and the Parent Company amounted to ₱51.59 billion and ₱40.96 billion, respectively. Provision for credit losses of the Group and the Parent Company in 2023 amounted to ₱7.93 billion and ₱6.19 billion, respectively.

Refer to Notes 2, 3 and 15 of the financial statements for the disclosure on the details of the allowance for credit losses using the ECL model.

**Audit response**

We obtained an understanding of the Board approved methodologies and models used for the Group's and the Parent Company's different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider time value of money and the best available forward-looking information.

We (a) assessed the Group's and the Parent Company's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place, and management's assessment of the impact of the coronavirus pandemic on the counterparties; (c) tested the Group's and the Parent Company's application of internal credit risk rating system, including the impact of the coronavirus pandemic on the borrowers, by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's and the Parent Company's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) checked



the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge, including the impact of the coronavirus pandemic; and (h) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models by reconciling data from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated impairment provisions on a sample basis. We involved our internal specialists in the performance of the above procedures. We reviewed the completeness of the disclosures made in the financial statements.

#### Realizability of Deferred Tax Assets

As of December 31, 2023, the deferred tax assets of the Group and the Parent Company amounted to ₱14.17 billion and ₱11.9 billion, respectively. The recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of the Group and the Parent Company.

The disclosures in relation to deferred income taxes are included in Notes 3 and 28 of the financial statements.

#### Audit Response

We involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by the Group and the Parent Company and the applicable tax rate. We also re-performed the calculation of the deferred tax assets. We reviewed the management's assessment on the availability of future taxable income in reference to financial forecast and tax strategies. We evaluated management's forecast by comparing the loan portfolio and deposit growth rates to the historical performance of the Group and Parent Company and the industry, including future market circumstances and taking into consideration the impact associated with the coronavirus pandemic.

#### Applicable to the audit of the consolidated financial statements

##### Recoverability of Goodwill

As of December 31, 2023, the Group has goodwill amounting to ₱4.72 billion as a result of various business acquisitions. Under PFRS, the Group is required to annually test the amount of goodwill for impairment. The Group performed the impairment testing using the cash generating unit's (CGU) fair value less costs to sell (FVLCTS). The annual impairment test is significant to our audit because the determination of the CGU's FVLCTS requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty. The CGU's assets include significant investments in unquoted equity shares and their fair values were determined using price-to-earnings (P/E) ratios of comparable companies and adjusted net asset valuation (NAV) method. Other assets of the CGU include investments in quoted equity shares and debt financial assets, and real properties, while liabilities include unquoted debt financial liabilities.



The disclosures relating to goodwill are included in Notes 3 and 11 to the financial statements.

#### *Audit response*

We involved our internal specialist in obtaining an understanding of the Group's impairment assessment process including methodology and assumptions used in the assessment and in evaluating the assumptions and methodology used by the Group in determining the FVLCTS of the CGU, in particular those relating to the use of P/E ratios of comparable companies and adjusted NAV method in the valuation of the unquoted equity shares. We tested the fair value of the other assets and liabilities by referring to the quoted prices of listed equity and debt instruments, agreeing the appraised values of real estate properties to the appraisal reports, comparing the future cash flows of unquoted debt instruments to the related contracts, and comparing the discount rates used against prevailing interest rates for similar instruments. We also re-performed the calculation of the FVLCTS.

#### **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 for the year ended December 31, 2023, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and parent company 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 company financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and parent company financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company Financial Statements**

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

In preparing the consolidated and parent company financial statements, management is responsible for assessing the Group's and the Parent Company'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 Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

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



## **Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company 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 PSAs 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 company financial statements.

As part of an audit in accordance with PSAs, 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 company 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 Group's and the Parent Company'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 Group's and the Parent Company'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 company 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 Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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, related safeguards.

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

**Report on the Supplementary Information Required Under Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 and Revenue Regulations No. 15-2010**

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 BSP Circular No. 1074 in Note 37 and Revenue Regulations No. 15-2010 in Note 38 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of the Parent Company. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information 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 Miguel U. Ballelos, Jr..

SYCIP GORRES VELAYO & CO.

*Miguel U. Ballelos Jr.*

Miguel U. Ballelos, Jr.

Partner

CPA Certificate No. 109950

Tax Identification No. 241-031-088

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025

PTR No. 10079903, January 5, 2024, Makati City

February 21, 2024



**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**  
(In Millions)

	Consolidated		Parent Company	
	December 31			
	2023	2022	2023	2022
ASSETS				
Cash and Other Cash Items	₱39,431	₱40,683	₱37,692	₱38,701
Due from Bangko Sentral ng Pilipinas (BSP) (Notes 4 and 16)	207,807	252,628	198,061	215,074
Due from Other Banks (Note 4)	90,535	75,472	65,831	56,675
Interbank Loans Receivable and Securities Purchased Under Resale Agreements (SPURA) (Notes 4, 7 and 26)	72,979	73,744	59,186	65,535
Investment Securities at Fair Value Through Profit or Loss (FVTPL) (Notes 5 and 8)	74,856	63,599	66,501	55,656
Fair Value Through Other Comprehensive Income (FVOCI) (Notes 4, 5 and 8)	536,623	530,464	442,674	418,047
Amortized Cost (Notes 4, 5 and 8)	470,638	317,776	438,437	285,108
Loans and Receivables (Notes 4, 5 and 9)	1,537,166	1,418,382	1,335,336	1,239,560
Property and Equipment (Note 10)	27,243	27,153	20,323	20,257
Investments in Subsidiaries (Note 11)	—	—	75,894	71,754
Investments in Associates and a Joint Venture (Note 11)	6,241	5,877	605	561
Goodwill (Note 11)	4,720	5,194	—	—
Investment Properties (Notes 5 and 12)	8,107	7,901	3,597	3,310
Deferred Tax Assets (Note 28)	14,171	13,362	11,900	12,274
Other Assets (Note 14)	14,385	10,855	10,329	7,237
	₱3,104,902	₱2,843,090	₱2,766,366	₱2,489,749
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 16 and 32)				
Demand	₱586,345	₱581,473	₱536,772	₱536,516
Savings	853,028	898,078	807,153	851,860
Time	925,885	715,415	757,204	528,914
Long-Term Negotiable Certificates	17,514	26,158	12,430	21,080
	2,382,772	2,221,124	2,113,559	1,938,370
Bills Payable and Securities Sold Under Repurchase Agreements (SSURA) (Notes 5, 17 and 32)	156,896	91,322	141,081	76,456
Derivative Liabilities (Notes 5 and 8)	16,865	16,865	16,862	16,855
Manager’s Checks and Demand Drafts Outstanding	7,048	6,501	5,533	5,487
Income Taxes Payable	3,601	1,478	3,479	1,307
Accrued Interest and Other Expenses (Note 18)	19,785	13,956	15,674	10,202
Subordinated Debts (Notes 5 and 20)	—	1,169	—	1,169
Bonds Payable (Notes 5, 19 and 32)	70,089	88,409	70,089	83,761
Non-equity Non-controlling Interest (Notes 5 and 21)	10,260	10,139	—	—
Other Liabilities (Note 21)	70,848	64,037	42,739	36,949
	2,738,164	2,515,000	2,409,016	2,170,556

(Forward)



	Consolidated		Parent Company	
	December 31			
	2023	2022	2023	2022
<b>EQUITY</b>				
<b>Equity Attributable to Equity Holders of the Parent Company</b>				
Common stock (Note 23)	<b>₱89,948</b>	₱89,948	<b>₱89,948</b>	₱89,948
Capital paid in excess of par value (Note 23)	<b>85,252</b>	85,252	<b>85,252</b>	85,252
Treasury stock (Notes 23 and 32)	<b>(70)</b>	(72)	<b>(70)</b>	(72)
Surplus reserves (Note 24)	<b>2,752</b>	2,613	<b>2,752</b>	2,613
Surplus (Note 23)	<b>204,896</b>	176,374	<b>204,896</b>	176,374
Net unrealized losses on investment securities at FVOCI (Note 8)	<b>(10,065)</b>	(23,076)	<b>(10,065)</b>	(23,076)
Remeasurement losses on retirement plans (Notes 11 and 27)	<b>(7,491)</b>	(4,404)	<b>(7,491)</b>	(4,404)
Equity in other comprehensive income (losses) of investees (Note 11)	<b>116</b>	(145)	<b>116</b>	(145)
Translation adjustment and others (Note 11)	<b>(8,673)</b>	(7,982)	<b>(7,988)</b>	(7,297)
	<b>356,665</b>	318,508	<b>357,350</b>	319,193
<b>Non-controlling Interest</b> (Note 11)	<b>10,073</b>	9,582	—	—
	<b>366,738</b>	328,090	<b>357,350</b>	319,193
	<b>₱3,104,902</b>	₱2,843,090	<b>₱2,766,366</b>	₱2,489,749

See accompanying Notes to Financial Statements.





# METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

## STATEMENTS OF INCOME

(In Millions, Except Earnings Per Share)

	Consolidated			Parent Company		
	Years Ended December 31					
	2023	2022	2021	2023	2022	2021
<b>INTEREST INCOME ON</b>						
Loans and receivables (Notes 9 and 32)	<b>₱100,539</b>	₱70,181	₱65,525	<b>₱84,789</b>	₱55,696	₱48,637
Investment securities at FVOCI and at amortized cost (Note 8)	<b>43,614</b>	25,938	16,896	<b>37,654</b>	22,001	14,540
Investment securities at FVTPL (Note 8)	<b>2,058</b>	1,776	1,198	<b>1,921</b>	1,671	1,059
Interbank loans receivable and securities purchased under resale agreements (SPURA) (Notes 7 and 32)	<b>3,429</b>	1,548	872	<b>2,728</b>	1,052	528
Deposits with banks and others	<b>3,972</b>	2,927	2,686	<b>2,159</b>	1,423	1,714
	<b>153,612</b>	102,370	87,177	<b>129,251</b>	81,843	66,478
<b>INTEREST AND FINANCE CHARGES</b>						
Deposit liabilities (Notes 16 and 32)	<b>41,120</b>	11,420	5,502	<b>33,640</b>	7,129	2,835
Bills payable and securities sold under repurchase agreements, bonds payable, subordinated debts and others (Notes 13, 17, 19, 20, 21 and 32)	<b>7,522</b>	5,421	6,626	<b>6,826</b>	4,386	4,561
	<b>48,642</b>	16,841	12,128	<b>40,466</b>	11,515	7,396
<b>NET INTEREST INCOME</b>	<b>104,970</b>	85,529	75,049	<b>88,785</b>	70,328	59,082
<b>PROVISION FOR CREDIT AND IMPAIRMENT</b>						
<b>LOSSES</b> (Notes 3 and 15)	<b>8,978</b>	8,112	11,834	<b>6,661</b>	5,740	7,683
<b>NET INTEREST INCOME AFTER PROVISION</b> <b>FOR CREDIT AND IMPAIRMENT LOSSES</b>	<b>95,992</b>	77,417	63,215	<b>82,124</b>	64,588	51,399
<b>OTHER OPERATING INCOME</b>						
Service charges, fees and commissions (Notes 25 and 32)	<b>16,390</b>	15,035	13,418	<b>13,079</b>	11,773	10,135
Foreign exchange gain (loss) - net (Note 32)	<b>4,096</b>	(2,427)	1,946	<b>3,805</b>	(2,697)	1,805
Profit from assets sold (Notes 10, 12 and 14)	<b>2,113</b>	898	381	<b>1,594</b>	230	154
Leasing (Notes 12, 13 and 32)	<b>2,019</b>	1,990	1,904	<b>159</b>	162	183
Income from trust operations (Notes 24 and 32)	<b>1,220</b>	1,541	1,655	<b>1,173</b>	1,494	1,609
Dividends (Note 8)	<b>257</b>	198	158	<b>19</b>	9	15
Trading and securities gain/(loss) - net (Notes 8, 21 and 32)	<b>(94)</b>	6,401	3,366	<b>(128)</b>	6,534	3,201
Miscellaneous (Note 25)	<b>2,503</b>	3,157	3,003	<b>1,255</b>	1,269	1,618
	<b>28,504</b>	26,793	25,831	<b>20,956</b>	18,774	18,720
<b>OTHER OPERATING EXPENSES</b>						
Compensation and fringe benefits (Notes 27 and 32)	<b>28,263</b>	26,129	25,268	<b>21,633</b>	19,812	19,176
Taxes and licenses (Note 28)	<b>11,460</b>	8,058	7,931	<b>9,498</b>	6,136	5,976
Depreciation and amortization (Notes 10, 12 and 14)	<b>6,922</b>	5,976	6,430	<b>4,311</b>	3,453	3,779
Occupancy and equipment-related costs (Note 13)	<b>1,966</b>	1,863	1,948	<b>1,506</b>	1,397	1,459
Miscellaneous (Note 25)	<b>20,911</b>	18,970	17,896	<b>17,115</b>	14,915	14,026
	<b>69,522</b>	60,996	59,473	<b>54,063</b>	45,713	44,416
<b>INCOME BEFORE SHARE IN NET INCOME</b> <b>OF SUBSIDIARIES, ASSOCIATES AND</b> <b>A JOINT VENTURE</b>						
	<b>54,974</b>	43,214	29,573	<b>49,017</b>	37,649	25,703
<b>SHARE IN NET INCOME OF SUBSIDIARIES,</b> <b>ASSOCIATES AND A JOINT VENTURE</b> (Note 11)						
	<b>875</b>	704	568	<b>5,281</b>	4,168	2,251
<b>INCOME BEFORE INCOME TAX</b>	<b>55,849</b>	43,918	30,141	<b>54,298</b>	41,817	27,954
<b>PROVISION FOR INCOME TAX</b> (Note 28)	<b>12,890</b>	10,620	7,777	<b>12,060</b>	9,041	5,798
<b>NET INCOME</b>	<b>₱42,959</b>	₱33,298	₱22,364	<b>₱42,238</b>	₱32,776	₱22,156
Attributable to:						
Equity holders of the Parent Company (Note 31)	<b>₱42,238</b>	₱32,776	₱22,156			
Non-controlling interest (Note 11)	<b>721</b>	522	208			
	<b>₱42,959</b>	₱33,298	₱22,364			
<b>Basic/Diluted Earnings Per Share Attributable</b> <b>to Equity Holders of the Parent Company</b> (Note 31)						
	<b>₱9.39</b>	₱7.29	₱4.93			

See accompanying Notes to Financial Statements.



**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2023	2022	2021	2023	2022	2021
Net Income	₱42,959	₱33,298	₱22,364	₱42,238	₱32,776	₱22,156
Other Comprehensive Income for the Year,						
Net of Tax						
Items that may not be reclassified to profit or loss:						
Change in net unrealized gain (loss) on equity securities at FVOCI	256	(62)	137	135	168	46
Change in remeasurement gain (loss) on retirement plans (Notes 11 and 27)	(3,157)	318	99	(3,087)	343	31
	(2,901)	256	236	(2,952)	511	77
Items that may be reclassified to profit or loss:						
Change in net unrealized gain (loss) on investment in debt securities at FVOCI (Note 8)	12,685	(19,270)	(11,505)	12,791	(19,492)	(11,414)
Change in equity in other comprehensive gains (losses) of investees (Note 11)	263	(26)	(96)	261	(27)	(96)
Translation adjustment and others (Note 11)	(719)	(257)	1,702	(691)	(271)	1,573
	12,229	(19,553)	(9,899)	12,361	(19,790)	(9,937)
Total Comprehensive Income for the Year	₱52,287	₱14,001	₱12,701	₱ 51,647	₱13,497	₱12,296
Attributable to:						
Equity holders of the Parent Company	₱51,647	₱13,497	₱12,296			
Non-controlling interest	640	504	405			
	₱52,287	₱14,001	₱12,701			

See accompanying Notes to Financial Statements.



# METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

## STATEMENTS OF CHANGES IN EQUITY

(In Millions)

	Consolidated											
	Equity Attributable to Equity Holders of the Parent Company											
	Common Stock (Note 23)	Capital Paid In Excess of Par Value (Note 23)	Treasury Stock (Note 23)	Surplus Reserves (Note 24)	Surplus (Note 23)	Net Unrealized Gain (Loss) on Investment Securities at FVOCI (Note 8)	Remeasurement Losses on Retirement Plans (Notes 11 and 27)	Equity in Other Comprehensive Income (Losses) of Investees (Note 11)	Translation Adjustment and Others (Note 11)	Non-controlling Interest (Note 11)	Total Equity	
Balance as at January 1, 2023	₱89,948	₱85,252	(₱72)	₱2,613	₱176,374	(₱23,076)	(₱4,404)	(₱145)	(₱7,982)	₱318,508	₱9,582	₱328,090
Total comprehensive income (loss) for the year	—	—	—	—	42,238	12,926	(3,087)	261	(691)	51,647	640	52,287
Transfer to surplus reserves	—	—	—	139	(139)	—	—	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(13,492)	—	—	—	—	(13,492)	(149)	(13,641)
Realized loss on sale of equity securities at FVOCI (Note 8)	—	—	—	—	(85)	85	—	—	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(5)	—	—	—	—	—	—	(5)	—	(5)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	7	—	—	—	—	—	—	7	—	7
Balance as at December 31, 2023	₱89,948	₱85,252	(₱70)	₱2,752	₱204,896	(₱10,065)	(₱7,491)	₱116	(₱8,673)	₱356,665	₱10,073	₱366,738
Balance as at January 1, 2022	₱89,948	₱85,252	(₱70)	₱2,442	₱157,260	(₱3,751)	(₱4,747)	(₱118)	(₱7,711)	₱318,505	₱9,227	₱327,732
Total comprehensive income (loss) for the year	—	—	—	—	32,776	(19,324)	343	(27)	(271)	13,497	504	14,001
Transfer to surplus reserves	—	—	—	171	(171)	—	—	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(13,492)	—	—	—	—	(13,492)	(149)	(13,641)
Realized gain on sale of equity securities at FVOCI (Note 8)	—	—	—	—	1	(1)	—	—	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(14)	—	—	—	—	—	—	(14)	—	(14)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	12	—	—	—	—	—	—	12	—	12
Balance as at December 31, 2022	₱89,948	₱85,252	(₱72)	₱2,613	₱176,374	(₱23,076)	(₱4,404)	(₱145)	(₱7,982)	₱318,508	₱9,582	₱328,090
Balance as at January 1, 2021	₱89,948	₱85,252	(₱65)	₱2,260	₱153,282	₱7,611	(₱4,778)	(₱22)	(₱9,284)	₱324,204	₱8,971	₱333,175
Total comprehensive income (loss) for the year	—	—	—	—	22,156	(11,368)	31	(96)	1,573	12,296	405	12,701
Transfer to surplus reserves	—	—	—	182	(182)	—	—	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(17,990)	—	—	—	—	(17,990)	(149)	(18,139)
Realized loss on sale of equity securities at FVOCI (Note 8)	—	—	—	—	(6)	6	—	—	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(14)	—	—	—	—	—	—	(14)	—	(14)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	9	—	—	—	—	—	—	9	—	9
Balance as at December 31, 2021	₱89,948	₱85,252	(₱70)	₱2,442	₱157,260	(₱3,751)	(₱4,747)	(₱118)	(₱7,711)	₱318,505	₱9,227	₱327,732



	Parent Company									
	Common Stock (Note 23)	Capital Paid In Excess of Par Value (Note 23)	Treasury Stock (Note 23)	Surplus Reserves (Note 24)	Surplus (Note 23)	Net Unrealized Gain (Loss) on Investment Securities at FVOCI (Note 8)	Remeasurement Losses on Retirement Plans (Notes 11 and 27)	Equity in Other Comprehensive Income (Losses) of Investees (Note 11)	Translation Adjustment and Others (Note 11)	Total Equity
Balance as at January 1, 2023	₱89,948	₱85,252	(₱72)	₱2,613	₱176,374	(₱23,076)	(₱4,404)	(₱145)	(₱7,297)	₱319,193
Total comprehensive income (loss) for the year	—	—	—	—	42,238	12,926	(3,087)	261	(691)	51,647
Transfer to surplus reserves	—	—	—	139	(139)	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(13,492)	—	—	—	—	(13,492)
Realized gain on sale of equity securities at FVOCI	—	—	—	—	(85)	85	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(5)	—	—	—	—	—	—	(5)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	7	—	—	—	—	—	—	7
Balance as at December 31, 2023	₱89,948	₱85,252	(₱70)	₱2,752	₱204,896	(₱ 10,065)	(₱7,491)	₱116	(₱7,988)	₱357,350
Balance as at January 1, 2022	₱89,948	₱85,252	(₱70)	₱2,442	₱157,260	(₱3,751)	(₱4,747)	(₱118)	(₱7,026)	₱319,190
Total comprehensive income (loss) for the year	—	—	—	—	32,776	(19,324)	343	(27)	(271)	13,497
Transfer to surplus reserves	—	—	—	171	(171)	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(13,492)	—	—	—	—	(13,492)
Share in realized gain on sale of equity securities at FVOCI (Note 8)	—	—	—	—	1	(1)	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(14)	—	—	—	—	—	—	(14)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	12	—	—	—	—	—	—	12
Balance as at December 31, 2022	₱89,948	₱85,252	(₱72)	₱2,613	₱176,374	(₱23,076)	(₱4,404)	(₱145)	(₱7,297)	₱319,193
Balance as at January 1, 2021	₱89,948	₱85,252	(₱65)	₱2,260	₱153,282	₱7,611	(₱4,778)	(₱22)	(₱8,599)	₱324,889
Total comprehensive income (loss) for the year	—	—	—	—	22,156	(11,368)	31	(96)	1,573	12,296
Transfer to surplus reserves	—	—	—	182	(182)	—	—	—	—	—
Cash dividend (Note 23)	—	—	—	—	(17,990)	—	—	—	—	(17,990)
Share in realized loss on sale of equity securities at FVOCI (Note 8)	—	—	—	—	(6)	6	—	—	—	—
Acquisition of Parent Company shares by mutual fund subsidiary	—	—	(14)	—	—	—	—	—	—	(14)
Disposal of Parent Company shares held by mutual fund subsidiary	—	—	9	—	—	—	—	—	—	9
Balance as at December 31, 2021	₱89,948	₱85,252	(₱70)	₱2,442	₱157,260	(₱3,751)	(₱4,747)	(₱118)	(₱7,026)	₱319,190

See accompanying Notes to Financial Statements.



# METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES

## STATEMENTS OF CASH FLOWS

(In Millions)

	Consolidated			Parent Company		
	Years Ended December 31					
	2023	2022	2021	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Income before income tax	<b>₱55,849</b>	₱43,918	₱30,141	<b>₱54,298</b>	₱41,817	₱27,954
Adjustments for:						
Provision for credit and impairment losses (Note 15)	<b>8,978</b>	8,112	11,834	<b>6,661</b>	5,740	7,683
Depreciation and amortization (Notes 10, 12 and 14)	<b>5,788</b>	4,992	5,049	<b>3,366</b>	2,635	2,590
Unrealized market valuation loss (gain) on financial assets and liabilities at FVTPL	<b>755</b>	(4,359)	(868)	<b>859</b>	(4,651)	(739)
Gain on initial recognition of investment properties and chattel properties acquired in foreclosure (Note 25)	<b>(836)</b>	(1,302)	(813)	<b>(105)</b>	(83)	(41)
Amortization of software costs (Note 14)	<b>1,134</b>	984	1,381	<b>945</b>	818	1,189
Profit from assets sold (Notes 10 and 12)	<b>(2,113)</b>	(898)	(381)	<b>(1,594)</b>	(230)	(154)
Share in net income of subsidiaries, associates and a joint venture (Note 11)	<b>(875)</b>	(704)	(568)	<b>(5,281)</b>	(4,168)	(2,251)
Trading and securities gain on investment securities at FVOCI (Note 8)	<b>(153)</b>	(697)	(3,691)	<b>(87)</b>	(676)	(3,676)
Amortization of discount on subordinated debts, bonds payable and lease liability (Notes 19 and 20)	<b>612</b>	474	573	<b>493</b>	346	414
Dividends (Note 8)	<b>(257)</b>	(198)	(158)	<b>(19)</b>	(9)	(15)
Gain on disposal of investment securities at amortized cost (Note 8)	—	—	(12)	—	—	—
Decrease (increase) in:						
Investment securities at FVTPL	<b>(12,012)</b>	68	22,165	<b>(11,697)</b>	(366)	23,098
Loans and receivables	<b>(127,450)</b>	(190,216)	5,082	<b>(102,724)</b>	(187,776)	(16,433)
Other assets	<b>(6,436)</b>	(1,523)	(2,506)	<b>(6,614)</b>	(1,160)	(1,145)
Increase (decrease) in:						
Deposit liabilities	<b>161,648</b>	290,841	133,069	<b>175,189</b>	277,823	77,636
Bills payable - deposit substitutes	<b>(1,055)</b>	(2,444)	(5,593)	<b>(375)</b>	(181)	(1,329)
Manager’s checks and demand drafts outstanding	<b>547</b>	1,105	(628)	<b>46</b>	684	(690)
Accrued interest and other expenses	<b>5,829</b>	4,097	709	<b>5,472</b>	2,967	803
Other liabilities	<b>6,160</b>	8,310	4,883	<b>5,099</b>	7,746	(2,707)
Non-equity non-controlling interest	<b>121</b>	(480)	2,304	—	—	—
Net cash provided for operations	<b>96,234</b>	160,080	201,972	<b>123,932</b>	141,276	112,187
Dividends received (Note 8)	<b>257</b>	198	158	<b>19</b>	9	15
Income taxes paid	<b>(11,809)</b>	(9,020)	(7,154)	<b>(10,016)</b>	(7,690)	(5,821)
Net cash provided by operating activities	<b>84,682</b>	151,258	194,976	<b>113,935</b>	133,595	106,381
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Acquisitions of:						
Investment securities at FVOCI (Note 4)	<b>(718,070)</b>	(879,279)	(1,684,305)	<b>(119,769)</b>	(256,734)	(1,180,324)
Property and equipment (Note 10)	<b>(3,751)</b>	(3,116)	(3,229)	<b>(2,181)</b>	(1,296)	(1,682)
Investment securities at amortized cost (Note 4)	<b>(152,360)</b>	(240,172)	(64,089)	<b>(150,296)</b>	(228,167)	(52,097)
Proceeds from sale of:						
Investment securities at FVOCI (Notes 4 and 11)	<b>721,065</b>	976,907	1,598,874	<b>104,631</b>	380,525	1,152,643
Investment properties (Note 12)	<b>2,800</b>	1,526	1,487	<b>2,014</b>	491	418
Property and equipment (Note 10)	<b>408</b>	455	453	<b>62</b>	101	85
Proceeds from:						
Disposal of investment securities at amortized cost (Notes 4 and 8)	—	—	379	—	—	—
Maturity of investment securities at amortized cost (Note 4)	<b>2,143</b>	6,825	4,417	—	164	2,996
Decrease (increase) in interbank loans receivable and SPURA (Note 26)	<b>(1,356)</b>	6,437	18,326	<b>5,516</b>	3,988	17,398
Cash dividends from investees (Note 11)	<b>36</b>	442	708	<b>1,132</b>	1,132	1,132
Net cash used in investing activities	<b>(149,085)</b>	(129,975)	(126,979)	<b>(158,891)</b>	(99,796)	(59,431)

(Forward)



	Consolidated			Parent Company		
	Years Ended December 31					
	2023	2022	2021	2023	2022	2021
<b>CASH FLOWS FROM FINANCING</b>						
<b>ACTIVITIES</b> (Note 26)						
Settlements of bills payable	(₱3,439,226)	(₱2,697,815)	(₱883,146)	(₱2,721,810)	(₱2,413,819)	(₱721,518)
Availments of bills payable and SSURA	3,505,855	2,721,247	819,459	2,786,810	2,437,942	666,710
Proceeds from issuance of bonds payable (Note 19)	—	23,523	18,844	—	23,523	18,844
Repayments of:						
Bonds payable (Note 19)	(18,400)	(17,500)	(32,210)	(13,750)	(17,500)	(21,750)
Subordinated debts (Note 20)	(1,170)	—	—	(1,170)	—	—
Cash dividends paid (Note 23)	(13,641)	(13,641)	(18,139)	(13,492)	(13,492)	(17,990)
Payment of lease liabilities (Note 13)	(2,121)	(1,968)	(1,718)	(1,302)	(1,115)	(929)
Proceeds from disposal of Parent Company shares by mutual fund subsidiaries (Note 32)	7	12	—	7	12	—
Acquisition of Parent Company shares by a mutual fund subsidiary (Note 23)	(5)	(14)	(5)	(5)	(14)	—
Net cash provided by (used in) financing activities	31,299	13,844	(96,915)	35,288	15,537	(76,633)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(33,104)</b>	<b>35,127</b>	<b>(28,918)</b>	<b>(9,668)</b>	<b>49,336</b>	<b>(29,683)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>						
Cash and other cash items	40,683	41,302	38,469	38,701	38,452	35,606
Due from BSP	252,628	253,257	304,906	215,074	199,974	262,188
Due from other banks	75,513	48,862	38,357	56,698	36,240	22,742
Interbank loans receivable and SPURA (Note 26)	65,786	56,062	46,669	59,557	46,028	29,841
	434,610	399,483	428,401	370,030	320,694	350,377
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>						
Cash and other cash items	39,431	40,683	41,302	37,692	38,701	38,452
Due from BSP	207,807	252,628	253,257	198,061	215,074	199,974
Due from other banks	90,586	75,513	48,862	65,867	56,698	36,240
Interbank loans receivable and SPURA (Note 26)	63,682	65,786	56,062	58,742	59,557	46,028
	₱401,506	₱434,610	₱399,483	₱360,362	₱370,030	₱320,694
<b>OPERATIONAL CASH FLOWS FROM INTEREST</b>						
	Consolidated			Parent Company		
	Years Ended December 31					
	2023	2022	2021	2023	2022	2021
Interest paid	₱44,505	₱14,074	₱12,061	₱36,650	₱9,465	₱7,312
Interest received	148,435	98,881	88,369	124,096	77,663	66,951

See accompanying Notes to Financial Statements.



# **METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**

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## **NOTES TO FINANCIAL STATEMENTS**

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### **1. Corporate Information**

Metropolitan Bank & Trust Company (the Parent Company) is a universal bank incorporated in the Philippines on April 6, 1962. The Securities and Exchange Commission (SEC) approved the renewal on November 19, 2007. The Parent Company's shares were listed with the Philippine Stock Exchange, Inc. (PSE) on February 26, 1981, as approved by the SEC in November 1980. It has a universal banking license granted by the Bangko Sentral ng Pilipinas (BSP) on August 21, 1981.

The Parent Company and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering. As of December 31, 2023, the Group has 954 branches, 1,295 Automated Teller Machines (ATMs) in the branches (on-site) and 1,031 ATMs in other locations (off-site). As a bank, the Parent Company, which is the ultimate parent of the Group, provides products and services such as deposits, loans and trade finance, credit card products, programs and facilities, electronic banking facilities, cash management, domestic and foreign fund transfers, treasury products, remittances, institutional fund-management, private banking and trust services. The Bank temporarily changed its business address from Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City to GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, Makati City, effective August 14, 2023.

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### **2. Summary of Material Accounting Policies**

#### Basis of Preparation

The accompanying financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) that have been measured at fair value.

The financial statements of the Parent Company and Philippine Savings Bank (PSBank) a subsidiary, include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of RBU and FCDU is Philippine Peso (PHP or ₱) and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in PHP (see accounting policy on Foreign Currency Translation). The financial statements of these units are combined after eliminating inter-unit accounts.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The respective functional currencies of the subsidiaries are presented under Basis of Consolidation. The financial statements are presented in PHP, and all values are rounded to the nearest million pesos (₱000,000), except when otherwise indicated.

#### Statement of Compliance

The financial statements of the Group and the Parent Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

#### Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability



simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

### Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent Company and of its subsidiaries and are prepared for the same reporting period as the Parent Company using consistent accounting policies. The following are the wholly and majority-owned foreign and domestic subsidiaries of the Parent Company in 2023 and 2022 (Note 11):

<b>Subsidiary</b>	<b>Principal Place of Business and Country of Incorporation</b>	<b>Effective Percentage of Ownership</b>	<b>Functional Currency</b>
Financial Markets:			
Domestic:			
First Metro Investment Corporation (FMIC) and Subsidiaries	Philippines	99.27	PHP
PSBank	Philippines	88.38	PHP
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries	Philippines	59.85	PHP
Foreign:			
Metropolitan Bank (China) Ltd. (MBCL)	China	100.00	Chinese Yuan
Metropolitan Bank (Bahamas) Limited (Metrobank Bahamas)**	The Bahamas	100.00	USD
First Metro International Investment Company Limited (FMIIC) and Subsidiary	Hong Kong	100.00	Hong Kong Dollar (HKD)
Remittances:			
Metro Remittance (Hong Kong) Limited (MRHL)	Hong Kong	100.00	HKD
Metro Remittance (Singapore) Pte. Ltd. (MRSPL)	Singapore	100.00	Singapore Dollar
Metro Remittance (UK) Limited (MR UK)	United Kingdom	100.00	Great Britain Pound
Metro Remittance (USA), Inc. (MR USA)	United States of America (USA)	100.00	USD
Metro Remittance (Japan) Co. Ltd. (MR Japan)	Japan	100.00	Japanese Yen
Real Estate:			
Circa 2000 Homes, Inc. (Circa)*	Philippines	100.00	PHP
Others:			
Philbancor Venture Capital Corporation (PVCC)*	Philippines	60.00	PHP
* <i>In process of dissolution</i>			
** <i>In process of liquidation</i>			

All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full at consolidation (Note 32). Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Control is achieved where the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of subsidiaries ceases when control is transferred out of the Group or the Parent Company. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of income and consolidated statements of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.





Changes in the Parent Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for within equity. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid (or to be paid) or received is recognized directly in equity included as part of 'Translation adjustment and others' and attributed to the owners of the Parent Company.

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company:

- a. Derecognizes the assets (Including goodwill) and liabilities of the subsidiary;
- b. Derecognizes the carrying amount of any non-controlling interest;
- c. Derecognizes the related other comprehensive income (OCI) recorded in equity and recycles the same to statement of income or 'Surplus';
- d. Recognizes the fair value of the consideration received;
- e. Recognizes the fair value of any investment retained;
- f. Recognizes any surplus or deficit in the statement of income; and
- g. Reclassifies the Parent Company's share of components' gains (losses) previously recognized in OCI to profit or loss or surplus, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

#### Entity with Significant Influence over the Group

GT Capital Holdings, Inc. (GT Capital) holds 37.15% interest in the Parent Company as of December 31, 2023 and 2022 (Note 32).

#### Non-controlling Interest

Non-controlling interest represents the portion of profit or loss and the net assets of the funds not held by the Group and is presented separately in the consolidated statement of income, consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to the Parent Company. Any losses applicable to the non-controlling interests in excess of the non-controlling interests are allocated against the interests of the non-controlling interest even if this results in the non-controlling interest having a deficit balance. Acquisitions of non-controlling interests are accounted for as equity transactions.

#### Non-equity Non-controlling Interest

The Group has seed capital investments in a number of funds where it is in a position to be able to control those funds. These funds are consolidated.

Non-equity non-controlling interest represents the portion of net assets of the consolidated funds not attributed, directly or indirectly, to the Parent Company and is presented separately in the liability section in the consolidated statement of financial position. This liability is accounted for at FVTPL and measured using net asset value per unit with changes recognized in 'Trading and securities gain - net' in the consolidated statement of income.

#### Legal Merger between Parent Company and Subsidiary (Note 20)

In the parent company financial statements, the legal merger between the Parent Company and its subsidiary, with the Parent Company as the surviving entity, is accounted for as follows:

- The acquired assets and assumed liabilities are recognized at the carrying amounts in the consolidated financial statements as of the date of the legal merger (Note 20);
- The difference between the carrying amount of the net assets of the subsidiary and the carrying amount of the investment in the merged subsidiary before the legal merger is recognized under "Translation adjustment and others" account in the equity section of the parent company statement of financial position; and



- The comparative financial information in the parent company financial statements for period prior to the legal merger is not restated. The financial position and results of operations of the merged subsidiary are reflected in the parent company financial statements only from the date of the legal merger.

The legal merger has no impact in the consolidated financial statements.

#### Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

#### *Amendments to PAS 12, International Tax Reform-Pillar Two Model Rules*

The amendments to PAS 12 have been introduced in response to the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes, including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes.

The Bank has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules and has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates.

#### *Amendments to PAS 12, Income Taxes, Deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments also clarify that judgement should be applied in assessing whether the tax deductions on the lease payments are related to the lease asset (and interest expense) or lease liability (and interest expense) after considering the applicable tax law.

#### *Amendments to PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of accounting estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an



input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

*Amendments to PAS 1, Presentation of Financial Statements, and PFRS Practice Statement 2, Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group’s disclosures of accounting policies, but not on the measurement, recognition and presentation of any items in the Group’s financial statements.

### **Material Accounting Policies**

#### Foreign Currency Translation

##### *Transactions and balances*

For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine peso based on the Bankers Association of the Philippines (BAP) closing rate prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the prevailing exchange rates as at the date of transaction. Foreign exchange differences arising from revaluation and translation of foreign currency-denominated assets and liabilities are credited to or charged against operations in the year in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

##### *FCDU, foreign branches and subsidiaries*

As at the reporting date, the assets and liabilities of foreign branches and subsidiaries and FCDU of the Parent Company and PSBank are translated into the Parent Company’s presentation currency (the PHP) at BAP closing rate prevailing at the statement of financial position date, and their income and expenses are translated at historical rate (except for the foreign subsidiaries in which the income and expenses are translated at monthly average rate). Exchange differences arising on translation are taken to the statement of comprehensive income under ‘Translation adjustment and others’. Upon disposal of a foreign entity or when the Parent Company ceases to have control over the subsidiaries or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statement of comprehensive income is recognized in the statement of income.

#### Fair Value Measurement

The Group measures certain financial instruments, such as derivatives, at fair value at each statement of financial position date. Fair values of financial instruments measured at amortized cost and investment properties are disclosed in Note 5.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability; or in the absence of a



principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid - ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For assets and liabilities not listed in an active market, the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each statement of financial position date. The Group determines the policies and procedures for both recurring fair value measurement, such as financial assets and liabilities at FVTPL, and for non-recurring measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Financial Instruments - Initial Recognition and Subsequent Measurement

##### *Date of recognition*

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Derivatives are recognized on trade date basis. Deposits, amounts due from banks and customers and loans and receivables are recognized when cash is received by the Group or advanced to the borrowers.



#### *Initial recognition of financial instruments*

All financial instruments are initially measured at fair value. Except for financial assets and financial liabilities at FVTPL, the initial measurement of financial instruments includes transaction costs.

#### *'Day 1' difference*

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income. In cases where the transaction price used is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

#### *Classification and subsequent measurement*

Financial assets are measured at FVTPL unless these are measured at FVOCI or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost. The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Group may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they pass the contractual cash flows test (SPPI test). For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium or discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL.

#### *Financial assets at FVTPL*

These are recorded in the statements of financial position at fair value with changes in fair value recognized in 'Trading and securities gain - net'. Interest earned is recorded in 'Interest income' while dividend income is recorded in 'Dividends' when the right to receive payment has been established. Included in this classification are debt and equity securities which have been acquired principally for the purpose of selling or repurchasing in the near term.

#### *Derivatives recorded at FVTPL*

The Parent Company and some of its subsidiaries are counterparties to derivative contracts, such as currency forwards, currency swaps, interest rate swaps (IRS), call options, non-deliverable forwards (NDF) and other interest rate derivatives. These derivatives are entered into as a service to customers and as a means of reducing or managing their respective foreign exchange and interest rate exposures,



as well as for trading purposes. Such derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those accounted for as accounting hedges) are taken directly to the statement of income and are included in 'Trading and securities gain/(loss) - net'. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

#### *Investment securities at FVOCI*

Investment securities at FVOCI include debt and equity securities. After initial measurement, investment securities at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of investment securities at FVOCI are excluded, net of tax as applicable, from the reported earnings and are included in the statement of comprehensive income as 'Change in net unrealized gain (loss) on investment in debt securities at FVOCI' or 'Change in net unrealized gain (loss) on equity securities at FVOCI'. Debt securities at FVOCI are those that meet both of the following conditions:

- a. The asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and
- b. The contractual terms of the financial asset give rise on specified dates to cash flow that are SPPI on the outstanding principal amount.

The effective yield component of debt securities at FVOCI, as well as the impact of restatement on foreign currency-denominated debt securities at FVOCI is reported in the statement of income. Interest earned on holding debt securities at FVOCI are reported as 'Interest Income' using the effective interest rate (EIR) method. When the debt securities at FVOCI are disposed of, the cumulative gain or loss previously recognized in the statement of comprehensive income is recognized as 'Trading and securities gain - net' in the statement of income. The expected credit loss (ECL) arising from impairment of such investments are recognized in OCI with a corresponding charge to 'Provision for credit and impairment losses' in the statement of income.

Equity securities designated at FVOCI are those that the Group made an irrevocable election to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the statement of income as 'Dividends' when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery part of the cost of the instrument, in which case, such gains are recorded in OCI. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in the statement of comprehensive income is reclassified to 'Surplus' or any other appropriate equity account upon disposal. Equity securities at FVOCI are not subject to impairment assessment.

#### *Financial assets at amortized cost*

Financial assets at amortized cost are debt financial assets that meet both of the following conditions:

- a. These are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and
- b. The contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

This accounting policy relates to the statement of financial position captions 'Due from BSP', 'Due from other banks', 'Interbank loans receivable and securities purchased under resale agreements (SPURA)', 'Investment securities at amortized cost' and 'Loans and receivables'.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the EIR method, less impairment in value. Amortized cost is calculated by taking into



account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in 'Interest income' in the statement of income. Gains and losses are recognized in statement of income when these investments are derecognized or impaired, as well as through the amortization process. The ECL are recognized in the statement of income under 'Provision for credit and impairment losses'. The effects of revaluation on foreign currency-denominated investments are recognized in the statement of income.

#### *Financial liabilities at FVTPL*

These are recorded in the statements of financial position at fair value with changes in fair value recognized in 'Trading and securities gain - net', with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in OCI and do not get recycled to the statement of income. Interest incurred is accrued in 'Interest expense' using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of the instrument.

#### *Financial liabilities at amortized cost*

Issued financial instruments or their components, which are not designated at FVTPL, are classified as liabilities under 'Deposit liabilities', 'Bills payable and securities sold under repurchase agreements (SSURA)', 'Bonds payable', or 'Subordinated debts' or other appropriate financial liability accounts, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, bills payable and similar financial liabilities not qualified as and not designated at FVTPL, are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

#### *Financial guarantees and undrawn loan commitments*

The Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract/agreement. Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the Group is required to provide a loan with pre-specified terms to the customer. The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position. These contracts are in the scope of the ECL requirements where the Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to financial guarantees and undrawn loan commitments is recognized in 'Miscellaneous liabilities' under 'Other liabilities'.

### Derecognition of Financial Assets and Financial Liabilities

#### *Financial assets*

A financial asset (or, when applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or



- The Group has transferred its rights to receive cash flows from the asset and either:
  - a. Has transferred substantially all the risks and rewards of the asset; or
  - b. Has neither transferred nor retained the risks and rewards of the asset but has transferred the control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

When the Group's continuing involvement takes the form of guaranteeing the transferred asset, the extent of the Group's continuing involvement is the lower of:

- a. The amount of the asset; and
- b. The maximum amount of the consideration received that the Group could be required to repay ('the guarantee amount').

When the Group's continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase. However, in case of a written put option to an asset that is measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price. When the Group's continuing involvement takes the form of a cash-settled option or similar provision on the transferred asset, the extent of the Group's continuing involvement is measured in the same way as that which results from non-cash settled options.

The Group derecognizes a financial asset such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be purchased or originated credit impaired (POCI) assets.

When assessing whether or not to derecognize a loan to a customer, amongst others, the Group considers the following factors:

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded. The Group considers a modification substantial based on qualitative factors.

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If a write-off is later recovered, any amounts formerly charged are credited to 'Recovery on charged-off assets' under 'Miscellaneous income' in the statement of income.





### *Financial liabilities*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

The Group considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of or greater than ten percent (10%).

Similar with financial assets, when the modification of a financial liability is not considered substantial, the Group records a modification gain or loss based on the change in cash flows discounted at the original EIR.

### *Repurchase and reverse repurchase agreements*

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the statement of financial position as SSURA included in 'Bills payable and SSURA' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

Conversely, securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the statement of financial position. The corresponding cash paid including accrued interest, is recognized in the statement of financial position as SPURA, and is considered a loan to the counterparty. The difference between the purchase price and resale price is treated as interest income and is accrued over the life of the agreement using the EIR method.

### Reclassification of Financial Assets

The Group reclassifies its financial assets when there is a change in its business model for managing financial assets. A change in business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. The Group applies the reclassification prospectively from the reclassification date (that is, the first day of the next quarterly reporting period following the change in business model) and does not restate any previously recognized gains, losses or interest.

### Impairment of Financial Assets

The Group follows the PFRS 9 loss impairment method on financial assets through a forward-looking ECL approach which covers all loans and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts.

### *Overview of the ECL principles*

ECL represents credit losses that reflect an unbiased and probability weighted amount which is based on reasonable and supportable information about past events, current conditions and forecasts of future economic conditions, and time value of money. The ECL allowance is based on the credit losses expected to arise on a 12-month duration if there has been no significant increase in credit risk (SICR) of the financial asset since origination. Otherwise, if a SICR is observed, then the ECL estimation is extended until the end of the life of the financial asset. The 12-month ECL represents the losses that result from default events on a financial asset which may happen within 12 months after the statement of financial position date. The Lifetime ECL on the other hand represents the losses that result from default events on a financial asset which may happen over its life. Both Lifetime ECLs and 12-month



ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The major portfolios of financial assets identified upon initial analysis of the Group's credit exposure are loan receivables, treasury accounts, and other receivables. Loan receivables may be availed by specific individuals, corporations or organizations. Hence, these portfolios can be further segmented to commercial, consumer and credit card portfolios. After segmentation, financial assets are grouped into Stage 1, Stage 2, and Stage 3 as described below.

*Definition of "default" and "cure"*

The Group defines a financial instrument as in default, which is fully aligned with the definition of non-performing loans that is, credit impaired, in all cases when the borrower becomes more than ninety (90) days past due on its contractual payments. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (that is, to have cured) when it no longer meets any of the default criteria and has exhibited a satisfactory track record.

Treasury exposures are considered in default upon occurrence of a credit event such as but not limited to bankruptcy of counterparty, restructuring, failure to pay on agreed settlement date, or request for moratorium.

*SICR*

In order to determine whether an instrument is subject to 12-month or Lifetime ECL, the Group assesses whether there has been a SICR since initial recognition. The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative and qualitative factors. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to have well-defined credit weaknesses (that is, with internal credit rating of 6 due to financial or repayment concerns or lower). These may include adverse trends or developments of financial, managerial, economic or political nature, or a significant weakness in collateral. Credit weakness may be manifested by unfavorable record or unsatisfactory characteristics or may only be potential that deserves management's close attention and may lead to significant losses or may result in collection or liquidation of the outstanding loan amount to be highly improbable. For exposures without internal credit grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. The days past due (dpd) are determined by counting the number of days since the earliest elapsed due date in respect of which at least a partial payment has not been received. In subsequent reporting periods, if the credit risk of the financial asset improves over an observable period such that there is no longer a SICR since initial recognition, the Group reverts to recognizing a 12-month ECL.

*Staging assessment*

For non-credit-impaired financial assets:

- Stage 1 is comprised of all non-impaired financial assets which have not experienced a SICR since initial recognition. The Group recognizes a 12-month ECL for Stage 1 financial assets.
- Stage 2 is comprised of all non-impaired financial assets which have experienced a SICR since initial recognition. The Group recognizes a lifetime ECL for Stage 2 financial assets.



For credit-impaired financial assets:

- Financial assets are classified as Stage 3 when there is objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a financial asset or a portfolio of financial assets. ECL for Stage 3 exposure is computed per account, taking into consideration the present value of the expected recoverable cash flows from each transaction.

Financial assets that are credit-impaired on initial recognition are classified as POCI assets. These are recorded at fair value at original recognition and interest income is subsequently recognized based on a credit-adjusted EIR. ECL is only recognized or released to the extent that there is a subsequent change in the ECLs.

*Assessment of ECL on a collective basis*

The Group calculates ECL either on an individual or a collective basis. The Group performs collective impairment by grouping exposures into smaller homogenous portfolios based on a combination of borrower and account characteristics. Accounts with similar risk attributes (that is, facility, security, credit rating, months-on-books, utilization and collateral type, etc.) are pooled together for calculating provisions based on the ECL models.

*ECL parameters and methodologies*

ECL is a function of the probability of default (PD), exposure-at-default (EAD), and loss-given default (LGD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgement.

The PD represents the likelihood that a credit exposure will not be repaid and will go into default in either a 12-month horizon for Stage 1 or lifetime horizon for Stage 2. The PD for each individual financial asset is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

LGD is the amount that may not be recovered in the event of default and is modelled based on historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. LGD takes into consideration the amount and quality of any collateral held.

EAD consists of the amortized cost and any accrued interest receivable. For off-balance sheet and undrawn committed amounts, EAD includes a credit conversion factor which is an estimate of any further amount to be drawn at the time of default. For the credit card business, EAD is modelled based on historical data on card limit utilization.

The Group applies a simplified ECL approach for its accounts receivables wherein the Group uses a provisioning matrix that considers historical changes in the behavior of the portfolio to predict conditions over the span of a given observation period.

The Parent Company offers credit card facilities, in which it has the right to cancel and/or reduce the facilities with one-day notice. It does not limit its exposure to credit losses to the contractual notice period, but instead, calculates ECL over a period that reflects its expectations of the customers' behavior, their likelihood of default, and its future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and expectations, the period over which ECL is calculated for these products is two (2) years. The interest rate used to discount the



ECL for credit cards is based on contractual interest rate. These rates are also used to discount future recoveries over a period of five years as these cover the cost of securing an equivalent fund. The contractual interest rate is used as discounting factor since the Parent Company estimates that this rate is reflective of the EIR.

*Forward-looking information*

The Group incorporates forward-looking information into both its assessment of whether the credit risk of a financial asset has increased significantly since its initial recognition and its measurement of ECL. A broad range of forward-looking information are considered as economic inputs, *such as* growth of the gross domestic product, inflation rates, unemployment rates, interest rates and BSP statistical indicators. The inputs and models used for calculating ECL may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

The following economic inputs were determined to be statistically significant in measuring ECL:

- GDP growth
- Inflation rate
- Unemployment rate
- Minimum wage
- USD:PHP exchange rate
- Consumer confidence index
- Peso interest rate
- USD interest rate
- WTI crude oil price
- Business confidence index
- GVA of some industries

*Debt investment securities measured at FVOCI*

The ECL for debt securities at FVOCI does not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in 'Net unrealized gain (loss) on investment securities at FVOCI' as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to profit or loss upon derecognition of these financial assets.

Restructured Loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews and monitors restructured loans until derecognition to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original EIR, is recognized in 'Provision for credit and impairment losses' in the statement of income. When the loan has been restructured but not derecognized, the Group also reassesses whether there has been a SICR and considers whether the assets should be classified as Stage 3. If the restructuring terms are substantially different, the loan is derecognized and a new 'asset' is recognized at fair value using the revised EIR.



### Collateral Valuation of Financial Assets

Collateral, unless repossessed, is not recorded in the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed every other year. However, some collaterals, for example, cash or securities relating to margining requirements, are valued daily.

### Revenue Recognition

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services.

The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group concluded that it is acting as a principal in all of its revenue arrangements except for certain brokerage transactions. The following specific recognition criteria must also be met before revenue is recognized.

#### *Fee and commission income*

The Group earns fee and commission income from a diverse range of services it provides to its customers, which are divided into the following two categories:

*a. Fee income earned from services that are provided over a certain period of time*

Fees earned for the provision of services over a period of time are accrued over that period as the customer simultaneously receives and consumes the benefits provided by the Group. Using an output method, revenue is recognized if the Group has a right to invoice the customer for services directly corresponding to performance completed to date. These fees include investment fund fees, custodian fees, fiduciary fees, asset management fees, and income from trust operations.

*b. Fee income from providing transaction services*

Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as commission income, underwriting fees, corporate finance fees, advisory fees and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

#### *Discounts earned, membership fees and awards revenue on credit cards*

The following table provides information about the nature and timing of the satisfaction of performance obligations for the Parent Company's credit card business including significant payment terms, and the related revenue recognition policies.

Type of Product/Service	Nature and Timing of Satisfaction of Performance Obligations, including Significant Payment Terms	Revenue Recognition under PFRS 15
Discounts earned	Charges arising from credit availments by the Parent Company's and other credit companies' cardholders when the Parent Company is acting as an acquirer. These discounts are computed based on certain agreed rates. These also include interchange income from transactions processed by other acquirers through VISA and Mastercard and fees from cash advance transactions of cardholders.	Recognized as revenue upon receipt from member establishments of charges arising from credit availments by the Parent Company's cardholders and other credit companies' cardholders when the Parent Company is acting as an acquirer.
Membership fees and dues	Periodically charged to cardholders upfront.	Deferred and recorded under 'Deferred revenue' and recognized on a straight-line basis over the period the fee entitles the cardholders to use the card.



Type of Product/Service	Nature and Timing of Satisfaction of Performance Obligations, including Significant Payment Terms	Revenue Recognition under PFRS 15
Awards revenue	The Parent Company operates a loyalty points program, which allows customers to accumulate points when they purchase from member establishments using the issued card of the Parent Company. The points accumulate and do not expire.	The Parent Company allocates a portion of the consideration received from discounts earned and interchange fees from credit cards to the reward points based on the estimated stand-alone selling prices. The amount allocated to the loyalty program is deferred, and is recognized as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote.

### Revenues outside the scope of PFRS 15

#### *Interest income*

For all financial instruments measured at amortized cost and interest-bearing financial instruments classified as investment securities at FVOCI investments, interest income is recorded at the EIR, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), including any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR. The adjusted carrying amount is calculated based on the original EIR. The change in carrying amount is recorded as ‘Interest income’. Loan commitment fees that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the EIR of the loan.

Under PFRS 9, when a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3 (as discussed in “Impairment of Financial Assets” above), the Group calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Group reverts to calculating interest income on a gross basis.

Purchases by credit cardholders, collectible on an installment basis, are recorded at the cost of the items purchased plus a certain percentage of cost. The excess over cost is credited to ‘Unearned discount’ and is shown as a deduction from ‘Loans and receivables’ in the statement of financial position. The unearned discount is taken up to interest income over the installment terms and is computed using the EIR method.

Interbank Offered Rate (IBOR) reform Phase 2 requires, as a practical expedient, that changes to the basis for determining contractual cash flows that are necessary as a direct consequence of IBOR reform are treated as a change to a floating rate of interest provided that the transition from IBOR to a risk-free-rate (RFR) takes place on a basis that is ‘economically equivalent’. To qualify as ‘economically equivalent’, the terms of the financial instrument must be the same before and after transition except for the changes required by IBOR reform.

For changes that are not required by IBOR reform, the Group applies judgement to determine whether they result in the financial instrument being derecognized. Therefore, as financial instruments transition from IBOR to RFRs, the Group applies judgment to assess whether the transition has taken place on an economically equivalent basis. In making this assessment, the Group considers the extent of any changes to the contractual cash flows as a result of the transition and the factors that have given rise to the changes, with consideration of both quantitative and qualitative factors. Examples of changes that are economically equivalent include changing the reference interest rate from an IBOR to an RFR, changing the reset period for days between coupons to align with the RFR, adding a fallback to automatically transition to an RFR when the IBOR ceases, and adding a fixed credit adjustment spread based on that calculated by the International Swaps and Derivatives Association or which is implicit in market forward rates for the RFR.



*Recovery on charged-off assets*

Income arising from collections on accounts or recoveries from impairment of items previously written off are recognized in the year of recovery.

*Leasing income - Finance lease*

The excess of aggregate lease rentals plus the estimated residual value over the cost of the leased equipment constitutes the unearned lease income. Residual values represent estimated proceeds from the disposal of equipment at the time lease is estimated. The unearned lease income is amortized over the term of the lease, commencing on the month the lease is executed using the EIR method.

*Dividend income*

Dividend income is recognized when the Group's right to receive payment is established.

*Trading and securities gain - net*

Results arising from trading activities include all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL and gains and losses from disposal of debt securities at FVOCI.

*Rental income*

Rental income arising on leased properties is accounted for on a straight-line basis over the lease terms on ongoing leases and is recorded in the statement of income under 'Leasing'.

*Income on receivables financed*

Income on loans and receivables financed with short-term maturities is recorded in 'Interest income' and is recognized using the EIR method. Interest and finance fees on finance leases and loans and receivables financed with long-term maturities and the excess of the aggregate lease rentals plus the estimated terminal value of the leased equipment over its cost are credited to unearned discount and amortized over the term of the note or lease using the EIR method.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, amounts due from BSP and other banks, and interbank loans receivable and SPURA with original maturities of three months or less from dates of placements and that are subject to insignificant risk of changes in value.

Property and Equipment

Land is stated at cost and depreciable properties, including buildings, furniture, fixtures and equipment and leasehold improvements, are stated at cost less accumulated depreciation and amortization, and allowance for impairment losses. Such cost includes the cost of replacing part of the property and equipment when that cost is incurred, if the recognition criteria are met but excludes repairs and maintenance costs. Building under construction (BUC) is stated at cost and includes cost of construction and other direct costs. BUC is not depreciated until such time that the relevant asset is completed and put into operational use.

Depreciation is calculated on the straight-line method over the estimated useful life of the depreciable assets. Leasehold improvements are amortized over the shorter of the terms of the covering leases and the estimated useful lives of the improvements. The range of estimated useful lives of property and equipment follows:

Buildings	25 to 50 years
Furniture, fixtures and equipment	2 to 5 years
Leasehold improvements	5 to 20 years



The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income under 'Profit from assets sold' in the year the asset is derecognized.

#### Investments in Subsidiaries, Associates and a Joint Venture (JV)

##### *Investment in subsidiaries*

Subsidiaries pertain to all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights.

##### *Investment in associates*

Associates pertain to all entities over which the Group and the Parent Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in associates is accounted for under the equity method of accounting.

##### *Investment in a JV*

A JV is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the JV. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Investment in a JV is accounted for under the equity method of accounting. The Group's investment in a JV represents the 30% interest of PSBank in Sumisho Motor Finance Corporation (SMFC) (Note 11).

Upon loss of significant influence over the associate or joint control over the JV, the Group and the Parent Company measure and recognize any retained investment at its fair value. Any difference between the carrying amount of the associate or JV upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in the statement of income.

Under the equity method, investments in associates and a JV are carried in the statement of financial position at cost plus post-acquisition changes in the Group's and the Parent Company's share of the net assets of the associate or JV less allowance for impairment losses. Post-acquisition changes in the share of net assets of the associate or a JV include the share in the:

- a. Income or losses; and
- b. Unrealized gain or loss on investment securities, remeasurement of retirement plans and others.

Dividends received are treated as a reduction in the carrying values of the investments. Goodwill relating to the associate and a JV is included in the carrying value of the investment and is not amortized.





When the Group and the Parent Company increase its ownership interest in an associate or a JV that continues to be accounted for under the equity method, the cost for the additional interest is added to the existing carrying amount of the associate or JV and the existing interest in the associate or JV is not remeasured. The share in an associate or a JV's post-acquisition profits or losses is recognized in the statement of income as 'Share in net income of subsidiaries, associates and a joint venture' while its share of post-acquisition movements in the associate or JV's equity reserves is recognized directly in the statement of comprehensive income. When the share of losses in an associate or a JV equals or exceeds its interest in the associate or JV, including any other unsecured receivables, the Group and the Parent Company do not recognize further losses, unless it incurred obligations or made payments on behalf of the associate or JV which is recognized as miscellaneous liabilities. Profits and losses resulting from transactions between the Group or the Parent Company and an associate or JV are eliminated to the extent of the Group or the Parent Company's interest in the associate or JV.

Investments in subsidiaries in the separate financial statements are accounted for under the equity method similarly as investments in associates and JV. Equity in other comprehensive income (losses) of subsidiaries and changes therein are included in 'Remeasurement losses on retirement plans', 'Net unrealized gain (loss) on investment securities at FVOCI', and 'Translation adjustments and others', as appropriate, together with the Parent Company in the separate statement of financial position and statement of comprehensive income.

#### Investment Properties

Investment properties are measured initially at cost, including transaction costs. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured, in which case, the investment property acquired is measured at the carrying amount of asset given up. The difference between the fair value of the asset received and the carrying amount of the asset given up is recorded as 'Gain on initial recognition of investment properties' under 'Miscellaneous income'. Foreclosed properties are classified under 'Investment properties' upon:

- a. Entry of judgment in case of judicial foreclosure;
- b. Execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or
- c. Notarization of the Deed of Dacion in case of dation in payment (*dacion en pago*).

Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation (for depreciable investment properties) and allowance for impairment losses.

Investment properties are derecognized when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the statement of income under 'Profit from assets sold' in the year of retirement or disposal.

Expenditures incurred after the investment properties have been put into operations, such as repairs and maintenance costs, are normally charged to operations in the year in which the costs are incurred. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the investment properties based on appraisal reports but not to exceed 50 years for buildings and condominium units.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.



#### Interest in Joint Operations

The Group is a party to joint operations whereby it contributed parcels of land for development into residential and commercial units. In respect of the Group's interest in the joint operations, the Group recognizes the following:

- a. The assets that it controls and the liabilities that it incurs; and
- b. The expenses that it incurs and its share of the income that it earns from the sale of units by the joint operations.

The assets contributed to the joint operations are measured at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale (Note 14).

#### Chattel Mortgage Properties

Chattel mortgage properties comprise of repossessed vehicles. Chattel mortgage properties are stated at cost less accumulated depreciation and allowance for impairment losses. Depreciation is calculated on a straight-line basis using the remaining useful lives from the time of acquisition of the vehicles. The useful lives of chattel mortgage properties are estimated to be five (5) years.

#### Subordinated Notes

Subordinated notes issued by Special Purpose Vehicles (SPV) (presented as 'Investment in SPVs' under 'Other assets') are stated at amortized cost reduced by an allowance for credit losses. The allowance for credit losses is determined based on the difference between the outstanding principal amount and the recoverable amount which is the present value of the future cash flow expected to be received as payment for the subordinated notes.

#### Intangible Assets

##### *Software costs*

Software costs (presented under 'Other assets') are capitalized on the basis of the cost incurred to acquire and bring to use the specific software. These costs are amortized over three to five years on a straight-line basis. Costs associated with maintaining the computer software programs are recognized as expense when incurred. Software costs are carried at cost less accumulated amortization.

#### Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. With respect to investments in associates and a JV, goodwill is included in the carrying amounts of the investments. Following initial recognition, goodwill is measured at cost, net of allowance for impairment losses (see accounting policy on "Impairment of Non-financial Assets").

#### Customized System Development Cost

Customized system development cost consists of payments for customization of various banking systems. This account will be reclassified to appropriate accounts upon completion and will be depreciated and amortized from the time the asset is ready for its intended use (Note 14).

#### Impairment of Non-financial Assets

*Property and equipment, investments in subsidiaries, associates and a JV, investment properties, chattel mortgage properties, intangible assets with finite useful lives and other assets*

At each statement of financial position date, the Group assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell (FVLCTS) and its value-in-



use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to operations in the year in which it arises.

An assessment is made at each statement of financial position date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation and amortization expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

*Intangible assets with indefinite useful lives and customized system development cost not yet available for use*

Intangible assets with indefinite useful lives such as exchange trading right and customized system development cost not yet available for use are tested for impairment annually at statement of financial position date either individually or at the cash generating unit (CGU) level, as appropriate.

*Goodwill*

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. The Group uses the higher of FVLCTS and VIU using cash flow projections from financial budgets approved by the Board of Directors (BOD) in determining the recoverable amount.

Leases

*Group as lessee*

The Group assesses at contract inception whether a contract is, or contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use (ROU) assets representing the right-of-use the underlying assets.

*ROU assets*

The Group recognizes ROU assets (included in 'Property and Equipment') at the commencement date of the lease (that is, the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and allowance for impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities



recognized and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office space	2 to 30 years
ATM site and equipment	1 to 5 years

#### *Lease liabilities*

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest (included in 'Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others') and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

The Group's lease liabilities are included in Other Liabilities (Note 21).

#### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of office spaces and ATM sites (that is, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of ATM site and other equipment that are considered to be of low value (that is, those with value of less than ₱250,000). Lease payments on short-term leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

#### *Residual value of leased assets and deposits on lease contracts*

The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

#### *Group as lessor*

Finance leases, where the Group transfers substantially all the risks and benefits incidental to the ownership of the leased item to the lessee, are included in the statement of financial position under 'Loans and receivables'. All income resulting from the receivable is included in 'Interest income' in the statement of income.

Leases where the Group does not transfer substantially all the risks and benefits of ownership of the assets are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as the rental income. Contingent rents are recognized as revenue in the year in which they are earned.

#### Retirement Cost

The Group has a non-contributory defined benefit retirement plans, except for FMIIC and its subsidiary which follow the defined contribution retirement benefit plan and the Mandatory Provident Fund Scheme (MPFS). The retirement cost of the Parent Company and most of its subsidiaries is determined using the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current year. The net defined benefit liability or asset is the aggregate of the present value of the



defined benefit obligation (DBO) at the end of the statement of financial position date reduced by the fair value of plan assets, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost; and
- Net interest on the net defined benefit 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 plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries. Net interest on the net defined benefit liability or asset is the change during the year 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 expense or income in the statement of income. Retirement expense is presented under 'Compensation and fringe benefits' in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to the statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

If the fair value of the plan assets is higher than the present value of the DBO, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a DBO is recognized as a separate asset at fair value when and only when reimbursement is virtually certain. Payments to the defined contribution retirement benefit plans and the MPFS are recognized as expenses when employees have rendered service entitling them to the contributions.

### Equity

When the shares are sold at a premium, the difference between the proceeds and par value is credited to 'Capital paid in excess of par value', net of direct costs incurred related to the equity issuance. If 'Capital paid in excess of par value' is not sufficient, the excess is charged against 'Surplus'. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of stocks issued.

Surplus represents accumulated earnings of the Group less dividends declared.



Own equity instruments which are reacquired or Parent Company's shares acquired by its subsidiaries (treasury stock) are recognized at cost and deducted from equity. No gain or loss is recognized in the statement of income on the purchase, sale, issue or cancellation of the Parent Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in 'Capital paid in excess of par value'. Voting rights related to treasury stocks are nullified and no dividends are allocated. When the stocks are retired, the Common stock account is reduced by its par value and the excess of cost over par value upon retirement is debited to 'Capital paid in excess of par value' at the time the stocks were issued and to 'Surplus' for the remaining balance.

#### Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense'.

#### Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the notes to financial statements when an inflow of economic benefits is probable.

#### Income Taxes

##### *Current taxes*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

##### *Deferred taxes*

Deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized except:

- a. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Current tax and deferred tax relating to items recognized directly in equity are recognized in OCI and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same tax authority.

#### Earnings Per Share

Basic earnings per share is computed by dividing net income for the year attributable to equity holders of the Parent Company by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year. The Group does not have dilutive potential common shares.

#### Dividends on Common Shares

Cash dividends on common shares are recognized as a liability and deducted from the equity when approved by the BOD of the Parent Company while stock dividends are deducted from equity when approved by BOD and shareholders of the Parent Company. Dividends declared during the year but are paid or issued after the statement of financial position date are dealt with as a subsequent event.

#### Debt Issuance Costs

Issuance, underwriting and other related costs incurred in connection with the issuance of debt instruments are deferred and amortized over the terms of the instruments using the EIR method. Unamortized debt issuance costs are included in the related carrying amount of the debt instrument in the statement of financial position.

#### Capital Securities Issuance Costs

Issuance, underwriting and other related costs incurred in connection with the issuance of the capital securities are treated as a reduction of equity against 'Capital paid in excess of par value'.



#### Events after the Statement of Financial Position Date

Post year-end events that provide additional information about the Group's position at the statement of financial position date (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

#### Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 6.

#### Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Parent Company and PSBank act in a fiduciary capacity such as nominee, trustee or agent.

#### **Standards Issued but not yet Effective**

New and amended standards and interpretations that are issued but not yet effective will not have a material impact on the Bank's combined financial statements.

#### *Effective beginning on or after January 1, 2024*

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

#### *Effective beginning on or after January 1, 2025*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of exchangeability*

#### *Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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### **3. Significant Accounting Judgments and Estimates**

The preparation of the financial statements in compliance with PFRS requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The following are the critical judgments and key assumptions that have a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year:

#### Judgments

##### *a. Classification of financial assets*

The Group classifies its financial assets depending on the results of the SPPI test and on the business model used for managing those financial assets.





When performing the SPPI test, the Group applies judgement and evaluates relevant factors and characteristics such as the behavior and nature of contractual cash flows, its original currency denomination, the timing and frequency of interest rate repricing, contingent events that would alter the amount and/or timing of cash flows, leverage features, prepayments or extension options and other features that may modify the consideration for the time value of money.

As a second step, the Group performs business model assessment to reflect how financial assets are managed in order to generate net cash inflows based on the following factors:

- Business objectives and strategies for holding the financial assets;
- Performance measures and benchmarks being used to evaluate the Group's key management personnel accountable to the financial assets;
- Risks associated to the financial assets and the tools applied in managing those risks;
- Compensation structure of business units, including whether based on fair values changes of the investments managed or on the generated cash flows from transactions; and
- Frequency and timing of disposals.

In applying judgment, the Group also considers the circumstances surrounding the transaction as well as the prudential requirements of the BSP.

*b. Consolidation of subsidiaries*

The determination whether the Group has control over an investee company requires significant judgment. The Group considers that the following criteria are all met, including:

- An investor has the power over an investee;
- The investor has exposure, or rights, to variable returns from its involvement with the investee; and
- The investor has the ability to use its power over the investee to affect the amount of the investor's return.

In accordance with PFRS 10, the Group included the accounts of First Metro Save and Learn Balance Fund, Inc. (FMSALBF), First Metro Save and Learn Equity Fund, Inc. (FMSALEF), First Metro Save and Learn Dollar Bond Fund Inc. (FMSLDBF), First Metro Save and Learn Fixed Income Fund, Inc. (FMSLFIF), First Metro Philippine Equity Exchange Traded Fund, Inc. (FMPETF), First Metro Save and Learn F.O.C.C.U.S. Dynamic Fund, Inc. and First Metro Save and Learn Money Market Fund, Inc., collectively the "Funds", in its consolidated financial statements. The Group re-assessed the control conclusion for these Funds. Although the ownership is less than half of the voting power of these investees, the Group has control due to its power to direct the relevant activities of the Funds through First Metro Asset Management Inc. (FAMI), a subsidiary of FMIC, which acts as the fund manager of the Funds. Further, the Group has the exposure to variable returns from its investments and its ability to use its power over the Funds to affect their returns.

*c. Existence of significant influence over an associate with less than 20.00% ownership*

As discussed in Note 11, there are instances that an investor exercises significant influence even if its ownership is less than 20.00%. The Group applies significant judgment in assessing whether it holds significant influence over an investee and considers the following:

- Representation in the BOD or equivalent governing body of the investee;
- Participation in policy-making processes, including participation in decisions about dividends or other distributions;
- Material transactions between the investor and the investee;
- Interchange of managerial personnel;



- Joint voting agreement with other investors; or
- Provision of essential technical information.

d. *Fair value of financial instruments*

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position or disclosed in the notes to financial statements cannot be derived from active markets, these are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but when this is not feasible, a degree of judgment is required in establishing fair values. These judgments may include considerations of liquidity and volatility for longer dated derivatives (Note 5).

e. *Contingencies*

The Group is currently involved in legal proceedings. The estimate of the probable cost for the resolution of claims has been developed in consultation with and the aid of the outside legal counsel handling the Group's defense in this matter and is based upon an analysis of potential results. It is probable, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 30).

Estimates

a. *Credit losses on financial assets*

The Group reviews its debt financial assets subject to ECL at least on a semi-annual basis with updating provisions made during the intervals as necessary based on the continuing analysis and monitoring of individual accounts by credit officers, as has been the case since 2020 when quarterly reviews and ECL adjustments are made in response to the changing credit environment. The measurement of credit losses under PFRS 9 across all categories of such financial assets requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining credit losses and the assessment of a SICR. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgments and estimates include, among others:

- Segmentation of the portfolio, where the appropriate model or ECL approach is used.
- Criteria for assessing if there has been a SICR and so allowances for debt financial assets should be measured on a lifetime ECL basis and the qualitative assessment.
  - The Group likewise performed quarterly reviews of its credit exposures to determine the occurrence of SICR notwithstanding said reprieves. Exposures belonging to sectors widely determined to be most at-risk and non-essential (for example, tourism, entertainment and leisure, hotels and restaurants, airlines), and projected to experience significant revenue and liquidity strain in the event of prolonged economic inactivity, were also included under Stage 2.
- Segmentation of debt financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs. The Parent Company and the Group as a whole continuously review and calibrate their models based on the results of the model validation and regular backtesting.
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, LGDs and EADs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.



The gross carrying amounts of financial assets subject to ECL as of December 31, 2023 and 2022 are disclosed in Note 4, while the related allowances for expected credit losses are disclosed in Note 15. In 2023, 2022 and 2021, provision for credit losses on these financial assets amounted to ₱7.9 billion, ₱7.8 billion and ₱11.7 billion, respectively, for the Group, and ₱6.2 billion, ₱5.7 billion and ₱7.7 billion, respectively, for the Parent Company (Note 15).

*b. Recognition of deferred income taxes*

Deferred tax assets are recognized for all unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The estimates of future taxable income indicate that certain temporary differences will be realized in the future. The recognized net deferred tax assets and unrecognized deferred tax assets for the Group and the Parent Company are disclosed in Note 28.

*c. Impairment of non-financial assets*

The Group assesses impairment on non-financial assets (property and equipment, investments in subsidiaries, associates and a JV, investment properties, software costs, chattel mortgage properties and other assets) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- 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 Group uses the higher of FVLCTS and VIU in determining the recoverable amount of the asset. In 2023 and 2022, the Group considered the impact of the COVID-19 pandemic in determining the VIU. Based on the Group's impairment testing as of December 31, 2023 and 2022, allowance for impairment losses on investment in associates amounted to ₱1.3 billion and ₱883.4 million, respectively for the Group, and ₱101.1 million for the Parent Company.

The carrying values of the property and equipment, investments in subsidiaries, associates and a JV, investment properties, software costs, chattel mortgage properties, and other assets of the Group and the Parent Company are disclosed in Notes 10, 11, 12 and 14, respectively.

*Goodwill*

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statement of income. The recoverable amount of the CGU is determined based on FVLCTS.



The fair value of the CGU is determined using the cost approach, specifically the adjusted Net Asset Value (NAV) method. This method requires the measurement of the fair value of the individual assets and liabilities recognized in the CGU, as well as the fair value of any unrecognized assets and liabilities at the measurement date. The resulting net fair values of the assets and liabilities represent the fair value of the CGU. In determining the fair value of the CGU's net assets, the Group used the discounted cash flow method for unquoted debt financial assets/liabilities at the appropriate market rate, the price-to-earnings (P/E) valuation and adjusted NAV model for unquoted equity investments, and the appraisal reports for the valuation of real properties. Fair values of listed debt and equity securities are based on their quoted market prices. The Group applied the P/E valuation model by reference to P/E ratios of listed comparable companies of the investee company. The FVLCTS calculation of the CGU is most sensitive to the P/E ratios of listed comparable companies of the investee company. In 2023, the Group recognized impairment loss of ₱474.3 million (Note 15). As of December 31, 2023 and 2022, the Group's goodwill amounted to ₱4.7 billion and ₱5.2 billion respectively.

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#### 4. Financial Risk and Capital Management

##### Introduction

The Group has exposure to the following risks from its use of financial instruments:

- a. Credit;
- b. Liquidity; and
- c. Market risks.

##### *Risk management framework*

The BOD has overall responsibility for the oversight of the Parent Company's risk management process. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. Supporting the BOD in this function are certain Board-level committees such as Risk Oversight Committee (ROC), Audit Committee (AC) and senior management committees through the Executive Committee (EXCOM) and Asset and Liability Committee (ALCO) among others.

The ROC, which is composed primarily of independent members of the BOD, is responsible for overseeing the Parent Company's risk infrastructure, the adequacy and relevance of risk policies, and the compliance to defined risk appetite and levels of exposure. The ROC is assisted in this responsibility by the Risk Management Group (RSK). The RSK undertakes the implementation and execution of the Parent Company's Risk Management framework which involves the identification, assessment, control, monitoring and reporting of risks.

The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Parent Company. To a certain extent, the respective risk management programs and objectives are the same across the Group. The risk management policies adopted by the subsidiaries and affiliates are aligned with the Parent Company's risk policies. To further promote compliance with PFRS and Basel III, the Parent Company created a Risk Management Coordinating Council (RMCC) composed of risk officers of the Parent Company and its financial institution subsidiaries.

##### Credit Risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties, related groups of borrowers, market segments, and industry concentrations, and by monitoring exposures in relation to such limits,



among others. The same is true for treasury-related activities. Each business unit is responsible for the quality of its credit portfolio and monitoring and controlling all credit risks in its portfolio. Regular reviews and audits of business units and credit processes are undertaken by the RSK and Internal Audit Group, respectively.

#### *Management of credit risk*

The Group faces potential credit risks every time it extends funds to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds to issuers (for example, investment securities issued by either sovereign or corporate entities) or enter into either market-traded or over-the-counter derivatives, either through implied or actual contractual agreements (that is, on- or off-balance sheet exposures). The Parent Company manages its credit risk at various levels (that is, strategic level, portfolio level down to individual obligor or transaction) by adopting a credit risk management environment that has the following components:

- Formulating credit policies in consultation with business units, covering collateral requirements, credit/financial assessment, risk grading and reporting, and compliance with regulatory requirements;
- Establishment of authorization limits for the approval and renewal of credit facilities;
- Limiting concentrations of exposure to counterparties and industries (for loans), and by the issuer (for investment securities);
- Utilizing the Internal Credit Risk Rating System (ICRRS) to categorize exposures according to their risk profile. The risk grading system is used for determining loan loss provisions against credit exposures. The current risk grading framework consists of ten grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation; and
- Monitoring compliance with approved exposure limits.

Borrowers, counterparties, or groups of related accounts across the Group are aggregated and managed by the Parent Company's Institutional Banking Sector as the "Control Unit". Group Limits for conglomerates are set-up and approved to guide subsidiaries and affiliates of the Group. Consolidated exposures are regularly reported to senior management, the EXCOM, and the ROC.

#### *Credit risk at initial recognition*

The Group uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

#### *Modification*

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges.

On March 24, 2020, Republic Act (RA) No. 11469 or the "Bayanihan to Heal as One Act" (Bayanihan 1) was enacted declaring a state of national emergency over the entire country to control the spread of the COVID-19. Among the provisions of Bayanihan 1 is the implementation of a 30-day grace period for all loans with principal and/or interest falling due within the period of the Enhanced Community Quarantine without incurring interest on interest, on penalties, fees and other charges. Further, on September 11, 2020, RA No. 11494 or the "Bayanihan to Recover as One Act" (Bayanihan 2) was enacted and part of the provisions of the Bayanihan 2 is the implementation of a one-time 60-day grace period to be granted for the payment of all existing, current and outstanding loans falling due, or any part thereof, on or before December 31, 2020, without incurring interest on



interest, penalties, fees and other charges, thereby extending the maturity of said loans. In addition, Bayanihan 2 allows loans to be settled on a staggered basis without interest on interests, penalties, fees or other charges until December 31, 2020 or as may be agreed upon by both parties.

As of December 31, 2020, the impact of loan modifications as a result of the Bayanihan 1 and Bayanihan 2 Acts amounted to a loss of ₱1.7 billion for the Group and ₱1.2 billion for the Parent Company. For the year ended December 31, 2023 and 2022, total accretion arising from the accretion of the modified loans arising from the Bayanihan 1 and Bayanihan 2 Acts amounted to ₱70.1 million and ₱107.0 million, respectively, for the Group, and nil for the Parent Company.

*Maximum exposure to credit risk*

An analysis of the maximum credit risk exposure (net of allowance for ECL) relating to financial assets with collateral or credit enhancements is shown below:

	Consolidated							
	2023				2022			
	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure
Interbank loans receivable and SPURA (Note 7)	₱37,666	₱37,364	₱37,344	₱322	₱28,736	₱28,099	₱28,093	₱643
Loans and receivables - net								
Receivables from customers								
Commercial loans	321,725	1,440,521	295,589	26,136	318,235	1,554,136	292,274	25,961
Residential mortgage loans	91,699	175,884	81,453	10,246	91,626	178,469	88,808	2,818
Auto loans	91,846	130,491	89,812	2,034	75,664	107,134	72,935	2,729
Trade loans	46,620	46,098	45,692	928	56,969	56,629	56,017	952
Others	249	1,891	201	48	777	781	732	45
	552,139	1,794,885	512,747	39,392	543,271	1,897,149	510,766	32,505
Accrued interest receivable	4,061	2,719	2,719	1,342	4,346	2,557	2,557	1,789
Sales contract receivable	29	103	29	-	29	109	29	-
	556,229	1,797,707	515,495	40,734	547,646	1,899,815	513,352	34,294
Total	₱593,895	₱1,835,071	₱552,839	₱41,056	₱576,382	₱1,927,914	₱541,445	₱34,937

	Parent Company							
	2023				2022			
	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure	Maximum Exposure to Credit Risk	Fair Value of Collateral	Financial Effect of Collateral or Credit Enhancement	Net Exposure
Interbank loans receivable and SPURA (Note 7)	₱29,956	₱29,634	₱29,634	₱322	₱26,084	₱25,448	₱25,441	₱643
Loans and receivables - net								
Receivables from customers								
Commercial loans	248,850	1,354,884	226,196	22,654	245,732	1,469,763	224,218	21,514
Residential mortgage loans	51,485	110,731	51,184	301	50,651	111,603	50,382	269
Auto loans	20,706	47,257	20,011	695	18,259	39,164	17,761	498
Trade loans	46,620	46,098	45,692	928	56,969	56,629	56,017	952
Others	120	111	72	48	635	629	590	45
	367,781	1,559,081	343,155	24,626	372,246	1,677,788	348,968	23,278
Accrued interest receivable	1,734	1,697	1,697	37	1,797	1,793	1,793	4
Sales contract receivable	23	83	23	-	18	77	18	-
	369,538	1,560,861	344,875	24,663	374,061	1,679,658	350,779	23,282
Total	₱399,494	₱1,590,495	₱374,509	₱24,985	₱400,145	₱1,705,106	₱376,220	₱23,925

The maximum exposure to credit risks for the other financial assets is limited to their carrying values as of December 31, 2023 and 2022.

Collaterals on loans and receivables includes real estate and chattel mortgages, guarantees, and other registered securities over assets. Generally, collateral is not held over loans and advances to banks, except for reverse repurchase agreements and certain due from other banks. Collateral usually is not held against investment securities, and no such collateral was held as of December 31, 2023 and 2022. Estimates of fair values of the collateral are based on the value of collateral assessed at the



time of borrowing and are regularly updated according to internal lending policies and regulatory guidelines. The Group is not permitted to sell or repledge the collateral in the absence of default by the counterparty.

The following tables show the effect of rights of set-off associated with the recognized financial assets and financial liabilities:

	Gross Carrying Amounts (before Offsetting)	Gross Amounts Offset in Accordance with the Offsetting Criteria	Net Amount Presented in Statement of Financial Position	Effect of Remaining Rights of Set-Off (including Rights to Set-off Financial Collateral) Not Meeting Offsetting Criteria		Net Exposure
				Financial Instruments	Fair Value of Financial Collateral	
<b>Financial assets recognized by type</b>						
<b>Consolidated</b>						
<b>2023</b>						
Derivative assets	₱544,723	₱522,887	₱21,836	₱6,949	₱—	₱14,887
SPURA	37,666	—	37,666	—	37,344	322
	<b>₱582,389</b>	<b>₱522,887</b>	<b>₱59,502</b>	<b>₱6,949</b>	<b>₱37,344</b>	<b>₱15,209</b>
<b>2022</b>						
Derivative assets	₱440,728	₱416,749	₱23,979	₱5,138	₱—	₱18,841
SPURA	28,736	—	28,736	—	28,093	643
	<b>₱469,464</b>	<b>₱416,749</b>	<b>₱52,715</b>	<b>₱5,138</b>	<b>₱28,093</b>	<b>₱19,484</b>
<b>Parent Company</b>						
<b>2023</b>						
Derivative assets	₱544,723	₱522,887	₱21,836	₱6,949	₱—	₱14,887
SPURA	29,956	—	29,956	—	29,634	322
	<b>₱574,679</b>	<b>₱522,887</b>	<b>₱51,792</b>	<b>₱6,949</b>	<b>₱29,634</b>	<b>₱15,209</b>
<b>2022</b>						
Derivative assets	₱440,722	₱416,749	₱23,973	₱5,138	₱—	₱18,835
SPURA	26,084	—	26,084	—	25,441	643
	<b>₱466,806</b>	<b>₱416,749</b>	<b>₱50,057</b>	<b>₱5,138</b>	<b>₱25,441</b>	<b>₱19,478</b>
<b>Financial liabilities recognized by type</b>						
<b>Consolidated</b>						
<b>2023</b>						
Derivative liabilities	₱640,585	₱623,970	₱16,615	₱6,949	₱—	₱9,666
SSURA	134,800	—	134,800	—	134,800	—
	<b>₱775,385</b>	<b>₱623,970</b>	<b>₱151,415</b>	<b>₱6,949</b>	<b>₱134,800</b>	<b>₱9,666</b>
<b>2022</b>						
Derivative liabilities	₱395,549	₱379,130	₱16,419	₱5,138	₱—	₱11,281
SSURA	67,120	—	67,120	—	67,120	—
	<b>₱462,669</b>	<b>₱379,130</b>	<b>₱83,539</b>	<b>₱5,138</b>	<b>₱67,120</b>	<b>₱11,281</b>
<b>Parent Company</b>						
<b>2023</b>						
Derivative liabilities	₱640,584	₱623,970	₱16,614	₱6,949	₱—	₱9,665
SSURA	132,234	—	132,234	—	132,234	—
	<b>₱772,818</b>	<b>₱623,970</b>	<b>₱148,848</b>	<b>₱6,949</b>	<b>₱132,234</b>	<b>₱9,665</b>
<b>2022</b>						
Derivative liabilities	₱395,540	₱379,129	₱16,411	₱5,138	₱—	₱11,273
SSURA	65,934	—	65,934	—	65,934	—
	<b>₱461,474</b>	<b>₱379,129</b>	<b>₱82,345</b>	<b>₱5,138</b>	<b>₱65,934</b>	<b>₱11,273</b>

#### *Excessive risk concentration*

Credit risk concentrations can arise whenever a significant number of borrowers have similar characteristics and are affected similarly by changes in economic or other conditions. The Parent Company analyzes the credit risk concentration to an individual borrower, related group of accounts, industry, internal rating buckets, and security. For risk concentration monitoring purposes, the financial assets are broadly categorized into (1) loans and receivables and (2) trading and financial investment securities. To mitigate risk concentration, the Parent Company constantly checks for breaches in regulatory and internal limits.



*Concentration of risks of financial assets with credit risk exposure*

Below is an analysis of concentrations of credit risk at the statement of financial position date based on carrying amount:

	Consolidated				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
<b>2023</b>					
<b>Concentration by Industry</b>					
Financial and insurance activities	₱212,475	₱371,408	₱100,390	₱16,803	₱701,076
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	234,489	—	—	276,846	511,335
Real estate activities	296,359	—	153	3,456	299,968
Wholesale and retail trade, repair of motor vehicles, motorcycles	212,339	—	—	28,298	240,637
Manufacturing	188,960	—	933	15,140	205,033
Transportation and storage, information and communication	168,863	—	—	2,326	171,189
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	117,366	—	23	2,511	119,900
Construction	64,405	—	—	16,618	81,023
Agricultural, forestry and fishing	23,242	—	—	796	24,038
Accommodation and food service activities	17,620	—	—	18	17,638
Others****	52,642	—	904,217	17,856	974,715
	1,588,760	371,408	1,005,716	380,668	3,346,552
Less allowance for credit losses	51,594	87	375	10,772	62,828
	₱1,537,166	₱371,321	₱1,005,341	₱369,896	₱3,283,724
<b>Concentration by Location</b>					
Philippines	₱1,494,421	₱243,012	₱918,101	₱342,739	₱2,998,273
Asia	93,780	100,653	72,767	37,839	305,039
USA	450	12,733	4,070	90	17,343
Europe	19	12,748	883	—	13,650
Others	90	2,262	9,895	—	12,247
	1,588,760	371,408	1,005,716	380,668	3,346,552
Less allowance for credit losses	51,594	87	375	10,772	62,828
	₱1,537,166	₱371,321	₱1,005,341	₱369,896	₱3,283,724
<b>2022</b>					
<b>Concentration by Industry</b>					
Financial and insurance activities	₱176,471	₱401,904	₱117,713	₱16,283	₱712,371
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	177,016	—	—	233,339	410,355
Wholesale and retail trade, repair of motor vehicles, motorcycles	222,828	—	—	32,328	255,156
Real estate activities	219,889	—	252	4,151	224,292
Manufacturing	198,372	—	225	15,545	214,142
Transportation and storage, information and communication	159,886	—	—	2,090	161,976
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	98,413	—	1,674	2,529	102,616
Construction	58,945	—	—	16,999	75,944
Accommodation and food service activities	22,023	—	—	10	22,033
Agricultural, forestry and fishing	21,129	—	—	311	21,440
Others****	114,855	—	727,088	34,328	876,271
	1,469,827	401,904	846,952	357,913	3,076,596
Less allowance for credit losses	51,445	60	471	10,892	62,868
	₱1,418,382	₱401,844	₱846,481	₱347,021	₱3,013,728
<b>Concentration by Location</b>					
Philippines	₱1,389,001	₱282,035	₱746,065	₱307,175	₱2,724,276
Asia	80,220	87,852	76,265	50,701	295,038
USA	493	18,063	11,208	37	29,801
Europe	23	12,422	1,369	—	13,814
Others	90	1,532	12,045	—	13,667
	1,469,827	401,904	846,952	357,913	3,076,596
Less allowance for credit losses	51,445	60	471	10,892	62,868
	₱1,418,382	₱401,844	₱846,481	₱347,021	₱3,013,728





	Parent Company				
	Loans and Receivables	Loans and Advances to Banks*	Investment Securities**	Others***	Total
<b>2023</b>					
<b>Concentration by Industry</b>					
Financial and insurance activities	₱207,214	₱323,147	₱2,614	₱16,355	₱549,330
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	156,815	—	—	276,846	433,661
Real estate activities	244,565	—	—	3,431	247,996
Wholesale and retail trade, repair of motor vehicles, motorcycles	196,922	—	—	28,298	225,220
Manufacturing	185,950	—	782	15,140	201,872
Transportation and storage, information and communication	162,323	—	—	2,326	164,649
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	115,320	—	—	2,511	117,831
Construction	45,941	—	—	16,619	62,560
Agricultural, forestry and fishing	21,978	—	—	796	22,774
Accommodation and food service activities	17,397	—	—	18	17,415
Others****	21,873	—	877,216	716	899,805
	1,376,298	323,147	880,612	363,056	2,943,113
Less allowance for credit losses	40,962	69	361	10,691	52,083
	₱1,335,336	₱323,078	₱880,251	₱352,365	₱2,891,030
<b>Concentration by Location</b>					
Philippines	₱1,351,525	₱230,887	₱826,590	₱341,802	₱2,750,804
Asia	24,247	64,825	39,184	21,166	149,422
USA	449	12,541	4,070	88	17,148
Europe	6	12,741	884	—	13,631
Others	71	2,153	9,884	—	12,108
	1,376,298	323,147	880,612	363,056	2,943,113
Less allowance for credit losses	40,962	69	361	10,691	52,083
	₱1,335,336	₱323,078	₱880,251	₱352,365	₱2,891,030
<b>2022</b>					
<b>Concentration by Industry</b>					
Financial and insurance activities	₱172,050	₱337,322	₱327	₱16,185	₱525,884
Activities of households as employers and undifferentiated goods and services and producing activities of households for own use	176,747	—	—	233,339	410,086
Wholesale and retail trade, repair of motor vehicles, motorcycles	205,280	—	—	32,328	237,608
Manufacturing	194,421	—	—	15,545	209,966
Real estate activities	181,741	—	—	4,116	185,857
Transportation and storage, information and communication	152,649	—	—	2,090	154,739
Electricity, gas, steam and air-conditioning supply and water supply, sewerage, waste management and remediation activities	96,508	—	1,648	2,530	100,686
Construction	43,551	—	—	16,999	60,550
Accommodation and food service activities	21,809	—	—	10	21,819
Agricultural, forestry and fishing	19,400	—	—	311	19,711
Others****	16,614	—	700,907	904	718,425
	1,280,770	337,322	702,882	324,357	2,645,331
Less allowance for credit losses	41,210	38	452	10,799	52,499
	₱1,239,560	₱337,284	₱702,430	₱313,558	₱2,592,832
<b>Concentration by Location</b>					
Philippines	₱1,256,286	₱246,728	₱639,570	₱306,431	₱2,449,015
Asia	23,898	58,883	38,700	17,891	139,372
USA	492	17,846	11,208	35	29,581
Europe	16	12,412	1,370	—	13,798
Others	78	1,453	12,034	—	13,565
	1,280,770	337,322	702,882	324,357	2,645,331
Less allowance for credit losses	41,210	38	452	10,799	52,499
	₱1,239,560	₱337,284	₱702,430	₱313,558	₱2,592,832

\* Comprised of due from BSP, due from other banks and interbank loans receivable and SPURA.

\*\* Comprised of debt securities at FVOCI and investment securities at amortized cost.

\*\*\* Comprised of applicable accounts under other assets, financial guarantees and loan commitments and other credit-related liabilities.

\*\*\*\* Comprised of loans and investments to the National Government.

### Credit quality per class of financial assets

The credit quality of financial assets is assessed and managed using external and internal ratings (applying ICRRS).



The ICRRS contains the following:

- a. Borrower Risk Rating (BRR) - an assessment of the credit worthiness of the borrower (or guarantor) without considering the type or amount of the facility and security arrangements. It is an indicator of the probability that a borrower cannot meet its credit obligations when they fall due. The components of the assessment are described below:

Component	Description	Credit Factor Weight
Financial Condition	Refers to the financial condition of the borrower based on audited financial statements as indicated by certain financial ratios. The Financial Factor Evaluation is conducted manually.	40.00%
Industry Analysis	Refers to the prospects of the industry, as well as the company's performance and position in the industry.	30.00%
Management Quality	Refers to the management's ability to run the company successfully.	30.00%

- b. Facility Risk Factor (FRF) - determined for each individual facility considering the term of the facility, security arrangement and quality of documentation. This factor can downgrade or upgrade the BRR based on the elements relating to cover (collateral including pledged cash deposits and guarantee), quality of documentation and structure of transactions.
- c. Adjusted Borrower Risk Rating - combination of BRR and FRF.

#### Loans and receivables

The credit quality is generally monitored using the 10-grade ICRRS, which is integrated in the credit process. The validation of the individual borrower's risk rating is performed by the Credit Group to maintain accurate and consistent risk ratings across the credit portfolio. For commercial loans, the credit quality with the corresponding ICRRS Grade and description follows:

#### High Grade

##### 1 - Excellent

An excellent rating is given to a borrower with a very low probability of going into default and with high degree of stability, substance and diversity. Borrower has access to raise substantial amounts of funds through public market at any time; very strong debt service capacity and has conservative balance sheet ratios. Track record in profit terms is very good. Borrower exhibits highest quality under virtually all economic conditions.

##### 2 - Strong

This rating is given to borrowers with low probability of going into default in the coming year. Normally has a comfortable degree of stability, substance and diversity. Under normal market conditions, borrower has good access to public markets to raise funds. Have a strong market and financial position with a history of successful performance. Overall debt service capacity is deemed very strong; critical balance sheet ratios are conservative. Concerned multinationals or local corporations are well capitalized.

#### Standard Grade

##### 3 - Good

This rating is given to smaller corporations with limited access to public capital markets or to alternative financial markets during favorable economic and/or market conditions. As it bears characteristics of some degree of stability and substance, probability of default is quite low. However, susceptibility to cyclical changes and more concentration of business risk, by product or market, may be present. Typical is the combination of comfortable asset protection and an acceptable balance sheet structure. Debt service capacity is strong.



#### 4 - Satisfactory

A 'satisfactory' rating is given to a borrower where clear risk elements exist and probability of default is somewhat greater. Due to volatility of earnings and overall performance, borrower normally has limited access to public markets. Borrower should be able to withstand normal business cycles, but any prolonged unfavorable economic period would create deterioration beyond acceptable levels. With the combination of reasonable sound asset and cash flow protection, the debt service capacity is adequate. Reported profits in the past year and is expected to report a profit in the current year.

#### 5 - Acceptable

An 'acceptable' rating is given to a borrower whose risk elements are sufficiently pronounced although borrower should still be able to withstand normal business cycles. Any prolonged unfavorable economic and/or market period would create an immediate deterioration beyond acceptable levels. Risk is still acceptable as there is sufficient cash flow either historically or expected in the future from new business or projected finance transaction; an existing borrower where the nature of the exposure represents a higher risk because of extraordinary developments but for which a decreasing risk within an acceptable period can be expected.

#### Watchlist Grade

##### 5 - Watchlist

This rating is given to a borrower that belongs to an unfavorable industry or has company-specific risk factors which represent a concern. Operating performance and financial strength may be marginal and it is uncertain if borrower can attract alternative course of finance.

##### 6 - Watchlist

Borrower finds it hard to cope with any significant economic downturn and a default in such a case is more than a possibility. Credit exposure is not at risk of loss at the moment but performance of the borrower has weakened which, unless present trends are reversed, could lead to losses.

#### Classified Grade

##### 7 - Especially Mentioned

This rating is given to a borrower that exhibits pronounced weaknesses that deserve management's close attention. These potential weaknesses, if left uncorrected, may affect the repayment of the loan and thus, increase credit risk of the Group. Classification can be worsened if borrower is endorsed to Special Accounts Management Group for collection.

##### 8 - Substandard

These are loans or portions thereof which appear to involve a substantial and unreasonable degree of risk to the Group because of unfavorable record or unsatisfactory characteristics. There exists the possibility of future losses to the Group unless given closer supervision. Borrower has well-defined weaknesses or weaknesses that jeopardize loan liquidation. Such well-defined weaknesses may include adverse trends or development of financial, managerial, economic or political nature, or a significant weakness in collateral.

##### 9 - Doubtful

This rating is given to a nonperforming borrower whose loans or portions thereof have the weaknesses inherent in those classified as Substandard, with the added characteristics that existing facts, conditions, and values make collection or liquidation in full, highly improbable and in which substantial loss is probable.



#### 10 - Loss

This rating is given to a borrower whose loans or portions thereof are considered uncollectible or worthless and of such little value that their continuance as bankable assets is not warranted although the loans may have some recoveries or salvage value. The amount of loss is difficult to measure and it is not practical or desirable to defer writing off these basically worthless assets even though partial recovery may be obtained in the future.

The credit quality of consumer loan applicants is currently evaluated using quantitative and qualitative criteria. For booked consumer loans, the description of credit quality is as follows:

##### High Grade

###### Good credit rating

This rating is given to a good repeat client with very satisfactory track record of its loan repayment (paid at least 50.00%) and whose account did not turn past due during the entire term of the loan.

##### Standard Grade

###### Good

A good rating is given to accounts which did not turn past due for 90 days and over.

###### Limited

This rating is given to borrowers who have average track record on loan repayment (paid less than 50.00%) and whose account did not turn past due for 90 days and over.

##### Substandard Grade

###### Poor

A poor rating is given to accounts who reached 90 days past due regardless of the number of times and the number of months past due.

###### Poor litigation

This rating is given to accounts that were past due for 180 days and over and are currently being handled by lawyers.

##### Impaired

###### Poor repossessed

This rating is given to accounts whose collaterals were repossessed.

###### Poor written-off

This rating is given to accounts that were recommended for write-off.

For booked credit card receivables, the description of credit quality is as follows:

###### Excellent

These are customers that have exhibited the best payment behavior and are generally those without history of past due which have been paying the outstanding balance in full over a period of twelve (12) months.

###### Very Satisfactory

These are customers that have exhibited the good payment behavior and are generally those without history of past due but could have revolved over a period of twelve (12) months.



#### Satisfactory

These are customers that have shown history of past due but not impaired, and are still within the average level of the credit card portfolio which remains to be profitable.

#### Poor

These are customers that are past due but not yet impaired and could still be cured by collection mitigation strategies.

#### Default

These are customers that are already impaired. Recovery strategies are needed to reduce exposure to these customers.

#### Investment securities

In ensuring quality investment portfolio, the Group uses the credit risk rating from the published data providers like Moody's, Standard & Poor's (S&P) or other reputable rating agencies. The following indicates the levels of equivalent credit quality and its relevant external rating:

<b>Credit Quality</b>	<b>External Rating</b>								
High grade	Aaa	Aa1	Aa2	A1	A2	A3	Baa1	Baa2	Baa3
Standard grade	Ba1	Ba2	Ba3	B1	B2				
Substandard grade	B3	Caa1	Caa2	Caa3	Ca	C			
Impaired	D								

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to those rated by external rating agencies as 'Investment grade' (that is, those under High grade in the table above).

The following table shows the credit quality of loans and advances to banks, gross of allowance for credit losses, as of December 31, 2023 and 2022. All loans and advances to banks are classified as Stage 1 in 2023 and 2022.

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Due from BSP				
High grade	<b>₱207,807</b>	₱252,628	<b>₱198,061</b>	₱215,074
Due from other banks				
High grade	<b>88,782</b>	74,122	<b>64,884</b>	56,050
Standard grade	<b>1,002</b>	674	<b>962</b>	628
Unrated	<b>802</b>	717	<b>22</b>	20
	<b>90,586</b>	75,513	<b>65,868</b>	56,698
Interbank loans receivable and SPURA				
High grade	<b>73,015</b>	73,763	<b>59,219</b>	65,550
Total loans and advances to banks				
High grade	<b>369,604</b>	400,513	<b>322,164</b>	336,674
Standard grade	<b>1,002</b>	674	<b>962</b>	628
Unrated	<b>802</b>	717	<b>22</b>	20
	<b>₱371,408</b>	₱401,904	<b>₱323,148</b>	₱337,322

As of December 31, 2023 and 2022, availments of interbank loans and SPURA amounted to ₱73.0 billion and ₱73.8 billion, respectively, for the Group, and ₱59.2 billion and ₱65.5 billion, respectively, for the Parent Company while maturities of interbank loans and SPURA amounted to ₱73.8 billion and ₱70.5 billion, respectively, for the Group, and ₱65.5 billion and ₱56.0 billion, respectively, for the Parent Company. As of December 31, 2023 and 2022, net increase/(decrease) in due from BSP amounted to (₱44.8 billion) and (₱629.6 billion), respectively, for the Group, and (₱17.0 billion) and ₱15.1 billion, respectively, for the Parent Company, and net increase in due from



other banks amounted to ₱15.1 billion and ₱26.7 billion, respectively, for the Group, and ₱9.2 billion and ₱20.5 billion, respectively, for the Parent Company.

The following table shows the credit quality of investment securities, gross of allowance for credit losses, as of December 31, 2023 and 2022. All investment securities are classified as Stage 1 in 2023 and 2022.

	Consolidated		Parent	
	2023	2022	2023	2022
Debt securities at FVOCI				
Treasury notes and bonds				
High grade	₱366,864	₱333,117	₱360,273	₱329,146
Treasury bills				
High grade	355	557	—	—
Government				
High grade	71,444	77,136	71,289	77,056
Standard grade	—	1	—	—
	71,444	77,137	71,289	77,056
Private				
High grade	43,518	48,387	10,252	11,071
Standard grade	1,633	1,601	—	—
Unrated	—	49	—	49
	45,151	50,037	10,252	11,120
BSP				
High grade	50,889	67,857	—	—
Total debt securities at FVOCI				
High grade	533,070	527,054	441,814	417,273
Standard grade	1,633	1,602	—	—
Unrated	—	49	—	49
	534,703	528,705	441,814	417,322
Investment securities at amortized cost				
Government				
High grade	49,790	44,817	38,378	32,470
Standard grade	—	192	—	—
	49,790	45,009	38,378	32,470
Private				
High grade	415	250	—	—
Standard grade	2,652	3,238	—	—
Unrated	—	—	—	—
	3,067	3,488	—	—
Treasury bills				
High grade	288	249	—	—
Treasury notes and bonds				
High Grade	417,868	269,501	400,420	253,090
Total Investment securities at amortized cost				
High grade	468,361	314,817	438,798	285,560
Standard grade	2,652	3,430	—	—
Unrated	—	—	—	—
	471,013	318,247	438,798	285,560
Total debt investment securities				
High grade	1,001,431	841,871	880,612	702,833
Standard grade	4,285	5,032	—	—
Unrated	—	49	—	49
	₱1,005,716	₱846,952	₱880,612	₱702,882

As of December 31, 2023 and 2022, purchases of investment in debt securities at FVOCI amounted to ₱718.1 billion and ₱879.3 billion, respectively, for the Group, and ₱119.8 billion and ₱256.7 billion, respectively, for the Parent Company. Proceeds from disposals/maturities amounted to ₱721.1 billion and ₱976.9 billion, respectively, for the Group, and ₱104.6 billion and ₱380.5 billion, respectively, for the Parent Company. Other movements, which include amortization of premiums/discounts, mark-to-market and foreign exchange revaluations, resulted in a increase (decrease) in carrying value of debt securities at FVOCI as of December 31, 2023 and 2022 amounting to ₱9.1 billion and (₱17.8 billion), respectively, for the Group, and a decrease in carrying value of ₱34.2 billion and ₱18.8 billion, respectively, for the Parent Company.



As of December 31, 2023 and 2022, purchases of investment securities at amortized cost amounted to ₱152.4 billion and ₱240.2 billion, respectively, for the Group, and ₱150.3 billion and ₱228.2 billion, respectively, for the Parent Company, while proceeds from maturities and disposals amounted to ₱2.1 billion and ₱6.8 billion, respectively, for the Group, and nil, for the Parent Company. Other movements, which include amortization of premiums/discounts, mark-to-market and foreign exchange revaluations, resulted in an increase in carrying value of investment securities at amortized cost as of December 31, 2023 and 2022 amounting to ₱2.5 billion and ₱0.6 billion, respectively, for the Group, and ₱3.0 billion and ₱0.2 billion, respectively, for the Parent Company.

The credit quality of receivables from customers, net of unearned discount and capitalized interest, as of December 31, 2023 and 2022 follow:

	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
<b>2023</b>				
Commercial loans				
High grade	₱227,911	₱—	₱—	₱227,911
Standard grade	854,407	802	—	855,209
Watchlist grade	16,325	17,369	—	33,694
Classified grade	—	28,726	—	28,726
Sub-standard grade	—	464	—	464
Unrated	—	138	—	138
Non-performing individually impaired	—	—	17,860	17,860
	<b>1,098,643</b>	<b>47,499</b>	<b>17,860</b>	<b>1,164,002</b>
Residential mortgage loans				
High grade	22,081	13,471	—	35,552
Standard grade	41,221	586	—	41,807
Sub-standard grade	7,414	5,207	—	12,621
Unrated	—	1,268	—	1,268
Non-performing individually impaired	—	—	2,203	2,203
	<b>70,716</b>	<b>20,532</b>	<b>2,203</b>	<b>93,451</b>
Auto loans				
High grade	66,679	65	—	66,744
Standard grade	20,438	496	—	20,934
Sub-standard grade	144	2,251	—	2,395
Unrated	—	3,382	—	3,382
Non-performing individually impaired	—	—	2,906	2,906
	<b>87,261</b>	<b>6,194</b>	<b>2,906</b>	<b>96,361</b>
Credit card				
Standard grade	126,916	—	—	126,916
Sub-standard grade	—	2,656	—	2,656
Non-performing individually impaired	—	—	3,562	3,562
	<b>126,916</b>	<b>2,656</b>	<b>3,562</b>	<b>133,134</b>
Trade loans				
High grade	6,601	—	—	6,601
Standard grade	44,087	48	—	44,135
Watchlist Grade	—	255	—	255
Classified grade	—	273	—	273
Non-performing individually impaired	—	—	354	354
	<b>50,688</b>	<b>576</b>	<b>354</b>	<b>51,618</b>
Other loans				
High grade	10,440	—	—	10,440
Standard grade	1,125	—	—	1,125
Sub-standard grade	—	811	—	811
Unrated	11	177	—	188
Non-performing individually impaired	—	—	279	279
	<b>11,576</b>	<b>988</b>	<b>279</b>	<b>12,843</b>
Total receivables from customers				
High grade	333,712	13,536	—	347,248
Standard grade	1,088,194	1,932	—	1,090,126
Watchlist grade	16,325	17,624	—	33,949
Classified grade	—	28,999	—	28,999
Sub-standard grade	7,558	11,389	—	18,947
Unrated	11	4,965	—	4,976
Non-performing individually impaired	—	—	27,164	27,164
	<b>₱1,445,800</b>	<b>₱78,445</b>	<b>₱27,164</b>	<b>₱1,551,409</b>



	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
<b>2022</b>				
Commercial loans				
High grade	P324,950	P–	P–	P324,950
Standard grade	683,968	647	–	684,615
Watchlist grade	8,872	24,351	–	33,223
Classified grade	–	27,322	–	27,322
Sub-standard grade	118	999	–	1,117
Unrated	–	25	–	25
Non-performing individually impaired	–	–	20,116	20,116
	1,017,908	53,344	20,116	1,091,368
Residential mortgage loans				
High grade	22,962	12,301	–	35,263
Standard grade	38,736	300	–	39,036
Sub-standard grade	9,189	6,034	–	15,223
Unrated	–	1,270	–	1,270
Non-performing individually impaired	–	–	3,177	3,177
	70,887	19,905	3,177	93,969
Auto loans				
High grade	53,221	51	–	53,272
Standard grade	17,336	427	–	17,763
Sub-standard grade	461	3,619	–	4,080
Unrated	–	2,055	–	2,055
Non-performing individually impaired	–	–	2,325	2,325
	71,018	6,152	2,325	79,495
Credit card				
Standard grade	102,172	–	–	102,172
Sub-standard grade	–	850	–	850
Non-performing individually impaired	–	–	2,542	2,542
	102,172	850	2,542	105,564
Trade loans				
High grade	6,013	–	–	6,013
Standard grade	54,165	–	–	54,165
Classified grade	–	498	–	498
Non-performing individually impaired	–	–	414	414
	60,178	498	414	61,090
Other loans				
High grade	8,953	–	–	8,953
Standard grade	1,418	–	–	1,418
Sub-standard grade	–	1,000	–	1,000
Unrated	9	24	–	33
Non-performing individually impaired	–	–	301	301
	10,380	1,024	301	11,705
Total receivables from customers				
High grade	416,099	12,352	–	428,451
Standard grade	897,795	1,374	–	899,169
Watchlist grade	8,872	24,351	–	33,223
Classified grade	–	27,820	–	27,820
Sub-standard grade	9,768	12,502	–	22,270
Unrated	9	3,374	–	3,383
Non-performing individually impaired	–	–	28,875	28,875
	P1,332,543	P81,773	P28,875	P1,443,191

	Parent Company				
	Stage 1	Stage 2	Stage 3	POCI	Total
2023					
Commercial loans					
High grade	₱162,693	₱—	₱—	₱—	₱162,693
Standard grade	844,407	802	—	—	845,209
Watchlist grade	16,325	17,369	—	—	33,694
Classified grade	—	28,726	—	—	28,726
Non-performing individually impaired	—	—	14,858	439	15,297
	1,023,425	46,897	14,858	439	1,085,619
Residential mortgage loans					
High grade	906	—	—	—	906
Standard grade	41,221	586	—	—	41,807
Sub-standard grade	7,414	1,245	—	—	8,659
Non-performing individually impaired	—	—	901	—	901
	49,541	1,831	901	—	52,273

(Forward)





	Parent Company				
	Stage 1	Stage 2	Stage 3	POCI	Total
Auto loans					
High grade	₱2,101	₱65	₱–	₱–	₱2,166
Standard grade	18,149	496	–	–	18,645
Sub-standard grade	144	31	–	–	175
Non-performing individually impaired	–	–	318	–	318
	20,394	592	318	–	21,304
Credit card					
Standard grade	126,916	–	–	–	126,916
Sub-standard grade	–	2,656	–	–	2,656
Non-performing individually impaired	–	–	3,562	–	3,562
	126,916	2,656	3,562	–	133,134
Trade loans					
High grade	2,847	–	–	–	2,847
Standard grade	44,087	48	–	–	44,135
Watchlist grade	–	255	–	–	255
Classified grade	–	273	–	–	273
Non-performing individually impaired	–	–	354	–	354
	46,934	576	354	–	47,864
Other loans					
High grade	9,511	–	–	–	9,511
Standard grade	933	–	–	–	933
Sub-standard grade	–	17	–	–	17
Non-performing individually impaired	–	–	74	–	74
	10,444	17	74	–	10,535
Total receivables from customers					
High grade	178,058	65	–	–	178,123
Standard grade	1,075,713	1,932	–	–	1,077,645
Watchlist grade	16,325	17,624	–	–	33,949
Classified grade	–	28,999	–	–	28,999
Sub-standard grade	7,558	3,949	–	–	11,507
Non-performing individually impaired	–	–	20,067	439	20,506
	₱1,277,654	₱52,569	₱20,067	₱439	₱1,350,729
2022					
Commercial loans					
High grade	₱265,733	₱–	₱–	₱–	₱265,733
Standard grade	672,569	647	–	–	673,216
Watchlist grade	8,872	24,351	–	–	33,223
Classified grade	–	27,322	–	–	27,322
Non-performing individually impaired	–	–	14,993	1,633	16,626
	947,174	52,320	14,993	1,633	1,016,120
Residential mortgage loans					
High grade	450	2	–	–	452
Standard grade	38,736	300	–	–	39,036
Sub-standard grade	9,189	1,562	–	–	10,751
Non-performing individually impaired	–	–	1,649	–	1,649
	48,375	1,864	1,649	–	51,888
Auto loans					
High grade	1,217	51	–	–	1,268
Standard grade	16,223	427	–	–	16,650
Sub-standard grade	461	82	–	–	543
Non-performing individually impaired	–	–	413	–	413
	17,901	560	413	–	18,874
Credit card					
Standard grade	102,172	–	–	–	102,172
Sub-standard grade	–	850	–	–	850
Non-performing individually impaired	–	–	2,542	–	2,542
	102,172	850	2,542	–	105,564
Trade loans					
High grade	4,453	–	–	–	4,453
Standard grade	54,165	–	–	–	54,165
Classified grade	–	498	–	–	498
Non-performing individually impaired	–	–	414	–	414
	58,618	498	414	–	59,530
Other loans					
High grade	8,216	–	–	–	8,216
Standard grade	1,214	–	–	–	1,214
Non-performing individually impaired	–	–	44	–	44
	9,430	–	44	–	9,474

(Forward)



	Parent Company				
	Stage 1	Stage 2	Stage 3	POCI	Total
	Parent Company				
	Stage 1	Stage 2	Stage 3	POCI	Total
Total receivables from customers					
High grade	₱280,069	₱53	₱—	₱—	₱280,122
Standard grade	885,079	1,374	—	—	886,453
Watchlist grade	8,872	24,351	—	—	33,223
Classified grade	—	27,820	—	—	27,820
Sub-standard grade	9,650	2,494	—	—	12,144
Non-performing individually impaired	—	—	20,055	1,633	21,688
	₱1,183,670	₱56,092	₱20,055	₱1,633	₱1,261,450

Movements during 2023 and 2022 for receivables from customers follows:

	Consolidated			
	Receivables from Customers			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
Commercial loans				
Balance at January 1, 2023	₱1,017,908	₱53,344	₱20,116	₱1,091,368
Newly originated assets that remained in Stage 1 as at year-end	544,741	—	—	544,741
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	17,758	1,450	19,208
Assets derecognized or repaid	(462,792)	(21,050)	(3,932)	(487,774)
Amounts written-off	—	—	(1,269)	(1,269)
Transfers to/(from) Stage 1	957	—	—	957
Transfers to/(from) Stage 2	—	(2,479)	—	(2,479)
Transfers to/(from) Stage 3	—	—	1,521	1,521
Others	(2,171)	(74)	(26)	(2,271)
Balance at December 31, 2023	1,098,643	47,499	17,860	1,164,002
Residential mortgage loans				
Balance at January 1, 2023	70,887	19,905	3,177	93,969
Newly originated assets that remained in Stage 1 as at year-end	18,305	—	—	18,305
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	21	10	31
Assets derecognized or repaid	(13,021)	(4,821)	(1,012)	(18,854)
Amounts written off	—	—	—	—
Transfers to/(from) Stage 1	(5,455)	—	—	(5,455)
Transfers to/(from) Stage 2	—	5,427	—	5,427
Transfers to/(from) Stage 3	—	—	28	28
Others	—	—	—	—
Balance at December 31, 2023	70,716	20,532	2,203	93,451
Auto loans				
Balance at January 1, 2023	71,018	6,152	2,325	79,495
Newly originated assets that remained in Stage 1 as at year-end	45,429	—	—	45,429
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	1,213	589	1,802
Assets derecognized or repaid	(23,880)	(4,952)	(1,376)	(30,208)
Amounts written-off	—	—	(156)	(156)
Transfers to/(from) Stage 1	(5,306)	—	—	(5,306)
Transfers to/(from) Stage 2	—	3,781	—	3,781
Transfers to/(from) Stage 3	—	—	1,524	1,524
Balance at December 31, 2023	87,261	6,194	2,906	96,361
Credit card				
Balance at January 1, 2023	102,172	850	2,542	105,564
Newly originated assets that remained in Stage 1 as at year-end	10,539	—	—	10,539
Assets derecognized or repaid	(616)	(266)	(226)	(1,108)
Amounts written-off	—	—	(7,415)	(7,415)
Transfers to/(from) Stage 1	(6,664)	—	—	(6,664)
Transfers to/(from) Stage 2	—	2,028	—	2,028
Transfers to/(from) Stage 3	—	—	4,636	4,636
Others	21,485	44	4,025	25,554
Balance at December 31, 2023	126,916	2,656	3,562	133,134
Trade loans				
Balance at January 1, 2023	60,178	498	414	61,090
Newly originated assets that remained in Stage 1 as at year-end	49,192	—	—	49,192
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	567	2	569

(Forward)



	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
Assets derecognized or repaid	(P58,618)	(P489)	(P62)	(P59,169)
Others	(64)	—	—	(64)
Balance at December 31, 2023	50,688	576	354	51,618
Other loans				
Balance at January 1, 2023	10,380	1,024	301	11,705
Newly originated assets that remained in Stage 1 as at year-end	10,803	—	—	10,803
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	220	4	224
Assets derecognized or repaid	(9,438)	(107)	(35)	(9,580)
Amounts written-off	—	—	(178)	(178)
Transfers to/(from) Stage 1	48	—	—	48
Transfers to/(from) Stage 2	—	(158)	—	(158)
Transfers to/(from) Stage 3	—	—	112	112
Others	(217)	9	75	(133)
Balance at December 31, 2023	11,576	988	279	12,843
Total receivables from customers				
Balance at January 1, 2023	1,332,543	81,773	28,875	1,443,191
Newly originated assets that remained in Stage 1 as at year-end	679,009	—	—	679,009
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	19,779	2,055	21,834
Assets derecognized or repaid	(568,365)	(31,685)	(6,643)	(606,693)
Amounts written-off	—	—	(9,018)	(9,018)
Transfers to/(from) Stage 1	(16,420)	—	—	(16,420)
Transfers to/(from) Stage 2	—	8,599	—	8,599
Transfers to/(from) Stage 3	—	—	7,821	7,821
Others	19,033	(21)	4,074	23,086
Balance at December 31, 2023	P1,445,800	P78,445	P27,164	P1,551,409
2022				
Commercial loans				
Balance at January 1, 2022	P837,737	P92,878	P18,031	P948,646
Newly originated assets that remained in Stage 1 as at year-end	582,396	—	—	582,396
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	19,715	2,929	22,644
Assets derecognized or repaid	(403,597)	(55,549)	(5,808)	(464,954)
Amounts written-off	—	—	(2,300)	(2,300)
Transfers to/(from) Stage 1	(2,750)	—	—	(2,750)
Transfers to/(from) Stage 2	—	(4,449)	—	(4,449)
Transfers to/(from) Stage 3	—	—	7,199	7,199
Others	4,122	749	65	4,936
Balance at December 31, 2022	1,017,908	53,344	20,116	1,091,368
Residential mortgage loans				
Balance at January 1, 2022	82,183	9,668	5,633	97,484
Newly originated assets that remained in Stage 1 as at year-end	16,645	—	—	16,645
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	86	58	144
Assets derecognized or repaid	(14,269)	(4,161)	(1,873)	(20,303)
Amounts written off	—	—	(1)	(1)
Transfers to/(from) Stage 1	(13,672)	—	—	(13,672)
Transfers to/(from) Stage 2	—	14,312	—	14,312
Transfers to/(from) Stage 3	—	—	(640)	(640)
Balance at December 31, 2022	70,887	19,905	3,177	93,969
Auto loans				
Balance at January 1, 2022	60,531	12,122	3,973	76,626
Newly originated assets that remained in Stage 1 as at year-end	36,697	—	—	36,697
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	701	208	909
Assets derecognized or repaid	(24,801)	(7,108)	(2,202)	(34,111)
Amounts written-off	—	—	(626)	(626)
Transfers to/(from) Stage 1	(1,409)	—	—	(1,409)
Transfers to/(from) Stage 2	—	437	—	437
Transfers to/(from) Stage 3	—	—	972	972
Balance at December 31, 2022	71,018	6,152	2,325	79,495

(Forward)



	Consolidated			
	Receivables from Customers			
	Stage 1	Stage 2	Stage 3	Total
<b>Credit card</b>				
Balance at January 1, 2022	₱80,294	₱687	₱1,131	₱82,112
Newly originated assets that remained in Stage 1 as at year-end	3,869	—	—	3,869
Assets derecognized or repaid	(484)	(218)	(107)	(809)
Amounts written-off	—	—	(4,439)	(4,439)
Transfers to/(from) Stage 1	(4,354)	—	—	(4,354)
Transfers to/(from) Stage 2	—	1,102	—	1,102
Transfers to/(from) Stage 3	—	—	3,252	3,252
Others	22,847	(721)	2,705	24,831
Balance at December 31, 2022	102,172	850	2,542	105,564
<b>Trade loans</b>				
Balance at January 1, 2022	49,910	1,832	346	52,088
Newly originated assets that remained in Stage 1 as at year-end	58,617	—	—	58,617
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	449	311	760
Assets derecognized or repaid	(48,328)	(1,796)	(243)	(50,367)
Transfers to/(from) Stage 1	(13)	—	—	(13)
Transfers to/(from) Stage 2	—	13	—	13
Others	(8)	—	—	(8)
Balance at December 31, 2022	60,178	498	414	61,090
<b>Other loans</b>				
Balance at January 1, 2022	7,451	1,462	755	9,668
Newly originated assets that remained in Stage 1 as at year-end	7,324	—	—	7,324
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	158	14	172
Assets derecognized or repaid	(5,170)	(172)	(109)	(5,451)
Amounts written-off	—	—	(453)	(453)
Transfers to/(from) Stage 1	330	—	—	330
Transfers to/(from) Stage 2	—	(424)	—	(424)
Transfers to/(from) Stage 3	—	—	94	94
Others	445	—	—	445
Balance at December 31, 2022	10,380	1,024	301	11,705
<b>Total receivables from customers</b>				
Balance at January 1, 2022	1,118,106	118,649	29,869	1,266,624
Newly originated assets that remained in Stage 1 as at year-end	705,548	—	—	705,548
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	21,109	3,520	24,629
Assets derecognized or repaid	(496,649)	(69,004)	(10,342)	(575,995)
Amounts written-off	—	—	(7,819)	(7,819)
Transfers to/(from) Stage 1	(21,868)	—	—	(21,868)
Transfers to/(from) Stage 2	—	10,991	—	10,991
Transfers to/(from) Stage 3	—	—	10,877	10,877
Others	27,406	28	2,770	30,204
Balance at December 31, 2022	₱1,332,543	₱81,773	₱28,875	₱1,443,191

	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>2023</b>					
<b>Commercial loans</b>					
Balance at January 1, 2023	₱947,174	₱52,320	₱14,993	₱1,633	₱1,016,120
Newly originated assets that remained in Stage 1 as at year-end	530,851	—	—	—	530,851
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	17,632	1,045	—	18,677
Assets derecognized or repaid	(455,343)	(20,469)	(2,769)	—	(478,581)
Amounts written off	—	—	(145)	(927)	(1,072)
Transfers to/(from) Stage 1	1,022	—	—	—	1,022
Transfers to/(from) Stage 2	—	(2,512)	—	—	(2,512)
Transfers to/(from) Stage 3	—	—	1,490	—	1,490
Others	(279)	(74)	244	(267)	(376)
Balance at December 31, 2023	1,023,425	46,897	14,858	439	1,085,619

(Forward)



	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
Residential mortgage loans					
Balance at January 1, 2023	₱48,375	₱1,864	₱1,649	₱—	₱51,888
Newly originated assets that remained in Stage 1 as at year-end	12,637	—	—	—	12,637
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	14	2	—	16
Assets derecognized or repaid	(10,873)	(734)	(661)	—	(12,268)
Transfers to/(from) Stage 1	(598)	—	—	—	(598)
Transfers to/(from) Stage 2	—	687	—	—	687
Transfers to/(from) Stage 3	—	—	(89)	—	(89)
Balance at December 31, 2023	49,541	1,831	901	—	52,273
Auto loans					
Balance at January 1, 2023	17,901	560	413	—	18,874
Newly originated assets that remained in Stage 1 as at year-end	10,473	—	—	—	10,473
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	260	6	—	266
Assets derecognized or repaid	(7,817)	(317)	(165)	—	(8,299)
Amounts written off	—	—	(10)	—	(10)
Transfers to/(from) Stage 1	(163)	—	—	—	(163)
Transfers to/(from) Stage 2	—	89	—	—	89
Transfers to/(from) Stage 3	—	—	74	—	74
Balance at December 31, 2023	20,394	592	318	—	21,304
Credit card					
Balance at January 1, 2023	102,172	850	2,542	—	105,564
Newly originated assets that remained in Stage 1 as at year-end	10,539	—	—	—	10,539
Assets derecognized or repaid	(616)	(266)	(226)	—	(1,108)
Amounts written-off	—	—	(7,415)	—	(7,415)
Transfers to/(from) Stage 1	(6,664)	—	—	—	(6,664)
Transfers to/(from) Stage 2	—	2,028	—	—	2,028
Transfers to/(from) Stage 3	—	—	4,636	—	4,636
Others	21,485	44	4,025	—	25,554
Balance at December 31, 2023	126,916	2,656	3,562	—	133,134
Trade loans					
Balance at January 1, 2023	58,618	498	414	—	59,530
Newly originated assets that remained in Stage 1 as at year-end	46,934	—	—	—	46,934
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	567	2	—	569
Assets derecognized or repaid	(58,618)	(489)	(62)	—	(59,169)
Balance at December 31, 2023	46,934	576	354	—	47,864
Other loans					
Balance at January 1, 2023	9,430	—	44	—	9,474
Newly originated assets that remained in Stage 1 as at year-end	10,013	—	—	—	10,013
Assets derecognized or repaid	(8,754)	—	(2)	—	(8,756)
Amounts written off	—	—	(64)	—	(64)
Transfers to/(from) Stage 1	(28)	—	—	—	(28)
Transfers to/(from) Stage 2	—	8	—	—	8
Transfers to/(from) Stage 3	—	—	20	—	20
Others	(217)	9	76	—	(132)
Balance at December 31, 2023	10,444	17	74	—	10,535
Total receivables from customers					
Balance at January 1, 2023	1,183,670	56,092	20,055	1,633	1,261,450
Newly originated assets that remained in Stage 1 as at year-end	621,447	—	—	—	621,447
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	18,473	1,055	—	19,528
Assets derecognized or repaid	(542,021)	(22,275)	(3,885)	—	(568,181)
Amounts written-off	—	—	(7,634)	(927)	(8,561)
Transfers to/(from) Stage 1	(6,431)	—	—	—	(6,431)
Transfers to/(from) Stage 2	—	300	—	—	300
Transfers to/(from) Stage 3	—	—	6,131	—	6,131
Others	20,989	(21)	4,345	(267)	25,046
Balance at December 31, 2023	₱1,277,654	₱52,569	₱20,067	₱439	₱1,350,729



	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
2022					
Commercial loans					
Balance at January 1, 2022	₱772,740	₱89,578	₱10,476	₱3,276	₱876,070
Newly originated assets that remained in Stage 1 as at year-end	565,660	—	—	—	565,660
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	19,629	2,687	—	22,316
Assets derecognized or repaid	(391,954)	(54,185)	(4,149)	(8)	(450,296)
Amounts written off	—	—	(284)	(1,638)	(1,922)
Transfers to/(from) Stage 1	(2,751)	—	—	—	(2,751)
Transfers to/(from) Stage 2	—	(3,451)	—	—	(3,451)
Transfers to/(from) Stage 3	—	—	6,202	—	6,202
Others	3,479	749	61	3	4,292
Balance at December 31, 2022	947,174	52,320	14,993	1,633	1,016,120
Residential mortgage loans					
Balance at January 1, 2022	45,769	3,362	3,075	—	52,206
Newly originated assets that remained in Stage 1 as at year-end	12,209	—	—	—	12,209
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	—	20	—	20
Assets derecognized or repaid	(10,816)	(890)	(840)	—	(12,546)
Amounts written off	—	—	(1)	—	(1)
Transfers to/(from) Stage 1	1,213	—	—	—	1,213
Transfers to/(from) Stage 2	—	(608)	—	—	(608)
Transfers to/(from) Stage 3	—	—	(605)	—	(605)
Balance at December 31, 2022	48,375	1,864	1,649	—	51,888
Auto loans					
Balance at January 1, 2022	17,401	704	710	—	18,815
Newly originated assets that remained in Stage 1 as at year-end	8,727	—	—	—	8,727
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	188	1	—	189
Assets derecognized or repaid	(8,103)	(434)	(311)	—	(8,848)
Amounts written off	—	—	(9)	—	(9)
Transfers to/(from) Stage 1	(124)	—	—	—	(124)
Transfers to/(from) Stage 2	—	102	—	—	102
Transfers to/(from) Stage 3	—	—	22	—	22
Balance at December 31, 2022	17,901	560	413	—	18,874
Credit card					
Balance at January 1, 2022	80,294	687	1,131	—	82,112
Newly originated assets that remained in Stage 1 as at year-end	3,869	—	—	—	3,869
Assets derecognized or repaid	(484)	(218)	(107)	—	(809)
Amounts written-off	—	—	(4,439)	—	(4,439)
Transfers to/(from) Stage 1	(4,354)	—	—	—	(4,354)
Transfers to/(from) Stage 2	—	1,102	—	—	1,102
Transfers to/(from) Stage 3	—	—	3,252	—	3,252
Others	22,847	(721)	2,705	—	24,831
Balance at December 31, 2022	102,172	850	2,542	—	105,564
Trade loans					
Balance at January 1, 2022	46,537	1,832	346	—	48,715
Newly originated assets that remained in Stage 1 as at year-end	58,618	—	—	—	58,618
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	449	311	—	760
Assets derecognized or repaid	(46,524)	(1,796)	(243)	—	(48,563)
Transfers to/(from) Stage 1	(13)	—	—	—	(13)
Transfers to/(from) Stage 2	—	13	—	—	13
Balance at December 31, 2022	58,618	498	414	—	59,530
Other loans					
Balance at January 1, 2022	6,660	—	41	—	6,701
Newly originated assets that remained in Stage 1 as at year-end	6,931	—	—	—	6,931
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	—	1	—	1
Assets derecognized or repaid	(4,601)	—	(2)	—	(4,603)
Transfers to/(from) Stage 1	(4)	—	—	—	(4)
Transfers to/(from) Stage 3	—	—	4	—	4

(Forward)



	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
Others	₱444	₱—	₱—	₱—	₱444
Balance at December 31, 2022	9,430	—	44	—	9,474
Total receivables from customers					
Balance at January 1, 2022	969,401	96,163	15,779	3,276	1,084,619
Newly originated assets that remained in Stage 1 as at year-end	656,014	—	—	—	656,014
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	20,266	3,020	—	23,286
Assets derecognized or repaid	(462,482)	(57,523)	(5,652)	(8)	(525,665)
Amounts written-off	—	—	(4,733)	(1,638)	(6,371)
Transfers to/(from) Stage 1	(6,033)	—	—	—	(6,033)
Transfers to/(from) Stage 2	—	(2,842)	—	—	(2,842)
Transfers to/(from) Stage 3	—	—	8,875	—	8,875
Others	26,770	28	2,766	3	29,567
Balance at December 31, 2022	₱1,183,670	₱56,092	₱20,055	₱1,633	₱1,261,450

The credit quality of other receivables, gross of allowance for credit losses, as of December 31, 2023 and 2022 follows:

	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
<b>2023</b>				
Unquoted debt securities				
High grade	₱518	₱—	₱—	₱518
Standard grade	30	—	—	30
Non-performing individually impaired	—	—	386	386
	548	—	386	934
Accrued interest receivable				
High grade	13,868	180	—	14,048
Standard grade	5,494	5	—	5,499
Watchlist grade	66	55	—	121
Classified grade	—	217	—	217
Sub-standard grade	36	232	—	268
Unrated	16	107	—	123
Non-performing individually impaired	—	—	619	619
	19,480	796	619	20,895
Sales contract receivable				
High grade	1	—	—	1
Unrated	23	—	—	23
Non-performing individually impaired	—	—	8	8
	24	—	8	32
Other receivables				
High Grade	3	—	—	3
Standard grade	389	—	—	389
Unrated	3	—	—	3
Non-performing individually impaired	—	—	1	1
	395	—	1	396
Total other receivables				
High grade	14,390	180	—	14,570
Standard grade	5,913	5	—	5,918
Watchlist grade	66	55	—	121
Classified grade	—	217	—	217
Sub-standard grade	36	232	—	268
Unrated	42	107	—	149
Non-performing individually impaired	—	—	1,014	1,014
	₱20,447	₱796	₱1,014	₱22,257
<b>2022</b>				
Unquoted debt securities				
High grade	₱787	₱—	₱—	₱787
Standard grade	30	—	—	30
Non-performing individually impaired	—	—	386	386
	817	—	386	1,203

(Forward)



	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
Accrued interest receivable				
High grade	₱10,885	₱172	₱—	₱11,057
Standard grade	2,848	3	—	2,851
Watchlist grade	36	81	—	117
Classified grade	—	542	—	542
Sub-standard grade	36	279	—	315
Unrated	150	136	—	286
Non-performing individually impaired	—	—	620	620
	13,955	1,213	620	15,788
Sales contract receivable				
High grade	2	—	—	2
Sub-standard grade	—	1	—	1
Unrated	18	—	—	18
Non-performing individually impaired	—	—	10	10
	20	1	10	31
Other receivables				
Standard grade	274	—	—	274
Unrated	5	—	—	5
Non-performing individually impaired	—	—	2	2
	279	—	2	281
Total other receivables				
High grade	11,674	172	—	11,846
Standard grade	3,152	3	—	3,155
Watchlist grade	36	81	—	117
Classified grade	—	542	—	542
Sub-standard grade	36	280	—	316
Unrated	173	136	—	309
Non-performing individually impaired	—	—	1,018	1,018
	₱15,071	₱1,214	₱1,018	₱17,303

	Parent Company			Total
	Stage 1	Stage 2	Stage 3	
<b>2023</b>				
Unquoted debt securities				
High grade	₱105	₱—	₱—	₱105
Non-performing individually impaired	—	—	386	386
	105	—	386	491
Accrued interest receivable				
High grade	11,076	—	—	11,076
Standard grade	5,449	5	—	5,454
Watchlist grade	66	55	—	121
Classified grade	—	217	—	217
Sub-standard grade	35	7	—	42
Unrated	5	—	—	5
Non-performing individually impaired	—	—	481	481
	16,631	284	481	17,396
Sales contract receivable				
Unrated	23	—	—	23
Non-performing individually impaired	—	—	2	2
	23	—	2	25
Other receivables				
Unrated	1	—	—	1
Non-performing individually impaired	—	—	1	1
	1	—	1	2
Total other receivables				
High grade	11,181	—	—	11,181
Standard grade	5,449	5	—	5,454
Watchlist grade	66	55	—	121
Classified grade	—	217	—	217
Sub-standard grade	35	7	—	42
Unrated	29	—	—	29
Non-performing individually impaired	—	—	870	870
	₱16,760	₱284	₱870	₱17,914





	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
<b>2022</b>				
Unquoted debt securities				
High grade	₱170	₱–	₱–	₱170
Non-performing individually impaired	–	–	386	386
	170	–	386	556
Accrued interest receivable				
High grade	8,073	–	–	8,073
Standard grade	2,807	3	–	2,810
Watchlist grade	36	81	–	117
Classified grade	–	542	–	542
Sub-standard grade	36	8	–	44
Unrated	149	–	–	149
Non-performing individually impaired	–	–	506	506
	11,101	634	506	12,241
Sales contract receivable				
Unrated	18	–	–	18
Non-performing individually impaired	–	–	2	2
	18	–	2	20
Other receivables				
Unrated	1	–	–	1
Non-performing individually impaired	–	–	2	2
	1	–	2	3
Total other receivables				
High grade	8,243	–	–	8,243
Standard grade	2,807	3	–	2,810
Watchlist grade	36	81	–	117
Classified grade	–	542	–	542
Sub-standard grade	36	8	–	44
Unrated	168	–	–	168
Non-performing individually impaired	–	–	896	896
	₱11,290	₱634	₱896	₱12,820

Movements during 2023 and 2022 for other receivables follow:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
Balance at January 1, 2023	₱15,071	₱1,214	₱1,018	₱17,303
Newly originated assets that remained in Stage 1 as at year-end	15,329	–	–	15,329
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	108	64	172
Assets derecognized or repaid	(9,551)	(599)	(123)	(10,273)
Amounts written off	–	–	(1)	(1)
Transfers to/(from) Stage 1	(129)	–	–	(129)
Transfers to/(from) Stage 2	–	73	–	73
Transfers to/(from) Stage 3	–	–	56	56
Others	(273)	–	–	(273)
Balance at December 31, 2023	₱20,447	₱796	₱1,014	₱22,257
<b>2022</b>				
Balance at January 1, 2022	₱11,274	₱1,185	₱1,700	₱14,159
Newly originated assets that remained in Stage 1 as at year-end	9,768	–	–	9,768
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	–	359	93	452
Assets derecognized or repaid	(5,764)	(402)	(845)	(7,011)
Amounts written off	–	–	(34)	(34)
Transfers to/(from) Stage 1	(176)	–	–	(176)
Transfers to/(from) Stage 2	–	72	–	72
Transfers to/(from) Stage 3	–	–	104	104
Others	(31)	–	–	(31)
Balance at December 31, 2022	₱15,071	₱1,214	₱1,018	₱17,303



	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
Balance at January 1, 2023	₱11,290	₱634	₱896	₱12,820
Newly originated assets that remained in Stage 1 as at year-end	13,821	—	—	13,821
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	78	24	102
Assets derecognized or repaid	(8,304)	(406)	(53)	(8,763)
Amounts written off	—	—	(1)	(1)
Transfers to/(from) Stage 1	18	—	—	18
Transfers to/(from) Stage 2	—	(22)	—	(22)
Transfers to/(from) Stage 3	—	—	4	4
Others	(65)	—	—	(65)
Balance at December 31, 2023	₱16,760	₱284	₱870	₱17,914
<b>2022</b>				
Balance at January 1, 2022	₱7,353	₱505	₱816	₱8,674
Newly originated assets that remained in Stage 1 as at year-end	9,362	—	—	9,362
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	344	84	428
Assets derecognized or repaid	(5,388)	(157)	(39)	(5,584)
Amounts written off	—	—	(34)	(34)
Transfers to/(from) Stage 1	(11)	—	—	(11)
Transfers to/(from) Stage 2	—	(58)	—	(58)
Transfers to/(from) Stage 3	—	—	69	69
Others	(26)	—	—	(26)
Balance at December 31, 2022	₱11,290	₱634	₱896	₱12,820

The credit risk exposure on the accounts receivable of the Group and the Parent Company based on their aging as of December 31, 2023 and 2022 follows:

	Consolidated		Parent Company	
Age of accounts receivables	2023	2022	2023	2022
Up to 1 month	₱5,474	₱4,803	₱4,175	₱3,036
> 1 to 2 months	37	65	12	22
> 2 to 3 months	25	35	8	3
More than 3 months	9,558	4,430	3,460	3,439
Total gross carrying amount	₱15,094	₱9,333	₱7,655	₱6,500

The maximum exposure and credit quality of loan commitments and financial guarantees as of December 31, 2023 and 2022 follows:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
High grade	₱16,637	₱—	₱—	₱16,637
Standard grade	273,260	2,761	—	276,021
Substandard grade	—	—	859	859
Unrated	75,710	378	—	76,088
	₱365,607	₱3,139	₱859	₱369,605
<b>2022</b>				
High grade	₱32,774	₱—	₱—	₱32,774
Standard grade	228,488	3,541	—	232,029
Substandard grade	—	—	1,424	1,424
Unrated	80,165	596	—	80,761
	₱341,427	₱4,137	₱1,424	₱346,988

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
Standard grade	₱273,219	₱2,761	₱—	₱275,980
Substandard grade	—	—	859	859
Unrated	75,710	378	—	76,088
	₱348,929	₱3,139	₱859	₱352,927
<b>2022</b>				
Standard grade	₱228,366	₱3,541	₱—	₱231,907
Substandard grade	—	—	1,424	1,424
Unrated	80,166	596	—	80,762
	₱308,532	₱4,137	₱1,424	₱314,093



Movements during 2023 and 2022 for loan commitments and financial guarantees follow:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
Balance at January 1, 2023	₱341,427	₱4,137	₱1,424	₱346,988
New assets originated or purchased	53,661	—	—	53,661
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	26	—	26
Assets derecognized or repaid	(49,318)	(551)	(965)	(50,834)
Transfers to/(from) Stage 1	(1,499)	—	—	(1,499)
Transfers to/(from) Stage 2	—	567	—	567
Transfers to/(from) Stage 3	—	—	932	932
Others	21,336	(1,040)	(532)	19,764
Balance at December 31, 2023	₱365,607	₱3,139	₱859	₱369,605
<b>2022</b>				
Balance at January 1, 2022	₱283,152	₱4,969	₱2,112	₱290,233
New assets originated or purchased	44,878	—	—	44,878
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	163	—	163
Assets derecognized or repaid	(27,297)	(1,081)	(967)	(29,345)
Transfers to/(from) Stage 1	(915)	—	—	(915)
Transfers to/(from) Stage 2	—	352	—	352
Transfers to/(from) Stage 3	—	—	563	563
Others	41,609	(266)	(284)	41,059
Balance at December 31, 2022	₱341,427	₱4,137	₱1,424	₱346,988

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
Balance at January 1, 2023	₱308,532	₱4,137	₱1,424	₱314,093
New assets originated or purchased	53,661	—	—	53,661
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	26	—	26
Assets derecognized or repaid	(34,244)	(551)	(965)	(35,760)
Transfers to/(from) Stage 1	(1,499)	—	—	(1,499)
Transfers to/(from) Stage 2	—	567	—	567
Transfers to/(from) Stage 3	—	—	932	932
Others	22,479	(1,040)	(532)	20,907
Balance at December 31, 2023	₱348,929	₱3,139	₱859	₱352,927
<b>2022</b>				
Balance at January 1, 2022	₱259,453	₱4,969	₱2,112	₱266,534
New assets originated or purchased	35,782	—	—	35,782
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	163	—	163
Assets derecognized or repaid	(27,297)	(1,081)	(967)	(29,345)
Transfers to/(from) Stage 1	(915)	—	—	(915)
Transfers to/(from) Stage 2	—	352	—	352
Transfers to/(from) Stage 3	—	—	563	563
Others	41,509	(266)	(284)	40,959
Balance at December 31, 2022	₱308,532	₱4,137	₱1,424	₱314,093

Breakdown of restructured receivables from customers by class are shown below:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Commercial loans	₱5,053	₱6,451	₱4,452	₱5,515
Residential mortgage loans	96	119	37	56
Auto loans	1	1	—	—
	₱5,150	₱6,571	₱4,489	₱5,571



As of December 31, 2023 and 2022, an analysis by past due status of receivables from customers wherein the SICR is based only on the past due information is as follows:

	Consolidated					
	Number of Days Past Due					
	Within 30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
2023						
Auto loans	₱134	₱1,876	₱851	₱1,003	₱1,675	₱5,539
Residential mortgage loans	898	1,029	368	307	1,093	3,695
Credit card	–	1,470	1,187	2,178	1,383	6,218
	₱1,032	₱4,375	₱2,406	₱3,488	₱4,151	₱15,452
2022						
Auto loans	₱131	₱1,558	₱653	₱676	₱1,325	₱4,343
Residential mortgage loans	998	1,176	452	346	1,430	4,402
Credit card	–	1,092	847	1,492	1,043	4,474
	₱1,129	₱3,826	₱1,952	₱2,514	₱3,798	₱13,219

	Parent Company					
	Number of Days Past Due					
	Within 30 Days	31-60 Days	61-90 Days	91-180 Days	Over 180 Days	Total
2023						
Auto loans	₱35	₱15	₱12	₱8	₱256	₱326
Residential mortgage loans	229	139	46	69	520	1,003
Credit card	–	1,470	1,187	2,178	1,383	6,218
	₱264	₱1,624	₱1,245	₱2,255	₱2,159	₱7,547
2022						
Auto loans	₱37	₱13	₱11	₱19	₱283	₱363
Residential mortgage loans	242	73	44	88	821	1,268
Credit card	–	1,092	847	1,492	1,043	4,474
	₱279	₱1,178	₱902	₱1,599	₱2,147	₱6,105

### Liquidity Risk

Liquidity risk is the current and prospective risk to earnings or capital arising from the inability to meet its obligations when they become due. This may be caused by the inability to liquidate assets or to obtain funding to meet the liquidity needs. The Group manages its liquidity risk by holding adequate stock of high-quality liquid assets, analyzing net funding requirements over time, diversifying funding sources and contingency planning.

To measure the prospective liquidity needs, the Group uses Maximum Cumulative Outflow (MCO), a liquidity gap tool to project short-term and long-term cash flow expectations on a business-as-usual condition.

The MCO is generated by distributing the cash flows of the Group's assets, liabilities and off-balance sheet items to time bands based on cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products. The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report that realistically captures the behavior of the products and creates a forward-looking cash flow projection.

Cash flows from assets are considered as cash inflows, while cash flows from liabilities are considered cash outflows. The net cash flows are determined for each given time period. If the inflows exceed the outflows, the Group is said to have a positive liquidity gap or has excess funds for the given time bucket. Conversely, if the outflows exceed the inflows, the Group is said to have a negative liquidity gap or has funding needs for the given time bucket.



The MCO is monitored regularly to ensure that it remains within the set limits. The Parent Company generates and monitors daily its MCO, while the subsidiaries generate the report at least monthly. The liquidity profile of the Group is reported monthly to the Parent Company's ALCO and ROC.

To supplement the business-as-usual scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and/or events to the Group's liquidity profile. Liquidity stress testing exercise is performed quarterly on a per firm basis, and at least annually on the Group-wide level.

#### *Financial assets*

Analysis of debt securities into maturity groupings is based on the expected date on which these assets will be realized. For other financial assets, the analysis into maturity groupings 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 assets will be realized.

#### *Financial liabilities*

The maturity groupings are based on the remaining period from the end of the reporting period to the contractual maturity date. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay.

The tables below summarize the maturity profile of financial instruments and gross-settled derivatives based on contractual undiscounted cash flows:

	Consolidated						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
<b>2023</b>							
<b>Financial Assets</b>							
Cash and other cash items	₱39,431	₱—	₱—	₱—	₱—	₱—	₱39,431
Due from BSP	201,660	6,150	—	—	—	—	207,810
Due from other banks	79,544	5,233	5,561	287	9	—	90,634
Interbank loans receivable and SPURA	—	66,126	4,063	2,184	674	—	73,047
Investment securities at FVTPL							
FVTPL investments	—	6,805	45,671	—	12	1,185	53,673
Derivative assets							
Trading:							
Receive	—	154,359	135,842	61,854	57,983	143,990	554,028
Pay	—	(150,759)	(130,163)	(59,920)	(56,113)	(135,189)	(532,144)
	—	3,600	5,679	1,934	1,870	8,801	21,884
Investment securities at FVOCI	—	64,404	121,979	14,792	6,055	411,911	619,141
Investment securities at amortized cost	16,524	2,484	2,310	619	1,186	614,287	637,410
Loans and receivables							
Receivables from customers	86,308	216,152	207,074	122,397	122,327	1,102,101	1,856,359
Unquoted debt securities	—	—	15	15	417	120	567
Accrued interest receivable	2,285	17,586	188	2	834	—	20,895
Accounts receivable	8,612	6,424	10	8	10	30	15,094
Sales contract receivable	11	1	2	4	5	11	34
Other receivables	71	292	17	2	9	5	396
Other assets							
Returned checks and other cash items	448	—	—	—	—	—	448
Residual values of leased assets	56	14	22	38	103	237	470
Miscellaneous	195	1	3	5	16	173	393
	₱435,145	₱395,272	₱392,594	₱142,287	₱133,527	₱2,138,861	₱3,637,686



	Consolidated						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
<b>Financial Liabilities</b>							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱586,345	₱—	₱—	₱—	₱—	₱—	₱586,345
Savings	853,028	—	—	—	—	—	853,028
Time	268	476,737	247,138	104,079	78,409	32,639	939,270
LTNCD	—	13	5,112	8,833	3,787	—	17,745
	<b>1,439,641</b>	<b>476,750</b>	<b>252,250</b>	<b>112,912</b>	<b>82,196</b>	<b>32,639</b>	<b>2,396,388</b>
Bills payable and SSURA	—	70,323	83,393	1,345	2,254	5	157,320
Manager's checks and demand drafts outstanding	7,048	—	—	—	—	—	7,048
Accrued interest payable	488	1,800	2,560	1,562	843	49	7,302
Accrued other expenses	7,815	437	2,272	2	—	—	10,526
Lease liability	47	197	206	366	638	5,269	6,723
Non-equity non-controlling interest	10,260	—	—	—	—	—	10,260
Other liabilities							
Bonds payable	—	9	246	24,009	650	48,469	73,383
Bills purchased – contra	9,486	—	—	—	—	—	9,486
Accounts payable	9,503	17,335	142	160	347	3	27,490
Marginal deposits	451	106	1,361	4,220	4,618	—	10,756
Outstanding acceptances	—	329	821	235	113	—	1,498
Deposits on lease contracts	90	56	44	59	156	378	783
Dividends payable	89	—	—	—	—	—	89
Miscellaneous	175	—	—	—	—	—	175
	<b>1,485,093</b>	<b>567,342</b>	<b>343,295</b>	<b>144,870</b>	<b>91,815</b>	<b>86,812</b>	<b>2,719,227</b>
Derivative liabilities*							
Trading:							
Pay	—	165,078	191,729	84,444	105,457	100,357	647,065
Receive	—	(161,856)	(188,514)	(82,719)	(102,044)	(96,256)	(631,389)
	—	3,222	3,215	1,725	3,413	4,101	15,676
Loan commitments and financial guarantees	280,191	7,519	17,876	12,988	30,860	20,171	369,605
	<b>₱1,765,284</b>	<b>₱578,083</b>	<b>₱364,386</b>	<b>₱159,583</b>	<b>₱126,088</b>	<b>₱111,084</b>	<b>₱3,104,508</b>
<b>2022</b>							
Financial Assets							
Cash and other cash items	₱40,683	₱—	₱—	₱—	₱—	₱—	₱40,683
Due from BSP	221,394	31,266	—	—	—	—	252,660
Due from other banks	62,915	5,721	4,777	2,085	69	—	75,567
Interbank loans receivable and SPURA	16,705	51,406	4,427	640	519	212	73,909
Investment securities at FVTPL							
FVTPL investments	—	7,115	32,992	—	6	900	41,013
Derivative assets							
Trading:							
Receive	—	121,917	99,273	41,580	49,478	132,752	445,000
Pay	—	(119,239)	(95,931)	(39,365)	(46,852)	(119,685)	(421,072)
	—	2,678	3,342	2,215	2,626	13,067	23,928
Investment securities at FVOCI	—	72,844	8,837	39,054	44,349	430,094	595,178
Investment securities at amortized cost	—	607	2,489	2,217	1,910	424,757	431,980
Loans and receivables							
Receivables from customers	74,314	257,495	191,232	118,089	98,703	940,617	1,680,450
Unquoted debt securities	—	—	209	447	—	224	880
Accrued interest receivable	12,724	1,948	330	77	709	—	15,788
Accounts receivable	8,255	86	66	146	780	—	9,333
Sales contract receivable	11	1	3	2	3	13	33
Other receivables	3	8	19	23	58	170	281
Other assets							
Returned checks and other cash items	345	—	—	—	—	—	345
Residual values of leased assets	81	35	34	49	69	355	623
Miscellaneous	7	2	2	2	8	177	198
	<b>₱437,437</b>	<b>₱431,212</b>	<b>₱248,759</b>	<b>₱165,046</b>	<b>₱149,809</b>	<b>₱1,810,586</b>	<b>₱3,242,849</b>



	Consolidated						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	P581,473	P–	P–	P–	P–	P–	P581,473
Savings	898,078	–	–	–	–	–	898,078
Time	378	433,433	182,725	49,696	32,164	21,119	719,515
LTNCD	–	13	129	292	9,159	17,920	27,513
	1,479,929	433,446	182,854	49,988	41,323	39,039	2,226,579
Bills payable and SSURA	–	65,527	16,948	1,527	5,904	1,945	91,851
Manager's checks and demand drafts outstanding	6,501	–	–	–	–	–	6,501
Accrued interest payable	65	1,387	1,569	426	290	39	3,776
Accrued other expenses	6,550	1,946	388	–	209	–	9,093
Bonds payable	–	9	4,972	14,288	1,259	74,072	94,600
Lease liability	101	116	463	388	704	4,589	6,361
Subordinated debts	–	–	19	19	1,207	18	1,263
Non-equity non-controlling interest	10,139	–	–	–	–	–	10,139
Other liabilities							
Bills purchased - contra	8,209	–	–	–	–	–	8,209
Accounts payable	8,675	12,932	497	178	353	25	22,660
Marginal deposits	776	1,148	3,049	5,090	4,720	81	14,864
Outstanding acceptances	–	351	549	253	134	–	1,287
Deposits on lease contracts	122	99	53	60	105	540	979
Dividends payable	90	–	–	–	–	–	90
Miscellaneous	173	–	–	–	–	–	173
	1,521,330	516,961	211,361	72,217	56,208	120,348	2,498,425
Derivative liabilities*							
Trading:							
Pay	–	127,900	69,609	57,540	30,748	115,508	401,305
Receive	–	(124,982)	(67,726)	(55,513)	(29,556)	(108,116)	(385,893)
	–	2,918	1,883	2,027	1,192	7,392	15,412
Loan commitments and financial guarantees	237,881	4,323	20,921	14,512	56,482	12,869	346,988
	P1,759,211	P524,202	P234,165	P88,756	P113,882	P140,609	P2,860,825

\*Does not include derivatives embedded in financial and non-financial contracts.

	Parent Company						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
<b>2023</b>							
<b>Financial Assets</b>							
Cash and other cash items	P37,692	P–	P–	P–	P–	P–	P37,692
Due from BSP	198,061	–	–	–	–	–	198,061
Due from other banks	61,086	1,563	3,245	–	–	–	65,894
Interbank loans receivable and SPURA	–	59,044	–	–	205	–	59,249
Investment securities at FVTPL							
FVTPL investments	–	–	45,265	–	–	64	45,329
Derivative assets							
Trading:							
Receive	–	154,359	135,842	61,853	57,983	143,990	554,027
Pay	–	(150,759)	(130,163)	(59,920)	(56,113)	(135,189)	(532,144)
	–	3,600	5,679	1,933	1,870	8,801	21,883
Investment securities at FVOCI	–	10,549	114,739	6,878	5,016	387,471	524,653
Investment securities at amortized cost	–	2,217	1,666	–	–	598,955	602,838
Loans and receivables							
Receivables from customers	81,922	211,654	190,073	95,829	83,413	905,374	1,568,265
Unquoted debt securities	–	–	–	–	–	120	120
Accrued interest receivable	–	17,396	–	–	–	–	17,396
Accounts receivable	7,655	–	–	–	–	–	7,655
Sales contract receivable	8	1	2	2	5	10	28
Other receivables	2	–	–	–	–	–	2
Other assets							
Returned checks and other cash items	433	–	–	–	–	–	433
	P386,859	P306,024	P360,669	P104,642	P90,509	P1,900,795	P3,149,498



	Parent Company						
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	Total
<b>Financial Liabilities</b>							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱536,772	₱–	₱–	₱–	₱–	₱–	₱536,772
Savings	807,153	–	–	–	–	–	807,153
Time	–	390,115	219,391	89,145	68,784	578	768,013
LTNCD	–	13	–	8,833	3,787	–	12,633
	1,343,925	390,128	219,391	97,978	72,571	578	2,124,571
Bills payable and SSURA	–	59,950	81,442	1	–	5	141,398
Manager’s checks and demand drafts outstanding	5,533	–	–	–	–	–	5,533
Accrued interest payable	–	1,223	2,267	1,552	813	49	5,904
Accrued other expenses	7,813	–	–	–	–	–	7,813
Bonds payable	–	9	246	24,009	650	48,469	73,383
Subordinated debts	–	–	–	–	–	–	–
Other liabilities							
Lease liability	45	141	78	212	371	3,875	4,722
Bills purchased - contra	9,444	–	–	–	–	–	9,444
Accounts payable	2,527	11,640	–	–	–	–	14,167
Outstanding acceptances	–	329	821	235	113	–	1,498
Marginal deposits	–	–	551	–	–	–	551
	1,369,287	463,420	304,796	123,987	74,518	52,976	2,388,984
Derivative liabilities*							
Trading:							
Pay	–	165,078	191,727	84,442	105,457	100,357	647,061
Receive	–	(161,856)	(188,514)	(82,719)	(102,044)	(96,256)	(631,389)
	–	3,222	3,213	1,723	3,413	4,101	15,672
Loan commitments and financial guarantees							
	280,150	7,519	17,876	12,988	14,223	20,171	352,927
	₱1,649,437	₱474,161	₱325,885	₱138,698	₱92,154	₱77,248	₱2,757,583
2022							
Financial Assets							
Cash and other cash items	₱38,701	₱–	₱–	₱–	₱–	₱–	₱38,701
Due from BSP	215,074	–	–	–	–	–	215,074
Due from other banks	51,736	2,042	2,948	–	–	–	56,726
Interbank loans receivable and SPURA	–	52,275	9,165	3,121	923	212	65,696
Investment securities at FVTPL	–	–	32,992	–	–	48	33,040
FVTPL investments	–	–	32,992	–	–	48	33,040
Derivative assets							
Trading:							
Receive	–	121,917	99,273	41,573	49,477	132,752	444,992
Pay	–	(119,239)	(95,931)	(39,365)	(46,852)	(119,685)	(421,072)
	–	2,678	3,342	2,208	2,625	13,067	23,920
Investment securities at FVOCI	–	279	4,309	34,407	35,799	407,046	481,840
Investment securities at amortized cost	–	–	2,235	1,682	–	386,847	390,764
Loans and receivables							
Receivables from customers	68,929	246,525	171,603	98,095	76,031	762,890	1,424,073
Unquoted debt securities	–	–	–	–	–	224	224
Accrued interest receivable	12,241	–	–	–	–	–	12,241
Accounts receivable	6,500	–	–	–	–	–	6,500
Sales contract receivable	7	1	1	2	3	8	22
Other receivables	3	–	–	–	–	–	3
Other assets							
Returned checks and other cash items	333	–	–	–	–	–	333
	₱393,524	₱303,800	₱226,595	₱139,515	₱115,381	₱1,570,342	₱2,749,157
Financial Liabilities							
Non-derivative liabilities							
Deposit liabilities							
Demand	₱536,516	₱–	₱–	₱–	₱–	₱–	₱536,516
Savings	851,860	–	–	–	–	–	851,860
Time	–	338,163	139,951	34,415	17,193	984	530,706
LTNCD	–	13	66	228	9,032	12,772	22,111
	1,388,376	338,176	140,017	34,643	26,225	13,756	1,941,193
Bills payable and SSURA	–	60,929	14,080	1,573	129	11	76,722
Manager’s checks and demand drafts outstanding	5,487	–	–	–	–	–	5,487

(Forward)





	Parent Company						Total
	On Demand	Up to 1 Month	1 to 3 Months	3 to 6 Months	6 to 12 Months	Beyond 1 Year	
Accrued interest payable	₱39	₱1,161	₱870	₱408	₱64	₱39	₱2,581
Accrued other expenses	6,534	—	—	—	—	—	6,534
Bonds payable	—	9	303	14,288	1,259	74,072	89,931
Lease liability	97	78	82	232	416	3,409	4,314
Subordinated debts	—	—	19	19	1,207	18	1,263
Other liabilities							
Bills purchased - contra	8,209	—	—	—	—	—	8,209
Accounts payable	1,090	12,575	—	—	—	—	13,665
Outstanding acceptances	—	351	549	253	134	—	1,287
Marginal deposits	—	—	894	—	—	—	894
	1,409,832	413,279	156,814	51,416	29,434	91,305	2,152,080
Derivative liabilities*							
Trading:							
Pay	—	127,900	69,609	57,533	30,746	115,508	401,296
Receive	—	(124,982)	(67,726)	(55,513)	(29,557)	(108,116)	(385,894)
	—	2,918	1,883	2,020	1,189	7,392	15,402
Loan commitments and financial guarantees	237,759	4,323	20,921	14,512	23,709	12,869	314,093
	₱1,647,591	₱420,520	₱179,618	₱67,948	₱54,332	₱111,566	₱2,481,575

\*Does not include derivatives embedded in financial and non-financial contracts.

### Market Risk

Market risk is the possibility of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, and other market factors. Market risk originates from holdings in foreign currencies, debt securities and derivatives transactions.

Depending on the business model for the product, that is, whether they belong to the trading book or banking book, the Group applies different tools and processes to manage market risk exposures. Risk limits, approved by the BOD, are enforced to monitor and control this risk. RSK, as an independent body under the ROC, performs daily market risk analyses to ensure compliance to policies and limits, while Treasury Group manages the asset/liability risks arising from both banking book and trading operations in financial markets. The ALCO, chaired by the President, manages market risks within the parameters approved by the BOD.

As part of group supervision, the Parent Company regularly coordinates with subsidiaries to monitor their compliance to their respective risk tolerances and to ensure alignment of risk management practices. Each subsidiary has its own risk management unit responsible for monitoring its market risk exposures. The Parent Company, however, requires regular submission of market risk profiles from subsidiaries which are presented to ALCO and ROC in both individual and consolidated forms to provide senior management and ROC a holistic perspective and ensure alignment of strategies and risk appetite across the Group.

### Market risk - trading book

In measuring the potential loss in its trading portfolio, the Parent Company uses Value-at-Risk (VaR). VaR is an estimate of the potential decline in the value of a portfolio, under normal market conditions, for a given “confidence level” over a specified holding period. The Parent Company measures and monitors the Trading Book VaR daily and this value is compared against the set VaR limit. Meanwhile, the Group VaR is monitored and reported monthly.

### VaR methodology assumptions and parameters

Historical Simulation (HS) is used to compute the VaR. This method assumes that market rates volatility in the future will follow the same movement that occurred within the 260-day historical period. In calculating VaR, a 99.00% confidence level and a one-day holding period are assumed.



This means that, statistically, within a one-day horizon, the trading losses will exceed VaR in 1 out of 100 trading days.

Like any other model, the HS method has its own limitations. To wit, it cannot predict volatility levels which did not happen in the specified historical period. The validity of the VaR model is verified through a daily backtesting analysis, which examines how frequently both actual and hypothetical daily losses exceed VaR. The result of the daily backtesting analysis is reported to the ALCO and ROC monthly.

A summary of the VaR levels of the trading portfolio of the Parent Company appears below:

	Rates and FX	Fixed Income	FX Options
<b>As of December 31, 2023</b>			
December 29	<b>₱390.72</b>	<b>₱122.48</b>	<b>₱3.96</b>
Average	<b>278.53</b>	<b>196.01</b>	<b>24.70</b>
Highest	<b>453.90</b>	<b>302.01</b>	<b>108.94</b>
Lowest	<b>117.61</b>	<b>118.45</b>	<b>0.28</b>
<b>As of December 31, 2022</b>			
December 29	<b>₱320.71</b>	<b>₱170.14</b>	<b>₱1.13</b>
Average	<b>286.32</b>	<b>201.64</b>	<b>1.05</b>
Highest	<b>596.04</b>	<b>495.86</b>	<b>9.07</b>
Lowest	<b>83.06</b>	<b>94.88</b>	<b>0.07</b>

Rates and Foreign Exchange (FX) VaR is the correlated VaR of the following products: FX spot, outright forward, non-deliverable forwards, FX swaps, interest rate swaps, and cross-currency swaps. The Fixed Income VaR is the correlated VaR of these products: peso and foreign currency bonds, bond forwards and credit default swaps (CDS).

Subsidiaries with trading books perform daily mark-to-market valuation and VaR calculations for their exposures. Risk exposures are bounded by a system of risk limits and monitoring tools to effectively manage these risks.

The table below summarizes the VaR levels of PSBank:

	<b>Bonds</b>	
	<b>PHP</b>	<b>FX</b>
<b>As of December 31, 2023</b>		
December 29	<b>₱1.447</b>	<b>₱1.212</b>
Average	<b>0.214</b>	<b>1.356</b>
Highest	<b>1.455</b>	<b>2.319</b>
Lowest	<b>0.001</b>	<b>0.617</b>
<b>As of December 31, 2022</b>		
December 29	<b>₱0.001</b>	<b>₱0.857</b>
Average	<b>0.002</b>	<b>1.669</b>
Highest	<b>0.001</b>	<b>0.263</b>
Lowest	<b>—</b>	<b>—</b>

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures and by doing stress testing analysis. These processes address potential product concentration risks, monitor portfolio vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be tolerable to the Group and the Parent Company, even before the VaR limit is hit.



Stress testing is performed by the Parent Company on a quarterly basis and the results are reported to the ALCO and, subsequently, to the ROC and BOD. On a group-wide perspective, stress testing is done, at least, annually. The results are reported by the Parent Company's Risk Management Group to the BOD through ROC.

*Market risk - banking book*

The Group has in place their own risk management system and processes to quantify and manage market risks in the banking book. To the extent applicable, these are generally aligned with the Parent's framework/tools.

The Group assesses interest rate risk in the banking book using measurement tools such as Interest Rate Repricing Gap, Earnings-at-Risk (EaR), Delta Economic Value of Equity (D.EVE) and Sensitivity Analysis.

Interest Rate Repricing Gap is a tool that distributes rate-sensitive assets and liabilities into pre-defined tenor buckets according to time remaining to their maturity (if fixed rate) or repricing (if floating rate). Items lacking definitive repricing schedules (for example, current and savings account) and items with actual maturities that could vary from contractual maturities (for example, securities with embedded options) are assigned to repricing tenor buckets based on an analysis of historical patterns, past experience and/or expert judgment.

EaR measures the possible decline in the Group's net interest income as a result of adverse interest rate movements, given the current repricing profile. It is a tool used to evaluate the sensitivity of the accrual portfolio to changes in interest rates in the adverse direction over the next twelve (12) months.

*EaR methodology assumptions and parameters*

The Group calculates EaR using Historical Simulations (HS) approach, with one-year horizon and using five years data. EaR is then derived as the 99th percentile biggest drop in net interest income.

The table below shows the EaR profile of the Parent Company and certain subsidiaries as of December 31, 2023 and 2022:

	<b>Parent Company</b>	<b>PSBank</b>	<b>ORIX Metro</b>	<b>Group</b>
<b>2023</b>	<b>(P4,963.09)</b>	<b>(P460.20)</b>	<b>(P29.18)</b>	<b>(P5,008.08)</b>
<b>2022</b>	<b>(P4,422.29)</b>	<b>(P448.88)</b>	<b>(P28.18)</b>	<b>(P4,671.29)</b>

The Parent Company generates and monitors daily its EaR exposure while the subsidiaries generate their EaR reports at least monthly.

The Parent Company employs the Delta EVE model to measure the overall change in the economic value of the bank at one point. It reflects the changes in the net present value of its banking book at different interest rate shocks and stress scenarios. ΔEVE is calculated by slotting the notional repricing cash flows arising from rate-sensitive assets and liabilities into pre-defined tenor buckets. The present value of the net repricing cash flows is then calculated using various interest rate scenarios prescribed by Basel, as well as scenarios internally developed by the Parent Company. For 2023 and 2022, the ΔEVE of the Parent Company ranges from (P1.65 billion) to (P0.0 billion) and (P0.1 billion) to (P0.5 billion), respectively. As of December 31, 2023 and 2022, the ΔEVE stood at (P2.3 billion) (0.91% of Common Equity Tier 1 (CET1) Capital) and (P1.2 billion) (0.56% of CET1 Capital), respectively. The Parent Company has adequate capital to support potential change in value of equity even at worst stress scenario.



Aside from the tools above, the Parent Company and its subsidiaries perform regular sensitivity and stress testing analyses on their banking books to broaden their forward-looking analysis. This way, management can craft strategies to address and/or arrest probable risks, if necessary.

#### *Foreign currency risk*

Foreign exchange risk is the probability of loss to earnings or capital arising from changes in foreign exchange rates. Foreign currency liabilities generally consist of foreign currency deposits in the Group's FCDU account. Foreign currency deposits are generally used to fund the Group's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency liabilities with the foreign currency assets held in FCDUs. Outside the FCDU, the Group has additional foreign currency assets and liabilities in its foreign branch network. The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.

The following table sets forth, for the year indicated, the impact of reasonably possible changes in the USD exchange rate and other currencies per Philippine peso on pre-tax income and equity:

Currency	Consolidated						Parent Company					
	2023			2022			2023			2022		
	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity	Change in Currency Rate in %	Effect on Profit before Tax	Effect on Equity
USD	+1.00%	(14.23)	0.48	+1.00%	3.52	2.08	+1.00%	(15.14)	0.20	+1.00%	2.56	(1.66)
EUR	+1.00%	0.82	0.00	+1.00%	1.33	0.00	+1.00%	0.83	0.00	+1.00%	1.34	0.00
JPY	+1.00%	(0.02)	0.00	+1.00%	11.59	0.00	+1.00%	(0.02)	0.00	+1.00%	11.59	0.00
GBP	+1.00%	(0.37)	0.00	+1.00%	(0.34)	0.00	+1.00%	(0.37)	0.00	+1.00%	(0.34)	0.00
Others	+1.00%	33.39	0.00	+1.00%	36.62	0.00	+1.00%	33.39	0.00	+1.00%	36.62	0.00
USD	-1.00%	14.23	(0.48)	-1.00%	(3.52)	(2.08)	-1.00%	15.14	(0.20)	-1.00%	(2.56)	1.66
EUR	-1.00%	(0.82)	0.00	-1.00%	(1.33)	0.00	-1.00%	(0.83)	0.00	-1.00%	(1.34)	0.00
JPY	-1.00%	0.02	0.00	-1.00%	(11.59)	0.00	-1.00%	0.02	0.00	-1.00%	(11.59)	0.00
GBP	-1.00%	0.37	0.00	-1.00%	0.34	0.00	-1.00%	0.37	0.00	-1.00%	0.34	0.00
Others	-1.00%	(33.39)	0.00	-1.00%	(36.62)	0.00	-1.00%	(33.39)	0.00	-1.00%	(36.62)	0.00

Information relating to the Parent Company's currency derivatives is included in Note 8. As of December 31, 2023 and 2022, the Parent Company has outstanding foreign currency spot transactions (in equivalent peso amounts) of ₱56.0 billion and ₱18.6 billion, respectively (sold), and ₱55.6 billion and ₱18.4 billion, respectively (bought).

The impact on the Parent Company's equity already excludes the impact on transactions affecting the statements of income.

#### *IBOR reform*

Following the decision by global regulators to phase out IBORs and replace them with alternative benchmark reference rates, the Parent Company created a transition team early on to assess the business and customer impact and to establish a viable transition and communication plan. The team involves stakeholders from different units across the Parent Company and ensures compliance with the requirements of BSP Memorandum No. M-2020-083 (Transition from the LIBOR and Reporting Requirements on LIBOR-Related Exposures). The Parent Company is continuously working on the transition of its IBOR exposure to RFRs.

IBOR reform exposes the Parent Company to various risks, which the project team is managing and monitoring closely. These risks include but are not limited to the following:

- Conduct risk arising from discussions with clients and market counterparties due to the amendments required to existing contracts necessary to effect IBOR reform.
- Financial risk to the Parent Company and its clients that markets are disrupted due to IBOR reform giving rise to financial losses.



- Pricing risk from the potential lack of market information if liquidity in IBORs reduces and RFRs are illiquid and unobservable.
- Operational risk arising from changes to the Parent Company's IT systems and processes, also the risk of payments being disrupted if an IBOR ceases to be available.

The tables below show the Group and the Parent Company's exposure to significant IBORs subject to reform that have yet to transition to risk free rates as of December 31, 2022:

	Consolidated				
	Loans and Receivables	Derivative Assets		Derivative Liabilities	
		Carrying Value	Notional Amount	Carrying Value	Notional Amount
2022					
USD LIBOR	₱83,169	₱3,387	₱18,255	₱5,559	₱50,375
PHIREF	–	135	9,439	1,263	38,100
	₱83,169	₱3,522	₱27,694	₱6,822	₱88,475

	Parent Company				
	Loans and Receivables	Derivative Assets		Derivative Liabilities	
		Carrying Value	Notional Amount	Carrying Value	Notional Amount
2022					
USD LIBOR	₱83,169	₱3,387	₱18,255	₱5,559	₱50,375
PHIREF	–	135	9,439	1,263	38,100
	₱83,169	₱3,522	₱27,694	₱6,822	₱88,475

#### Capital Management

The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital structure, or issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

#### BSP Reporting

##### *Regulatory Qualifying Capital*

Under existing BSP regulations, the determination of the compliance with regulatory requirements and ratios is based on the amount of the "unimpaired capital" (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies that differ from PFRS in some respects.

The Group complied with BSP Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework, particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. BSP Circular No. 781 sets out a minimum CET1 ratio of 6.00% and Tier 1 capital ratio of 7.50%; capital conservation buffer of 2.50% comprised of CET1 capital and Total Capital Adequacy Ratio (CAR) of 10.00%. These ratios shall be maintained at all times. Further, BSP Circular No. 856 covers the implementing guidelines on the framework for dealing with



domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer (CCB) and countercyclical capital buffer (CCYB).

The details of CAR, as reported to the BSP, as of December 31, 2023 and 2022 follow:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Tier 1 capital	<b>₱355,786</b>	₱316,142	<b>₱345,921</b>	₱306,824
CET1 Capital	<b>355,786</b>	316,142	<b>345,921</b>	306,824
Less: Required deductions	<b>33,739</b>	33,001	<b>101,305</b>	101,457
Net Tier 1 Capital	<b>322,047</b>	283,141	<b>244,616</b>	205,367
Tier 2 capital	<b>15,532</b>	14,337	<b>12,724</b>	11,935
Total Qualifying Capital	<b>₱337,579</b>	₱297,478	<b>₱257,340</b>	₱217,302
Credit Risk-Weighted Assets	<b>₱1,550,881</b>	₱1,429,964	<b>₱1,296,218</b>	₱1,191,825
Market Risk-Weighted Assets	<b>106,231</b>	68,546	<b>91,609</b>	55,124
Operational Risk-Weighted Assets	<b>189,471</b>	184,027	<b>152,223</b>	135,512
Total Risk-Weighted Assets	<b>1,846,583</b>	1,682,537	<b>1,540,050</b>	1,382,461
CET1 Ratio*	<b>17.44%</b>	16.83%	<b>15.88%</b>	14.86%
Tier 1 capital ratio	<b>17.44%</b>	16.83%	<b>15.88%</b>	14.86%
Total capital ratio	<b>18.28%</b>	17.68%	<b>16.71%</b>	15.72%

\* of which capital conservation buffer in 2023 and 2022 is 11.44% and 10.83% for the Group and 9.88% and 8.86%, respectively, for the Parent Company.

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations. Under Basel III, the regulatory qualifying capital of the Parent Company consists of CET1 capital, which comprises paid-up common stock, additional paid-in capital, retained earnings, including current year profit, retained earnings reserves, OCI and non-controlling interest less required regulatory deductions. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debts and general loan loss provision. RWA consist of total assets excluding cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board (MB) of the BSP. Operational RWA are computed using the Basic Indicator Approach.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year.

The Internal Capital Adequacy Assessment Process (ICAAP) supplements the BSP's risk-based capital adequacy framework. In compliance with this, the Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget as well as regulatory edicts.

#### *Basel III Leverage Ratio (BLR)*

BSP Circular Nos. 881 and 990 cover the implementing guidelines on the BLR framework designed to act as a supplementary measure to the risk-based capital requirements and shall not be less than 5.00%. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.



The details of the BLR, as reported to the BSP, as of December 31, 2023 and 2022 follow:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Tier 1 Capital	<b>₱322,047</b>	₱283,141	<b>₱244,616</b>	₱205,367
Exposure Measure	<b>₱3,505,850</b>	₱3,016,548	<b>₱3,101,480</b>	₱2,598,795
BLR	<b>9.19%</b>	9.39%	<b>7.89%</b>	7.90%

Under the framework, BLR is defined as the capital measure divided by the exposure measure. Capital measure is Tier 1 capital. Exposure measure is the sum of on-balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items.

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

BSP Circular No. 905 provides the implementing guidelines on LCR and disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets to total net cash outflows which should not be lower than 100.00%. Compliance with the LCR minimum requirement commenced on January 1, 2018 with the prescribed minimum ratio of 90.00% for 2018 and 100.00% effective January 1, 2019. As of December 31, 2023 and 2022, the LCR in single currency as reported to the BSP, was at 269.51% and 244.84%, respectively, for the Group, and 300.62% and 265.21%, respectively, for the Parent Company.

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

On June 6, 2018, the BSP issued BSP Circular No.1007 covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards – NSFR. The NSFR is aimed to promote long-term resilience against liquidity risk by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It complements the LCR, which promotes short term resilience of a bank’s liquidity profile. Banks shall maintain an NSFR of at least 100 percent (100%) at all times. The implementation of the minimum NSFR shall be phased in to help ensure that covered banks can meet the standard through reasonable measures without disrupting credit extension and financial market activities. An observation period was set from July 1 to December 31, 2018. Effective, January 1, 2019, banks shall comply with the prescribed minimum ratio of 100%. As of December 31, 2023 and 2022, the NSFR as reported to the BSP, was at 140.79% and 158.25%, respectively, for the Group, and 140.65% and 156.73%, respectively, for the Parent Company.

## 5. Fair Value Measurement

### Financial Instruments

The methods and assumptions used by the Group and the Parent Company in estimating the fair values of financial assets and financial liabilities are:

#### *Cash and other cash items, due from BSP and other banks and interbank loans receivable and SPURA*

The carrying amounts of instruments with long-term maturities are not material to the financial statements, thus, fair values of these instruments were based on their carrying amounts.

#### *Trading and investment securities*

Fair values of debt and equity securities are generally based on quoted market prices. Where the debt securities are not quoted or the market prices are not readily available, the Group and the Parent Company obtained valuations from independent parties offering pricing services, used adjusted quoted market prices of comparable investments, or applied discounted cash flow methodologies.



For equity securities that are not quoted, remeasurement to their fair values is not material to the financial statements.

#### *Derivative instruments*

Fair values are estimated based on quoted market prices, prices provided by independent parties, or prices derived using acceptable valuation models. The models utilize published underlying rates (for example, interest rates, FX rates, CDS rates, FX volatilities and spot and forward FX rates) and are implemented through validated calculation engines.

#### *Loans and receivables*

Fair values of the Group's loans and receivables are estimated using the discounted cash flow methodology, using current incremental lending rates for similar types of loans. Where the instrument reprices on a quarterly basis or has a relatively short maturity, the carrying amounts approximate fair values.

#### *Liabilities*

Fair values are estimated using the discounted cash flow methodology using the Group's current borrowing rate for similar borrowings with maturities consistent with those remaining for the liability being valued, if any. The carrying amounts of demand and savings deposit liabilities and other short-term liabilities approximate fair values considering that these are either due and demandable or with short-term maturities.

#### Non-Financial Assets

##### *Investment properties*

Fair value of investment properties is determined based on valuations performed by independent and in-house appraisers using a valuation technique with significant inputs that are not based on observable market data (Level 3). The valuation of investment properties was based on the Sales Comparison Approach and considered recent sales of similar or substitute properties in the same areas where the investment properties are located, taking into account the economic conditions prevailing at the time of the valuation. Other factors considered were the location and shape of the properties, environmental issues, development controls such as the height restrictions, building coverage and floor area ratio restrictions, among others. The fair value of investment properties is based on its highest and best use, which is their current use.

The following tables summarize the carrying amounts and fair values of assets and liabilities, analyzed among those whose fair value is based on:

- Quoted market prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and





- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Consolidated				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
<b>2023</b>					
<b>Assets Measured at Fair Value</b>					
<b>Financial Assets</b>					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	₱16,264	₱16,264	₱—	₱—	₱16,264
BSP	13,937	13,937	—	—	13,937
Treasury notes and bonds	10,096	10,096	—	—	10,096
Private	4,659	4,659	—	—	4,659
Treasury bills	1,174	1,174	—	—	1,174
	46,130	46,130	—	—	46,130
Equity securities	6,804	6,804	—	—	6,804
Derivative assets					
Currency forwards	10,116	—	10,116	—	10,116
Cross-currency swaps	8,082	—	8,082	—	8,082
Interest rate swaps	3,638	—	3,638	—	3,638
Bond futures	40	—	40	—	40
Put option	34	—	34	—	34
Call option	12	—	12	—	12
	21,922	—	21,922	—	21,922
	74,856	52,934	21,922	—	74,856
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	366,864	365,054	1,810	—	366,864
Government	71,444	70,893	551	—	71,444
BSP	50,889	50,889	—	—	50,889
Private	45,151	45,096	55	—	45,151
Treasury bills	355	355	—	—	355
	534,703	532,287	2,416	—	534,703
Equity securities	1,920	1,694	226	—	1,920
	536,623	533,981	2,642	—	536,623
	₱611,479	₱586,915	₱24,564	₱—	₱611,479
<b>Assets for which Fair Values are Disclosed</b>					
<b>Financial Assets</b>					
Investment securities at amortized cost					
Treasury notes and bonds	₱417,868	₱413,330	₱7,802	₱—	₱421,132
Government	49,419	47,719	287	—	48,006
Private	3,063	3,013	—	—	3,013
Treasury bills	288	291	—	—	291
	470,638	464,353	8,089	—	472,442
Loans and receivables - net					
Receivables from customers					
Commercial loans	1,132,348	—	—	1,198,380	1,198,380
Credit card	124,963	—	—	124,963	124,963
Auto loans	91,880	—	—	102,256	102,256
Residential mortgage loans	91,711	—	—	113,754	113,754
Trade loans	51,033	—	—	51,033	51,033
Others	12,263	—	—	12,907	12,907
	1,504,198	—	—	1,603,293	1,603,293
Unquoted debt securities	545	—	—	558	558
Sales contract receivable	29	—	—	30	30
	1,504,772	—	—	1,603,881	1,603,881
Other assets	386	—	—	472	472
	1,975,796	464,353	8,089	1,604,353	2,076,795
<b>Non-Financial Assets</b>					
Investment properties	8,107	—	—	16,113	16,113
Residual value of leased assets	470	—	—	430	430
	8,577	—	—	16,543	16,543
	₱1,984,373	₱464,353	₱8,089	₱1,620,896	₱2,093,338



	Consolidated				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
<b>Liabilities Measured at Fair Value</b>					
<b>Financial Liabilities</b>					
Financial liabilities at FVTPL					
Derivative liabilities					
Currency forwards	₱9,629	—	₱9,629	₱—	₱9,629
Cross-currency swaps	5,900	—	5,900	—	5,900
Interest rate swaps	1,086	—	1,086	—	1,086
Bond futures	143	—	143	—	143
Credit default swaps	53	—	53	—	53
Put option	36	—	36	—	36
Call option	18	—	18	—	18
Non-equity non-controlling interest	10,260	—	10,260	—	10,260
	₱27,125	₱—	₱27,125	₱—	₱27,125
<b>Liabilities for which Fair Values are Disclosed</b>					
<b>Financial Liabilities</b>					
Deposit liabilities					
Time	₱925,885	₱—	₱—	₱929,288	₱929,288
LTNCD	17,514	8,657	3,723	5,112	17,492
	943,399	8,657	3,723	934,400	946,780
Bills payable and SSURA	156,896	—	—	157,139	157,139
Subordinated debts	—	—	—	—	—
Bonds payable	70,089	68,352	—	—	68,352
Other Liabilities					
Deposits on lease contracts	783	—	—	734	734
	₱1,171,167	₱77,009	₱3,723	₱1,092,273	₱1,173,005
2022					
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	₱14,500	₱14,500	₱—	₱—	₱14,500
Treasury notes and bonds	12,767	12,767	—	—	12,767
Private	3,858	3,858	—	—	3,858
Treasury bills	564	564	—	—	564
BSP	308	308	—	—	308
	31,997	31,997	—	—	31,997
Equity securities	7,163	7,163	—	—	7,163
Derivative assets					
Cross-currency swaps	13,691	—	13,691	—	13,691
Currency forwards	6,670	—	6,670	—	6,670
Interest rate swaps	3,618	—	3,618	—	3,618
Call option	288	—	288	—	288
Put option	138	—	138	—	138
Bond futures	34	—	34	—	34
	24,439	—	24,439	—	24,439
	63,599	39,160	24,439	—	63,599
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	333,117	332,935	182	—	333,117
Government	77,137	71,043	6,094	—	77,137
BSP	67,857	67,857	—	—	67,857
Private	50,037	49,704	333	—	50,037
Treasury bills	557	557	—	—	557
	528,705	522,096	6,609	—	528,705
Equity securities	1,759	1,543	216	—	1,759
	530,464	523,639	6,825	—	530,464
	₱594,063	₱562,799	₱31,264	₱—	₱594,063
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱269,501	₱257,739	₱6,553	₱—	₱264,292
Government	44,542	42,078	304	—	42,382
Private	3,484	3,379	—	—	3,379
Treasury bills	249	248	—	—	248
	317,776	303,444	6,857	—	310,301

(Forward)



	Consolidated				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Loans and receivables - net					
Receivables from customers					
Commercial loans	P1,060,043	P-	P-	P1,048,067	P1,048,067
Credit card	97,296	-	-	97,296	97,296
Residential mortgage loans	91,646	-	-	116,776	116,776
Auto loans	75,682	-	-	86,138	86,138
Trade loans	60,322	-	-	60,322	60,322
Others	11,056	-	-	11,798	11,798
	1,396,045	-	-	1,420,397	1,420,397
Unquoted debt securities	812	-	-	823	823
Sales contract receivable	29	-	-	27	27
	1,396,886	-	-	1,421,247	1,421,247
Other assets	191	-	-	264	264
	1,714,853	303,444	6,857	1,421,511	1,731,812
Non-Financial Assets					
Investment properties	7,901	-	-	16,346	16,346
Residual value of leased assets	623	-	-	583	583
	8,524	-	-	16,929	16,929
	P1,723,377	P303,444	P6,857	P1,438,440	P1,748,741
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Cross-currency swaps	P7,721	P-	P7,721	P-	P7,721
Currency forwards	7,315	-	7,315	-	7,315
Interest rate swaps	1,383	-	1,383	-	1,383
Call option	286	-	286	-	286
Put option	142	-	142	-	142
Credit default swaps	15	-	15	-	15
Bond futures	3	-	3	-	3
Non-equity non-controlling interest	10,139	-	10,139	-	10,139
	P27,004	P-	P27,004	P-	P27,004
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	P715,415	P-	P-	P717,722	P717,722
LTNCD	26,158	20,947	-	5,355	26,302
	741,573	20,947	-	723,077	744,024
Bills payable and SSURA	91,322	-	-	91,765	91,765
Subordinated debts	1,169	-	-	1,187	1,187
Bonds payable	88,409	81,388	-	4,631	86,019
Other liabilities					
Deposits on lease contracts	979	-	-	931	931
	P923,452	P102,335	P-	P821,591	P923,926
	Parent Company				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
<b>2023</b>					
<b>Assets Measured at Fair Value</b>					
<b>Financial Assets</b>					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	P16,068	P16,068	-	-	P16,068
BSP	13,937	13,937	-	-	13,937
Treasury notes and bonds	8,951	8,951	-	-	8,951
Private	4,386	4,386	-	-	4,386
Treasury bills	1,174	1,174	-	-	1,174
	44,516	44,516	-	-	44,516
Equity securities	64	64	-	-	64
Derivative assets					
Currency forwards	10,116	-	10,116	-	10,116
Cross-currency swaps	8,082	-	8,082	-	8,082
Interest rate swaps	3,638	-	3,638	-	3,638
Bond futures	40	-	40	-	40
Put option	33	-	33	-	33
Call option	12	-	12	-	12
	21,921	-	21,921	-	21,921
	66,501	44,580	21,921	-	66,501
(Forward)					



	Parent Company				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Investment securities at FVOCI					
Debt securities:					
Treasury notes and bonds	₱360,273	₱360,273	₱—	₱—	₱360,273
Government	71,289	70,737	552	—	71,289
Private	10,252	10,197	55	—	10,252
	441,814	441,207	607	—	441,814
Equity securities	860	771	89	—	860
	442,674	441,978	696	—	442,674
	₱509,175	₱486,558	₱22,617	₱—	₱509,175
<b>Assets for which Fair Values are Disclosed</b>					
<b>Financial Assets</b>					
Investment securities at amortized cost					
Treasury notes and bonds	₱400,420	₱403,880	₱—	₱—	₱403,880
Government	38,017	37,441	—	—	37,441
	438,437	441,321	—	—	441,321
Loans and receivables - net					
Receivables from customers					
Commercial loans	1,058,588	—	—	1,040,100	1,040,100
Credit card	124,963	—	—	124,963	124,963
Residential mortgage loans	51,496	—	—	52,050	52,050
Trade loans	47,279	—	—	47,279	47,279
Auto loans	20,740	—	—	21,024	21,024
Others	10,457	—	—	10,457	10,457
	1,313,523	—	—	1,295,873	1,295,873
Unquoted debt securities	102	—	—	102	102
Sales contract receivable	23	—	—	23	23
	1,313,648	—	—	1,295,998	1,295,998
	1,752,085	441,321	—	1,295,998	1,737,319
<b>Non-Financial Assets</b>					
Investment properties	3,597	—	—	8,267	8,267
	₱ 1,755,682	₱441,321	₱—	₱1,304,265	₱1,745,586
<b>Liabilities Measured at Fair Value</b>					
<b>Financial Liabilities</b>					
Financial liabilities at FVTPL					
Derivative liabilities					
Currency forwards	₱9,629	₱—	₱9,629	₱—	₱9,629
Cross-currency swaps	5,900	—	5,900	—	5,900
Interest rate swaps	1,085	—	1,085	—	1,085
Bond futures	143	—	143	—	143
Credit default swaps	53	—	53	—	53
Put option	34	—	34	—	34
Call option	18	—	18	—	18
	₱16,862	₱—	₱16,862	₱—	₱16,862
<b>Liabilities for which Fair Values are Disclosed</b>					
<b>Financial Liabilities</b>					
Deposit liabilities					
Time	₱757,204	₱—	₱—	₱757,204	₱757,204
LTNCD	12,430	8,657	3,723	—	12,380
	769,634	8,657	3,723	757,204	769,584
Bills payable and SSURA	141,081	—	—	141,081	141,081
Bonds payable	70,089	68,352	—	—	68,352
	₱980,804	₱77,009	₱3,723	₱898,285	₱979,017
2022					
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Treasury notes and bonds	₱12,293	₱12,293	₱—	₱—	₱12,293
Government	14,425	14,425	—	—	14,425
Private	3,587	3,587	—	—	3,587
Treasury bills	564	564	—	—	564
BSP	308	308	—	—	308
	31,177	31,177	—	—	31,177
Equity securities	48	48	—	—	48

(Forward)



	Parent Company				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Derivative assets					
Cross-currency swaps	₱13,691	₱—	₱13,691	₱—	₱13,691
Currency forwards	6,664	—	6,664	—	6,664
Bond futures	34	—	34	—	34
Interest rate swaps	3,618	—	3,618	—	3,618
Put option	136	—	136	—	136
Call option	288	—	288	—	288
	24,431	—	24,431	—	24,431
	55,656	31,225	24,431	—	55,656
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	329,146	329,146	—	—	329,146
Government	77,056	70,962	6,094	—	77,056
Private	11,120	10,787	333	—	11,120
	417,322	410,895	6,427	—	417,322
Equity securities	725	635	90	—	725
	418,047	411,530	6,517	—	418,047
	₱473,703	₱442,755	₱30,948	₱—	₱473,703
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Government	₱32,018	₱31,000	₱—	₱—	₱31,000
Treasury notes and bonds	253,090	248,799	—	—	248,799
	285,108	279,799	—	—	279,799
Loans and receivables - net					
Receivables from customers					
Commercial loans	989,444	—	—	974,061	974,061
Residential mortgage loans	50,672	—	—	51,095	51,095
Auto loans	18,276	—	—	18,537	18,537
Credit card	97,296	—	—	97,296	97,296
Trade loans	58,762	—	—	58,762	58,762
Others	9,422	—	—	9,422	9,422
	1,223,872	—	—	1,209,173	1,209,173
Unquoted debt securities	165	—	—	165	165
Sales contract receivable	18	—	—	18	18
	1,224,055	—	—	1,209,356	1,209,356
	1,509,163	279,799	—	1,209,356	1,489,155
Non-Financial Assets					
Investment properties	3,310	—	—	8,708	8,708
	₱1,512,473	₱279,799	₱—	₱1,218,064	₱1,497,863
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Cross-currency swaps	₱7,721	₱—	₱7,721	₱—	₱7,721
Interest rate swaps	1,380	—	1,380	—	1,380
Currency forwards	7,310	—	7,310	—	7,310
Bond futures	3	—	3	—	3
Credit default swaps	15	—	15	—	15
Put option	140	—	140	—	140
Call option	286	—	286	—	286
	₱16,855	₱—	₱16,855	₱—	₱16,855
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱528,914	₱—	₱—	₱528,914	₱528,914
LTNCD	21,080	20,948	—	—	20,948
	549,994	20,948	—	528,914	549,862
Bills payable and SSURA	76,456	—	—	76,456	76,456
Bonds payable	83,761	81,387	—	—	81,387
Subordinated debts	1,169	—	—	1,187	1,187
	₱711,380	₱102,335	₱—	₱606,557	₱708,892

As of December 31, 2023 and 2022, there were no transfers between levels of the fair value hierarchy.



When fair values of listed equity and debt securities, as well as publicly traded derivatives at the statement of financial position date are based on quoted market prices or binding dealer price quotations, without any adjustments for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models. Instruments included in Level 3 include those for which there is currently no active market.

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## 6. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with segment representing a strategic business unit. Operating segments are reported in accordance with internal reporting to the Senior Management who is responsible for allocating resources to the segments and assessing its performance. The financial reporting basis used in the internal reporting is PFRS.

The Group's business segments follow:

- Consumer Banking - principally providing consumer type loans and support for effective sourcing and generation of consumer business;
- Corporate Banking - principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;
- Investment Banking - principally arranging structured financing, and providing services relating to privatizations, initial public offerings, mergers and acquisitions; and providing advisory services primarily aimed to create wealth to individuals and institutions;
- Treasury - principally providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and corporate banking;
- Branch Banking - principally handling branch deposits and providing loans and other loan related businesses for domestic middle market clients; and
- Others - principally handling other services including but not limited to remittances, leasing, account financing, and other support services. Other operations of the Group comprise the operations and financial control groups.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross income and expense. The Group has no significant customers which contributes 10.00% or more of the consolidated revenue net of interest expense. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on a pool rate which approximates the cost of funds.



The following table presents revenue and income information of operating segments presented in accordance with PFRS and segment assets and liabilities:

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
<b>2023</b>							
<b>Results of Operations</b>							
Net interest income (expense)							
Third party	₱22,753	₱60,783	₱—	₱22,303	(₱3,092)	₱2,223	₱104,970
Intersegment	(5,230)	(49,330)	—	(4,485)	59,045	—	—
Net interest income after intersegment transactions	17,523	11,453	—	17,818	55,953	2,223	104,970
Non-interest income	9,707	1,250	198	2,336	6,385	8,628	28,504
Revenue - net of interest expense	27,230	12,703	198	20,154	62,338	10,851	133,474
Non-interest expense	15,974	6,258	50	5,403	23,841	26,974	78,500
Income (loss) before share in net income of subsidiaries, associates and a JV	11,256	6,445	148	14,751	38,497	(16,123)	54,974
Share in net income of subsidiaries, associates and a JV	—	86	—	—	—	789	875
Provision for income tax	257	(726)	—	(8,769)	258	(3,910)	(12,890)
Non-controlling interest in net income of consolidated subsidiaries	—	—	—	—	—	(721)	(721)
<b>Net income (loss)</b>	<b>₱11,513</b>	<b>₱5,805</b>	<b>₱148</b>	<b>₱5,982</b>	<b>₱38,755</b>	<b>(₱19,965)</b>	<b>₱42,238</b>
<b>Statement of Financial Position</b>							
Total assets	₱234,876	₱1,178,680	₱—	₱1,256,486	₱181,312	₱253,548	₱3,104,902
Total liabilities	₱125,072	₱1,118,249	₱—	₱1,200,606	₱273,011	₱21,226	₱2,738,164
<b>Other Segment Information</b>							
Capital expenditures	₱451	₱47	₱—	₱179	₱72	₱3,956	₱4,705
Depreciation and amortization	₱413	₱335	₱—	₱90	₱2,308	₱3,776	₱6,922
Provision for credit and impairment losses	₱6,415	₱1,797	₱—	(₱5)	₱175	₱596	₱8,978
<b>2022</b>							
<b>Results of Operations</b>							
Net interest income (expense)							
Third party	₱14,728	₱38,478	₱—	₱22,951	₱7,211	₱2,161	₱85,529
Intersegment	(2,727)	(24,893)	—	320	27,300	—	—
Net interest income after intersegment transactions	12,001	13,585	—	23,271	34,511	2,161	85,529
Non-interest income	9,400	1,081	165	2,974	6,388	6,785	26,793
Revenue - net of interest expense	21,401	14,666	165	26,245	40,899	8,946	112,322
Non-interest expense	13,507	5,269	9	3,856	21,978	24,489	69,108
Income (loss) before share in net income of subsidiaries, associates and a JV	7,894	9,397	156	22,389	18,921	(15,543)	43,214
Share in net income of subsidiaries, associates and a JV	—	83	—	(27)	—	648	704
Provision for income tax	(138)	(413)	—	(5,292)	(305)	(4,472)	(10,620)
Non-controlling interest in net income of consolidated subsidiaries	—	—	—	—	—	(522)	(522)
<b>Net income (loss)</b>	<b>₱7,756</b>	<b>₱9,067</b>	<b>₱156</b>	<b>₱17,070</b>	<b>₱18,616</b>	<b>(₱19,889)</b>	<b>₱32,776</b>
<b>Statement of Financial Position</b>							
Total assets	₱187,083	₱1,095,896	₱—	₱1,103,122	₱180,212	₱276,777	₱2,843,090
Total liabilities	₱102,803	₱1,061,101	₱—	₱1,034,000	₱273,942	₱43,154	₱2,515,000
<b>Other Segment Information</b>							
Capital expenditures	₱409	₱99	₱—	₱124	₱58	₱3,003	₱3,693
Depreciation and amortization	₱358	₱320	₱—	₱64	₱2,001	₱3,233	₱5,976
Provision for credit and impairment losses	₱5,721	₱1,375	₱—	(₱19)	₱207	₱828	₱8,112
<b>2021</b>							
<b>Results of Operations</b>							
Net interest income (expense)							
Third party	₱15,933	₱33,099	₱—	₱16,426	₱8,686	₱905	₱75,049
Intersegment	(686)	(20,912)	—	(7,029)	28,627	—	—
Net interest income after intersegment transactions	15,247	12,187	—	9,397	37,313	905	75,049
Non-interest income	7,413	962	251	4,108	5,341	7,756	25,831
Revenue - net of interest expense	22,660	13,149	251	13,505	42,654	8,661	100,880
Non-interest expense	18,212	4,939	57	3,939	20,456	23,704	71,307
Income (loss) before share in net income of subsidiaries, associates and a JV	4,448	8,210	194	9,566	22,198	(15,043)	29,573

(Forward)



	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
Share in net income of subsidiaries, associates and a JV	P—	P44	P—	P—	P—	P524	P568
Provision for income tax	(505)	(340)	—	(3,607)	(723)	(2,602)	(7,777)
Non-controlling interest in net income of consolidated subsidiaries	—	—	—	—	—	(208)	(208)
Net income (loss)	P3,943	P7,914	P194	P5,959	P21,475	(P17,329)	P22,156
Statement of Financial Position							
Total assets	P167,422	P941,197	P—	P969,133	P163,077	P261,987	P2,502,816
Total liabilities	P80,472	P926,853	P—	P873,507	P263,724	P30,528	P2,175,084
Other Segment Information							
Capital expenditures	P261	P56	P—	P113	P31	P3,361	P3,822
Depreciation and amortization	P614	P321	P—	P55	P2,111	P3,329	P6,430
Provision for credit and impairment losses	P10,790	P8	P—	P—	P184	P852	P11,834

Non-interest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gain/(loss) - net, foreign exchange gain (loss) - net, income from trust operations, leasing, dividends and miscellaneous income. Non-interest expense consists of compensation and fringe benefits, taxes and licenses, provision for credit and impairment losses, depreciation and amortization, occupancy and equipment-related costs, amortization of software costs, and miscellaneous expenses.

### Geographical Information

The Group operates in four geographic markets: Philippines, Asia other than Philippines, USA and Europe (Note 2).

The following tables show the distribution of Group's external net operating income and non-current assets allocated based on the location of the customers and assets, respectively, for the years ended December 31:

	Philippines	Asia (Other than Philippines)	USA	Europe	Total
<b>2023</b>					
Interest income	P147,670	P5,766	P176	P—	P153,612
Interest expense	46,416	2,213	13	—	48,642
Net interest income	101,254	3,553	163	—	104,970
Non-interest income	26,445	1,531	487	41	28,504
Provision for credit and impairment losses	(8,697)	(281)	—	—	(8,978)
<b>Total external net operating income</b>	<b>P119,002</b>	<b>P4,803</b>	<b>P650</b>	<b>P41</b>	<b>P124,496</b>
<b>Non-current assets</b>	<b>P33,672</b>	<b>P515</b>	<b>P154</b>	<b>P3</b>	<b>P34,344</b>
<b>2022</b>					
Interest income	P97,745	P4,516	P109	P—	P102,370
Interest expense	14,858	1,936	47	—	16,841
Net interest income	82,887	2,580	62	—	85,529
Non-interest income	25,308	956	492	37	26,793
Provision for credit and impairment losses	(7,812)	(300)	—	—	(8,112)
<b>Total external net operating income</b>	<b>P100,383</b>	<b>P3,236</b>	<b>P554</b>	<b>P37</b>	<b>P104,210</b>
<b>Non-current assets</b>	<b>P33,764</b>	<b>P490</b>	<b>P11</b>	<b>P3</b>	<b>P34,268</b>
<b>2021</b>					
Interest income	P83,584	P3,587	P6	P—	P87,177
Interest expense	10,921	1,205	2	—	12,128
Net interest income	72,663	2,382	4	—	75,049
Non-interest income	24,477	829	490	35	25,831
Provision for credit and impairment losses	(11,601)	(232)	(1)	—	(11,834)
<b>Total external net operating income</b>	<b>P85,539</b>	<b>P2,979</b>	<b>P493</b>	<b>P35</b>	<b>P89,046</b>
<b>Non-current assets</b>	<b>P31,613</b>	<b>P586</b>	<b>P9</b>	<b>P3</b>	<b>P32,211</b>

Non-current assets consist of property and equipment excluding ROU assets, investment properties, chattel properties acquired in foreclosure, software costs and assets held under joint operations.





## 7. Interbank Loans Receivable and Securities Purchased Under Resale Agreements

This account consists of:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Interbank loans receivable - net (Note 32)	<b>₱35,313</b>	₱45,008	<b>₱29,230</b>	₱39,451
SPURA	<b>37,666</b>	28,736	<b>29,956</b>	26,084
	<b>₱72,979</b>	₱73,744	<b>₱59,186</b>	₱65,535

As of December 31, 2023 and 2022, the allowance for credit losses for interbank loans receivable amounted to ₱35.8 million and ₱18.7 million, respectively, for the Group and ₱32.8 million and ₱14.4 million, respectively, for the Parent Company (Note 15).

In 2023, 2022 and 2021, the interest rates of the interbank loans receivables ranged from 0.00% to 6.25%, 0.00% to 5.90%, and 0.00% to 4.90%, respectively, for the Group, and 0.00% to 6.25%, 0.00% to 5.05%, and 0.00% to 3.30%, respectively, for the Parent Company.

## 8. Trading and Investment Securities

This account consists of:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Investment securities at:				
FVTPL	<b>₱74,856</b>	₱63,599	<b>₱66,501</b>	₱55,656
FVOCI (Note 17 & 29)	<b>536,623</b>	530,464	<b>442,674</b>	418,047
Amortized cost (Note 17 & 29)	<b>470,638</b>	317,776	<b>438,437</b>	285,108
	<b>₱1,082,117</b>	₱911,839	<b>₱947,612</b>	₱758,811

Investment securities at FVTPL consist of the following:

	Consolidated		Parent Company	
	2023	2022	2023	2022
HFT investments				
Debt securities				
Government	<b>₱16,264</b>	₱14,500	<b>₱16,068</b>	₱14,425
BSP	<b>13,937</b>	308	<b>13,937</b>	308
Treasury notes and bonds	<b>10,096</b>	12,767	<b>8,951</b>	12,293
Private	<b>4,659</b>	3,858	<b>4,386</b>	3,587
Treasury bills	<b>1,174</b>	564	<b>1,174</b>	564
	<b>46,130</b>	31,997	<b>44,516</b>	31,177
Equity securities	<b>6,804</b>	7,163	<b>64</b>	48
	<b>52,934</b>	39,160	<b>44,580</b>	31,225
Derivative assets	<b>21,922</b>	24,439	<b>21,921</b>	24,431
	<b>₱74,856</b>	₱63,599	<b>₱66,501</b>	₱55,656



The following are the fair values of the Parent Company's derivative financial instruments recorded as 'Derivative assets/liabilities', together with the notional amounts. The notional amount is the amount or quantity of a derivative's underlying asset, and is the basis upon which changes in the value are measured. The notional amounts indicate the volume of transactions outstanding as of December 31, 2023 and 2022 and are not indicative of either market risk or credit risk.

	Derivative Assets	Derivative Liabilities	Notional Amount	Average Forward Rate (in every USD 1)
<b>December 31, 2023</b>				
Freestanding derivatives:				
Currency forwards				
BOUGHT:				
USD	₱357	₱4,750	USD 7,141	₱56.01
CNY	54	253	CNY 1,476	CNY 6.93
EUR	121	—	EUR 68	EUR 0.92
THB	1	—	THB 17	THB 34.46
GBP	77	—	GBP 34	GBP 0.81
AUD	71	—	AUD 43	AUD 1.53
JPY	3,288	2,777	JPY 340,874	JPY 140.68
SGD	24	—	SGD 40	SGD 1.33
SOLD:				
USD	2,247	530	USD 4,214	₱55.90
CNY	300	44	CNY 2,262	CNY 6.97
JPY	3,559	621	JPY 157,170	JPY 133.02
EUR	14	168	EUR 260	EUR 0.91
MXN	—	1	MXN 1	MXN 18.60
THB	—	3	THB 93	THB 34.86
CHF	—	5	CHF 3	CHF 0.86
HKD	2	2	HKD 495	HKD 7.80
SGD	—	53	SGD 101	SGD 1.33
TRY	—	—	TRY 1	TRY 30.36
DKK	—	1	DKK 4	DKK 6.92
CAD	—	86	CAD 86	CAD 1.35
AUD	—	141	AUD 90	AUD 1.53
GBP	1	194	GBP 147	GBP 0.80
NZD	—	—	NZD 0.2	NZD 1.58
Interest rate swaps - PHP	139	235		
Interest rate swaps - USD	3,470	700		
Interest rate swaps - EUR	29	129		
Interest rate swaps - JPY	—	21		
Cross-currency swaps - PHP	267	4,470		
Cross-currency swaps - USD	5,673	885		
Cross-currency swaps - EUR	1,930	42		
Cross-currency swaps - JPY	57	503		
Cross-currency swaps - GBP	155	—		
OTC FX Options - USD	33	40		
OTC FX Options - AUD	1	1		
OTC FX Options - EUR	11	11		
OTC FX Options - NZD	—	—		
Credit default swaps	—	53		
Bond Futures	40	143		
	<b>₱21,921</b>	<b>₱16,862</b>		
<b>December 31, 2022</b>				
Freestanding derivatives:				
Currency forwards				
BOUGHT:				
USD	₱1,836	₱2,833	USD 3,120	₱56.14
CNY	34	235	CNY 670	CNY 6.70
EUR	157	17	EUR 133	EUR 0.95
THB	11	—	THB 134	THB 36.21
GBP	4	—	GBP 1	GBP 0.86
AUD	—	1	AUD 5	AUD 1.48
JPY	605	428	JPY 89,139	JPY 132.50
CAD	—	—	CAD 15	CAD 1.36
CHF	—	—	CHF 2	CHF 0.93
SOLD:				
USD	2,760	2,617	USD 4,392	₱56.05
CNY	296	41	CNY 1,621	CNY 6.81
JPY	523	1,007	JPY 77,221	JPY 133.48
EUR	405	86	EUR 410	EUR 0.92
MXN	—	—	MXN 1	MXN 19.57
THB	—	16	THB 257	THB 35.85
CHF	—	1	CHF 3	CHF 0.93
HKD	1	—	HKD 315	HKD 7.59
SGD	—	5	SGD 37	SGD 1.35



	Derivative Assets	Derivative Liabilities	Notional Amount	Average Forward Rate (in every USD 1)
TRY	₹-	₹-	TRY 1	TRY 19.87
DKK	-	-	DKK 3	DKK 6.94
CAD	6	10	CAD 107	CAD 1.36
AUD	-	8	AUD 41	AUD 1.49
GBP	26	4	GBP 34	GBP 0.82
NZD	-	1	NZD 7	NZD 1.59
Interest rate swaps - PHP	193	1,263	₹56,585	
Interest rate swaps - FX	3,425	117	USD 1,828	
Cross-currency swaps - PHP	83	6,666	₹66,783	
Cross-currency swaps - USD	13,008	254	USD 2,762	
Cross-currency swaps - EUR	385	522	EUR 502	
Cross-currency swaps - JPY	215	279	JPY 21,670	
Credit default swaps	-	15	USD 66	
Over-the-counter FX options - AUD	15	14	AUD 26	
Over-the-counter FX options - EUR	90	90	EUR 60	
Over-the-counter FX options - GBP	34	33	GBP 30	
Over-the-counter FX options - NZD	38	38	NZD 40	
Over-the-counter FX options - USD	247	251	USD 360	
Bond Futures - FCDO	34	3	USD 134	
	<b>₹24,431</b>	<b>₹16,855</b>		

As of December 31, 2023 and 2022, the Group's derivative assets include currency forwards, FX options and cross-currency swaps entered into by the subsidiaries amounting to ₹1.6 million and ₹8.6 million, respectively. As of December 31, 2023 and 2022, the Group's derivative liabilities include currency forwards, cross-currency swaps and FX options entered into by the subsidiaries amounting to ₹3.7 million and ₹9.8 million, respectively.

Investment securities at FVOCI as of December 31, 2023 and 2022 consist of the following:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Debt securities				
Treasury notes and bonds (Note 17)	<b>₹366,864</b>	₹333,117	<b>₹360,273</b>	₹329,146
Government (Note 17)	<b>71,444</b>	77,137	<b>71,289</b>	77,056
BSP	<b>50,889</b>	67,857	-	-
Private	<b>45,151</b>	50,037	<b>10,252</b>	11,120
Treasury bills	<b>355</b>	557	-	-
	<b>534,703</b>	528,705	<b>441,814</b>	417,322
Equity securities	<b>1,920</b>	1,759	<b>860</b>	725
	<b>₹536,623</b>	₹530,464	<b>₹442,674</b>	₹418,047

The equity securities are irrevocably designated at FVOCI as these are held for long term-strategic purpose rather than for trading. These equity securities include golf club shares and non-marketable equity securities. In 2023 and 2022, as part of its risk management, the Group disposed equity securities at FVOCI with total carrying value of ₹94.1 million and ₹6.8 million, respectively, and recognized gain (loss) on disposal charged against 'Surplus' of (₹84.6 million) and ₹1.4 million, respectively. Dividends recognized for the disposed equity securities in 2023 and 2022 amounted to nil and ₹0.2 million, respectively.

Outstanding equity securities at FVOCI as of December 31, 2023 and 2022 generated dividends amounting to ₹47.8 million and ₹42.5 million, respectively for the Group, and ₹14.9 million and ₹7.8 million, respectively, for the Parent Company.

As of December 31, 2023 and 2022, the ECL on debt securities at FVOCI (included in 'Net unrealized gain (loss) on investment securities at FVOCI') amounted to ₹809.5 million and ₹740.8 million respectively, for the Group and the Parent Company (Note 15).



As of December 31, 2023 and 2022, investment securities at FVOCI include floating and fixed rate private notes with total carrying value of USD 11.0 million and USD10.8 million, respectively (with peso equivalent of ₱606.4 million and ₱604.0 million, respectively) which are pledged by the Parent Company's New York Branch in compliance with the regulatory requirements of the Federal Deposit Insurance Corporation and the Office of the Controller of the Currency in New York.

Movements in net unrealized gains (losses), including share in net unrealized gains (losses) of subsidiaries (Note 11), presented under 'Equity' in the statements of financial position are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Balance at January 1	(₱23,133)	(₱3,799)	(₱23,076)	(₱3,751)
Unrealized gain (loss) recognized in OCI	14,533	(20,824)	14,400	(20,782)
Amounts realized in surplus	85	(1)	85	(1)
Amounts realized in profit or loss	(153)	(697)	(87)	(676)
	(8,668)	(25,321)	(8,678)	(25,210)
Tax (Note 28)	(1,438)	2,188	(1,387)	2,134
Balance at December 31	(₱10,106)*	(₱23,133)*	(₱10,065)	(₱23,076)

\* Includes share of non-controlling interest in unrealized losses amounting to ₱41.6 million and ₱56.8 million, respectively, as of December 31, 2023 and 2022.

Investment securities at amortized cost as of December 31, 2023 and 2022 consist of the following:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Treasury notes and bonds (Note 17)	₱417,868	₱269,501	₱400,420	₱253,090
Government (Note 17)	49,790	45,009	38,378	32,470
Private	3,067	3,488	—	—
Treasury bills	288	249	—	—
	471,013	318,247	438,798	285,560
Less: allowance for credit losses (Note 15)	375	471	361	452
	₱470,638	₱317,776	₱438,437	₱285,108

Interest income on investment securities at FVOCI and at amortized cost consists of:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Investment securities at FVOCI	₱18,015	₱15,997	₱15,868	₱13,536	₱13,157	₱14,133
Investment securities at amortized cost	25,599	9,941	1,028	24,118	8,844	407
	₱43,614	₱25,938	₱16,896	₱37,654	₱22,001	₱14,540

In 2023, 2022 and 2021, foreign currency-denominated trading and investment securities bear nominal annual interest rates ranging from 0.10% to 10.63% for the Group and the Parent Company while peso-denominated trading and investment securities bear nominal annual interest rates ranging from 2.38% to 18.25%, 2.38% to 18.25%, and 1.38% to 18.25%, respectively, for the Group and from 2.38% to 18.25% for the Parent Company.



Trading and securities gain/(loss) - net consists of:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Investment securities at FVTPL	<b>₱1,799</b>	(₱4,128)	(₱767)	<b>₱1,708</b>	(₱3,515)	(₱1,046)
Derivative assets/liabilities – net	<b>(1,922)</b>	9,369	582	<b>(1,923)</b>	9,373	571
Debt securities at FVOCI	<b>153</b>	697	3,691	<b>87</b>	676	3,676
Investment securities of amortized cost	–	–	12	–	–	–
	<b>30</b>	5,938	3,518	<b>(128)</b>	6,534	3,201
Income (loss) attributable to non-equity non-controlling interests (Note 21)	<b>(124)</b>	463	(152)	–	–	–
	<b>(₱94)</b>	₱6,401	₱3,366	<b>(₱128)</b>	₱6,534	₱3,201

Trading gains on debt securities at FVOCI represent realized gains previously reported in OCI.

## 9. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Receivables from customers (Note 32)				
Commercial loans (Note 13)	<b>₱1,166,207</b>	₱1,093,972	<b>₱1,085,887</b>	₱1,016,378
Credit card	<b>146,261</b>	116,161	<b>146,261</b>	116,161
Residential mortgage loans	<b>93,541</b>	94,076	<b>52,274</b>	51,888
Auto loans	<b>96,387</b>	79,573	<b>21,304</b>	18,874
Trade loans	<b>51,618</b>	61,090	<b>47,864</b>	59,530
Others (Note 13)	<b>13,032</b>	11,857	<b>10,684</b>	9,589
	<b>1,567,046</b>	1,456,729	<b>1,364,274</b>	1,272,420
Less unearned discounts and capitalized interest	<b>15,637</b>	13,538	<b>13,545</b>	10,970
	<b>1,551,409</b>	1,443,191	<b>1,350,729</b>	1,261,450
Unquoted debt securities				
Private	<b>829</b>	1,033	<b>386</b>	386
Government	<b>105</b>	170	<b>105</b>	170
	<b>934</b>	1,203	<b>491</b>	556
Accrued interest receivable (Note 32)	<b>20,895</b>	15,788	<b>17,396</b>	12,241
Accounts receivable (Note 32)	<b>15,094</b>	9,333	<b>7,655</b>	6,500
Sales contract receivable	<b>32</b>	31	<b>25</b>	20
Other receivables	<b>396</b>	281	<b>2</b>	3
	<b>1,588,760</b>	1,469,827	<b>1,376,298</b>	1,280,770
Less allowance for credit losses (Note 15)	<b>51,594</b>	51,445	<b>40,962</b>	41,210
	<b>₱1,537,166</b>	₱1,418,382	<b>₱1,335,336</b>	₱1,239,560

Receivables from customers consist of:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Loans and discounts	<b>₱1,506,507</b>	₱1,389,001	<b>₱1,307,524</b>	₱1,206,039
Less unearned discounts and capitalized interest	<b>15,637</b>	13,538	<b>13,545</b>	10,970
	<b>1,490,870</b>	1,375,463	<b>1,293,979</b>	1,195,069
Customers' liabilities under letters of credit (LC)/trust receipts	<b>50,953</b>	59,280	<b>47,199</b>	57,719
Bills purchased (Note 21)	<b>9,586</b>	8,448	<b>9,551</b>	8,662
	<b>₱1,551,409</b>	₱1,443,191	<b>₱1,350,729</b>	₱1,261,450



As of December 31, 2023 and 2022, receivables from customers of the Group include lease contract receivables amounting ₱2.0 billion and ₱2.6 billion, respectively (Note 13) and notes receivable financed amounting to ₱14.1 billion and ₱17.9 billion, respectively.

Interest income on loans and receivables consists of:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Receivables from customers (Note 32)	₱77,831	₱53,269	₱49,615	₱63,831	₱40,810	₱35,320
Receivables from cardholders	18,272	12,843	11,728	18,272	12,843	11,728
Lease contract receivables	1,738	2,019	2,585	—	—	—
Customers' liabilities under LC/trust receipts	2,503	1,773	1,137	2,503	1,773	1,137
Others	195	277	460	183	270	452
	₱100,539	₱70,181	₱65,525	₱84,789	₱55,696	₱48,637

As of December 31, 2023 and 2022, 80.68% and 82.44%, respectively, of the total receivables from customers of the Group, and 89.17% and 90.70%, respectively, of the total receivables from customers of the Parent Company are subject to periodic interest repricing. In 2023, 2022 and 2021, the remaining peso receivables from customers earn annual fixed interest rates ranging from 3.00% to 41.72%, from 4.70% to 38.80%, and from 3.50% to 24.00%, respectively for the Group, and 12.00% to 36.00%, 6.00% to 24.00%, and 6.00% to 12.80% for the Parent Company, while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 1.00% to 36.00%, from 1.05% to 24.00% and from 0.98% to 24.00%, respectively for the Group and 3.00% to 36.00%, 1.05% to 24.00% and 0.98% to 24.00%, respectively for the Parent Company.

## 10. Property and Equipment

The composition and movements in the account follow:

	Consolidated						
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	BUC	ROU Assets	Total
<b>2023</b>							
<b>Cost</b>							
Balance at January 1	₱5,942	₱16,679	₱21,093	₱4,646	₱425	₱9,019	₱57,804
Additions	—	23	2,651	455	622	2,253	6,004
Disposals/early termination	—	—	(1,391)	(6)	—	(1,000)	(2,397)
Reclassification/others	(1)	455	(7)	249	(720)	(327)	(351)
<b>Balance at December 31</b>	<b>5,941</b>	<b>17,157</b>	<b>22,346</b>	<b>5,344</b>	<b>327</b>	<b>9,945</b>	<b>61,060</b>
<b>Accumulated depreciation and amortization</b>							
Balance at January 1	—	8,238	14,537	3,992	—	3,876	30,643
Depreciation and amortization	—	762	2,431	320	—	1,863	5,376
Disposals/early termination	—	—	(1,233)	(6)	—	(966)	(2,205)
Reclassification/others	—	6	(2)	(4)	—	(5)	(5)
<b>Balance at December 31</b>	<b>—</b>	<b>9,006</b>	<b>15,733</b>	<b>4,302</b>	<b>—</b>	<b>4,768</b>	<b>33,809</b>
<b>Allowance for impairment losses</b>	<b>—</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8</b>
<b>Net book value at December 31</b>	<b>₱5,941</b>	<b>₱8,143</b>	<b>₱6,613</b>	<b>₱1,042</b>	<b>₱327</b>	<b>₱5,177</b>	<b>₱27,243</b>
<b>2022</b>							
<b>Cost</b>							
Balance at January 1	₱5,797	₱16,339	₱19,377	₱4,999	₱219	₱7,348	₱54,079
Additions	—	7	2,508	70	531	2,360	5,476
Disposals/early termination	—	—	(1,801)	(208)	—	(594)	(2,603)
Reclassification/others	145	333	1,009	(215)	(325)	(95)	852
<b>Balance at December 31</b>	<b>5,942</b>	<b>16,679</b>	<b>21,093</b>	<b>4,646</b>	<b>425</b>	<b>9,019</b>	<b>57,804</b>
<b>Accumulated depreciation and amortization</b>							
Balance at January 1	—	7,574	13,714	4,085	—	2,915	28,288
Depreciation and amortization	—	568	2,271	240	—	1,514	4,593
Disposals/early termination	—	—	(1,601)	(208)	—	(516)	(2,325)
Reclassification/others	—	96	153	(125)	—	(37)	87
<b>Balance at December 31</b>	<b>—</b>	<b>8,238</b>	<b>14,537</b>	<b>3,992</b>	<b>—</b>	<b>3,876</b>	<b>30,643</b>
<b>Allowance for impairment losses</b>	<b>—</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8</b>
<b>Net book value at December 31</b>	<b>₱5,942</b>	<b>₱8,433</b>	<b>₱6,556</b>	<b>₱654</b>	<b>₱425</b>	<b>₱5,143</b>	<b>₱27,153</b>



	Parent Company						Total
	Land	Buildings	Furniture, Fixtures and Equipment	Leasehold Improvements	BUC	ROU Assets	
<b>2023</b>							
<b>Cost</b>							
Balance at January 1	₱4,805	₱15,318	₱11,225	₱2,976	₱425	₱5,755	₱40,504
Additions	—	8	1,137	414	622	1,579	3,760
Disposals/early termination	—	—	(414)	—	—	(632)	(1,046)
Reclassification/others	(1)	458	4	253	(720)	(344)	(350)
<b>Balance at December 31</b>	<b>4,804</b>	<b>15,784</b>	<b>11,952</b>	<b>3,643</b>	<b>327</b>	<b>6,358</b>	<b>42,868</b>
<b>Accumulated depreciation and amortization</b>							
Balance at January 1	—	7,525	8,023	2,479	—	2,212	20,239
Depreciation and amortization	—	720	1,168	251	—	1,147	3,286
Disposals	—	—	(363)	—	—	(632)	(995)
Reclassification/others	—	6	7	(3)	—	(3)	7
<b>Balance at December 31</b>	<b>—</b>	<b>8,251</b>	<b>8,835</b>	<b>2,727</b>	<b>—</b>	<b>2,724</b>	<b>22,537</b>
<b>Allowance for impairment losses</b>	<b>—</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8</b>
<b>Net book value at December 31</b>	<b>₱4,804</b>	<b>₱7,525</b>	<b>₱3,117</b>	<b>₱916</b>	<b>₱327</b>	<b>₱3,634</b>	<b>₱20,323</b>
<b>2022</b>							
<b>Cost</b>							
Balance at January 1	₱4,660	₱14,987	₱10,075	₱3,187	₱219	₱4,335	₱37,463
Additions	—	5	752	8	531	1,621	2,917
Disposals/early termination	—	—	(607)	—	—	(262)	(869)
Reclassification/others	145	326	1,005	(219)	(325)	61	993
<b>Balance at December 31</b>	<b>4,805</b>	<b>15,318</b>	<b>11,225</b>	<b>2,976</b>	<b>425</b>	<b>5,755</b>	<b>40,504</b>
<b>Accumulated depreciation and amortization</b>							
Balance at January 1	—	6,908	7,313	2,456	—	1,556	18,233
Depreciation and amortization	—	525	1,079	154	—	828	2,586
Disposals	—	—	(521)	—	—	(253)	(774)
Reclassification/others	—	92	152	(131)	—	81	194
<b>Balance at December 31</b>	<b>—</b>	<b>7,525</b>	<b>8,023</b>	<b>2,479</b>	<b>—</b>	<b>2,212</b>	<b>20,239</b>
<b>Allowance for impairment losses</b>	<b>—</b>	<b>8</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>8</b>
<b>Net book value at December 31</b>	<b>₱4,805</b>	<b>₱7,785</b>	<b>₱3,202</b>	<b>₱497</b>	<b>₱425</b>	<b>₱3,543</b>	<b>₱20,257</b>

As of December 31, 2023 and 2022, the cost of fully depreciated property and equipment still in use amounted to ₱8.2 billion and ₱7.8 billion, respectively, for the Group, and ₱5.4 billion and ₱5.0 billion, respectively, for the Parent Company.

## 11. Investments in Subsidiaries, Associates and a Joint Venture

Investments in subsidiaries consist of:

	2023	2022
Acquisition cost		
PSBank	₱13,076	₱13,076
FMIC	11,751	11,751
MBCL	10,079	10,079
Circa	837	837
MR USA	365	365
ORIX Metro	265	265
MR Japan	102	102
MR UK	31	31
MRHL	26	26
MRSPL	17	17
Others	25	25
	<b>36,574</b>	<b>36,574</b>

(Forward)



	2023	2022
Accumulated equity in net income		
Balance at January 1	₱34,775	₱31,725
Share in net income	5,237	4,182
Dividends	(1,132)	(1,132)
Balance at December 31	38,880	34,775
Equity in net unrealized loss on investment securities at FVOCI	(437)	(1,939)
Equity in net unrealized gain on remeasurement of retirement plan and translation adjustment and others	1,606	2,514
Equity in realized loss on sale of equity securities at FVOCI	(255)	(170)
Allowance for impairment loss (Note 15)	(474)	–
Carrying value		
PSBank	35,333	32,669
FMIC	20,658	20,288
MBCL	14,735	13,800
ORIX Metro	4,021	3,861
Circa	276	259
MRSPL	192	182
MR USA	199	182
MRHL	107	128
MR Japan	65	77
MR UK	39	38
Others	269	270
	₱75,894	₱71,754

Allowance for impairment loss amounting to ₱474 million pertains to investment in FMIC.

The following subsidiaries have material non-controlling interests as of December 31, 2023 and 2022:

	Country of Incorporation and Principal Place of Business	Principal Activities	Effective Ownership of Non-Controlling Interest	
			2023	2022
ORIX Metro	Philippines	Leasing, Financing	40.15%	40.15%
PSBank	Philippines	Banking	11.62%	11.62%

The following table presents financial information of subsidiaries with material non-controlling interests as of December 31, 2023 and 2022:

	2023		2022	
	PSBank	ORIX Metro	PSBank	ORIX Metro
<b>Statement of Financial Position</b>				
Total assets	₱238,433	₱18,321	₱264,421	₱23,436
Total liabilities	198,279	8,273	227,281	13,789
Non-controlling interest	5,849	4,053	5,499	3,892
<b>Statement of Income</b>				
Gross income	21,029	4,699	18,241	4,979
Operating income	15,145	4,261	15,020	4,392
Net income	4,531	463	3,678	235
Net income attributable to non-controlling interest	526	188	427	94
Total comprehensive income	4,295	399	3,526	242





	2023		2022	
	PSBank	ORIX Metro	PSBank	ORIX Metro
<b>Statement of Cash Flows</b>				
Net cash provided by (used in) operating activities	<b>₱(38,300)</b>	<b>₱4,696</b>	₱(1,613)	₱2,727
Net cash generated (used in) investing activities	<b>20,754</b>	<b>(751)</b>	(13,786)	(834)
Net cash used in financing activities	<b>(7,378)</b>	<b>(4,418)</b>	(653)	(1,579)
Net increase (decrease) in cash and cash equivalents	<b>(24,924)</b>	<b>(473)</b>	(16,052)	314
Cash and cash equivalents at beginning of year	<b>45,079</b>	<b>1,616</b>	61,131	1,302
Cash and cash equivalents at end of year	<b>20,154</b>	<b>1,143</b>	45,079	1,616

#### *Investment in CIRCA*

On May 4, 2022, the stockholders of CIRCA 2000 Homes, Inc. approved the shortening of its corporate term to end on December 31, 2024 through an amendment of its Articles of Incorporation (AOI). The amended AOI was approved by the SEC on June 10, 2022.

#### *Investment in Orix Metro*

On April 20, 2022, the BOD of Orix Metro approved the voluntary surrender of its quasi banking license. This was approved by the BSP on June 23, 2022.

#### *Investment in FMIC*

On September 15, 2023, the SEC approved the following amendments on the Articles of Incorporation of FMIC:

1. Deletion of the primary purpose pertaining to the quasi- banking and trust activities of FMIC in view of BSP's approval to surrender its quasi-bank and trust license on March 25, 2021;
2. Decrease in the number of authorized common shares of FMIC from 800,000,000 to 16,000,000 shares and increase in the par value from ₱10.00 to ₱500.00 per share.

As of December 31, 2023 and 2022, the carrying amount of goodwill of the Group amounted to ₱4.7 billion, of which ₱4.5 billion pertains to the goodwill arising from the acquisition of the then Solidbank Corporation, which was merged with FMIC.

	Principal Activities	Consolidated		Parent Company	
		2023	2022	2023	2022
<b>Acquisition cost:</b>					
Lepanto Consolidated Mining Company (LCMC) (13.36% effectively owned)	Mining	<b>₱2,527</b>	₱2,527	<b>₱—</b>	₱—
SMFC (26.52% effectively owned)*	Financing	<b>610</b>	610	<b>—</b>	—
Northpine Land, Inc. (NLI) (20.00% owned)	Real estate developer	<b>232</b>	232	<b>232</b>	232
Taal Land Inc. (TLI) (35.00% owned)	Real estate	<b>178</b>	178	<b>178</b>	178
Cathay International Resources Corporation (CIRC) (34.49% effectively owned)	Investment house	<b>175</b>	175	<b>—</b>	—
AXA Philippines Life and General Insurance Corporation (AXA Philippines) [formerly Philippine AXA Life Insurance Corporation (PALIC)] (27.97% effectively owned)	Insurance	<b>172</b>	172	<b>—</b>	—
SMBC Metro Investment Corporation (SMBC Metro) (30.00% owned)	Investment house	<b>180</b>	180	<b>180</b>	180
Others		<b>42</b>	42	<b>—</b>	—
		<b>4,116</b>	4,116	<b>590</b>	590
<b>Accumulated equity in net income:</b>					
Balance at January 1		<b>2,970</b>	2,708	<b>251</b>	265
Share in net income		<b>875</b>	704	<b>44</b>	(14)
Dividends		<b>(314)</b>	(442)	<b>—</b>	—
Balance at December 31		<b>3,531</b>	2,970	<b>295</b>	251
Equity in other comprehensive income (losses)		<b>116</b>	(146)	<b>1</b>	1
Return of investment - SMBC Metro		<b>(180)</b>	(180)	<b>(180)</b>	(180)
Allowance for impairment losses (Note 15)		<b>(1,342)</b>	(883)	<b>(101)</b>	(101)

(Forward)



	Principal Activities	Consolidated		Parent Company	
		2023	2022	2023	2022
Carrying value					
LCMC		<b>₱494</b>	₱962	<b>₱—</b>	₱—
SMFC		<b>870</b>	816	—	—
NLI		<b>563</b>	519	<b>563</b>	519
TLI		<b>18</b>	18	<b>18</b>	18
AXA Philippines		<b>4,222</b>	3,498	—	—
SMBC Metro		<b>24</b>	24	<b>24</b>	24
Others		<b>50</b>	40	—	—
		<b>₱6,241</b>	₱5,877	<b>₱605</b>	₱561

\* Represents investment in a JV of the Group and effective ownership interest of the Parent Company through PSBank.

The principal place of business of these associates is in the Philippines.

#### *Investment of FMIC in LCMC*

FMIC has the ability to exercise significant influence through a 5-year agreement with Philex Mining Corporation to jointly vote their 16.7% ownership. As of December 31, 2023 and 2022, LCMC-A shares are trading at ₱0.08 per share and ₱0.109 per share, respectively, and LCMC-B shares are trading at ₱0.078 per share and ₱0.107 per share, respectively. As of December 31, 2023 and 2022, there has been a significant decline in the fair value of the shares compared to the acquisition cost. In 2023 and 2022, the Group recognized impairment loss on the investment in LCMC amounting to ₱458.3 million and ₱211.6 million, respectively (Note 3).

#### *Investment in NLI*

On November 27, 2019, the stockholders of NLI approved the shortening of its corporate term to end on December 31, 2021, but subsequently approved on March 24, 2021 to extend the term up to June 30, 2022. NLI filed the amended Articles of Incorporation (for the shortening of its corporate term up to January 30, 2022) with SEC and this was approved by the SEC on July 6, 2021.

The following tables present financial information of significant associates and a JV:

	Statements of Financial Position		Statements of Income and Other Comprehensive Income				
	Total Assets	Total Liabilities	Gross Income	Operating Income (Loss)	Net Income (Loss)	OCI	Total Comprehensive Income (Loss)
<b>December 31, 2023</b>							
AXA Philippines	<b>₱177,539</b>	<b>₱162,503</b>	<b>₱18,746</b>	<b>₱3,436</b>	<b>₱2,647</b>	<b>₱831</b>	<b>₱3,478</b>
LCMC	<b>8,404</b>	<b>4,094</b>	<b>2,470</b>	<b>13</b>	<b>19</b>	—	<b>19</b>
NLI	<b>2,988</b>	<b>264</b>	<b>56</b>	<b>(54)</b>	<b>221</b>	—	<b>221</b>
SMFC	<b>7,711</b>	<b>4,805</b>	<b>1,803</b>	<b>288</b>	<b>215</b>	<b>(32)</b>	<b>183</b>
CIRC	<b>1,814</b>	<b>1,442</b>	<b>484</b>	<b>(109)</b>	<b>(109)</b>	—	<b>(109)</b>
<b>December 31, 2022</b>							
AXA Philippines	<b>₱157,294</b>	<b>₱144,736</b>	<b>₱16,254</b>	<b>₱3,428</b>	<b>₱2,594</b>	<b>(₱280)</b>	<b>₱2,314</b>
LCMC	<b>8,651</b>	<b>4,436</b>	<b>1,842</b>	<b>(386)</b>	<b>(374)</b>	—	<b>(374)</b>
NLI	<b>2,737</b>	<b>236</b>	<b>72</b>	<b>(151)</b>	<b>(75)</b>	—	<b>(75)</b>
SMFC	<b>6,796</b>	<b>4,075</b>	<b>1,549</b>	<b>389</b>	<b>278</b>	<b>33</b>	<b>311</b>
CIRC	<b>2,022</b>	<b>1,558</b>	<b>334</b>	<b>(115)</b>	<b>(115)</b>	—	<b>(115)</b>

Major assets of significant associates and a JV include the following:

	2023	2022
AXA Philippines		
Cash and cash equivalents	<b>₱9,342</b>	₱6,665
Loans and receivables - net	<b>1,668</b>	878
Investment securities at FVTPL	<b>1,896</b>	1,832
Investment securities at FVOCI	<b>20,362</b>	15,669

(Forward)



	2023	2022
Property and equipment	461	523
LCMC		
Inventories	₱468	₱493
Investments and advances	864	970
Mine exploration cost	10	10
Property, plant and equipment - net	5,685	5,769
NLI		
Cash and cash equivalents	1,148	502
Real estate properties	984	1,173
Receivables - net	821	1,025
SMFC		
Cash and cash equivalents	738	436
Receivables - net	6,433	6,202
CIRC		
Cash and cash equivalents	91	111
Receivables - net	70	74
Property, plant and equipment - net	1,087	1,166
Condominium units for sale/inventories	181	206

Dividends declared by investee companies of the Parent Company follow:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Record Date	Payment Date
<b>2023</b>					
<b>Subsidiaries</b>					
<b>Cash Dividend</b>					
PSBank	January 26, 2023	₱0.75	₱320	February 10, 2023	February 27, 2023
PSBank	April 27, 2023	0.75	320	May 15, 2023	May 29, 2023
PSBank	July 20, 2023	0.75	320	August 4, 2023	August 22, 2023
PSBank	October 19, 2023	0.75	320	November 8, 2023	November 20, 2023
<b>2022</b>					
<b>Subsidiaries</b>					
<b>Cash Dividend</b>					
PSBank	January 17, 2022	₱0.75	₱320	February 2, 2022	February 16, 2022
PSBank	April 25, 2022	0.75	320	May 11, 2022	May 25, 2022
PSBank	July 21, 2022	0.75	320	August 5, 2022	August 22, 2022
PSBank	October 20, 2022	0.75	320	November 7, 2022	November 21, 2022

Dividends declared by significant investee companies of PSBank and FMIC follow:

Subsidiary/Associate	Date of Declaration	Per Share	Total Amount	Record Date	Payment Date
<b>2023</b>					
<b>Associates</b>					
<b>Cash Dividend</b>					
AXA Philippines	December 13, 2023	₱100	₱1,000	December 29, 2023	January 17, 2024
SMFC	June 23, 2023	9.60	192	July 10, 2023	July 19, 2023
FMSBC	May 31, 2023	17.75	30	May 31, 2023	August 29, 2023
FAMI	June 22, 2023	67.00	100	June 30, 2023	December 15, 2023
<b>2022</b>					
<b>Associates</b>					
<b>Cash Dividend</b>					
AXA Philippines	November 28, 2022	₱142	₱1,420	December 21, 2022	December 21, 2022
SMFC	June 24, 2022	5.01	102	July 11, 2022	July 20, 2022
FMSBC	May 27, 2022	35.50	60	May 31, 2022	August 25, 2022
FAMI	September 30, 2022	8.00	12	September 30, 2022	December 28, 2022



## 12. Investment Properties

This account consists of foreclosed real estate properties and investments in real estate:

	Consolidated					
	2023			2022		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
<b>Cost</b>						
Balance at January 1	₱5,285	₱5,156	₱10,441	₱5,387	₱4,494	₱9,881
Additions	477	995	1,472	410	1,489	1,899
Disposals	(532)	(706)	(1,238)	(427)	(915)	(1,342)
Reclassification/others	—	—	—	(85)	88	3
<b>Balance at December 31</b>	<b>5,230</b>	<b>5,445</b>	<b>10,675</b>	<b>5,285</b>	<b>5,156</b>	<b>10,441</b>
<b>Accumulated depreciation and amortization</b>						
Balance at January 1	—	1,104	1,104	—	1,140	1,140
Depreciation and amortization	—	161	161	—	139	139
Disposals	—	(105)	(105)	—	(175)	(175)
<b>Balance at December 31</b>	<b>—</b>	<b>1,160</b>	<b>1,160</b>	<b>—</b>	<b>1,104</b>	<b>1,104</b>
<b>Allowance for impairment losses (Note 15)</b>						
Balance at January 1	1,229	207	1,436	1,244	170	1,414
Provision for (reversal of) impairment loss	—	12	12	(8)	112	104
Disposals	(8)	(32)	(40)	(7)	(77)	(84)
Reclassification/others	—	—	—	—	2	2
<b>Balance at December 31</b>	<b>1,221</b>	<b>187</b>	<b>1,408</b>	<b>1,229</b>	<b>207</b>	<b>1,436</b>
<b>Net book value at December 31</b>	<b>₱4,009</b>	<b>₱4,098</b>	<b>₱8,107</b>	<b>₱4,056</b>	<b>₱3,845</b>	<b>₱7,901</b>

	Parent Company					
	2023			2022		
	Land	Buildings and Improvements	Total	Land	Buildings and Improvements	Total
<b>Cost</b>						
Balance at January 1	₱3,329	₱1,562	₱4,891	₱3,396	₱1,409	₱4,805
Additions	280	506	786	115	346	461
Disposals	(366)	(117)	(483)	(182)	(193)	(375)
<b>Balance at December 31</b>	<b>3,243</b>	<b>1,951</b>	<b>5,194</b>	<b>3,329</b>	<b>1,562</b>	<b>4,891</b>
<b>Accumulated depreciation and amortization</b>						
Balance at January 1	—	584	584	—	631	631
Depreciation and amortization	—	60	60	—	39	39
Disposals	—	(38)	(38)	—	(86)	(86)
<b>Balance at December 31</b>	<b>—</b>	<b>606</b>	<b>606</b>	<b>—</b>	<b>584</b>	<b>584</b>
<b>Allowance for impairment losses (Note 15)</b>						
Balance at January 1	959	38	997	965	38	1,003
Disposals	(6)	—	(6)	(6)	—	(6)
<b>Balance at December 31</b>	<b>953</b>	<b>38</b>	<b>991</b>	<b>959</b>	<b>38</b>	<b>997</b>
<b>Net book value at December 31</b>	<b>₱2,290</b>	<b>₱1,307</b>	<b>₱3,597</b>	<b>₱2,370</b>	<b>₱940</b>	<b>₱3,310</b>

As of December 31, 2023 and 2022, foreclosed investment properties still subject to redemption period by the borrowers amounted to ₱1.1 billion and ₱1.6 billion, respectively, for the Group, and ₱462.2 million and ₱189.9 million, respectively, for the Parent Company.

As of December 31, 2023 and 2022, aggregate market value of investment properties amounted to ₱16.1 billion and ₱16.3 billion, respectively, for the Group, and ₱8.3 billion and ₱8.7 billion, respectively, for the Parent Company, of which ₱9.1 billion and ₱9.4 billion, respectively, for the Group, and ₱8.1 billion and ₱8.5 billion, respectively, for the Parent Company were determined by independent external appraisers. Information about the fair value measurement of investment properties are also presented in Note 5.

Rental income on investment properties (included in 'Leasing income' in the statements of income) in 2023, 2022 and 2021 amounted to ₱92.8 million, ₱86.4 million and ₱90.0 million, respectively, for the Group (Note 13).



Direct operating expenses on investment properties that generated rental income (included under 'Litigation expenses') in 2023, 2022 and 2021 amounted to ₱24.0 thousand, ₱68.2 thousand and ₱47.3 thousand, respectively, for the Group. Direct operating expenses on investment properties that did not generate rental income (included under 'Litigation expenses') in 2023, 2022 and 2021 amounted to ₱389.7 million, ₱230.6 million and ₱223.3 million, respectively, for the Group and ₱78.6 million, ₱42.9 million and ₱57.1 million, respectively, for the Parent Company (Note 25).

Net gains from sale of investment properties (included in 'Profit from assets sold' in the statements of income) in 2023, 2022 and 2021 amounted to ₱1.7 billion, ₱442.6 million and ₱432.6 million, respectively, for the Group, and ₱1.6 billion, ₱208.4 million and ₱117.7 million, respectively, for the Parent Company.

### 13. Leases

#### Group as a Lessee

As of December 31, 2023 and 2022, 59.51% and 59.40%, respectively, of the Parent Company's branch sites are under lease arrangements. Also, some of its subsidiaries lease the premises occupied by their Head Offices and most of their branches. The lease contracts are for periods ranging from 2 to 30 years and some are renewable at the Group's option under certain terms and conditions. Various lease contracts include escalation clauses, which bear an annual rent increase of 2% to 20% in 2023 and 2022. As of December 31, 2023 and 2022, the Group has no contingent rent payable.

The carrying amounts of lease liabilities (included in 'Other Liabilities' in Note 21) are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Balance at January 1	<b>₱5,661</b>	₱5,084	<b>₱3,845</b>	₱3,185
Additions	<b>2,253</b>	2,360	<b>1,579</b>	1,621
Expiry/early termination	<b>(6)</b>	(19)	<b>—</b>	(11)
Accretion of interest	<b>340</b>	256	<b>223</b>	142
Payments	<b>(2,121)</b>	(1,968)	<b>(1,302)</b>	(1,115)
Others	<b>(363)</b>	(52)	<b>(327)</b>	23
Balance at December 31	<b>₱5,764</b>	₱5,661	<b>₱4,018</b>	₱3,845

The Group and the Parent Company recognized the following:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Interest expense on lease liabilities	<b>₱340</b>	₱256	₱244	<b>₱223</b>	₱142	₱137
Rent expense from short-term leases and leases of low-value assets*	<b>725</b>	841	813	<b>698</b>	633	612

\* Included under 'Occupancy and equipment -related cost'

Future minimum rentals payable under non-cancelable leases follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Within one year	<b>₱1,454</b>	₱1,772	<b>₱847</b>	₱905
After one year but not more than five years	<b>3,209</b>	3,291	<b>1,908</b>	2,233
More than five years	<b>2,060</b>	1,299	<b>1,967</b>	1,176
	<b>₱6,723</b>	₱6,362	<b>₱4,722</b>	₱4,314



As of December 31, 2023 and 2022, the Parent Company has undiscounted potential future rental payments arising from extension options expected not to be exercised and thus, not included in the calculation of lease liability amounting to ₱67.6 million.

#### Group as a Lessor

The Group has entered into commercial property leases on its investment property portfolio, consisting of the Group's available office spaces and investment properties and lease agreements over various items of machinery and equipment which are non-cancelable and have remaining non-cancelable lease terms of between one to seven years. In 2023, 2022 and 2021, leasing income on investment properties amounted to ₱1.9 billion, ₱1.9 billion and ₱1.8 billion, respectively, for the Group, and ₱78.3 million, ₱80.3 million and ₱103.8 million, respectively, for the Parent Company.

Future minimum rentals receivable under non-cancelable operating leases follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Within one year	<b>₱1,304</b>	₱1,959	<b>₱55</b>	₱48
After one year but not more than five years	<b>1,058</b>	1,750	<b>90</b>	35
More than five years	<b>10</b>	-	<b>-</b>	-
	<b>₱2,372</b>	₱3,709	<b>₱145</b>	₱83

#### Finance Leases

Lease contract receivables under finance leases, which are accounts of ORIX Metro, are due in monthly installments with terms ranging from one to seven years. These are broken down as follows (Note 9):

	2023	2022
Within one year	<b>₱382</b>	₱477
After one year but not more than five years	<b>1,591</b>	2,149
Greater than five years	<b>-</b>	3
	<b>₱1,973</b>	₱2,629

## 14. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Investment in SPVs	<b>₱8,857</b>	₱8,857	<b>₱8,857</b>	₱8,857
Software costs - net	<b>3,344</b>	3,540	<b>2,995</b>	3,119
Customized system development cost	<b>2,321</b>	615	<b>2,321</b>	615
Prepaid expenses	<b>1,338</b>	1,255	<b>1,004</b>	953
Creditable withholding tax	<b>1,228</b>	1,103	<b>479</b>	403
Chattel properties acquired in foreclosure - net	<b>826</b>	598	<b>72</b>	97
Documentary and postage stamps on hand	<b>482</b>	457	<b>459</b>	428
Residual value of leased assets	<b>470</b>	623	<b>-</b>	-
Returned checks and other cash items	<b>448</b>	345	<b>433</b>	333
Assets held under joint operations (Note 32)	<b>219</b>	219	<b>219</b>	219
Miscellaneous (Note 27)	<b>5,137</b>	3,529	<b>3,764</b>	2,491
	<b>24,670</b>	21,141	<b>20,603</b>	17,515
Less allowance for impairment losses	<b>10,285</b>	10,286	<b>10,274</b>	10,278
	<b>₱14,385</b>	₱10,855	<b>₱10,329</b>	₱7,237



Investment in SPVs represents subordinated notes issued by Cameron Granville 3 Asset Management, Inc. and LNC 3 Asset Management, Inc. with face amount of ₱9.4 billion and ₱2.6 billion, respectively. These notes are non-interest bearing and payable over five (5) years starting April 1, 2006, with rollover of two (2) years at the option of the note issuers. The subordinated notes have gross carrying amount of ₱8.9 billion and are fully provided with allowance for impairment losses.

Movements in software costs account follow:

	Consolidated		Parent Company	
	2023	2022	2023	2022
<b>Cost</b>				
Balance at January 1	₱10,563	₱8,660	₱8,187	₱6,426
Additions	954	577	835	439
Disposals/reclassification/others	(16)	1,326	(9)	1,322
<b>Balance at December 31</b>	<b>11,501</b>	<b>10,563</b>	<b>9,013</b>	<b>8,187</b>
<b>Accumulated amortization</b>				
Balance at January 1	7,023	6,062	5,068	4,273
Amortization	1,134	984	945	818
Disposals/others	—	(23)	5	(23)
<b>Balance at December 31</b>	<b>8,157</b>	<b>7,023</b>	<b>6,018</b>	<b>5,068</b>
<b>Net book value at December 31</b>	<b>₱3,344</b>	<b>₱3,540</b>	<b>₱2,995</b>	<b>₱3,119</b>

Movements in chattel properties acquired in foreclosure follow:

	Consolidated		Parent Company	
	2023	2022	2023	2022
<b>Cost</b>				
Balance at January 1	₱821	₱993	₱113	₱31
Additions	2,546	2,425	75	111
Disposals/others	(2,308)	(2,597)	(96)	(29)
<b>Balance at December 31</b>	<b>1,059</b>	<b>821</b>	<b>92</b>	<b>113</b>
<b>Accumulated depreciation and amortization</b>				
Balance at January 1	221	275	14	12
Depreciation and amortization	251	260	20	10
Disposals/others	(240)	(314)	(15)	(8)
<b>Balance at December 31</b>	<b>232</b>	<b>221</b>	<b>19</b>	<b>14</b>
<b>Allowance for impairment losses</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>
<b>Net book value at December 31</b>	<b>₱826</b>	<b>₱598</b>	<b>₱72</b>	<b>₱97</b>

Assets held under joint operations are parcels of land and former branch sites of the Parent Company which were contributed to separate joint operations with FLI and Federal Land Orix Corporation (Note 32). These are carried at costs, which are lower than the net realizable values.

As of December 31, 2023, 2022 and 2021, the Group recognized (reversed) provision for credit losses on non-financial other assets amounting to ₱104.0 million, ₱13.1 million, and (₱22.0 million), respectively (Note 15).



## 15. Allowance for Credit and Impairment Losses

An analysis of changes in the ECL allowances in 2023 and 2022 is as follows:

	Consolidated			
	Due from Other Banks	Interbank Loans Receivable	Investment Securities at FVOCI	Investment Securities at Amortized Cost
<b>2023</b>				
ECL allowance, January 1, 2023	₱41	₱19	₱741	₱471
Asset derecognized or repaid	(41)	(19)	—	—
New asset originated	51	36	—	—
Changes in assumptions	—	—	68	(96)
ECL allowance, December 31, 2023	₱51	₱36	₱809	₱375
<b>2022</b>				
ECL allowance, January 1, 2022	₱31	₱28	₱358	₱31
Asset derecognized or repaid	(31)	(28)	—	—
New asset originated	41	19	—	—
Changes in assumptions	—	—	383	440
ECL allowance, December 31, 2022	₱41	₱19	₱741	₱471

	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
<b>2023</b>				
<b>Commercial loans</b>				
ECL allowance, January 1, 2023	₱7,739	₱8,668	₱14,918	₱31,325
Newly originated assets that remained in Stage 1 as at year-end	4,717	—	—	4,717
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	765	948	1,713
Assets derecognized or repaid	(4,132)	(1,201)	(2,359)	(7,692)
Amounts written off	—	—	(1,265)	(1,265)
Transfers to/(from) Stage 1	(20)	—	—	(20)
Transfers to/(from) Stage 2	—	(499)	—	(499)
Transfers to/(from) Stage 3	—	—	1,341	1,341
Changes in assumptions	775	1,164	95	2,034
ECL allowance, December 31, 2023	9,079	8,897	13,678	31,654
<b>Residential mortgage loans</b>				
ECL allowance, January 1, 2023	368	743	1,212	2,323
Newly originated assets that remained in Stage 1 as at year-end	106	—	—	106
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	5	4	9
Assets derecognized or repaid	(28)	(91)	(418)	(537)
Transfers to/(from) Stage 1	(7)	—	—	(7)
Transfers to/(from) Stage 2	—	15	—	15
Transfers to/(from) Stage 3	—	—	(148)	(148)
Changes in assumptions	67	46	(134)	(21)
ECL allowance, December 31, 2023	506	718	516	1,740
<b>Auto loans</b>				
ECL allowance, January 1, 2023	1,782	715	1,316	3,813
Newly originated assets that remained in Stage 1 as at year-end	1,609	—	—	1,609
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	164	188	352
Assets derecognized or repaid	(158)	(245)	(469)	(872)
Amounts written off	—	—	(156)	(156)
Transfers to/(from) Stage 1	(99)	—	—	(99)
Transfers to/(from) Stage 2	—	11	—	11
Transfers to/(from) Stage 3	—	—	96	96
Changes in assumptions	(944)	79	592	(273)
ECL allowance, December 31, 2023	2,190	724	1,567	4,481

(Forward)





	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
<b>Credit card</b>				
ECL allowance, January 1, 2023	₱2,778	₱3,119	₱2,371	₱8,268
Newly originated assets that remained in Stage 1 as at year-end	267	-	-	267
Assets derecognized or repaid	(34)	(124)	(85)	(243)
Amounts written off	-	-	(5,286)	(5,286)
Transfers to/(from) Stage 1	96	-	-	96
Transfers to/(from) Stage 2	-	(1,064)	-	(1,064)
Transfers to/(from) Stage 3	-	-	967	967
Changes in assumptions	(1,205)	857	5,514	5,166
ECL allowance, December 31, 2023	1,902	2,788	3,481	8,171
<b>Trade loans</b>				
ECL allowance, January 1, 2023	440	14	314	768
Newly originated assets that remained in Stage 1 as at year-end	281	-	-	281
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	16	1	17
Assets derecognized or repaid	(440)	(12)	(8)	(460)
Changes in assumptions	-	2	(23)	(21)
ECL allowance, December 31, 2023	281	20	284	585
<b>Other loans</b>				
ECL allowance, January 1, 2023	128	257	264	649
Newly originated assets that remained in Stage 1 as at year-end	60	-	-	60
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	62	14	76
Assets derecognized or repaid	(30)	(37)	(4)	(71)
Amounts written off	-	-	(160)	(160)
Transfers to/(from) Stage 1	26	-	-	26
Transfers to/(from) Stage 2	-	(50)	-	(50)
Transfers to/(from) Stage 3	-	-	24	24
Changes in assumptions	(89)	(8)	123	26
ECL allowance, December 31, 2023	95	224	261	580
<b>Total receivables from customers</b>				
ECL allowance, January 1, 2023	13,235	13,516	20,395	47,146
Newly originated assets that remained in Stage 1 as at year-end	7,040	-	-	7,040
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	1,012	1,155	2,167
Assets derecognized or repaid	(4,822)	(1,710)	(3,343)	(9,875)
Amounts written off	-	-	(6,867)	(6,867)
Transfers to/(from) Stage 1	(4)	-	-	(4)
Transfers to/(from) Stage 2	-	(1,587)	-	(1,587)
Transfers to/(from) Stage 3	-	-	2,280	2,280
Changes in assumptions	(1,396)	2,140	6,167	6,911
ECL allowance, December 31, 2023	₱14,053	₱13,371	₱19,787	₱47,211
<b>2022</b>				
<b>Commercial loans</b>				
ECL allowance, January 1, 2022	₱7,414	₱11,481	₱13,016	₱31,911
Newly originated assets that remained in Stage 1 as at year-end	4,318	-	-	4,318
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	1,406	2,820	4,226
Assets derecognized or repaid	(3,721)	(3,560)	(3,320)	(10,601)
Amounts written off	-	-	(2,322)	(2,322)
Transfers to/(from) Stage 1	(125)	-	-	(125)
Transfers to/(from) Stage 2	-	(1,528)	-	(1,528)
Transfers to/(from) Stage 3	-	-	4,489	4,489
Changes in assumptions	(147)	869	235	957
ECL allowance, December 31, 2022	7,739	8,668	14,918	31,325
<b>Residential mortgage loans</b>				
ECL allowance, January 1, 2022	422	556	1,474	2,452
Newly originated assets that remained in Stage 1 as at year-end	76	-	-	76
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	4	13	17
Assets derecognized or repaid	(27)	(119)	(405)	(551)
Amounts written off	-	-	(1)	(1)
Transfers to/(from) Stage 1	(229)	-	-	(229)
Transfers to/(from) Stage 2	-	39	-	39

(Forward)



	Consolidated			
	Receivables from Customers			Total
	Stage 1	Stage 2	Stage 3	
Transfers to/(from) Stage 3	₱-	₱-	(₱148)	(₱148)
Changes in assumptions	126	263	279	668
ECL allowance, December 31, 2022	368	743	1,212	2,323
Auto loans				
ECL allowance, January 1, 2022	1,733	1,471	1,796	5,000
Newly originated assets that remained in Stage 1 as at year-end	1,278	-	-	1,278
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	105	55	160
Assets derecognized or repaid	(176)	(420)	(744)	(1,340)
Amounts written off	-	-	(626)	(626)
Transfers to/(from) Stage 1	(320)	-	-	(320)
Transfers to/(from) Stage 2	-	(285)	-	(285)
Transfers to/(from) Stage 3	-	-	496	496
Changes in assumptions	(733)	(156)	339	(550)
ECL allowance, December 31, 2022	1,782	715	1,316	3,813
Credit card				
ECL allowance, January 1, 2022	2,410	2,634	1,694	6,738
Newly originated assets that remained in Stage 1 as at year-end	84	-	-	84
Assets derecognized or repaid	(19)	(86)	(56)	(161)
Amounts written off	-	-	(3,215)	(3,215)
Transfers to/(from) Stage 1	240	-	-	240
Transfers to/(from) Stage 2	-	(895)	-	(895)
Transfers to/(from) Stage 3	-	-	654	654
Changes in assumptions	63	1,466	3,294	4,823
ECL allowance, December 31, 2022	2,778	3,119	2,371	8,268
Trade loans				
ECL allowance, January 1, 2022	143	118	256	517
Newly originated assets that remained in Stage 1 as at year-end	440	-	-	440
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	8	225	233
Assets derecognized or repaid	(142)	(103)	(167)	(412)
Transfers to/(from) Stage 1	(1)	-	-	(1)
Transfers to/(from) Stage 2	-	1	-	1
Changes in assumptions	-	(10)	-	(10)
ECL allowance, December 31, 2022	440	14	314	768
Other loans				
ECL allowance, January 1, 2022	57	408	709	1,174
Newly originated assets that remained in Stage 1 as at year-end	65	-	-	65
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	61	10	71
Assets derecognized or repaid	(8)	(80)	(58)	(146)
Amounts written off	-	-	(453)	(453)
Transfers to/(from) Stage 1	65	-	-	65
Transfers to/(from) Stage 2	-	(129)	-	(129)
Transfers to/(from) Stage 3	-	-	66	66
Changes in assumptions	(51)	(3)	(10)	(64)
ECL allowance, December 31, 2022	128	257	264	649
Total receivables from customers				
ECL allowance, January 1, 2022	12,179	16,668	18,945	47,792
Newly originated assets that remained in Stage 1 as at year-end	6,261	-	-	6,261
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	-	1,584	3,123	4,707
Assets derecognized or repaid	(4,093)	(4,368)	(4,750)	(13,211)
Amounts written off	-	-	(6,617)	(6,617)
Transfers to/(from) Stage 1	(370)	-	-	(370)
Transfers to/(from) Stage 2	-	(2,797)	-	(2,797)
Transfers to/(from) Stage 3	-	-	5,557	5,557
Changes in assumptions	(742)	2,429	4,137	5,824
ECL allowance, December 31, 2022	₱13,235	₱13,516	₱20,395	₱47,146



	Consolidated			
	Other Receivables			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
ECL allowance, January 1, 2023	<b>₱71</b>	<b>₱21</b>	<b>₱820</b>	<b>₱912</b>
Newly originated assets that remained in Stage 1 as at year-end	<b>34</b>	—	—	<b>34</b>
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	<b>10</b>	<b>163</b>	<b>173</b>
Assets derecognized or repaid	<b>(33)</b>	<b>(6)</b>	<b>(35)</b>	<b>(74)</b>
Transfers to/(from) Stage 2	—	<b>(1)</b>	—	<b>(1)</b>
Transfers to/(from) Stage 3	—	—	<b>12</b>	<b>12</b>
Changes in assumptions	<b>67</b>	<b>3</b>	<b>(77)</b>	<b>(7)</b>
ECL allowance, December 31, 2023	<b>₱139</b>	<b>₱27</b>	<b>₱883</b>	<b>₱1,049</b>
<b>2022</b>				
ECL allowance, January 1, 2022	<b>₱465</b>	<b>₱18</b>	<b>₱1,133</b>	<b>₱1,616</b>
Newly originated assets that remained in Stage 1 as at year-end	<b>41</b>	—	—	<b>41</b>
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	<b>3</b>	<b>3</b>	<b>6</b>
Assets derecognized or repaid	<b>(31)</b>	<b>(3)</b>	<b>(686)</b>	<b>(720)</b>
Amounts written off	—	—	<b>(34)</b>	<b>(34)</b>
Transfers to/(from) Stage 1	<b>(403)</b>	—	—	<b>(403)</b>
Transfers to/(from) Stage 2	—	<b>4</b>	—	<b>4</b>
Transfers to/(from) Stage 3	—	—	<b>400</b>	<b>400</b>
Changes in assumptions	<b>(1)</b>	<b>(1)</b>	<b>4</b>	<b>2</b>
ECL allowance, December 31, 2022	<b>₱71</b>	<b>₱21</b>	<b>₱820</b>	<b>₱912</b>

	Consolidated			
	Loan Commitments and Financial Guarantees			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
ECL allowance, January 1, 2023	<b>₱934</b>	<b>₱256</b>	<b>₱—</b>	<b>₱1,190</b>
Newly originated assets that remained in Stage 1 as at year-end	<b>178</b>	—	—	<b>178</b>
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	<b>4</b>	—	<b>4</b>
Assets derecognized or repaid	<b>(41)</b>	<b>(22)</b>	—	<b>(63)</b>
Transfers to/(from) Stage 1	<b>60</b>	—	—	<b>60</b>
Transfers to/(from) Stage 2	—	<b>(60)</b>	—	<b>(60)</b>
Changes in assumptions	<b>(282)</b>	<b>48</b>	—	<b>(234)</b>
ECL allowance, December 31, 2023	<b>₱849</b>	<b>₱226</b>	<b>₱—</b>	<b>₱1,075</b>
<b>2022</b>				
ECL allowance, January 1, 2022	<b>₱826</b>	<b>₱378</b>	<b>₱1</b>	<b>₱1,205</b>
Newly originated assets that remained in Stage 1 as at year-end	<b>309</b>	—	—	<b>309</b>
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	<b>1</b>	—	<b>1</b>
Assets derecognized or repaid	<b>(122)</b>	<b>(41)</b>	<b>(1)</b>	<b>(164)</b>
Transfers to/(from) Stage 1	<b>103</b>	—	—	<b>103</b>
Transfers to/(from) Stage 2	—	<b>(102)</b>	—	<b>(102)</b>
Changes in assumptions	<b>(182)</b>	<b>20</b>	—	<b>(162)</b>
ECL allowance, December 31, 2022	<b>₱934</b>	<b>₱256</b>	<b>₱—</b>	<b>₱1,190</b>

	Parent Company			
	Due from Other Banks	Interbank Loans Receivable	Investment Securities at FVOCI	Investment Securities at Amortized Cost
<b>2023</b>				
ECL allowance, January 1, 2023	<b>₱23</b>	<b>₱15</b>	<b>₱741</b>	<b>₱452</b>
Changes in assumptions	<b>13</b>	<b>18</b>	<b>68</b>	<b>(91)</b>
ECL allowance, December 31, 2023	<b>₱36</b>	<b>₱33</b>	<b>₱809</b>	<b>₱361</b>
<b>2022</b>				
ECL allowance, January 1, 2022	<b>₱22</b>	<b>₱5</b>	<b>₱358</b>	<b>₱5</b>
Changes in assumptions	<b>1</b>	<b>10</b>	<b>383</b>	<b>447</b>
ECL allowance, December 31, 2022	<b>₱23</b>	<b>₱15</b>	<b>₱741</b>	<b>₱452</b>



	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>2023</b>					
Commercial loans					
ECL allowance, January 1, 2023	₱5,258	₱8,561	₱11,224	₱1,633	₱26,676
Newly originated assets that remained in Stage 1 as at year-end	3,208	—	—	—	3,208
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	740	352	—	1,092
Assets derecognized or repaid	(3,158)	(1,084)	(1,522)	—	(5,764)
Amounts written off	—	—	(145)	(927)	(1,072)
Transfers to/(from) Stage 1	(15)	—	—	—	(15)
Transfers to/(from) Stage 2	—	(538)	—	—	(538)
Transfers to/(from) Stage 3	—	—	1,375	—	1,375
Changes in assumptions	834	1,157	345	(267)	2,069
ECL allowance, December 31, 2023	6,127	8,836	11,629	439	27,031
Residential mortgage loans					
ECL allowance, January 1, 2023	121	195	900	—	1,216
Newly originated assets that remained in Stage 1 as at year-end	63	—	—	—	63
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	1	—	—	1
Assets derecognized or repaid	(17)	(46)	(385)	—	(448)
Transfers to/(from) Stage 1	5	—	—	—	5
Transfers to/(from) Stage 2	—	(17)	—	—	(17)
Transfers to/(from) Stage 3	—	—	(129)	—	(129)
Changes in assumptions	140	11	(65)	—	86
ECL allowance, December 31, 2023	312	144	321	—	777
Auto loans					
ECL allowance, January 1, 2023	75	146	377	—	598
Newly originated assets that remained in Stage 1 as at year-end	95	—	—	—	95
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	47	2	—	49
Assets derecognized or repaid	(25)	(62)	(120)	—	(207)
Amounts written off	—	—	(10)	—	(10)
Transfers to/(from) Stage 1	8	—	—	—	8
Transfers to/(from) Stage 2	—	(17)	—	—	(17)
Transfers to/(from) Stage 3	—	—	17	—	17
Changes in assumptions	19	1	11	—	31
ECL allowance, December 31, 2023	172	115	277	—	564
Credit card					
ECL allowance, January 1, 2023	2,779	3,119	2,370	—	8,268
Newly originated assets that remained in Stage 1 as at year-end	267	—	—	—	267
Assets derecognized or repaid	(34)	(124)	(85)	—	(243)
Amounts written off	—	—	(5,286)	—	(5,286)
Transfers to/(from) Stage 1	96	—	—	—	96
Transfers to/(from) Stage 2	—	(1,064)	—	—	(1,064)
Transfers to/(from) Stage 3	—	—	968	—	968
Changes in assumptions	(1,206)	857	5,514	—	5,165
ECL allowance, December 31, 2023	1,902	2,788	3,481	—	8,171
Trade loans					
ECL allowance, January 1, 2023	440	14	314	—	768
Newly originated assets that remained in Stage 1 as at year-end	281	—	—	—	281
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	16	1	—	17
Assets derecognized or repaid	(440)	(12)	(8)	—	(460)
Changes in assumptions	—	2	(23)	—	(21)
ECL allowance, December 31, 2023	281	20	284	—	585
Other loans					
ECL allowance, January 1, 2023	9	—	43	—	52
Newly originated assets that remained in Stage 1 as at year-end	4	—	—	—	4
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	—	1	—	1
Assets derecognized or repaid	—	—	(2)	—	(2)
Accounts written off	—	—	(47)	—	(47)
Changes in assumptions	(13)	6	77	—	70
ECL allowance, December 31, 2023	—	6	72	—	78

(Forward)



	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
Total receivables from customers					
ECL allowance, January 1, 2023	₱8,682	₱12,035	₱15,228	₱1,633	₱37,578
Newly originated assets that remained in Stage 1 as at year-end	3,918	—	—	—	3,918
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	804	356	—	1,160
Assets derecognized or repaid	(3,674)	(1,328)	(2,122)	—	(7,124)
Amounts written off	—	—	(5,488)	(927)	(6,415)
Transfers to/(from) Stage 1	94	—	—	—	94
Transfers to/(from) Stage 2	—	(1,636)	—	—	(1,636)
Transfers to/(from) Stage 3	—	—	2,231	—	2,231
Changes in assumptions	(226)	2,034	5,859	(267)	7,400
ECL allowance, December 31, 2023	₱8,794	₱11,909	₱16,064	₱439	₱37,206
2022					
Commercial loans					
ECL allowance, January 1, 2022	₱4,904	₱11,214	₱8,068	₱3,276	₱27,462
Newly originated assets that remained in Stage 1 as at year-end	3,301	—	—	—	3,301
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	1,379	1,849	—	3,228
Assets derecognized or repaid	(2,824)	(3,458)	(3,043)	(8)	(9,333)
Amounts written off	—	—	(284)	(1,638)	(1,922)
Transfers to/(from) Stage 1	(101)	—	—	—	(101)
Transfers to/(from) Stage 2	—	(1,437)	—	—	(1,437)
Transfers to/(from) Stage 3	—	—	4,373	—	4,373
Changes in assumptions	(22)	863	261	3	1,105
ECL allowance, December 31, 2022	5,258	8,561	11,224	1,633	26,676
Residential mortgage loans					
ECL allowance, January 1, 2022	96	396	1,316	—	1,808
Newly originated assets that remained in Stage 1 as at year-end	18	—	—	—	18
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	—	10	—	10
Assets derecognized or repaid	(21)	(91)	(304)	—	(416)
Amounts written off	—	—	(1)	—	(1)
Transfers to/(from) Stage 1	3	—	—	—	3
Transfers to/(from) Stage 2	—	(125)	—	—	(125)
Transfers to/(from) Stage 3	—	—	(217)	—	(217)
Changes in assumptions	25	15	96	—	136
ECL allowance, December 31, 2022	121	195	900	—	1,216
Auto loans					
ECL allowance, January 1, 2022	77	288	664	—	1,029
Newly originated assets that remained in Stage 1 as at year-end	37	—	—	—	37
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	51	1	—	52
Assets derecognized or repaid	(43)	(125)	(258)	—	(426)
Amounts written off	—	—	(9)	—	(9)
Transfers to/(from) Stage 1	(4)	—	—	—	(4)
Transfers to/(from) Stage 2	—	(70)	—	—	(70)
Transfers to/(from) Stage 3	—	—	(34)	—	(34)
Changes in assumptions	8	2	13	—	23
ECL allowance, December 31, 2022	75	146	377	—	598
Credit card					
ECL allowance, January 1, 2022	2,410	2,633	1,695	—	6,738
Newly originated assets that remained in Stage 1 as at year-end	84	—	—	—	84
Assets derecognized or repaid	(19)	(85)	(57)	—	(161)
Amounts written off	—	—	(3,215)	—	(3,215)
Transfers to/(from) Stage 1	241	—	—	—	241
Transfers to/(from) Stage 2	—	(895)	—	—	(895)
Transfers to/(from) Stage 3	—	—	654	—	654
Changes in assumptions	63	1,466	3,293	—	4,822
ECL allowance, December 31, 2022	2,779	3,119	2,370	—	8,268

(Forward)



	Parent Company				
	Receivables from Customers				
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>Trade loans</b>					
ECL allowance, January 1, 2022	₱143	₱118	₱256	₱—	₱517
Newly originated assets that remained in Stage 1 as at year-end	440	—	—	—	440
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	7	224	—	231
Assets derecognized or repaid	(142)	(103)	(167)	—	(412)
Transfers to/(from) Stage 1	(1)	—	—	—	(1)
Transfers to/(from) Stage 2	—	1	—	—	1
Changes in assumptions	—	(9)	1	—	(8)
ECL allowance, December 31, 2022	440	14	314	—	768
<b>Other loans</b>					
ECL allowance, January 1, 2022	—	—	39	—	39
Transfers to/(from) Stage 3	—	—	2	—	2
Changes in assumptions	9	—	2	—	11
ECL allowance, December 31, 2022	9	—	43	—	52
<b>Total receivables from customers</b>					
ECL allowance, January 1, 2022	7,630	14,649	12,038	3,276	37,593
Newly originated assets that remained in Stage 1 as at year-end	3,880	—	—	—	3,880
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	1,437	2,084	—	3,521
Assets derecognized or repaid	(3,049)	(3,862)	(3,829)	(8)	(10,748)
Amounts written off	—	—	(3,509)	(1,638)	(5,147)
Transfers to/(from) Stage 1	138	—	—	—	138
Transfers to/(from) Stage 2	—	(2,526)	—	—	(2,526)
Transfers to/(from) Stage 3	—	—	4,778	—	4,778
Changes in assumptions	83	2,337	3,666	3	6,089
ECL allowance, December 31, 2022	₱8,682	₱12,035	₱15,228	₱1,633	₱37,578

	Parent Company			
	Other Receivables			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
ECL allowance, January 1, 2023	₱49	₱3	₱794	₱846
Newly originated assets that remained in Stage 1 as at year-end	20	—	—	20
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	8	153	161
Assets derecognized or repaid	(31)	(2)	(20)	(53)
Amounts written off	—	—	(1)	(1)
Transfers to/(from) Stage 3	—	—	9	9
Changes in assumptions	79	3	(90)	(8)
ECL allowance, December 31, 2023	₱117	₱12	₱845	₱974
<b>2022</b>				
ECL allowance, January 1, 2022	₱48	₱6	₱821	₱875
Newly originated assets that remained in Stage 1 as at year-end	26	—	—	26
Newly originated assets that moved to Stage 2 and Stage 3 as at year-end	—	1	1	2
Assets derecognized or repaid	(23)	(3)	—	(26)
Amounts written off	—	—	(34)	(34)
Transfers to/(from) Stage 2	—	(1)	—	(1)
Transfers to/(from) Stage 3	—	—	2	2
Changes in assumptions	(2)	—	4	2
ECL allowance, December 31, 2022	₱49	₱3	₱794	₱846



	Parent Company			
	Loan Commitments and Financial Guarantees			
	Stage 1	Stage 2	Stage 3	Total
<b>2023</b>				
ECL allowance, January 1, 2023	<b>₱841</b>	<b>₱256</b>	<b>₱—</b>	<b>₱1,097</b>
Newly originated assets that remained in Stage 1 as at year- end	<b>187</b>	—	—	<b>187</b>
Newly originated assets that moved to Stage 2 as at year-end	—	<b>4</b>	—	<b>4</b>
Assets derecognized or repaid	<b>(41)</b>	<b>(22)</b>	—	<b>(63)</b>
Transfers to/(from) Stage 1	<b>60</b>	—	—	<b>60</b>
Transfers to/(from) Stage 2	—	<b>(60)</b>	—	<b>(60)</b>
Changes in assumptions	<b>(278)</b>	<b>48</b>	—	<b>(230)</b>
ECL allowance, December 31, 2023	<b>₱769</b>	<b>₱226</b>	<b>₱—</b>	<b>₱995</b>
<b>2022</b>				
ECL allowance, January 1, 2022	<b>₱826</b>	<b>₱378</b>	<b>₱1</b>	<b>₱1,205</b>
Newly originated assets that remained in Stage 1 as at year- end	<b>215</b>	—	—	<b>215</b>
Newly originated assets that moved to Stage 2 as at year-end	—	<b>1</b>	—	<b>1</b>
Assets derecognized or repaid	<b>(122)</b>	<b>(41)</b>	<b>(1)</b>	<b>(164)</b>
Transfers to/(from) Stage 1	<b>104</b>	—	—	<b>104</b>
Transfers to/(from) Stage 2	—	<b>(102)</b>	—	<b>(102)</b>
Changes in assumptions	<b>(182)</b>	<b>20</b>	—	<b>(162)</b>
ECL allowance, December 31, 2022	<b>₱841</b>	<b>₱256</b>	<b>₱—</b>	<b>₱1,097</b>

The amounts of “transfers to (from)” include the changes in the ECL on the exposures transferred from one stage to another during the year.

As of December 31, 2023 and 2022, the ECL allowances on loan commitments and financial guarantees are included in ‘Miscellaneous liabilities’ under ‘Other liabilities’ (Note 21).

The ECL allowance on accounts receivables of the Group and the Parent Company based on their aging as of December 31, 2023 and 2022 follows:

Age of accounts receivables	Consolidated		Parent Company	
	2023	2022	2023	2022
Up to 1 month	<b>₱69</b>	<b>₱103</b>	<b>₱63</b>	<b>₱57</b>
> 1 to 2 months	<b>3</b>	<b>7</b>	<b>1</b>	<b>1</b>
> 2 to 3 months	<b>1</b>	<b>9</b>	—	<b>1</b>
More than 3 months	<b>3,261</b>	<b>3,268</b>	<b>2,718</b>	<b>2,727</b>
Total ECL	<b>₱3,334</b>	<b>₱3,387</b>	<b>₱2,782</b>	<b>₱2,786</b>

Below is the breakdown of provision for (reversal of) credit and impairment losses:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Financial assets and other credit-related exposures:						
Loans and receivables	<b>₱7,996</b>	<b>₱7,777</b>	<b>₱11,651</b>	<b>₱6,187</b>	<b>₱5,740</b>	<b>₱7,683</b>
Investment securities at FVOCI	<b>(62)</b>	<b>29</b>	<b>18</b>	—	—	—
Interbank loans receivable	<b>(1)</b>	<b>(10)</b>	<b>27</b>	—	—	—
Due from other banks	<b>(4)</b>	<b>(13)</b>	—	—	—	—
	<b>7,929</b>	<b>7,783</b>	<b>11,696</b>	<b>6,187</b>	<b>5,740</b>	<b>7,683</b>
Non-financial assets:						
Investment properties	<b>12</b>	<b>104</b>	<b>28</b>	—	—	—
Goodwill	<b>474</b>	—	—	—	—	—
Investments in associates and a joint venture	<b>459</b>	<b>212</b>	<b>132</b>	<b>474</b>	—	—
Other assets	<b>104</b>	<b>13</b>	<b>(22)</b>	—	—	—
	<b>1,049</b>	<b>329</b>	<b>138</b>	<b>474</b>	—	—
	<b>₱8,978</b>	<b>₱8,112</b>	<b>₱11,834</b>	<b>₱6,661</b>	<b>₱5,740</b>	<b>₱7,683</b>



With the foregoing level of allowance for credit and impairment losses, management believes that the Group has sufficient allowance to take care of any losses that the Group may incur from the non-collection or non-realization of its receivables and other risk assets.

## 16. Deposit Liabilities

The LTNCDs of the Group and the Parent Company consist of the following:

BSP Approval Date	Interest Rate	Issue Date	Maturity Date	2023	2022
Parent Company					
August 12, 2016	3.50%	September 19, 2016	September 19, 2023	₱ –	₱8,650
August 12, 2016	3.88%	July 20, 2017	July 20, 2024	3,750	3,750
July 19, 2018	5.38%	October 4, 2018	April 4, 2024	8,680	8,680
				12,430	21,080
PSBank					
July 13, 2018	5.00%	August 9, 2018	February 9, 2024	5,084	5,078
				₱17,514	₱26,158

As of December 31, 2023 and 2022, 17.27% and 19.18%, respectively, of the total interest-bearing deposit liabilities of the Group, and 14.04% and 11.32%, respectively, of the total interest-bearing deposit liabilities of the Parent Company are subject to periodic interest repricing. In 2023, 2022 and 2021 the outstanding peso deposit liabilities (excluding LTNCDs above) of the Group and the Parent Company earn annual fixed interest rates ranging from 0.06% to 6.59%, while the outstanding foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.00% to 8.84%, from 0.00% to 8.84% and from 0.00% to 3.75%, respectively for the Group and from 0.00% to 8.84%, from 0.00% to 8.84%, and from 0.00% to 2.50%, respectively, for the Parent Company.

Interest expense on deposit liabilities consists of:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
CASA	₱987	₱932	₱1,155	₱769	₱732	₱935
Time	39,043	9,277	2,803	32,042	5,482	749
LTNCD	1,090	1,211	1,544	829	915	1,151
	₱41,120	₱11,420	₱5,502	₱33,640	₱7,129	₱2,835

### Reserve Requirement

In 2020, BSP Circular Nos. 1082 and 1092 were issued reducing the reserve requirements against deposit and deposit substitute liabilities. Non-FCDU deposit liabilities of the Parent Company and deposit substitutes of FMIC (until March 24, 2021) and ORIX Metro are subject to required reserves of 12% from 14% effective reserve week April 3, 2020 while non-FCDU deposit liabilities of PSBank are subject to required reserves of 3% from 4% effective reserve week July 31, 2020. Reserves requirement for peso-denominated LTNCDs are still at 4%. The required reserves can be kept in the form of deposits maintained in the demand deposit accounts with the BSP and any government securities used as compliance until they mature. Further, BSP Circular No. 1100 issued in 2020 and amended by BSP Circular No. 1155 issued in 2022 allowing banks to use peso denominated loans that are granted after March 15, 2020 to (1) micro-small-and-medium-enterprises (MSMEs) and (2) large enterprises excluding banks and non-bank financial institutions with quasi-banking functions that met the definition of MSMEs/large enterprise as alternative compliance with the reserve requirements. The use of MSMEs loans/loans to large enterprises as allowable alternative compliance with reserve requirements was available until June 30, 2023 only. The Parent Company and PSBank were in compliance with the reserve requirements as of December 31, 2023 and 2022.





The total statutory and liquidity reserves (included in 'Due from BSP' account) as reported to the BSP are as follows:

	2023	2022
Parent Company	<b>₱198,061</b>	₱215,074
PSBank	<b>9,746</b>	37,554
	<b>₱207,807</b>	₱252,628

## 17. Bills Payable and Securities Sold Under Repurchase Agreements

This account consists of borrowings from:

	Consolidated		Parent Company	
	2023	2022	2023	2022
SSURA	<b>₱134,800</b>	₱67,120	<b>₱132,234</b>	₱65,934
Foreign banks	<b>16,637</b>	14,367	<b>7,282</b>	8,151
Local banks	<b>5,446</b>	8,767	<b>1,554</b>	1,985
Deposit substitutes	<b>13</b>	1,068	<b>11</b>	386
	<b>₱156,896</b>	₱91,322	<b>₱141,081</b>	₱76,456

Interbank borrowings with foreign and local banks are mainly short-term borrowings. Deposit substitutes pertain to borrowings from the public.

The following are the carrying values of government debt securities (Note 8) pledged and transferred under SSURA transactions of the Group and the Parent Company:

	Consolidated				Parent Company			
	2023		2022		2023		2022	
	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA
Investment securities at FVOCI								
Government	<b>₱115,803</b>	<b>₱101,291</b>	₱59,094	₱46,847	<b>₱115,803</b>	<b>₱101,291</b>	₱59,094	₱46,847
Private	<b>2,294</b>	<b>2,294</b>	—	—	—	—	—	—
Investment securities at amortized cost	<b>35,925</b>	<b>31,215</b>	22,441	20,273	<b>35,654</b>	<b>30,943</b>	21,255	19,087
	<b>₱154,022</b>	<b>₱134,800</b>	₱81,535	₱67,120	<b>₱151,457</b>	<b>₱132,234</b>	₱80,349	₱65,934

The Group's peso borrowings are subject to annual fixed interest rates ranging from 2.90% to 6.45%, from 2.60% to 6.88% and from 3.50% to 7.00% in 2023, 2022 and 2021, respectively, while the Group's foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 0.00% to 7.50%, from 0.00% to 6.58% and from 0.36% to 3.40% in 2023, 2022 and 2021, respectively. For the Parent Company, the peso borrowings are subject to annual fixed interest rates ranging from 4.13% to 4.75%, 3.75% to 6.88% and 3.50% to 7.00% in 2023, 2022 and 2021, respectively, while the foreign currency-denominated borrowings are subject to annual fixed interest rates ranging from 0.00% to 7.50%, from 0.00% to 6.58% and from 0.36% to 0.44% in 2023, 2022 and 2021, respectively.

Interest expense on bills payable (included in the 'Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others' in the statements of income) in 2023, 2022 and 2021 amounted to ₱3.9 billion, ₱1.8 billion and ₱1.9 billion, respectively, for the Group and ₱3.4 billion, ₱1.1 billion and ₱512.7 million, respectively, for the Parent Company.



## 18. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Accrued interest (Note 32)	₱7,302	₱3,776	₱5,904	₱2,581
Accrued other expenses	12,483	10,180	9,770	7,621
	<b>₱19,785</b>	<b>₱13,956</b>	<b>₱15,674</b>	<b>₱10,202</b>

Accrued other expenses include accruals for compensation and fringe benefits, rentals, percentage and other taxes, professional fees, advertising and information technology expenses and other expenses.

## 19. Bonds Payable

This account consists of the following scripless fixed rate bonds:

Issue Date	Maturity Date	Interest Rate	Face Value	Carrying Value	
				2023	2022
Parent Company					
Fixed Rated Bonds					
October 28, 2022	April 28, 2024	5.00%	₱23,717	₱23,676	₱23,546
June 4, 2021	September 4, 2026	3.60%	19,000	18,924	18,894
October 24, 2019	April 24, 2023	4.50%	13,750	–	13,740
USD Senior Unsecured Notes					
July 15, 2020	January 15, 2026	2.125%	US\$500	27,489	27,581
				70,089	83,761
Fixed Rated Bonds					
PSBank					
February 4, 2020	February 4, 2023	4.50%	4,650	–	4,648
				₱70,089	₱88,409

Specific terms of these bonds follow:

### *Parent Company*

- ₱23.7 billion fixed rate bonds issued on October 28, 2022 with issue price at 100% face value, which bear an interest rate of 5.00% per annum, payable quarterly in arrears on January 28, April 28, July 28 and October 28 of each year, commencing on January 28, 2023. The bonds will mature on April 28, 2024. Total bond issuance costs amounted to ₱194.8 million.
- ₱19.0 billion fixed rate bonds issued on June 4, 2021 with issue price at 100% face value, which bear an interest rate of 3.60% per annum, payable quarterly in arrears on March 4, June 4, September 4 and December 4 of each year, commencing on September 4, 2021. The bonds will mature on September 4, 2026. Total bond issuance costs amounted to ₱156.0 million.
- ₱13.75 billion fixed rate bonds issued on October 24, 2019 with issue price at 100% face value, which bear an interest rate of 4.50% per annum, payable quarterly in arrears on January 24, April 24, July 24 and October 24 of each year, commencing on October 24, 2019. The bonds matured on April 24, 2023. Total bond issuance costs amounted to ₱122.1 million.
- US\$500 million senior unsecured notes issued on July 15, 2020 with issue price at 99.096% face value, which bear an interest rate of 2.125% per annum, payable semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2021. The bonds will mature on January 15, 2026. Total bond issuance costs amounted to ₱484.9 million.



*PSBank*

- ₱4.65 billion fixed rate bonds issued on February 4, 2020 with issue price at 100% face value, which bear an interest rate of 4.50% per annum, payable quarterly in arrears on February 4, May 4, August 4 and November 4 of each year, commencing on May 4, 2020. The bonds matured on February 4, 2023. Total bond issuance costs amounted to ₱42.7 million.

Interest expense on bonds payable in 2023, 2022 and 2021 amounted to ₱3.1 billion, ₱3.0 billion and ₱4.4 billion, respectively, for the Group, and ₱3.1 billion, ₱2.8 billion and ₱3.8 billion, respectively, for the Parent Company. As of December 31, 2023 and 2022, unamortized bond issue costs amounted to ₱313.1 million and ₱585.7 million, respectively, for the Group, and ₱313.1 million and ₱584.1 million, respectively, for the Parent Company.

Reserve Requirement

Peso-denominated bonds are subject to reserves equivalent to 3% in 2023 and 2022. The Parent Company and PSBank were in compliance with such requirements as of December 31, 2023 and 2022.

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**20. Subordinated Debts**

This account consists of the Parent Company's Peso Notes:

	Maturity Date	Face Value	Carrying Value		Market Value	
			2023	2022	2023	2022
2023	December 20, 2023	₱1,170	₱—	₱1,169	₱—	₱1,187

*2023 Peso Notes - issued by Metrobank Card Corporation on December 20, 2013 at 100.00% of the principal amount of ₱1.2 billion (absorbed by the Parent Company on January 3, 2020 relative to the merger)*

- Bear interest at 6.21% per annum payable quarterly in arrears every 20<sup>th</sup> of March, June, September and December each year, commencing on March 20, 2014.
- Basel III - compliant unsecured subordinated notes qualified as Tier 2 capital as approved by the BSP on February 17, 2013.
- In case of insolvency or liquidation of MCC, the notes will be subordinated in the right of payment of principal and interest to all depositors and other creditors of MCC, except those creditors expressed to rank equally with, or behind holders of the notes.
- If a non-viability trigger event occurs, MCC shall immediately write down some or all of the notes in accordance with the BSP's determination.
- Subject to the written approval of the BSP, MCC may redeem all and not less than the entire outstanding 2023 Notes, at a redemption price equal to the face value together with the accrued and unpaid interest based on the interest rate. The notes matured on December 20, 2023.

In 2023 and 2022, the Parent Company is in compliance with the terms and conditions upon which these subordinated notes have been issued.

In 2023, 2022 and 2021, interest expense on subordinated debts included in 'Interest expense on bills payable and SSURA, bonds payable, subordinated debts and others' amounted to ₱71.2 million, ₱73.7 million and ₱73.7 million (including amortization of debt issue cost and premium of ₱1.0 million, ₱1.1 million and ₱1.1 million).



## 21. Non-equity Non-controlling Interest and Other Liabilities

### Non-equity Non-controlling Interest

This account arises when mutual funds are consolidated and where the Group holds less than 100.00% of the investment in these funds. When this occurs, the Group acquires a liability in respect of non-controlling interests in the funds of which the Group has control. Such non-controlling interests are distinguished from equity non-controlling interests in that the Group does not hold an equity stake in such funds. Further, income (loss) attributable to non-equity non-controlling interests amounting to (P124.0 million), P462.7 million, and (P152.4 million) in 2023, 2022 and 2021, respectively, is included under 'Trading and securities gain (loss) - net' in the statements of income (Note 8).

### Other Liabilities

This account consists of:

	<b>Consolidated</b>		<b>Parent Company</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Accounts payable	<b>P27,490</b>	P22,660	<b>P14,167</b>	P13,665
Marginal deposits	<b>10,756</b>	14,864	<b>551</b>	894
Bills purchased - contra (Note 9)	<b>9,486</b>	8,209	<b>9,444</b>	8,209
Lease liability (Note 13)	<b>5,764</b>	5,661	<b>4,018</b>	3,845
Retirement liability (Note 27)	<b>2,698</b>	72	<b>2,553</b>	—
Other credits	<b>1,717</b>	1,628	<b>1,547</b>	1,459
Deferred revenues (Note 25)	<b>1,511</b>	1,273	<b>1,511</b>	1,273
Outstanding acceptances	<b>1,498</b>	1,287	<b>1,498</b>	1,287
Withholding taxes payable	<b>1,044</b>	789	<b>894</b>	651
Deposits on lease contracts	<b>783</b>	979	<b>—</b>	—
Miscellaneous (Notes 11 and 15)	<b>8,101</b>	6,615	<b>6,556</b>	5,666
	<b>P70,848</b>	P64,037	<b>P42,739</b>	P36,949

Deferred revenues include deferral and recognition of loyalty points program transactions and membership fees and dues for credit card business. Miscellaneous liabilities include provision on committed lines (Note 15), due to the Treasurer of the Philippines and interoffice float items.

## 22. Maturity Profile of Assets and Liabilities

The following tables present the assets and liabilities by contractual maturity and settlement dates:

	<b>Consolidated</b>					
	<b>2023</b>			<b>2022</b>		
	<b>Due Within One Year</b>	<b>Due Beyond One Year</b>	<b>Total</b>	<b>Due Within One Year</b>	<b>Due Beyond One Year</b>	<b>Total</b>
<b>Financial Assets - at gross</b>						
Cash and other cash items	<b>P39,431</b>	<b>P—</b>	<b>P39,431</b>	P40,683	<b>P—</b>	P40,683
Due from BSP	<b>207,807</b>	—	<b>207,807</b>	252,628	—	252,628
Due from other banks	<b>90,586</b>	—	<b>90,586</b>	75,513	—	75,513
Interbank loans receivable and SPURA	<b>73,015</b>	—	<b>73,015</b>	73,563	200	73,763
Investment securities at FVTPL	<b>58,247</b>	<b>16,609</b>	<b>74,856</b>	50,566	13,033	63,599
Investment securities at FVOCI	<b>223,336</b>	<b>313,287</b>	<b>536,623</b>	180,368	350,096	530,464
Investment securities at amortized cost	<b>6,745</b>	<b>464,268</b>	<b>471,013</b>	6,089	312,158	318,247
Loans and receivables (Note 9)						
Receivables from customers	<b>725,367</b>	<b>841,679</b>	<b>1,567,046</b>	717,539	739,190	1,456,729
Unquoted debt securities	<b>829</b>	<b>105</b>	<b>934</b>	704	499	1,203
Accrued interest receivable	<b>20,895</b>	—	<b>20,895</b>	15,787	1	15,788
Accounts receivable	<b>15,064</b>	<b>30</b>	<b>15,094</b>	9,333	—	9,333
Sales contract receivable	<b>22</b>	<b>10</b>	<b>32</b>	19	12	31
Other receivables	<b>391</b>	<b>5</b>	<b>396</b>	281	—	281

(Forward)



	Consolidated					
	2023			2022		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Other assets (Note 14)						
Investments in SPVs	₱8,857	₱—	₱8,857	₱8,857	₱—	₱8,857
Returned checks and other cash items	448	—	448	345	—	345
Miscellaneous	4	26	30	740	26	766
	<b>1,471,044</b>	<b>1,636,019</b>	<b>3,107,063</b>	<b>1,433,015</b>	<b>1,415,215</b>	<b>2,848,230</b>
<b>Non-Financial Assets - at gross</b>						
Property and equipment (Note 10)	—	61,060	61,060	—	57,804	57,804
Investments in associates and a JV (Note 11)	—	7,583	7,583	—	6,760	6,760
Investment properties (Note 12)	—	10,675	10,675	—	10,441	10,441
Deferred tax assets (Note 28)	—	14,171	14,171	—	13,362	13,362
Goodwill (Note 11)	—	6,403	6,403	—	6,403	6,403
Assets held under joint operations (Note 14)	—	219	219	—	219	219
Residual value of leased asset (Note 14)	233	237	470	268	355	623
Other assets (Note 14)	3,048	19,988	23,036	2,815	14,762	17,577
	<b>3,281</b>	<b>120,336</b>	<b>123,617</b>	<b>3,083</b>	<b>110,106</b>	<b>113,189</b>
	<b>₱1,474,325</b>	<b>₱1,756,355</b>	<b>3,230,680</b>	<b>₱1,436,098</b>	<b>₱1,525,321</b>	<b>2,961,419</b>
Less:						
Unearned discounts and capitalized interest (Note 9)			15,637			13,538
Accumulated depreciation and amortization (Notes 10, 12 and 14)			43,358			38,991
Allowance for credit and impairment losses (Notes 10, 11, 12, 14, and 15)			66,783			65,800
			<b>₱3,104,902</b>			<b>₱2,843,090</b>
<b>Financial Liabilities</b>						
Deposit liabilities						
Demand	₱586,345	₱—	₱586,345	₱581,473	₱—	₱581,473
Savings	853,028	—	853,028	898,078	—	898,078
Time	907,578	18,307	925,885	696,549	18,866	715,415
LTNCD (Note 16)	17,514	—	17,514	8,650	17,508	26,158
	<b>2,364,465</b>	<b>18,307</b>	<b>2,382,772</b>	<b>2,184,750</b>	<b>36,374</b>	<b>2,221,124</b>
Bills payable and SSURA (Note 17)	156,891	5	156,896	89,409	1,913	91,322
Derivative liabilities (Note 8)	12,427	4,438	16,865	8,870	7,995	16,865
Manager's checks and demand drafts outstanding	7,048	—	7,048	6,501	—	6,501
Accrued interest and other expenses	18,059	—	18,059	12,869	—	12,869
Subordinated debts (Note 20)	—	—	—	1,169	—	1,169
Bonds payable (Note 19)	23,676	46,413	70,089	18,388	70,021	88,409
Non-equity non-controlling interest (Note 21)	10,260	—	10,260	10,139	—	10,139
Other liabilities (Note 21)						
Accounts payable	27,490	—	27,490	22,660	—	22,660
Marginal deposits	10,756	—	10,756	14,864	—	14,864
Bills purchased - contra	9,486	—	9,486	8,209	—	8,209
Lease liability	1,463	4,301	5,764	1,491	4,170	5,661
Outstanding acceptances	1,498	—	1,498	1,287	—	1,287
Deposits on lease contracts	412	371	783	441	538	979
Dividends payable	89	—	89	90	—	90
	<b>2,644,020</b>	<b>73,835</b>	<b>2,717,855</b>	<b>2,381,137</b>	<b>121,011</b>	<b>2,502,148</b>
<b>Non-Financial Liabilities</b>						
Retirement liability (Notes 21 and 27)	—	2,698	2,698	—	72	72
Income taxes payable	3,601	—	3,601	1,478	—	1,478
Accrued interest and other expenses	1,726	—	1,726	1,087	—	1,087
Withholding taxes payable (Note 21)	1,044	—	1,044	789	—	789
Deferred tax and other liabilities (Notes 21 and 28)	9,221	2,019	11,240	7,797	1,629	9,426
	<b>15,592</b>	<b>4,717</b>	<b>20,309</b>	<b>11,151</b>	<b>1,701</b>	<b>12,852</b>
	<b>₱2,659,612</b>	<b>₱78,552</b>	<b>₱2,738,164</b>	<b>₱2,392,288</b>	<b>₱122,712</b>	<b>₱2,515,000</b>



	Parent Company					
	2023			2022		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
<b>Financial Assets - at gross</b>						
Cash and other cash items	₱37,692	₱—	₱ 37,692	₱38,701	₱—	₱38,701
Due from BSP	198,061	—	198,061	215,074	—	215,074
Due from other banks	65,868	—	65,868	56,698	—	56,698
Interbank loans receivable and SPURA	59,219	—	59,219	65,350	200	65,550
Investment securities at FVTPL	57,820	8,681	66,501	42,623	13,033	55,656
Investment securities at FVOCI	136,641	306,033	442,674	73,980	344,067	418,047
Investment securities at amortized cost	3,861	434,937	438,798	3,883	281,677	285,560
Loans and receivables						
Receivables from customers	656,593	707,681	1,364,274	655,840	616,580	1,272,420
Unquoted debt securities	386	105	491	386	170	556
Accrued interest receivable	17,396	—	17,396	12,240	1	12,241
Accounts receivable	7,655	—	7,655	6,500	—	6,500
Sales contract receivable	15	10	25	13	7	20
Other receivables	2	—	2	3	—	3
Other assets						
Investments in SPVs	8,857	—	8,857	8,857	—	8,857
Returned checks and other cash items	433	—	433	333	—	333
Miscellaneous	4	—	4	1,074	—	1,074
	<b>1,250,503</b>	<b>1,457,447</b>	<b>2,707,950</b>	<b>1,181,555</b>	<b>1,255,735</b>	<b>2,437,290</b>
<b>Non-Financial Assets - at gross</b>						
Property and equipment	—	42,868	42,868	—	40,504	40,504
Investments in subsidiaries	—	76,368	76,368	—	71,754	71,754
Investments in associates	—	706	706	—	662	662
Investment properties	—	5,194	5,194	—	4,891	4,891
Deferred tax assets	—	11,900	11,900	—	12,274	12,274
Assets held under joint operations	—	219	219	—	219	219
Other assets	1,942	16,394	18,336	1,784	11,541	13,325
	<b>1,942</b>	<b>153,649</b>	<b>155,591</b>	<b>1,784</b>	<b>141,845</b>	<b>143,629</b>
	<b>₱1,252,445</b>	<b>₱1,611,096</b>	<b>2,863,541</b>	<b>₱1,183,339</b>	<b>₱1,397,580</b>	<b>2,580,919</b>
Less:						
Unearned discounts and capitalized interest			13,545			10,970
Accumulated depreciation and amortization			29,180			25,905
Allowance for credit and impairment losses			54,450			54,295
			<b>₱2,766,366</b>			<b>₱2,489,749</b>
<b>Financial Liabilities</b>						
Deposit liabilities						
Demand	₱536,772	₱—	₱536,772	₱536,516	₱—	₱536,516
Savings	807,153	—	807,153	851,860	—	851,860
Time	756,662	542	757,204	527,987	927	528,914
LTNCD (Note 16)	12,430	—	12,430	8,650	12,430	21,080
	<b>2,113,017</b>	<b>542</b>	<b>2,113,559</b>	<b>1,925,013</b>	<b>13,357</b>	<b>1,938,370</b>
Bills payable and SSURA (Note 17)	141,076	5	141,081	76,446	10	76,456
Derivative liabilities (Note 8)	12,424	4,438	16,862	8,860	7,995	16,855
Manager's and demand drafts outstanding	5,533	—	5,533	5,487	—	5,487
Accrued interest and other expenses	13,948	—	13,948	9,115	—	9,115
Subordinated debts (Note 20)	—	—	—	1,169	—	1,169
Bonds payable (Note 19)	23,676	46,413	70,089	13,740	70,021	83,761
Other liabilities (Note 21)						
Accounts payable	14,167	—	14,167	13,665	—	13,665
Bills purchased - contra	9,444	—	9,444	8,209	—	8,209
Lease liability	734	3,284	4,018	792	3,053	3,845
Outstanding acceptances	1,498	—	1,498	1,287	—	1,287
Marginal deposits	551	—	551	894	—	894
	<b>2,336,068</b>	<b>54,682</b>	<b>2,390,750</b>	<b>2,064,677</b>	<b>94,436</b>	<b>2,159,113</b>
<b>Non-Financial Liabilities</b>						
Retirement benefit liability	—	2,553	2,553	—	—	—
Income taxes payable	3,479	—	3,479	1,307	—	1,307
Accrued interest and other expenses	1,726	—	1,726	1,087	—	1,087
Withholding taxes payable (Note 21)	894	—	894	651	—	651
Other liabilities (Note 21)	7,983	1,631	9,614	6,939	1,459	8,398
	<b>14,082</b>	<b>4,184</b>	<b>18,266</b>	<b>9,984</b>	<b>1,459</b>	<b>11,443</b>
	<b>₱2,350,150</b>	<b>₱58,866</b>	<b>₱2,409,016</b>	<b>₱2,074,661</b>	<b>₱95,895</b>	<b>₱2,170,556</b>



## 23. Capital Stock

As of December 31, 2023 and 2022, this account consists of (amounts in millions, except par value and number of shares):

	Shares	Amount
Authorized		
Common stock – ₱20.00 par value	6,000,000,000	
Preferred stock – ₱20.00 par value	1,000,000,000	
Common stock issued and outstanding		
Balance at January 1 and December 31	4,497,415,555	₱89,948

As of December 31, 2023 and 2022, treasury shares totaling 1,289,543 and 1,328,487, respectively, represent shares of the Parent Company held by FMIC's mutual fund subsidiary (Note 32).

Preferred shares are non-voting except as provided by law; have preference over Common Shares in the distribution of dividends; subject to such terms and conditions as may be determined by the BOD and to the extent permitted by applicable law, may or may not be redeemable; and shall have such other features as may be determined by the BOD at the time of issuance.

On March 15, 2013, the BOD of the Parent Company approved (a) the amendment of the Articles of Incorporation (AOI) to increase the authorized capital stock and (b) the declaration of 30.00% stock dividend, which were ratified by the stockholders representing at least 2/3 of the outstanding capital stock on April 15, 2013. These were subsequently approved by the BSP on May 15, 2013 and by the SEC on August 13, 2013. Following this, the authorized capital stock of the Parent Company increased from ₱50.0 billion to ₱100.0 billion consisting of 4.0 billion common shares and 1.0 billion preferred shares, both with par value of ₱20.00 per share. The 30.00% stock dividend equivalent to 633,415,049 common shares amounting to ₱12.7 billion represents at least the minimum 25.00% subscribed and paid-up capital for the increase in the authorized capital stock referred to above which was issued/paid on September 16, 2013 with record date on September 3, 2013. On September 10, 2013, the PSE approved the listing of such additional common shares.

On January 21, 2015, the Parent Company's BOD approved the Stock Rights Offer (SRO) by way of issuance from the unissued portion of the authorized capital stock which was noted by BSP with the issuance of a letter of no objection to the Rights Issue on February 17, 2015. On February 24, 2015, the SEC confirmed the exemption of this issuance of ₱32.0 billion worth of common shares from the registration requirements under Section 8 of the SRC. On February 25, 2015, the PSE approved the listing of up to 500.0 million common shares to cover the SRO to all stockholders of record as of March 18, 2015. On April 7, 2015, following regulatory approvals, the Parent Company concluded the ₱32.0 billion SRO, involving 435,371,720 common shares with par value of ₱20.00 priced at ₱73.50 per share and listed with the PSE on the same date. The difference between the issued price and the par value is recognized as 'Capital paid in excess of par value'.

On January 17, 2018, the Parent Company's BOD approved the SRO by way of issuance of up to a maximum of 819,827,214 common shares to raise additional capital of up to ₱60.0 billion. This was noted by the BSP with the issuance of a letter of no objection to the rights issue on January 29, 2018. On April 4, 2018, following the regulatory approvals, the Parent Company concluded the ₱60.0 billion SRO, involving 799,842,250 common shares with par value of ₱20.00 priced at ₱75.00 per share and listed on the PSE on April 12, 2018. Transaction costs on the SRO amounting to ₱878.2 million were charged against 'Capital paid in excess of par value'.



On February 13, 2019, the BOD of the Parent Company approved (a) the amendment of the AOI to increase the authorized capital stock from ₱100.0 billion to ₱140.0 billion and (b) the declaration of a 13% stock dividend equivalent to 517,401,955 shares amounting to ₱10.3 billion representing the minimum 25% subscription and paid-up capital for the increase in the authorized capital stock which were ratified by the stockholders representing at least 2/3 of the outstanding capital stock on April 24, 2019. These were approved by the BSP on August 8, 2019 and by the SEC on October 4, 2019. Following this, the authorized capital stock of the Parent Company increased from ₱100.0 billion to ₱140.0 billion consisting of 6.0 billion common shares and 1.0 billion preferred shares, both with par value of ₱20.0 per share. On October 16, 2019, the Parent Company received the SEC Order fixing the Record Date of the 13% stock dividend on October 31, 2019. The 13% stock dividend was issued on November 26, 2019 with record date on October 31, 2019. On November 19, 2019, the PSE approved the listing of such stock dividend.

All issued and outstanding shares of the Parent Company are listed with the PSE (Note 1). As of December 31, 2023 and 2022, there are 2,950 and 2,954 holders, respectively, of the listed shares of the Parent Company, with share price closed at ₱51.30 and ₱54.00 a share, respectively.

The history of share issuances during the last ten years follows:

Year	Issuance	Listing Date	Number of Shares Issued
2019	Stock dividend	November 26, 2019	517,400,519
2018	Stock rights	April 12, 2018	799,842,250
2015	Stock rights	April 7, 2015	435,371,720
2013	Stock dividend	September 16, 2013	633,415,049

Details of the Parent Company's cash dividend distributions from 2021 to 2023 follow:

Date of Declaration	Per Share	Total Amount	Record Date	Payment Date
February 22, 2023	₱0.80 (regular)	₱3,598	September 8, 2023	September 22, 2023
February 22, 2023	0.80 (regular)	3,598	March 17, 2023	March 31, 2023
February 22, 2023	1.40 (special)	6,296	March 17, 2023	March 31, 2023
February 23, 2022	0.80 (regular)	3,598	September 9, 2022	September 23, 2022
February 23, 2022	0.80 (regular)	3,598	March 17, 2022	March 31, 2022
February 23, 2022	1.40 (special)	6,296	March 17, 2022	March 31, 2022
February 17, 2021	1.00 (regular)	4,497	March 5, 2021	March 18, 2021
February 17, 2021	3.00 (special)	13,492	March 5, 2021	March 18, 2021

On February 23, 2022, the BOD of the Parent Company approved a new dividend policy of increasing the regular cash dividends from ₱1.00 to ₱1.60 per share for the year, payable on semi-annual basis at ₱0.80 per share.

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 16 issued in September 2023 differs to a certain extent from the computation following BSP guidelines.

## 24. Surplus Reserves

This account consists of:

	2023	2022
Reserve for trust business (Note 29)	<b>₱2,164</b>	₱2,046
Reserve for self-insurance	<b>588</b>	567
	<b>₱2,752</b>	₱2,613





In compliance with existing BSP regulations, 10.0% of the Parent Company's income from trust business is appropriated to surplus reserves. This yearly appropriation is required until the surplus reserve for trust business equals 20.0% of the Parent Company's regulatory net worth.

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

## 25. Other Operating Income and Expenses

### Service Charges, Fees and Commissions

The table below presents the disaggregation of service charges, fees and commission by business segment:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Consumer banking	<b>₱8,036</b>	₱7,234	₱5,749	<b>₱7,486</b>	₱6,735	₱5,247
Branch banking	<b>4,017</b>	3,978	3,391	<b>2,898</b>	2,860	2,428
Corporate banking	<b>1,007</b>	920	876	<b>937</b>	851	801
Investment banking/treasury	<b>750</b>	823	698	<b>552</b>	658	374
Others*	<b>2,580</b>	2,080	2,704	<b>1,206</b>	669	1,285
	<b>₱16,390</b>	₱15,035	₱13,418	<b>₱13,079</b>	₱11,773	₱10,135

\*Others include the remittance business of the Group and the Parent Company.

The remaining performance obligations on revenue contracts with customers of the Group under PFRS 15, which are expected to be recognized beyond one year amounting to ₱943.3 million and ₱757.1 million (included in 'Deferred revenues' under 'Other liabilities') as of December 31, 2023 and 2022, respectively, refer to the customer loyalty program of the Parent Company. The customer loyalty points have no expiration and redemptions can go beyond one year.

### Miscellaneous Income and Expenses

In 2023, 2022 and 2021, miscellaneous income includes gain on initial recognition of investment properties and other non-financial assets amounting to ₱836.1 million, ₱1.3 billion and ₱812.5 million, respectively, for the Group, and ₱104.6 million, ₱82.7 million and ₱41.0 million, respectively, for the Parent Company; recovery on charged-off assets amounting to ₱1.2 billion, ₱1.2 billion and ₱1.4 billion, respectively, for the Group, and ₱856.4 million, ₱858.5 million and ₱1.0 billion, respectively, for the Parent Company; and IT service fees and other income amounting to ₱471.1 million, ₱645.4 million and ₱797.2 million, respectively, for the Group, and ₱294.3 million, ₱328.2 million and ₱565.5 million, respectively, for the Parent Company (Note 32).

Miscellaneous expenses consist of:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Security, messengerial, janitorial and other services	<b>₱4,570</b>	₱3,458	₱3,540	<b>₱4,054</b>	₱2,975	₱3,110
Insurance	<b>4,490</b>	4,063	3,897	<b>3,925</b>	3,454	3,232
Information technology (Note 32)	<b>2,641</b>	2,020	1,555	<b>2,317</b>	1,688	1,286
Advertising	<b>1,878</b>	1,380	809	<b>1,796</b>	1,288	767
Management, professional and supervision fees	<b>1,665</b>	1,411	1,471	<b>1,350</b>	1,139	1,220
Repairs and maintenance	<b>692</b>	659	625	<b>267</b>	242	316
Litigation (Note 12)	<b>587</b>	906	985	<b>296</b>	427	469
Communications	<b>545</b>	539	624	<b>327</b>	304	364
Transportation and travel	<b>455</b>	349	291	<b>369</b>	283	231
Entertainment, amusement and representation (EAR) (Note 28)	<b>448</b>	336	215	<b>392</b>	284	167
Stationery and supplies used	<b>380</b>	411	356	<b>311</b>	300	279
Others*	<b>2,560</b>	3,438	3,528	<b>1,711</b>	2,531	2,585
	<b>₱20,911</b>	₱18,970	₱17,896	<b>₱17,115</b>	₱14,915	₱14,026

\* Other expenses mainly include membership fees, donation, freight charges and other business expenses.



## 26. Notes to Statements of Cash Flows

The amounts of interbank loans receivable and SPURA, gross of allowance for credit losses, considered as cash and cash equivalents follow:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Interbank loans receivable and SPURA	<b>₱73,015</b>	₱73,763	₱70,475	<b>₱59,219</b>	₱65,550	₱55,999
Interbank loans receivable and SPURA not considered as cash and cash equivalents	<b>(9,333)</b>	(7,977)	(14,413)	<b>(477)</b>	(5,993)	(9,971)
	<b>₱63,682</b>	₱65,786	₱56,062	<b>₱58,742</b>	₱59,557	₱46,028

Significant non-cash transactions of the Group and the Parent Company include:

- Additions to ROU assets as disclosed in Note 10;
- Foreclosures of properties or additions to investment and chattel properties as disclosed in Notes 12 and 14, respectively;
- Reclassifications of BUC and Furniture, Fixtures and Equipment (FFE) (Note 10);
- Reclassifications of software cost from customized system development costs (Note 14).

The table below provides for the changes in liabilities arising from financing activities in 2023, 2022 and 2021:

	Consolidated			
	Beginning	Net Cash Flows	Others	Ending
<b>2023</b>				
Bills payable and SSURA (Note 17)	<b>₱91,322</b>	<b>₱66,629</b>	<b>(₱1,055)</b>	<b>₱156,896</b>
Bonds payable (Note 19)	<b>88,409</b>	<b>(18,400)</b>	<b>80</b>	<b>70,089</b>
Subordinated debts (Note 20)	<b>1,169</b>	<b>(1,170)</b>	<b>1</b>	<b>—</b>
Dividends payable (Note 21)	<b>90</b>	<b>(1)</b>	<b>—</b>	<b>89</b>
Total liabilities from financing activities	<b>₱180,990</b>	<b>₱47,058</b>	<b>(₱974)</b>	<b>₱227,074</b>
<b>2022</b>				
Bills payable and SSURA (Note 17)	₱70,334	₱23,432	(₱2,444)	₱91,322
Bonds payable (Note 19)	79,823	6,023	2,563	88,409
Subordinated debts (Note 20)	1,168	—	1	1,169
Dividends payable (Note 21)	90	—	—	90
Total liabilities from financing activities	₱151,415	₱29,455	₱120	₱180,990
<b>2021</b>				
Bills payable and SSURA (Note 17)	₱139,614	(₱63,687)	(₱5,593)	₱70,334
Bonds payable (Note 19)	91,397	(13,366)	1,792	79,823
Subordinated debts (Note 20)	1,167	—	1	1,168
Dividends payable (Note 21)	90	—	—	90
Total liabilities from financing activities	₱232,268	(₱77,053)	(₱3,800)	₱151,415

	Parent Company			
	Beginning	Net Cash Flows	Others	Ending
<b>2023</b>				
Bills payable and SSURA (Note 17)	<b>₱76,456</b>	<b>₱65,000</b>	<b>(₱375)</b>	<b>₱141,081</b>
Bonds payable (Note 19)	<b>83,761</b>	<b>(13,750)</b>	<b>78</b>	<b>70,089</b>
Subordinated debts (Note 20)	<b>1,169</b>	<b>(1,170)</b>	<b>1</b>	<b>—</b>
Total liabilities from financing activities	<b>₱161,386</b>	<b>₱50,080</b>	<b>(₱296)</b>	<b>₱211,170</b>
<b>2022</b>				
Bills payable and SSURA (Note 17)	₱52,514	₱24,123	(₱181)	₱76,456
Bonds payable (Note 19)	75,189	6,023	2,549	83,761
Subordinated debts (Note 20)	1,168	—	1	1,169
Total liabilities from financing activities	₱128,871	₱30,146	₱2,369	₱161,386



	Parent Company			
	Beginning	Net Cash Flows	Others	Ending
2021				
Bills payable and SSURA (Note 17)	₱108,651	(₱54,808)	(₱1,329)	₱52,514
Bonds payable (Note 19)	76,355	(2,906)	1,740	75,189
Subordinated debts (Note 20)	1,167	–	1	1,168
Total liabilities from financing activities	₱186,173	(₱57,714)	₱412	₱128,871

Others include the effect of cash flows of liabilities arising from operating activities.

## 27. Retirement Plan and Other Employee Benefits

The Parent Company and most of its subsidiaries have funded non-contributory defined benefit retirement plans covering all their respective permanent and full-time employees. Benefits are based on the employee's years of service and final plan salary.

For employees of the Parent Company, retirement from service is compulsory upon the attainment of the 55<sup>th</sup> birthday or 30<sup>th</sup> year of service, whichever comes first.

The existing regulatory framework, RA No. 7641, *Retirement Pay Law*, requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided, however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Parent Company and most of its subsidiaries meet the minimum retirement benefit specified under RA No. 7641.

The principal actuarial assumptions used in determining retirement liability of the Parent Company and significant subsidiaries are shown below:

	Parent Company	FMIC	PSBank	ORIX Metro
<b>As of January 1, 2023</b>				
Average remaining working life	9.49 years	7 to 9 years	9 Years	10 to 24 years
Discount rate	7.12%	6.95% to 7.20%	7.11%	7.30% to 7.60%
Future salary increases	7.00%	5.75% to 6.00%	5.50%	7.00%
<b>As of January 1, 2022</b>				
Average remaining working life	10.76 years	7 to 10 years	9 years	11 to 24 years
Discount rate	5.06%	4.75% to 5.13%	4.94%	5.0% to 5.6%
Future salary increases	6.00%	4.0% to 5.0%	4.00%	7.00%

Discount rates used in computing for the present value of the DBO of the Parent Company and significant subsidiaries as of December 31, 2023 and 2022 follow:

	Parent Company	FMIC	PSBank	ORIX Metro
2023	6.08%	6.03% to 6.09%	6.06%	6.50%
2022	7.12%	6.95% to 7.20%	7.11%	7.30% to 7.60%



The net retirement liability (asset) of the Group and the Parent Company is presented in the following accounts in the statements of financial position:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Other assets (Note 14)	(P212)	(P487)	P-	(P95)
Other liabilities (Note 21)	2,910	72	2,553	-
	<b>P2,698</b>	<b>(P415)</b>	<b>P2,553</b>	<b>(P95)</b>

The defined benefit plan exposes the Group and the Parent Company to actuarial risk, such as longevity risk, interest rate risk and market (investment risk).

The fair value of plan assets by each class as at the end of the statement of financial position date are as follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Cash and cash equivalents	P90	P945	P1	P44
Investment securities				
Debt securities (Note 32)	22,113	18,925	17,699	15,689
Equity securities (Note 32)	2,715	3,871	2,530	3,642
Unit investment trust fund and others (Note 32)	518	449	438	395
Total investment securities	25,346	23,245	20,667	19,726
Other assets	293	251	225	224
Total assets	25,729	24,441	20,893	19,994
Total liabilities and expected withdrawals	(40)	(14)	(36)	(11)
Fair value of net plan assets	<b>P25,689</b>	<b>P24,427</b>	<b>P20,857</b>	<b>P19,983</b>

Changes in net defined benefit liability (asset) are as follows:

Consolidated	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability/(Asset)
January 1, 2023	P24,012	(P24,427)	(P415)
Net benefit cost			
Current service cost	1,808	-	1,808
Net interest	1,568	(1,694)	(126)
Sub-total	3,376	(1,694)	1,682
Benefits paid	(2,951)	2,951	-
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	-	219	219
Actuarial changes arising from experience adjustments	737	-	737
Actuarial changes arising from changes in financial/demographic assumptions	3,213	21	3,234
Sub-total	3,950	240	4,190
Contributions paid	-	(2,759)	(2,759)
December 31, 2023	<b>P28,387</b>	<b>(P25,689)</b>	<b>P2,698</b>



<b>Parent Company</b>	<b>Present Value of DBO</b>	<b>Fair Value of Plan Assets</b>	<b>Net Retirement Liability/(Asset)</b>
January 1, 2023	₱19,888	(₱19,983)	(₱95)
Net benefit cost			
Current service cost	1,488	—	1,488
Net interest	1,288	(1,369)	(81)
Sub-total	2,776	(1,369)	1,407
Benefits paid	(2,629)	2,629	—
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	—	171	171
Actuarial changes arising from experience adjustments	672	—	672
Actuarial changes arising from changes in financial/demographic assumptions	2,703	—	2,703
Sub-total	3,375	171	3,546
Contributions paid	—	(2,305)	(2,305)
December 31, 2023	₱23,410	(₱20,857)	₱2,553

<b>Consolidated</b>	<b>Present Value of DBO</b>	<b>Fair Value of Plan Assets</b>	<b>Net Retirement Liability/(Asset)</b>
January 1, 2022	₱24,883	(₱26,180)	(₱1,297)
Net benefit cost			
Current service cost	1,913	—	1,913
Past service cost	(17)	—	(17)
Net interest	1,230	(1,310)	(80)
Sub-total	3,126	(1,310)	1,816
Benefits paid	(1,754)	1,754	—
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	—	1,718	1,718
Actuarial changes arising from experience adjustments	(559)	—	(559)
Actuarial changes arising from changes in financial/demographic assumptions	(1,684)	93	(1,591)
Sub-total	(2,243)	1,811	(432)
Contributions paid	—	(502)	(502)
December 31, 2022	₱24,012	(₱24,427)	(₱415)

<b>Parent Company</b>	<b>Present Value of DBO</b>	<b>Fair Value of Plan Assets</b>	<b>Net Retirement Liability/(Asset)</b>
January 1, 2022	₱20,782	(₱21,769)	(₱987)
Net benefit cost			
Current service cost	1,582	—	1,582
Net interest	1,034	(1,083)	(49)
Sub-total	2,616	(1,083)	1,533
Benefits paid	(1,377)	1,377	—
Remeasurement in OCI			
Return on plan assets (excluding amount included in net interest)	—	1,492	1,492
Actuarial changes arising from experience adjustments	(654)	—	(654)
Actuarial changes arising from changes in financial/demographic assumptions	(1,479)	—	(1,479)
Sub-total	(2,133)	1,492	(641)
December 31, 2022	₱19,888	(₱19,983)	(₱95)

In 2023, 2022 and 2021, deferred tax on remeasurements on retirement plans charged to OCI amounted to ₱460.0 million, ₱108.0 million, and ₱413.8 million, respectively, for the Group, and ₱250.0 million, ₱160.0 million and ₱323.8 million, respectively, for the Parent Company (Note 28).



The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the balance of DBO as of December 31, 2023 and 2022, assuming all other assumptions were held constant:

	Parent Company	FMIC	PSBank	ORIX Metro
<b>As of December 31, 2023</b>				
Discount rate				
+100 basis points (bps)	(P1,450)	(P18)	(P273)	(P71)
- 100 bps	1,640	20	809	84
Salary increase rate				
+100 bps	1,513	21	325	82
- 100 bps	(1,373)	(20)	(292)	(71)
Turnover rate				
+20% of actual rate	(365)	(6)	(41)	—
-20% of actual rate	398	7	46	—
<b>As of December 31, 2022</b>				
Discount rate				
+100 basis points (bps)	(P1,102)	(P14)	(P220)	(P56)
- 100 bps	1,231	16	249	66
Salary increase rate				
+100 bps	1,131	17	266	65
- 100 bps	(1,041)	(17)	(239)	(57)
Turnover rate				
+20% of actual rate	(189)	(4)	(4)	—
-20% of actual rate	195	6	4	—

The Group and the Parent Company expect to contribute to the defined benefit retirement plans the required funding for normal cost in 2024 amounting to P401.0 million and P20.7 million, respectively.

The average duration of the DBO of the Group as of December 31, 2023 and 2022 are as follows:

	Parent Company	FMIC	PSBank	ORIX Metro
<b>2023</b>	<b>9.62 years</b>	<b>6.14 to 11.46 years</b>	<b>9.57 years</b>	<b>7.6 to 10.9 years</b>
2022	8.26 years	6.57 to 11.04 years	9.27 years	8.2 to 10.3 years

Shown below is the maturity analysis of the undiscounted benefit payments:

	Parent Company	FMIC	PSBank	ORIX Metro
<b>As of December 31, 2023</b>				
Less than 1 year	P3,201	P61	P332	P26
1 to less than 5 years	11,876	218	1,611	276
5 to less than 10 years	12,239	250	2,435	370
10 to less than 15 years	18,095	226	3,183	—
15 to less than 20 years	16,063	167	2,464	—
20 years and above	19,355	180	1,994	—
<b>As of December 31, 2022</b>				
Less than 1 year	P3,241	P30	P283	P52
1 to less than 5 years	11,414	176	1,408	248
5 to less than 10 years	11,525	249	2,247	284
10 to less than 15 years	13,006	208	2,719	—
15 to less than 20 years	13,189	160	2,489	—
20 years and above	14,277	160	1,745	—

In addition, the Parent Company has a Provident Plan which is a supplementary contributory retirement plan to and forms part of the main plan, the Retirement Plan, for the exclusive benefit of eligible employees of the Parent Company in the Philippines. Based on the provisions of the plan, upon retirement or resignation, a member shall be entitled to receive as retirement or resignation benefits 100.00% of the accumulated value of the personal contribution plus a percentage of the



accumulated value arising from the Parent Company's contributions in accordance with the completed number of years serviced. The Parent Company's contribution to the Provident Fund in 2023 and 2022 amounted to ₱342.2 million and ₱321.2 million, respectively.

As of December 31, 2023 and 2022, the retirement funds of the Group's employees amounting to ₱25.7 billion and ₱24.4 billion, respectively, are being managed by its trust banking unit. The Parent Company has a Trust Committee that is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the retirement plan. Certain members of the BOD of the Parent Company are represented in the Trust Committee.

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## 28. Income and Other Taxes

Under Philippine tax laws, the Parent Company and its domestic subsidiaries are subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income), as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include regular corporate income tax (RCIT) and final taxes paid on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, Republic Act (RA) No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate for large corporations from 30.00% to 25.00% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33% to 20% of the interest income subjected to final tax.

The regulations also provide for Minimum Corporate Income Tax (MCIT) of 2.00% (provided that effective July 1, 2020 until June 30, 2023, the rate shall be 1%) on modified gross income and allow Net Operating Loss carry-over (NOLCO). The MCIT and NOLCO may be applied against the Parent Company's and its domestic subsidiaries' income tax liability and taxable income, respectively, over a three-year period from the year of inception. RA No. 11494 or the Bayanihan to Recover as One Act (Bayanihan Act) extended the allowable carry-over period of NOLCO to the next five (5) consecutive years following the year of loss for losses incurred during the taxable years 2020 and 2021. The NOLCO for such can be carried over as deduction even after the expiration of the Bayanihan Act, provided that same are claimed within the next five (5) consecutive taxable years immediately following the year of the loss.

Current tax regulations also provide for the ceiling on the amount of EAR expense (Note 25) that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company and its domestic subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

Income derived by the FCDU from foreign currency-denominated transactions with non-residents, OBUs, local commercial banks including branches of foreign banks, is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% income tax. In addition, interest income on deposit placements with other FCDUs and offshore banking units (OBUs) is taxed at 15.00%.



Following are the applicable taxes and tax rates for the foreign branches of the Parent Company:

Foreign Branches	Tax Rates
USA - New York Branch	21.00% federal income tax; 9% state tax; city tax of 7.25% in 2022-2023 and 6.50% in 2021 ; 2.175% MTA tax
Japan - Tokyo and Osaka Branches	23.20% income tax; various rates for business taxes and local business taxes,
Korea - Seoul and Pusan Branches	income tax of 20.90% in 2023 and 22.00% in 2021-2022; 0.50% education tax,
Taiwan - Taipei Branch	20.00% income tax; 5.00% gross business receipts tax; 5.0% value-added tax

The provision for income tax consists of:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Current:						
Final tax	₱9,606	₱5,323	₱3,488	₱8,315	₱4,535	₱3,060
RCIT*	4,323	3,423	2,702	3,873	2,913	2,317
MCIT	3	2	2	—	—	—
	13,932	8,748	6,192	12,188	7,448	5,377
Deferred*	(1,042)	1,872	1,585	(128)	1,593	421
	₱12,890	₱10,620	₱7,777	₱12,060	₱9,041	₱5,798

\* Includes income taxes of foreign subsidiaries.

Components of net deferred tax assets of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Deferred tax asset on:				
Allowance for credit and impairment losses	₱10,644	₱9,278	₱8,824	₱8,398
Unamortized past service cost	1,507	1,743	1,316	1,466
Unrealized mark-to-market losses	242	1,272	35	1,047
Accrued Expenses	1,007	693	970	627
Unrealized foreign exchange losses	—	396	—	408
Accumulated depreciation of investment properties	261	245	121	116
Deferred membership/awards	310	278	294	278
Retirement liability	1,024	179	638	—
NOLCO	—	3	—	—
MCIT	—	1	—	—
Others	203	180	105	100
	15,198	14,268	12,303	12,440
Deferred tax liability on:				
Unrealized gain on initial measurement of investment properties	537	541	137	132
Leasing Income differential between finance and operating lease	163	266	—	—
Retirement asset	53	84	—	24
Unrealized foreign exchange gains	266	—	266	—
Others	8	15	—	10
	1,027	906	403	166
Net deferred tax assets	₱14,171	₱13,362	₱11,900	₱12,274

In 2023 and 2022, deferred tax credited to OCI amounted to ₱233 million and ₱2.14 billion, respectively, for the Group, and ₱502 billion and ₱1.98 billion, respectively, for the Parent Company.

The Parent Company and certain subsidiaries did not recognize deferred tax assets on the following temporary differences:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Allowance for credit and impairment losses	₱9,534	₱14,781	₱8,857	₱8,857
NOLCO	2,416	1,465	899	435
MCIT	14	7	—	—
	₱11,964	₱16,253	₱9,756	₱9,292





The Group believes that it is not reasonably probable that the tax benefits of these temporary differences will be realized in the future.

There are no income tax consequences attaching to the payment of dividends by the Group to its shareholders. There are no temporary differences arising from undistributed profits of subsidiaries, branches, associates and a JV.

Details of the excess MCIT credits of the Group follow:

Inception Year	Expiry Year	Consolidated	
		Amount	Used/Expired
2020	2025	P6	P3
2021	2026	3	—
2022	2025	3	—
2023	2026	4	—
		P16	P2
			P14

As of December 31, 2023, details of the Group and the Parent Company's NOLCO follow:

Inception Year	Expiry Year	Consolidated			Parent Company		
		Amount	Used/Expired	Balance	Amount	Used/Expired	Balance
2020	2025	P232	P41	P191	P—	P—	P—
2021	2026	331	—	331	58	—	58
2022	2025	901	2	899	377	—	377
2023	2026	995	—	995	464	—	464
		P2,459	P43	P2,416	P899	P—	P899

A reconciliation of the statutory income tax rates and the effective income tax rates follows:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Statutory income tax rate	25%	25%	25.00%	25%	25%	25.00%
Tax effects of:						
Tax-paid, tax-exempt and other non-taxable income	(6.83)	(3.06)	(4.68)	(6.16)	(2.46)	(2.72)
Non-deductible interest expense	4.04	2.63	2.97	3.59	2.75	2.86
FCDU income	(0.90)	(1.90)	(3.34)	(0.95)	(2.42)	(3.28)
Change in unrecognized deferred tax assets	(1.32)	0.10	9.62	—	—	5.19
Effect of change in tax rate	—	—	(7.29)	—	—	(6.31)
Others - net	3.09	1.41	3.52	0.73	(1.25)	—
Effective income tax rate	23.08%	24.18%	25.80%	22.21%	21.62%	20.74%

## 29. Trust Operations

Properties held by the Parent Company and PSBank in fiduciary or agency capacity for their customers are not included in the accompanying statements of financial position since these are not their resources.



In compliance with current banking regulations relative to the Parent Company and PSBank's trust functions, the following are government securities deposited with the BSP:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Investment securities at amortized cost	<b>₱7,559</b>	₱7,511	<b>₱7,559</b>	₱7,511
Investment securities at FVOCI	<b>124</b>	181	—	—
	<b>₱7,683</b>	₱7,692	<b>₱7,559</b>	₱7,511

### 30. Commitments and Contingent Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. No material losses are anticipated as a result of these transactions. The summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items follows:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Trust Banking Group accounts (Note 29)	<b>₱497,607</b>	₱510,510	<b>₱485,425</b>	₱505,715
Credit card lines	<b>276,839</b>	233,331	<b>276,839</b>	233,331
Undrawn commitments - facilities to lend	<b>53,729</b>	24,578	<b>53,729</b>	24,578
Unused commercial letters of credit (Note 32)	<b>50,476</b>	49,097	<b>45,558</b>	45,740
Bank guaranty with indemnity agreement (Note 32)	<b>11,732</b>	18,023	<b>11,732</b>	18,023
Outstanding guarantees	<b>6,637</b>	3,769	<b>6,637</b>	3,769
Credit line certificate with bank commission	<b>3,963</b>	4,771	<b>3,963</b>	4,771
Inward bills for collection	<b>1,662</b>	2,071	<b>1,661</b>	2,071
Outstanding shipside bonds/airway bills	<b>1,436</b>	1,294	<b>656</b>	1,294
Late deposits/payments received	<b>944</b>	1,047	<b>943</b>	1,047
Outward bills for collection	<b>639</b>	710	<b>559</b>	707
Confirmed export letters of credits	<b>44</b>	278	<b>-</b>	43
Others	<b>32,729</b>	35,709	<b>602</b>	1,004
	<b>₱938,437</b>	₱885,188	<b>₱888,304</b>	₱842,093

Several suits and claims relating to the Group's lending operations and labor-related cases remain unsettled. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

### 31. Earnings per Share

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows (amounts in millions, except for earnings per share):

	2023	2022	2021
a. Net income attributable to equity holders of the Parent Company	<b>₱42,238</b>	₱32,776	₱22,156
b. Weighted average number of outstanding common shares of the Parent Company	<b>4,496</b>	4,496	4,496
c. Basic/diluted earnings per share (a/b)	<b>₱9.39</b>	₱7.29	₱4.93



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### 32. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities and are classified as entities with significant influence, subsidiaries, associates, other related parties and key personnel (Notes 2 and 11).

The Group has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectibility and did not present other unfavorable conditions.

The Parent Company has a Related Party Transactions Committee (RPTC) and a Related Party Transactions Management Committee (RPTMC), both of which are created to assist the BOD in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that corporate or business resources of the Parent Company are not misappropriated or misapplied. After appropriate review, RPTMC (through RPTC) and RPTC disclose all information and endorses to the BOD with recommendations, the proposed related party transactions. The members of the RPTC are appointed annually by the BOD, composed of at least three (3) Board non-executive members, two (2) of whom should be independent directors, including the Chairman. Currently, RPTC is composed of three (3) independent directors (including the Committee's Chairman); the head of Internal Audit Group (as Resource Person); and the Compliance Officer (as the Committee Secretary) and meets monthly or as the need arises. On the other hand, RPTMC members are appointed annually by the President, composed of at least four (4) members. RPTC's and RPTMC's review of the proposed related party transactions considers the following:

- a. Identity and relationship of the parties involved in the transaction;
- b. Terms of the transaction and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances;
- c. Business purpose, timing, rationale and benefits of the transaction;
- d. Approximate monetary value of the transaction and the approximate monetary value of the related party's interest in the transaction;
- e. Valuation methodology used and alternative approaches to valuation of the transaction;
- f. Information concerning potential counterparties in the transaction;
- g. Description of provisions or limitations imposed as a result of entering into the transaction;
- h. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;
- i. Impact to a director's independence;
- j. Extent that such transaction or relationship would present an improper conflict of interest; and
- k. The availability of other sources of comparable products or services.

The committees ensured that all related party transactions for the financial year are conducted in fair and at arm's-length terms.

Further, no director or officer participates in any discussion of a related party transaction for which he, she, or any member of his or her immediate family is a related party, including transactions of subordinates, except in order to provide material information on such related party transaction to RPTC.



Major subsidiaries, which include FMIC, PSBank, and MBCL, have their own respective RPTCs which assist their respective BODs in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that their corporate or business resources are not misappropriated or misapplied.

Details on significant related party transactions of the Group and the Parent Company follow (transactions with subsidiaries have been eliminated in the consolidated financial statements):

Category	Consolidated	
	Amount	Terms and Conditions/Nature
<b>2023</b>		
<b>Entity with Significant Influence Over the Group</b>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	<b>₱2,531</b>	With annual fixed interest rates ranging from 0.05% to 5.00%, including time deposits with maturity terms ranging from 19 to 30 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	<b>(6,514)</b>	Generally similar to terms and conditions above
Interest expense	<b>59</b>	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Sales	<b>29</b>	Outright sale of FVTPL
<b>Subsidiaries</b>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	<b>₱8,641</b>	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 3.51% to 6.25% with maturity terms from 8 to 153 days (Note 7)
Receivables from customers*	<b>1,719</b>	Unsecured, with ECL of ₱7.1 million; With annual fixed interest rates ranging from 0.00% to 6.45% and maturity terms ranging from 4 to 240 days (Note 9)
Accounts receivable	<b>170</b>	Non-interest bearing receivables on remittance and rental fees (Note 9)
Other receivables	<b>8</b>	Non-interest bearing receivables on rental fees (Note 9)
Deposit liabilities*	<b>5,839</b>	With annual fixed interest rates ranging from 0.05% to 5.96% including time deposits with maturity terms ranging from 4 to 91 days (Note 16)
Treasury stock	<b>70</b>	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
<u>Amount/Volume:</u>		
Interbank loans receivable	<b>(2,565)</b>	Generally similar to terms and conditions above
Receivables from customers	<b>(1,618)</b>	Generally similar to terms and conditions above
Accounts receivable	<b>(50)</b>	Generally similar to terms and conditions above
Deposit liabilities	<b>(152)</b>	Generally similar to terms and conditions above
Interest income	<b>401</b>	Interest income on receivables from customers and interbank loan receivables (Notes 7 and 9)
Service charges, fees and commissions	<b>29</b>	Income on transactional fees
Trading and securities gain - net	<b>1,002</b>	Net gain from securities transactions (Note 8)
Foreign exchange loss - net	<b>(13)</b>	Net loss from foreign exchange transactions
Leasing income	<b>8</b>	Income from leasing agreements with various lease terms
Miscellaneous income	<b>171</b>	Information technology services and other fees (Note 25)
Interest expense	<b>272</b>	Interest expense on deposit liabilities and bills payable (Note 16 and 17)
Securities transactions		
Purchases	<b>43,789</b>	Outright purchases of investment securities at FVTPL and FVOCI
Sales	<b>77,931</b>	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	<b>6,181</b>	Outright purchases of foreign currency
Sell	<b>11,052</b>	Outright sale of foreign currency

(Forward)



Category	Consolidated	
	Amount	Terms and Conditions/Nature
<b>Associates</b>		
<u>Outstanding Balance:</u>		
Receivables from customers	<b>₱2,031</b>	Unsecured, with ECL of ₱9.4 million; With annual fixed interest rates ranging from 6.30% to 6.55% and maturity terms ranging from 183 to 730 days (Note 9)
Deposit liabilities*	<b>2,699</b>	With annual fixed interest rates ranging from 0.05% to 5.13% including time deposits with maturity terms ranging from 32 to 45 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	<b>1,324</b>	Generally similar to terms and conditions above
Deposit liabilities	<b>1,169</b>	Generally similar to terms and conditions above
Interest Income	<b>91</b>	Interest income on receivables from customers (Note 9)
Trading and securities gain - net	<b>69</b>	Net gain from securities transactions (Note 8)
Foreign exchange gain- net	<b>4</b>	Net gain from foreign exchange transactions
Leasing income	<b>2</b>	Income from leasing agreements with various lease terms
Interest expense	<b>1</b>	Interest expense on deposit liabilities
Securities transactions		
Outright purchases	<b>2,460</b>	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	<b>7,024</b>	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	<b>311</b>	Outright purchases of foreign currency
Sell	<b>1,197</b>	Outright sale of foreign currency
<b>Other Related Parties</b>		
<u>Outstanding Balance:</u>		
Receivables from customers*	<b>₱37,898</b>	Unsecured with ECL of ₱192.2 million, annual fixed interest rates ranging from 3.20% to 7.37% and maturity terms ranging from 9 days to 5 years.
Assets held under joint operations	<b>219</b>	Parcels of land and former branch sites of the Parent Company contributed to joint operations. (Note 14)
Deposit liabilities*	<b>17,520</b>	With annual fixed interest rates ranging from 0.05% to 6.00% including time deposits with maturity terms ranging from 4 to 360 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	<b>3,265</b>	Generally similar to terms and conditions above
Deposit liabilities	<b>(13,618)</b>	Generally similar to terms and conditions above
Interest income	<b>2,112</b>	Interest income on receivables from customers (Note 9)
Foreign exchange gain - net	<b>159</b>	Net gain from foreign exchange transactions
Profits from assets sold	<b>1,299</b>	Gain on sale of ropa
Interest expense	<b>65</b>	Interest expense on deposit liabilities (Note 16)
Lease payments	<b>249</b>	Payments for leasing agreements with various lease terms.
Securities transactions		
Outright Purchases	<b>225</b>	Outright purchases of investment securities at FVTPL
Outright Sales	<b>1,332</b>	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	<b>6,852</b>	Outright purchases of foreign currency
Sell	<b>129,951</b>	Outright sale of foreign currency
<b>Key Personnel</b>		
<u>Outstanding Balance:</u>		
Receivables from customers	<b>₱139</b>	Secured - ₱108.4 million, unsecured - ₱30.6 million, no impairment; With annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years (Note 9)
Deposit liabilities	<b>397</b>	With various terms and minimum annual interest rate of 0.05% (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	<b>65</b>	Generally similar to terms and conditions above
Interest income	<b>4</b>	Interest income on receivables from customers (Note 9)
<b>2022</b>		
Entity with Significant Influence Over the Group		
<u>Outstanding Balance:</u>		
Deposit liabilities*	<b>₱9,045</b>	With annual fixed interest rates ranging from 0.00% to 4.88%, including time deposits with maturity terms ranging from 30 to 34 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	<b>7,717</b>	Generally similar to terms and conditions above
Bills payable	<b>(108)</b>	Generally similar to terms and conditions above
Interest expense	<b>12</b>	Interest expense on deposit liabilities (Note 16)



Category	Consolidated	
	Amount	Terms and Conditions/Nature
<b>Subsidiaries</b>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱11,206	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 1.10% to 5.05% with maturity terms from 31 to 243 days (Note 7)
Receivables from customers*	3,337	Unsecured, with ECL of ₱4.50 million; With annual fixed interest rates ranging from 0.00% to 5.50% and maturity terms ranging from 5 to 210 days (Note 9)
Accounts receivable	220	Non-interest bearing receivables on remittance and rental fees (Note 9)
Other receivables	15	Non-interest bearing receivables on remittance (Note 9)
Deposit liabilities*	5,991	With annual fixed interest rates ranging from 0.00% to 5.00% including time deposits with maturity terms ranging from 5 to 91 days (Note 16)
Treasury stock	72	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
Dividends declared	1,132	Dividend declared by PSBank (Note 11)
<u>Amount/Volume:</u>		
Interbank loans receivable	2,442	Generally similar to terms and conditions above
Receivables from customers	3,002	Generally similar to terms and conditions above
Accounts receivable	84	Generally similar to terms and conditions above
Deposit liabilities	(279)	Generally similar to terms and conditions above
Bills payable	(40)	Generally similar to terms and conditions above
Interest income	157	Interest income on receivables from customers and interbank loan receivables (Notes 7 and 9)
Service charges, fees and commissions	38	Income on transactional fees
Trading and securities gain - net	540	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	16	Net gain from foreign exchange transactions
Leasing income	26	Income from leasing agreements with various lease terms
Miscellaneous income	151	Information technology services and other fees (Note 25)
Interest expense	33	Interest expense on deposit liabilities and bills payable (Note 16 and 17)
Securities transactions		
Purchases	39,085	Outright purchases of investment securities at FVTPL and FVOCI
Sales	49,996	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	13,937	Outright purchases of foreign currency
Sell	4,745	Outright sale of foreign currency
<b>Associates</b>		
<u>Outstanding Balance:</u>		
Receivables from customers	₱707	Unsecured, with ECL of ₱1.58 million; With annual fixed interest rates ranging from 0.00% to 5.55% and maturity terms ranging from 60 to 273 days (Note 9)
Deposit liabilities*	2,077	With annual fixed interest rates ranging from 0.00% to 5.13% including time deposits with maturity terms ranging from 31 to 357 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	66	Generally similar to terms and conditions above
Deposit liabilities	(27)	Generally similar to terms and conditions above
Interest Income	13	Interest income on receivables from customers (Note 9)
Trading and securities gain - net	6	Net gain from securities transactions (Note 8)
Leasing income	21	Income from leasing agreements with various lease terms
Interest expense	2	Interest expense on deposit liabilities
Securities transactions		
Outright purchases	342	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	1,210	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	335	Outright purchases of foreign currency
Sell	935	Outright sale of foreign currency



Category	Consolidated	
	Amount	Terms and Conditions/Nature
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱34,633	Secured - ₱7.18 billion, unsecured - ₱27.46 billion, with ECL of ₱98.59 million. With annual fixed interest rates ranging from 0.00% to 6.84% and maturity terms ranging from 2 days to 5 years (Note 9)
Assets held under joint operations	219	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	31,138	With annual fixed interest rates ranging from 0.00% to 4.88% including time deposits with maturity terms ranging from 5 to 359 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	3,270	Generally similar to terms and conditions above
Deposit liabilities	8,985	Generally similar to terms and conditions above
Interest income	1,261	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(160)	Net loss from foreign exchange transactions
Interest expense	59	Interest expense on deposit liabilities (Note 16)
Lease payments	40	Payments for leasing agreements with various lease terms.
Contingent		
Unused commercial LCs	58	LC transactions with various terms
Foreign currency		
Buy	9,308	Outright purchases of foreign currency
Sell	120,202	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	117	Secured - ₱89.88 million, unsecured - ₱27.46 million, no impairment; With annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years (Note 9)
Deposit liabilities	332	With various terms and minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	26	Generally similar to terms and conditions above
Deposit liabilities	63	Generally similar to terms and conditions above
Interest income	3	Interest income on receivables from customers (Note 9)
2021		
Entity with Significant Influence Over the Group		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱1,328	With annual fixed interest rates ranging from 0.00% to 0.30%, including time deposits with maturity terms from 22 to 31 days (Note 16)
Bills payable*	108	Peso borrowings subject to annual fixed interest rates of 0.13% with maturity term of 33 days (Note 17)
<u>Amount/Volume:</u>		
Deposit liabilities	(658)	Generally similar to terms and conditions above
Bills payable	1	Generally similar to terms and conditions above
Interest expense	1	Interest expense on deposit liabilities and bills payable (Notes 16 and 17)
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱8,764	Foreign currency-denominated lending, which earn annual fixed interest rates ranging from 0.43% to 3.30% with maturity terms from 17 to 359 days (Note 7)
Investment securities at		
FVTPL	2	Treasury notes and private bonds purchased from FMIC
FVOCI	20	Treasury note purchased from PSBank
Receivables from customers*	335	Unsecured, with ECL of ₱1.0 million; with annual fixed interest rates ranging from 0.00% to 3.50% and maturity terms from 3 to 179 days (Note 9)
Accounts receivable	136	Non-interest bearing receivables on service fees, remittance, rental fees and common use service area fees (Note 9)
Other receivables	3	Accrued rent receivable from PSBank
Deposit liabilities*	6,270	With annual fixed interest rates ranging from 0.00% to 0.25%, including time deposits with maturity terms of 59 days (Note 16)
Bills payable*	40	Peso borrowings subject to annual fixed interest rates of 0.13% with maturity terms from 30 to 31 days (Note 17)
Treasury stock	70	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)



Category	Consolidated	
	Amount	Terms and Conditions/Nature
Dividends declared	₱1,132	Dividend declared by PSBank (Note 11)
<u>Amount/Volume:</u>		
Interbank loans receivable	2,352	Generally similar to terms and conditions above
Receivables from customers	(4,636)	Generally similar to terms and conditions above
Accounts receivable	(8)	Generally similar to terms and conditions above
Deposit liabilities	2,897	Generally similar to terms and conditions above
Bills payable	3	Generally similar to terms and conditions above
Interest income	206	Interest income on receivables from customers and interbank loan receivables (Notes 7 and 9)
Service charges, fees and commissions	31	Income on transactional fees
Trading and securities gain - net	36	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	6	Net gain from foreign exchange transactions
Leasing income	22	Income from leasing agreements with various lease terms
Miscellaneous income	180	Information technology services and other fees
Interest expense	14	Interest expense on deposit liabilities, bills payable (Notes 16 and 17)
Securities transactions		
Purchases	15,071	Outright purchases of investment securities at FVTPL and FVOCI
Sales	20,714	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	12,281	Outright purchases of foreign currency
Sell	4,295	Outright sale of foreign currency
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	₱641	Unsecured; with annual fixed interest rates of 2.34% and maturity terms of 60 days (Note 9)
Deposit liabilities*	2,104	With annual fixed interest rates ranging from 0.00% to 0.25%, including time deposits with maturity terms from 31 to 357 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	635	Generally similar to terms and conditions above
Deposit liabilities	(819)	Generally similar to terms and conditions above
Interest Income	10	Interest income on receivables from customers (Note 9)
Trading and securities gain - net	1	Net gain from securities transactions (Note 8)
Leasing income	18	Income from leasing agreements with various lease terms
Securities transactions		
Outright purchases	15	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	3,121	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Sell	1,318	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱31,363	Secured - ₱5.4 billion, unsecured - ₱25.9 billion, with ECL of ₱143.0 million; with annual fixed interest rates ranging from 2.50% to 5.00% and maturity terms from 30 days to 5 years (Note 9)
Assets held under joint operations	219	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	22,153	With annual fixed interest rates ranging from 0.00% to 1.83%, including time deposits with maturity terms from 1 to 182 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(2,642)	Generally similar to terms and conditions above
Deposit liabilities	3,797	Generally similar to terms and conditions above
Bills payable	(77)	Generally similar to terms and conditions above
Interest income	1,028	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(59)	Net loss from foreign exchange transactions
Leasing income	8	Income from leasing agreements with various lease terms
Interest expense	2	Interest expense on deposit liabilities and bills payable (Notes 16 and 17)
Contingent		
Unused commercial LCs	10	LC transactions with various terms
Others	2	Bank guaranty with indemnity agreement
Securities transactions - outright purchases	26	Outright purchases of FVTPL securities and FVOCI investments





Category	Consolidated	
	Amount	Terms and Conditions/Nature
Foreign currency		
Buy	₱324	Outright purchases of foreign currency
Sell	71,710	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱91	Secured - ₱64.5 million, unsecured - ₱26.7 million, no impairment; with annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years (Note 9)
Deposit liabilities	269	With various terms and minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	8	Generally similar to terms and conditions above
Deposit liabilities	(45)	Generally similar to terms and conditions above
Interest income	3	Interest income on receivables from customers (Note 9)

\* Includes accrued interest

Category	Parent Company	
	Amount	Terms and Conditions/Nature
<b>2023</b>		
<b>Entities with Significant Influence</b>		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱2,531	With annual fixed interest rate ranging from 0.05% to 5.00% including time deposits with maturity terms ranging from 19 to 30 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(6,514)	Generally similar to terms and conditions above
Interest expense	59	Interest expense on deposit liabilities (Note 16)
<b>Subsidiaries</b>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱8,641	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 3.51% to 5.05% with maturity terms from 31 to 243 days with minimal expected credit loss (Note 7)
Receivables from customers*	1,719	Unsecured, with ECL of ₱7.1 million; With annual fixed interest rates ranging from 0.00% to 6.45% and maturity terms ranging from 4 to 240 days (Note 9)
Accounts receivable	93	Non-interest bearing receivables on remittance and rental fees (Note 9)
Other receivables	8	Non-interest bearing receivables on rental fees (Note 9)
Deposit liabilities*	4,715	With annual fixed interest rates ranging from 0.05% to 5.96% including time deposits with maturity terms ranging from 4 to 91 days (Note 16)
Treasury stock	70	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
<u>Amount/Volume:</u>		
Interbank loans receivable	(2,565)	Generally similar to terms and conditions above
Receivables from customers	(1,618)	Generally similar to terms and conditions above
Accounts receivable	(91)	Generally similar to terms and conditions above
Deposit liabilities	(1,276)	Generally similar to terms and conditions above
Interest income	401	Interest income on receivables from customers and interbank loans receivables (Note 7 and 9)
Service charges, fees and commissions	1	Income from transactional fees
Trading and securities gain - net	998	Net gain from securities transactions (Note 8)
Foreign exchange loss - net	(13)	Net loss from foreign exchange transactions
Leasing income	8	Income from leasing agreements with various lease terms
Miscellaneous income	170	Information technology services and other fees (Note 25)
Interest expense	125	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Purchases	43,656	Outright purchases of investment securities at FVTPL and FVOCI
Sales	77,497	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	6,181	Outright purchases of foreign currency
Sell	11,052	Outright sale of foreign currency



Category	Parent Company	
	Amount	Terms and Conditions/Nature
<b>Associates</b>		
<u>Outstanding Balance:</u>		
Receivables from customers	₱2,031	Unsecured, with ECL of P9.4 million; With annual fixed interest rates ranging from 6.30% to 6.55% and maturity terms ranging from 183 to 730 days (Note 9)
Deposit liabilities*	2,699	With annual fixed interest rates ranging from 0.05% to 5.13% including time deposits with maturity terms from 32 to 45 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	1,324	Generally similar to terms and conditions above
Deposit liabilities	741	Generally similar to terms and conditions above
Interest Income	91	Interest income on receivables from customers
Trading and securities gain - net	69	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	4	Net gain from foreign exchange transactions
Leasing income	2	Income from leasing agreements with various lease terms
Interest expense	1	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	2,350	Outright purchases of HFT securities and AFS investments
Outright sales	3,446	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	311	Outright purchase of foreign currency
Sell	1,197	Outright sale of foreign currency
<b>Other Related Parties</b>		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱37,898	Unsecured, with ECL of ₱192.2 million. With annual fixed interest rates ranging from 3.20% to 7.37% and maturity terms ranging from 9 days to 5 years (Note 9)
Assets held under joint operations	219	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	17,520	With annual fixed interest rates ranging from 0.05% to 6.00% including time deposits with maturity terms ranging from 5 to 360 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	3,265	Generally similar to terms and conditions above
Deposit liabilities	(11,212)	Generally similar to terms and conditions above
Interest income	2,112	Interest income on receivables from customers (Note 9)
Foreign exchange gain - net	159	Net gain from foreign exchange transactions
Interest expense	65	Interest expense on deposit liabilities (Note 16)
Foreign currency		
Buy	6,852	Outright purchases of foreign currency
Sell	129,951	Outright sale of foreign currency
<b>Key Personnel</b>		
<u>Outstanding Balance:</u>		
Receivables from customers	₱124	Secured - ₱88.89 million and unsecured - ₱15.96 million, no impairment; With annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 5 to 19 years (Note 9)
Deposit liabilities	397	With various terms and minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	19	Generally similar to terms and conditions above
Deposit liabilities	65	Generally similar to terms and conditions above
Interest income	3	Interest income on receivables from customers (Note 9)
<b>2022</b>		
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱9,045	With annual fixed interest rate ranging from 0.00% to 4.88% including time deposits with maturity terms ranging from 30 to 34 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	7,717	Generally similar to terms and conditions above
Interest expense	12	Interest expense on deposit liabilities (Note 16)



Category	Parent Company	
	Amount	Terms and Conditions/Nature
<b>Subsidiaries</b>		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱11,206	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 1.10% to 5.05% with maturity terms from 31 to 243 days with minimal expected credit loss (Note 7)
Receivables from customers*	3,337	Unsecured, with ECL of ₱4.50 million; With annual fixed interest rates ranging from 0.00% to 5.50% and maturity terms ranging from 5 to 210 days (Note 9)
Accounts receivable	184	Non-interest bearing receivables on remittance and rental fees (Note 9)
Other receivables	15	Non-interest bearing receivables on remittance (Note 9)
Deposit liabilities*	5,991	With annual fixed interest rates ranging from 0.00% to 5.00% including time deposits with maturity terms ranging from 5 to 91 days (Note 16)
Treasury stock	72	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
Dividends declared	1,132	Dividends declared by PSBank (Note 11)
<u>Amount/Volume:</u>		
Interbank loans receivable	2,442	Generally similar to terms and conditions above
Receivables from customers	3,083	Generally similar to terms and conditions above
Accounts receivable	51	Generally similar to terms and conditions above
Deposit liabilities	(279)	Generally similar to terms and conditions above
Interest income	157	Interest income on receivables from customers and interbank loans receivables (Note 7 and 9)
Service charges, fees and commissions	3	Income from transactional fees
Trading and securities gain - net	539	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	16	Net gain from foreign exchange transactions
Leasing income	8	Income from leasing agreements with various lease terms
Miscellaneous income	150	Information technology services and other fees (Note 25)
Interest expense	33	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Purchases	37,043	Outright purchases of investment securities at FVTPL and FVOCI
Sales	49,841	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	13,937	Outright purchases of foreign currency
Sell	4,745	Outright sale of foreign currency
<b>Associates</b>		
<u>Outstanding Balance:</u>		
Receivables from customers	₱707	Unsecured, with ECL of ₱1.58 million; With annual fixed interest rates ranging from 0.00% to 5.55% and maturity terms ranging from 60 to 273 days (Note 9)
Deposit liabilities*	1,958	With annual fixed interest rates ranging from 0.00% to 5.13% including time deposits with maturity terms from 32 to 357 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	66	Generally similar to terms and conditions above
Deposit liabilities	256	Generally similar to terms and conditions above
Interest Income	13	Interest income on receivables from customers
Trading and securities gain - net	6	Net gain from securities transactions (Note 8)
Leasing income	3	Income from leasing agreements with various lease terms
Interest expense	2	Interest expense on deposit liabilities (Note 16)
Securities transactions		
Outright purchases	140	Outright purchases of HFT securities and AFS investments
Outright sales	263	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	335	Outright purchase of foreign currency
Sell	935	Outright sale of foreign currency



Category	Parent Company	
	Amount	Terms and Conditions/Nature
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱34,633	Secured - ₱7.18 billion, unsecured - ₱27.46 billion, with ECL of ₱98.59 million; With annual fixed interest rates ranging from 0.00% to 6.84% and maturity terms ranging from 2 days to 5 years (Note 9)
Assets held under joint operations	219	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	28,732	With annual fixed interest rates ranging from 0.00% to 4.88% including time deposits with maturity terms ranging from 5 to 359 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	3,270	Generally similar to terms and conditions above
Deposit liabilities	14,067	Generally similar to terms and conditions above
Interest income	1,261	Interest income on receivables from customers (Note 9)
Foreign exchange loss - net	(160)	Net loss from foreign exchange transactions
Interest expense	59	Interest expense on deposit liabilities (Note 16)
Lease Payments	40	Payments for leasing agreements with various lease terms
Contingent		
Unused commercial LCs	58	LC transactions with various terms
Foreign currency		
Buy	9,308	Outright purchases of foreign currency
Sell	120,202	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱105	Secured - ₱88.89 million and unsecured - ₱15.96 million, no impairment; With annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years (Note 9)
Deposit liabilities	332	With various terms and minimum annual interest rate of 0.00% (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	26	Generally similar to terms and conditions above
Deposit liabilities	63	Generally similar to terms and conditions above
Interest income	2	Interest income on receivables from customers (Note 9)
2021		
Entities with Significant Influence		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱1,328	With annual fixed interest rate ranging from 0.00% to 0.30%, including time deposits with maturity terms of 22 to 31 days (Note 16)
<u>Amount/Volume:</u>		
Deposit liabilities	(658)	Generally similar to terms and conditions above
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱8,764	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 0.43% to 3.30% with maturity terms from 17 to 359 days with minimal expected credit loss (Note 7)
Investment Securities at		
FVTPL	2	Treasury notes and private bonds purchased from FMIC (Note 8)
FVOCI	20	Treasury note purchased from PSBank (Note 8)
Receivables from customers*	254	Unsecured, with ECL of ₱1.0 million; With annual fixed interest rates ranging from 0.00% to 3.50% and maturity terms from 3 to 179 days (Note 9)
Accounts receivable	133	Non-interest bearing receivables on service fees, remittance, rental fees and common use service area fees (Note 9)
Other receivables	3	Accrued rent receivable from PSBank
Deposit liabilities*	6,270	With annual fixed interest rates ranging from 0.00% to 0.25%, including time deposits with maturity terms of 59 days (Note 16)
Treasury stock	70	Parent Company's shares held by FMIC's mutual fund subsidiary (Note 23)
Dividend declared	1,132	Dividend declared by PSBank (Note 11)
<u>Amount/Volume:</u>		
Interbank loans receivable	2,352	Generally similar to terms and conditions above
Receivables from customers	(4,717)	Generally similar to terms and conditions above
Accounts receivable	13	Generally similar to terms and conditions above
Deposit liabilities	2,897	Generally similar to terms and conditions above
Interest income	206	Interest income on receivables from customers and interbank loans receivables (Note 9)



Category	Parent Company	
	Amount	Terms and Conditions/Nature
Service charges, fees and commissions	₱3	Income from transactional fees
Trading and securities gain - net	36	Net gain from securities transactions (Note 8)
Foreign exchange gain - net	6	Net gain from foreign exchange transactions
Leasing income	6	Income from leasing agreements with various lease terms
Miscellaneous income	180	Information technology services and other fees (Note 25)
Interest expense	2	Interest expense on deposit liabilities, bills payable and interbank loans payable (Notes 16 and 17)
Securities transactions		
Purchases	11,800	Outright purchases of investment securities at FVTPL and FVOCI
Sales	20,634	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	12,281	Outright purchases of foreign currency
Sell	4,295	Outright sale of foreign currency
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	641	Unsecured; with annual fixed interest rates of 2.34% and maturity terms of 60 days (Note 9)
Deposit liabilities*	1,702	With annual fixed interest rates ranging from 0.00% to 0.25%, including time deposits with maturity terms of 34 to 357 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	635	Generally similar to terms and conditions above
Deposit liabilities	(350)	Generally similar to terms and conditions above
Interest Income	10	Interest income on receivables from customers (Note 9)
Leasing income	1	Income from leasing agreements with various lease terms
Securities transactions		
Outright purchases	15	Outright purchases of investment securities at FVTPL and FVOCI
Outright sales	845	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Sell	1,318	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱31,363	Secured - ₱5.4 billion, unsecured - ₱25.9 billion, with ECL of ₱143.0 million; with annual fixed interest rates ranging from 2.50% to 5.00% and maturity terms from 30 days to 5 years (Note 9)
Assets held under joint operations	219	Parcels of land and former branch sites of the Parent Company contributed to joint operations (Note 14)
Deposit liabilities*	14,665	With annual fixed interest rates ranging from 0.00% to 0.40%, including time deposits with maturity terms of 3 to 182 days (Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	(2,641)	Generally similar to terms and conditions above
Deposit liabilities	(3,389)	Generally similar to terms and conditions above
Interest income	1,028	Interest income on receivables from customers
Foreign exchange loss - net	(59)	Net loss from foreign exchange transactions
Leasing income	8	Income from leasing agreements with various lease terms
Interest expense	1	Interest expense on deposit liabilities (Note 16)
Contingent		
Unused commercial LCs	10	LC transactions with various terms
Others	2	Bank guaranty with indemnity agreement
Foreign currency		
Buy	324	Outright purchases of foreign currency
Sell	71,710	Outright sale of foreign currency



Category	Parent Company	
	Amount	Terms and Conditions/Nature
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱91	Secured - ₱64.5 million, unsecured - ₱26.7 million, no impairment; with annual fixed interest rates ranging from 0.00% to 9.00% and maturity terms from 1 to 19 years
		(Note 9)
Deposit liabilities	269	With various terms and minimum annual interest rate of 0.00%
		(Note 16)
<u>Amount/Volume:</u>		
Receivables from customers	8	Generally similar to terms and conditions above
Deposit liabilities	(45)	Generally similar to terms and conditions above
Interest income	3	Interest income on receivables from customers (Note 9)

\* Includes accrued interest

As of December 31, 2023 and 2022, government bonds with total face value of ₱60.0 million (classified as 'Investment securities at amortized cost as of December 31, 2023 and 2022), are pledged by PSBank to the Parent Company to secure the latter's payroll account with PSBank. Also, the Parent Company has assigned to PSBank government securities with total face value of ₱3.5 billion (classified as 'Investment securities at amortized cost') to secure PSBank's deposits to the Parent Company

Receivables from customers and deposit liabilities and their related statement of financial position and statement of income accounts resulted from the lending and deposit-taking activities of the Group and the Parent Company. Together with the sale of investment properties, borrowings, contingent accounts including derivative transactions, outright purchases and sales of securities and foreign currency buy and sell, leasing of office premises, securing of insurance coverage on loans and property risk, and other management services rendered, these are conducted in the normal course of business, at arm's-length transactions and are generally settled in cash. The amounts and related volumes and changes are presented in the summary above. Terms of receivables from customers, deposit liabilities and borrowings are also disclosed in Notes 9, 16 and 17, respectively, while other related party transactions above have been referred to their respective note disclosures.

The compensation of the key management personnel of the Group and the Parent Company follows:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Short-term employee benefits	₱4,734	₱4,232	₱3,817	₱3,832	₱3,303	₱2,902
Post-employment benefits	116	140	120	81	86	84
	₱4,850	₱4,372	₱3,937	₱3,913	₱3,392	₱2,986

Director's fees and bonuses of the Parent Company in 2023, 2022 and 2021 amounted to ₱70.2 million, ₱68.1 million and ₱68.0 million, respectively.

#### Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of related party retirement plans pursuant to which it provides trust and management services to these plans. Certain trustees of the plans are either officers or directors of the Parent Company and/or the subsidiaries. Income earned by the Parent Company from such services amounted to ₱160.2 million, ₱127.0 million and ₱98.2 million in 2023, 2022 and 2021, respectively. In 2023, 2022 and 2021, the Parent Company purchased securities totaling ₱8.1 billion, ₱7.4 billion and ₱4.9 billion, respectively, from its related party retirement plans and also sold securities totaling ₱10.4 billion, ₱13.0 billion and ₱6.1 billion,



respectively, and recognized net trading losses of ₱0.4 million and ₱8.0 million in 2023 and 2022, and net trading gains of ₱15.1 million in 2021, respectively. Further, as of December 31, 2023 and 2022, the total outstanding deposit liabilities of the Group from these related party retirement funds amounted to ₱120.2 million and ₱515.2 million, respectively. Interest expense on deposit liabilities amounted to ₱25.3 million, ₱2.9 million and ₱0.4 million in 2023, 2022 and 2021, respectively.

As of December 31, 2023 and 2022, the related party retirement plans also hold investments in the equity shares of various companies within the Group amounting to ₱138.7 million and ₱181.8 million, respectively, with unrealized trading losses of ₱31.7 million and ₱76.0 million, respectively, and investments in mutual funds and trust funds of various companies within the Group amounting to ₱1.4 billion and ₱440.7 million, respectively, with unrealized trading gains of ₱108.7 million in 2023 and unrealized trading losses of ₱6.2 million in 2022, respectively. Further as of December 31, 2023, investments in the corporate bonds of the Parent Company by the related party retirement plans amounted to ₱49.4 million with unrealized trading gain of ₱0.2 million. In 2023, 2022 and 2021, realized trading gains/(losses) recognized by the related party retirement plans amounted to (₱5.9 million), (₱3.7 million) and ₱2.2 million, respectively, and dividend income recognized amounted to ₱1.4 million, ₱1.2 million, and ₱1.5 million, respectively.

### 33. Foreign Exchange

Closing rates as of December 31 and WAR for each of the year ended December 31 are as follows:

		BAP	
	2023	2022	2021
Closing	₱55.37	₱55.76	₱51.00
WAR	55.63	54.50	49.28

### 34. Other Matters

The Group has no significant matters to report in 2023 on the following:

- Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues.
- Explanatory comments about the seasonality or cyclicity of operations.
- Issuances, repurchases and repayments of debt and equity securities except for the maturities of the ₱8.65 billion LTNCD of the Parent Company as discussed in Note 16; the ₱13.75 billion fixed rate bonds of the Parent Company and the ₱4.65 billion fixed rate bonds of PSBank as discussed on Note 19; and the ₱1.17 billion subordinated debts of the Parent Company as discussed in Note 20.
- Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payment of cash dividends by the Parent Company, as discussed in Note 23.
- Effect of changes in the composition of the Group during the year, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.



### 35. Subsequent Events

- a. On January 18, 2024, the BOD of PSBank declared a 7.50% regular cash dividend for the fourth quarter of 2023 amounting to ₱320.14 million or ₱0.75 per share payable on February 19, 2024 to all stockholders at record date as of February 2, 2024.
- b. On February 9, 2024, the ₱5.1 billion LTNCD of PSBank matured.
- c. On February 21, 2024, the BOD of the Parent Company approved a new dividend policy of increasing the regular cash dividends from ₱1.60 per share to ₱3.00 per share for the year, payable on a semi-annual basis at ₱1.50 per share. In addition, a special cash dividend of ₱2.00 per share was also declared. The first tranche of the regular cash dividend of ₱1.50 per share and special cash dividend of ₱2.00 per share are payable on March 25, 2024 to all stockholders of record as of March 8, 2024.

### 36. Approval of the Release of the Financial Statements

The accompanying financial statements of the Group and of the Parent Company were authorized for issue by the BOD on February 21, 2024.

### 37. Report on the Supplementary Information Required under BSP Circular No. 1074

#### Supplementary Information Under BSP Circular No. 1074

On January 8, 2020, the Monetary Board approved the amendments to the relevant provisions of the Manual of Regulations for Banks and Manual of Regulations for Foreign Exchange Transactions. Among the provisions is the requirement to include the following additional information to the Audited Financial Statements.

#### a. *Quantitative indicators of financial performance*

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2023	2022	2021	2023	2022	2021
Return on average equity <sup>(1)</sup>	12.51%	10.29%	6.89%	12.49%	10.27%	6.88%
Return on average assets <sup>(2)</sup>	1.42%	1.23%	0.89%	1.61%	1.41%	1.03%
Net interest margin on average earning assets <sup>(3)</sup>	3.90%	3.56%	3.39%	3.83%	3.47%	3.14%

<sup>(1)</sup> Net income attributable to equity holders of the Parent Company for the year divided by average total equity attributable to the Parent Company.

<sup>(2)</sup> Net income attributable to equity holders of the Parent Company for the year divided by average total assets.

<sup>(3)</sup> Net interest income for the year divided by average interest-earning assets.

#### b. *Description of capital instrument issued*

The Group and the Parent Company consider its common stock and subordinated debts as capital instruments eligible as Tier 1 and Tier 2 capitals.

#### c. *Significant Credit Exposures*

Significant credit exposures as to industry, gross of unearned discount and capitalized interest, follows:





	Consolidated				Parent Company			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Real estate activities	<b>₱294,634</b>	<b>18.80</b>	₱218,151	14.98	<b>₱243,298</b>	<b>17.83</b>	₱180,654	14.20
Wholesale and retail trade, repair of motor vehicles and motorcycles	<b>204,743</b>	<b>13.07</b>	214,484	14.73	<b>188,900</b>	<b>13.85</b>	196,394	15.43
Manufacturing	<b>182,083</b>	<b>11.62</b>	189,407	13.00	<b>179,011</b>	<b>13.12</b>	185,372	14.57
Financial and insurance activities	<b>154,732</b>	<b>9.88</b>	141,035	9.68	<b>150,463</b>	<b>11.03</b>	137,208	10.78
Information and communication	<b>100,198</b>	<b>6.39</b>	111,759	7.67	<b>100,085</b>	<b>7.34</b>	111,661	8.78
Electricity, gas, steam and air conditioning supply	<b>71,806</b>	<b>4.58</b>	64,833	4.45	<b>69,855</b>	<b>5.12</b>	63,006	4.95
Transportation and storage	<b>67,081</b>	<b>4.28</b>	46,545	3.20	<b>60,062</b>	<b>4.40</b>	38,659	3.04
Construction	<b>64,362</b>	<b>4.11</b>	59,114	4.06	<b>45,484</b>	<b>3.33</b>	43,200	3.40
Agriculture, forestry, and fishing	<b>23,223</b>	<b>1.48</b>	20,805	1.43	<b>21,876</b>	<b>1.60</b>	18,939	1.49
Administrative and support service activities	<b>21,405</b>	<b>1.37</b>	14,185	0.97	<b>5,136</b>	<b>0.38</b>	4,271	0.34
<i>(Forward)</i>								
Accommodation and food service activities	<b>₱17,455</b>	<b>1.11</b>	₱21,617	1.49	<b>₱17,230</b>	<b>1.26</b>	₱21,404	1.68
Water supply, sewerage, waste management and remediation activities	<b>14,730</b>	<b>0.94</b>	5,729	0.39	<b>14,656</b>	<b>1.07</b>	5,675	0.45
Activities of household employees	<b>2,342</b>	<b>0.15</b>	54,733	3.76	<b>2,155</b>	<b>0.16</b>	51,791	4.07
Other service activities	<b>1,819</b>	<b>0.12</b>	3,752	0.25	<b>1,819</b>	<b>0.13</b>	312	0.02
Mining and quarrying	<b>1,623</b>	<b>0.10</b>	1,034	0.07	<b>1,312</b>	<b>0.10</b>	553	0.04
Arts, entertainment and recreation	<b>1,606</b>	<b>0.10</b>	1,172	0.08	<b>1,527</b>	<b>0.11</b>	793	0.06
Professional scientific and technical activities	<b>1,508</b>	<b>0.10</b>	15,404	1.06	<b>1,316</b>	<b>0.10</b>	927	0.07
Human health and social work activities	<b>795</b>	<b>0.05</b>	2,950	0.20	<b>569</b>	<b>0.04</b>	2,655	0.21
Education	<b>475</b>	<b>0.03</b>	801	0.05	<b>345</b>	<b>0.03</b>	683	0.05
Others	<b>340,426</b>	<b>21.72</b>	269,219	18.48	<b>259,175</b>	<b>19.00</b>	208,263	16.37
	<b>₱1,567,046</b>	<b>100.00</b>	₱1,456,729	100.00	<b>₱1,364,274</b>	<b>100.00</b>	₱1,272,420	100.00

The Group considers that concentration of credit exists when total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio.

d. *Breakdown of loans*

The following table shows information relating to receivables from customers by collateral, gross of unearned discounts and capitalized interest:

	Consolidated				Parent Company			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
Secured by:								
Other securities	<b>₱262,418</b>	<b>16.74</b>	₱263,540	18.09	<b>₱262,418</b>	<b>19.24</b>	₱263,540	20.71
Chattel	<b>93,544</b>	<b>5.97</b>	86,128	5.91	<b>19,899</b>	<b>1.46</b>	17,760	1.40
Real estate	<b>88,400</b>	<b>5.64</b>	90,259	6.20	<b>57,233</b>	<b>4.20</b>	59,898	4.71
Equity securities	<b>52,186</b>	<b>3.33</b>	45,867	3.15	<b>6,544</b>	<b>0.48</b>	5,270	0.41
Deposit hold-out	<b>37,781</b>	<b>2.41</b>	42,721	2.93	<b>37,183</b>	<b>2.72</b>	42,124	3.31
Others	<b>13,573</b>	<b>0.87</b>	14,958	1.03	<b>454</b>	<b>0.03</b>	374	0.03
	<b>547,902</b>	<b>34.96</b>	543,473	37.31	<b>383,731</b>	<b>28.13</b>	388,966	30.57
Unsecured	<b>1,019,144</b>	<b>65.04</b>	913,256	62.69	<b>980,543</b>	<b>71.87</b>	883,454	69.43
	<b>₱1,567,046</b>	<b>100.00</b>	₱1,456,729	100.00	<b>₱1,364,274</b>	<b>100.00</b>	₱1,272,420	100.00

Non-performing loans (NPLs) included in the total loan portfolio of the Group and the Parent Company, as reported to the BSP, are presented below:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Gross NPLs	<b>₱26,180</b>	₱27,341	<b>₱19,518</b>	₱20,146
Less allowance for credit losses	<b>18,658</b>	19,013	<b>15,372</b>	15,472
Net carrying amount	<b>₱ 7,522</b>	₱8,328	<b>₱4,146</b>	₱4,674

Under banking regulations, loan accounts shall be considered non-performing, even without any missed contractual payments, when they are considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal or interest is unlikely without foreclosure of collateral, if any. 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. Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained. Moreover, NPLs shall remain classified as such until (a) there is sufficient evidence to support that full collection of principal



and interests is probable and payments of interest and/or principal are received for at least six (6) months; or (b) written-off. 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.

*e. Information on related party loans*

In the ordinary course of business, the Group has loan transactions with investees and with certain directors, officers, stockholders and related interests (DOSRI) based on BSP Circular No. 423 dated March 15, 2004, as amended. Existing banking regulations limit the amount of individual loans to DOSRI, 70.00% of which must be secured, to the total of their respective deposits and book value of their respective investments in the lending company within the Group. In the aggregate, loans to DOSRI generally should not exceed the respective total equity or 15.00% of the respective total loan portfolio, whichever is lower, of the Parent Company, PSBank, FMIC, and ORIX Metro.

The following table shows information on related party loans as reported to the BSP:

	2023		2022	
	DOSRI Loans	Related Party Loans	DOSRI Loans	Related Party Loans
<b>Consolidated</b>				
Total outstanding loans	<b>₱7,949</b>	<b>₱61,228</b>	₱8,425	₱59,310
Percent of DOSRI/Related Party Loans to total loan portfolio	<b>0.49%</b>	<b>3.77%</b>	0.56%	3.91%
Percent of unsecured DOSRI/Related Party Loans to total DOSRI/Related Party Loans	<b>5.05%</b>	<b>98.79%</b>	8.70%	97.89%
Percent of past due DOSRI/Related Party Loans to total DOSRI/Related Party Loans	<b>0.01%</b>	<b>0.00%</b>	0.01%	1.41%
Percent of non-performing DOSRI/Related Party Loans to total DOSRI/Related Party Loans	<b>0.00%</b>	<b>0.00%</b>	0.01%	1.41%
<b>Parent Company</b>				
Total outstanding loans	<b>₱7,724</b>	<b>₱61,228</b>	₱8,197	₱59,310
Percent of DOSRI/Related Party Loans to total loan portfolio	<b>0.55%</b>	<b>4.34%</b>	0.62%	4.47%
Percent of unsecured DOSRI/Related Party Loans to total DOSRI/Related Party Loans	<b>2.39%</b>	<b>98.79%</b>	6.32%	97.89%
Percent of past due DOSRI/Related Party Loans to total DOSRI/Related Party Loans	<b>0.01%</b>	<b>0.00%</b>	0.00%	1.41%
Percent of non-performing DOSRI/Related Party Loans to total DOSRI/Related Party Loans	<b>0.00%</b>	<b>0.00%</b>	0.00%	1.41%

BSP Circular Nos. 560 and 654 provide the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks which require that the total outstanding loans, other credit accommodations and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00%, while a separate individual limit of 25.00% for those engaged in energy and power generation, of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% or 12.50%, respectively, of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank as reported to the BSP. As of December 31, 2023 and 2022, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates did not exceed 10.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 5.00% of such net worth wherein the total outstanding loans, other credit accommodations and guarantees to all such subsidiaries and affiliates represent 12.34% and 13.50%, respectively,



of the Parent Company's net worth. The Parent Company has no outstanding loans, other credit accommodations and guarantees to subsidiaries and affiliates engaged in energy and power generation.

Total interest income on DOSRI loans in 2023, 2022 and 2021 amounted to ₱461.9 million, ₱264.8 million and ₱257.0 million, respectively, for the Group, and ₱457.1 million, ₱259.4 million and ₱251.4 million, respectively, for the Parent Company.

*f. Secured Liabilities and Assets Pledged as Security*

The following are the carrying values of government debt securities pledged and transferred under SSURA transactions of the Group and the Parent Company:

	Consolidated				Parent Company			
	2023		2022		2023		2022	
	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA	Transferred Securities	SSURA
Investment securities at FVOCI								
Government	₱115,803	₱101,291	₱59,094	₱46,847	₱115,803	₱101,291	₱59,094	₱46,847
Private	2,294	2,294	—	—	—	—	—	—
Investment securities at amortized cost	35,925	31,215	22,441	20,273	35,654	30,943	21,255	19,087
	₱154,022	₱134,800	₱81,535	₱67,120	₱151,457	₱132,234	₱80,349	₱65,934

*g. Contingencies and commitments arising from off-balance sheet items*

The following is a summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items:

	Consolidated		Parent Company	
	2023	2022	2023	2022
Trust Banking Group accounts (Note 29)	₱497,607	₱510,510	₱485,425	₱505,715
Credit card lines	276,839	233,331	276,839	233,331
Undrawn commitments - facilities to lend	53,729	24,578	53,729	24,578
Unused commercial letters of credit (Note 32)	50,476	49,097	45,558	45,740
Bank guaranty with indemnity agreement (Note 32)	11,732	18,023	11,732	18,023
Outstanding guarantees	6,637	3,769	6,637	3,769
Credit line certificate with bank commission	3,963	4,771	3,963	4,771
Inward bills for collection	1,662	2,071	1,661	2,071
Outstanding shipside bonds/airway bills	1,436	1,294	656	1,294
Late deposits/payments received	944	1,047	943	1,047
Outward bills for collection	639	710	559	707
Confirmed export letters of credits	44	278	-	43
Others	32,729	35,709	602	1,004
	₱938,437	₱885,188	₱888,304	₱842,093

### 38. Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 15-2010

#### Supplementary Information Under RR No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002 which provides that starting 2010, the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

The Parent Company reported the following types of taxes for the year ended December 31, 2023 included under 'Taxes and licenses' account in the statement of income:

GRT	₱5,267
DST	3,493
Local taxes	216
Real estate tax	104
Others	418
	₱9,498



Details of the total withholding taxes remittances for the taxable year December 31, 2023 follow:

Taxes withheld on compensation	₱2,668
Final withholding taxes	7,573
Expanded withholding taxes	1,164
	<u>₱11,405</u>



## **INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Metropolitan Bank & Trust Company  
GT Tower International  
6813 Ayala Ave., corner H.V. Dela Costa St.,  
Brgy. Bel-Air, 1227, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Metropolitan Bank & Trust Company (the Company) as at December 31, 2023, and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 21, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68 and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

*Miguel U. Ballelos, Jr.*

Miguel U. Ballelos, Jr.

Partner

CPA Certificate No. 109950

Tax Identification No. 241-031-088

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025

PTR No. 10079903, January 5, 2024, Makati City

February 21, 2024

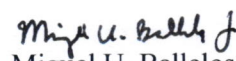


## **INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors  
Metropolitan Bank & Trust Company  
GT Tower International  
6813 Ayala Ave., corner H.V. Dela Costa St.,  
Brgy. Bel-Air, 1227, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Metropolitan Bank & Trust Company (the Company) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated February 21, 2024. 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 Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) 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 PFRSs. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

**SYCIP GORRES VELAYO & CO.**

  
Miguel U. Ballelos, Jr.  
Partner

CPA Certificate No. 109950

Tax Identification No. 241-031-088

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025

PTR No. 10079903, January 5, 2024, Makati City

February 21, 2024



**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2023**

**Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68**

<b>Schedule</b>	<b>Description</b>	<b>Page No.</b>
A	Financial Assets Financial Assets at Fair Value Through Profit of Loss Financial Assets at Fair Value Through Other Comprehensive Income Financial Assets at Amortized Cost-Unquoted Debt Securities	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Long-Term Debt	4
E	Indebtedness to Related Parties (Long-Term Loans from Related Companies)	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7

**Other Required Schedules/Information**

Reconciliation of Retained Earnings Available for Dividend Declaration	8
Map Showing the Relationship Between and Among Related Entities	9-12
Financial Indicators	13

**Metropolitan Bank & Trust Company and Subsidiaries**  
**Schedule A - Financial Assets**  
**December 31, 2023**

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes (in million)	Amount shown in the balance sheet (in ₱ million)	Valued based on market quotation at end of reporting period (in ₱ million)	Income received and accrued (in ₱ million)
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)</b>				
<b>Held-for-Trading (HFT) Securities</b>				
<b>Debt Securities</b>				
Philippine Government Bonds (including its agencies)	39,805	39,525	39,525	
Other Government Bonds	1,928	1,946	1,946	
Private	4,722	4,659	4,659	
		46,130	46,130	2,058
<b>Equity Securities</b>	235	6,804	6,804	209
<b>Derivative Assets</b>		21,922	21,922	-
<b>TOTAL FINANCIAL ASSETS AT FVTPL</b>		<b>74,856</b>	<b>74,856</b>	<b>2,267</b>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)</b>				
<b>Debt Securities</b>				
Philippine Government Bonds (including its agencies)	460,286	449,641	449,641	
Other Government Bonds	40,345	39,911	39,911	
Private	45,396	45,151	45,151	
		534,703	534,703	18,015
<b>Equity Securities</b>	233	1,920	1,920	48
<b>TOTAL FINANCIAL ASSETS AT FVOCI</b>		<b>536,623</b>	<b>536,623</b>	<b>18,063</b>
<b>FINANCIAL ASSETS AT AMORTIZED COST</b>				
<b>Debt Securities</b>				
Philippine Government Bonds (including its agencies)	459,389	462,888	464,979	
Other Government Bonds	4,706	4,687	4,450	
Private	3,054	3,063	3,013	
<b>TOTAL FINANCIAL ASSETS AT AMORTIZED COST</b>		<b>470,638</b>	<b>472,442</b>	<b>25,599</b>
<b>UNQUOTED DEBT SECURITIES</b>	1,091	545	558	38



**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties**  
**and Principal Stockholders (Other Than Related Parties)**  
**December 31, 2023**

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
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**NOT APPLICABLE**

**Note:** Transactions to these parties are made in the ordinary course of business.

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements**  
**December 31, 2023**  
(in millions )

Name and Designation of debtor	Balance at beginning of period	Additions	Deductions		Current	Not Current	Balance at end of period
			Amounts collected	Amounts written off			
First Metro Investment Corporation	216	685	896	-	5	-	5
Metropolitan Bank (China) Ltd.	11,206	20,343	22,908	-	8,641	-	8,641
Orix Metro Leasing and Finance Corporation	3,135	6,771	8,187	-	1,719	-	1,719
Philippine Savings Bank	86	1,758	1,772	-	72	-	72
Remittance Centers :							-
Metro Remittance (USA) Inc.	105	547	572	-	80	-	80
Metro Remittance (UK) Limited	19	109	107	-	21	-	21
Metro Remittance (Hong Kong) Limited	-	5	5	-	-	-	-
Others	16	50	66	-	-	-	-
	<b>14,783</b>	<b>30,268</b>	<b>34,513</b>	<b>-</b>	<b>10,538</b>	<b>-</b>	<b>10,538</b>

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**Schedule D - Long Term Debt**  
**December 31, 2023**  
**(in millions)**

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet	Interest Rates	Maturity Dates
<b><i>Bonds Payable</i></b>					
Bonds Payable - Fixed Rate Bonds	23,717	23,676	-	5.000%	April 28, 2024
Bonds Payable - USD Senior Unsecured Notes	\$ 500	-	27,489	2.125%	January 15, 2026
Bonds Payable - Fixed Rate Bonds	19,000	-	18,924	3.600%	September 4, 2026
<b><i>Total Bonds Payable</i></b>		<u>23,676</u>	<u>46,413</u>		
<b><i>Bills Payable and SSURA</i></b>					
	156,896	156,891	5	various	various
		<u>180,567</u>	<u>46,418</u>		

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)**  
**December 31, 2023**

Name of Related Party	Balance at Beginning of Period	Balance at End of Period
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**NOT APPLICABLE**

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**

**Schedule F - Guarantees of Securities of Other Issuers**

**December 31, 2023**

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 this Statement is Filed	Nature of Guarantee
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**NOT APPLICABLE**

**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**Schedule G - Capital Stock**  
**December 31, 2023**

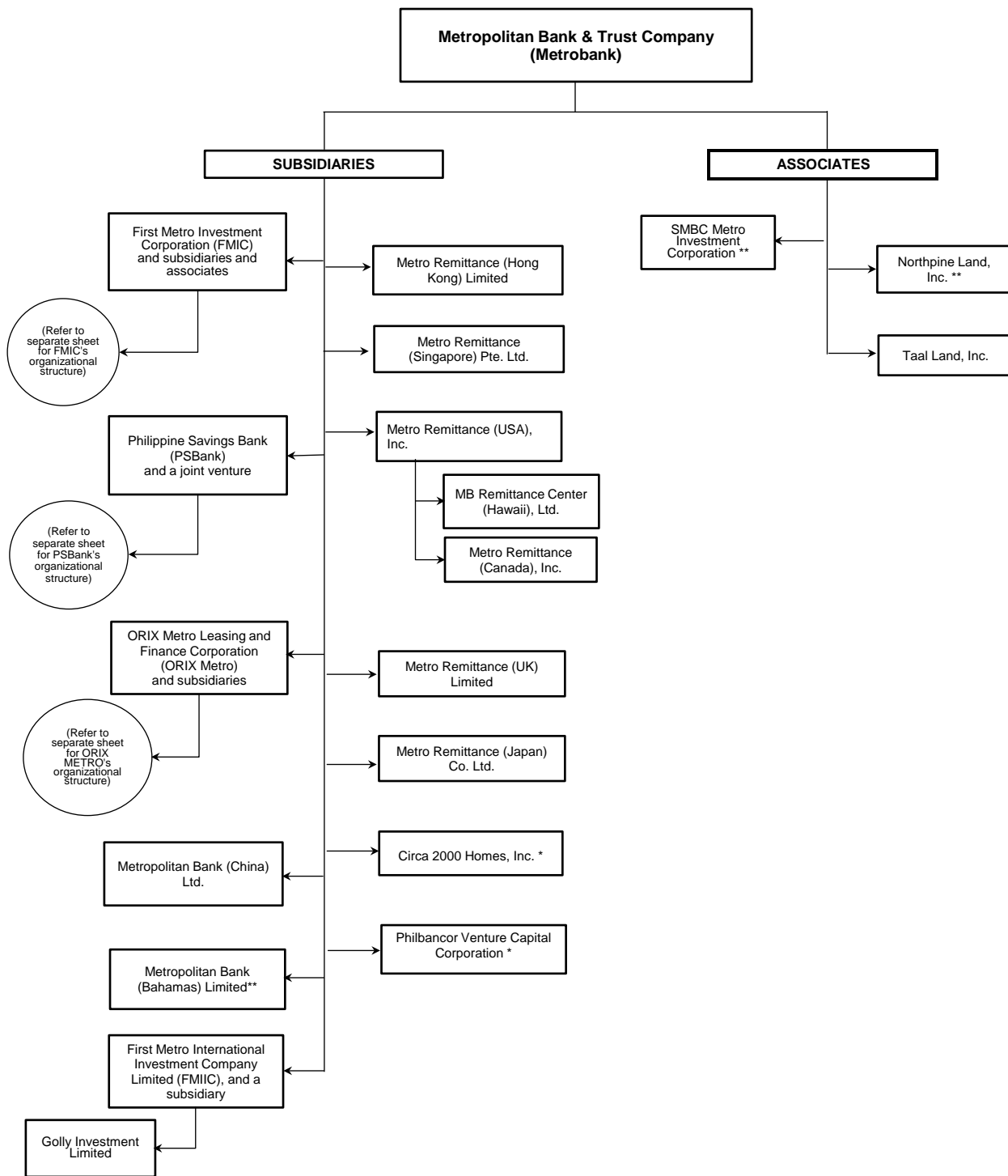
Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Authorized						
Preferred stock - P20 par value	1,000,000,000					
Common stock - P20 par value	6,000,000,000					
Issued and outstanding						
Common stock - P20 par value		4,497,415,555		2,302,557,770	35,234,168	2,159,623,617

**RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION****For the reporting period ended December 31, 2023****(In ₱ Millions)****Metropolitan Bank & Trust Company****GT Tower International, 6813 Ayala Ave., corner H.V. Dela Cost St. Brgy. Bel-Air, Makati City**

<b>Unappropriated Retained Earnings, beginning of reporting period</b>	<b>₱</b>	<b>121,990</b>
<b>Less: Items that are directly debited to Unappropriated Retained Earnings</b>		
Dividend declaration during reporting period	13,492	
Retained Earnings appropriated during the reporting period	139	
Realized loss on sale of equity securities at FVOCI	85	13,716
<b>Unappropriated Retained Earnings, as adjusted</b>		<b>108,274</b>
<b>Add/Less: Net Income (loss) for the current year</b>		<b>42,238</b>
<b>Less: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</b>		
Equity in net income of subsidiaries and associates, net of dividends declared	4,149	
Unrealized gains on foreclosure of investment properties - net of accumulated depreciation	2	
Movement on DTA	126	4,277
<b>Add: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</b>		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		3,488
<b>Adjusted Net Income/Loss</b>		<b>41,449</b>
<b>Add/Less: Other items that should be excluded from the determination of the amount available for dividends distribution</b>		
Net movement of treasury shares		2
<b>Total Retained Earnings, end of reporting period available for dividend</b>	<b>₱</b>	<b>149,725</b>

\* The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 16 issued in September 2023 differs to a certain extent from the computation following Bangko Sentral ng Pilipinas guidelines.

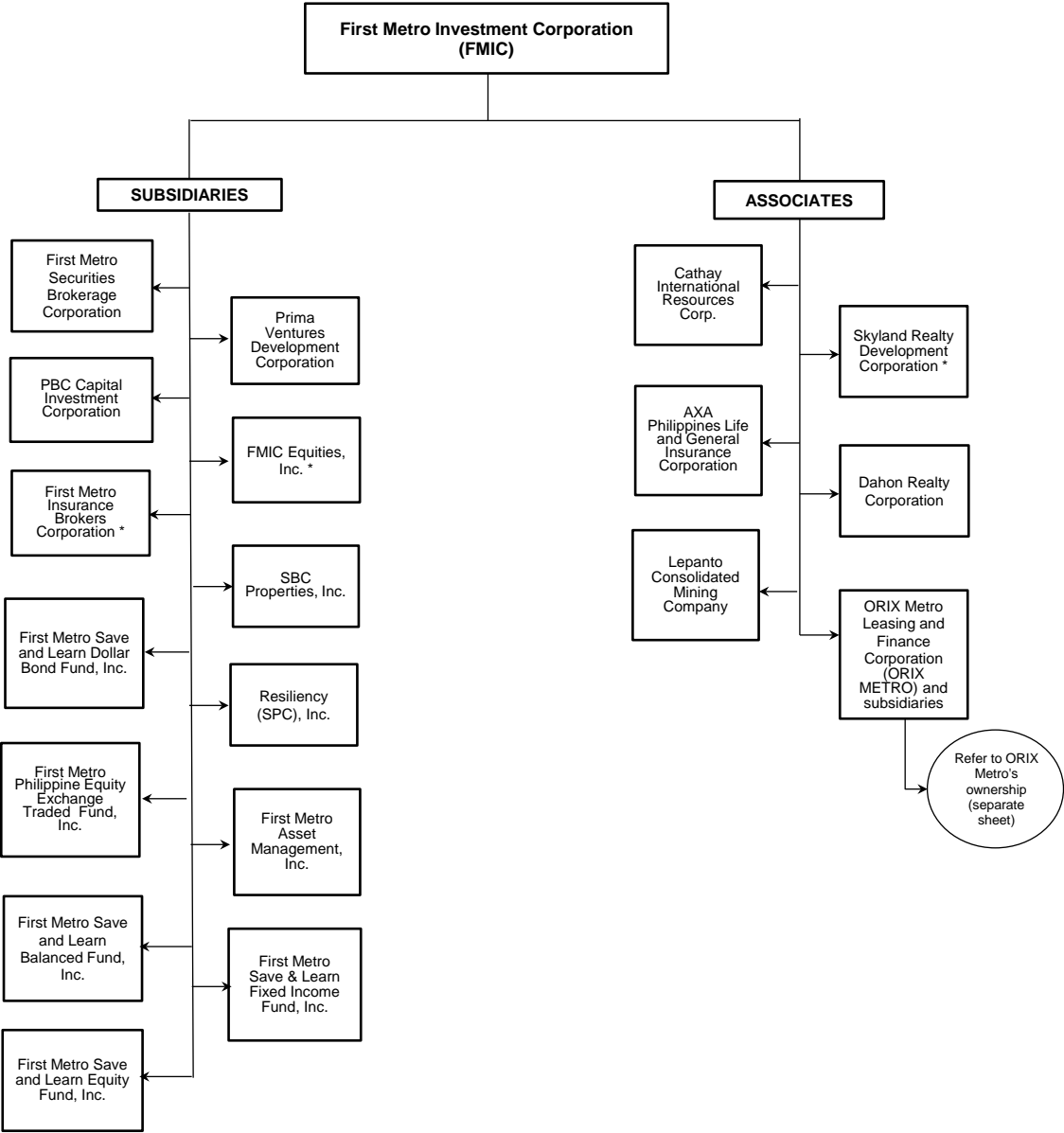
**Metropolitan Bank & Trust Company**  
**Subsidiaries and Associates**  
**As of December 31, 2023**



\* In process of dissolution  
 \*\* In process of liquidation

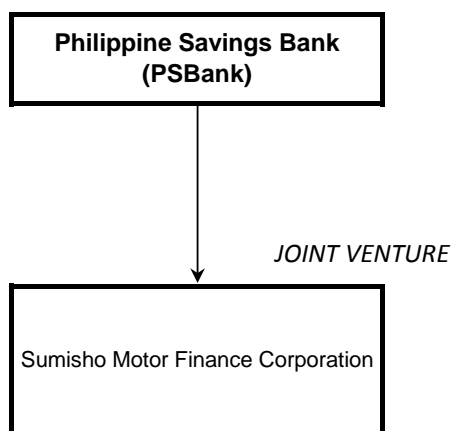


First Metro Investment Corporation  
Subsidiaries and Associates  
As of December 31, 2023

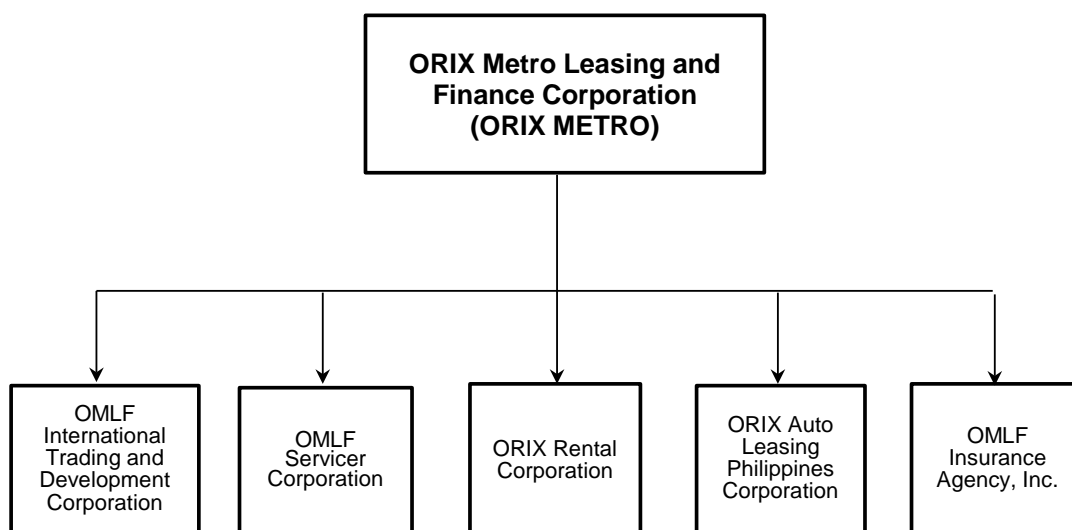


\* In process of dissolution

**Philippine Savings Bank  
Joint Venture  
As of December 31, 2023**



**ORIX Metro Leasing and Finance Corporation (ORIX METRO)**  
**Subsidiaries**  
**As of December 31, 2023**



**METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES**  
**FINANCIAL INDICATORS**  
**AS OF DECEMBER 31, 2023 AND 2022**

RATIO	FORMULA	2023	2022
a) Liquidity Ratio	Liquid Assets	48.08%	47.64%
	Total Assets		
b) Loans to Deposits Ratio	Total Loans	65.77%	65.59%
	Total Deposit Liabilities		
c) Debt to Equity Ratio	Total Liabilities	767.71%	789.62%
	Total Equity Attributable to Equity Holders of the Parent Company		
d) Asset to Equity Ratio	Total Assets	870.54%	892.63%
	Total Equity Attributable to Equity Holders of the Parent Company		
e) Return on Average Equity	Net Income Attributable to Equity Holders of the Parent Company	12.51%	10.29%
	Average Equity		
f) Return on Average Assets	Net Income Attributable to Equity Holders of the Parent Company	1.42%	1.23%
	Average Assets		
g) Net Interest Margin on Average Earning Assets	Net Interest Income	3.90%	3.56%
	Average Earning Assets		
h) Operating Efficiency Ratio	Total Operating Expenses	52.09%	54.30%
	Net Operating Income		
i) Interest Coverage Ratio	Earnings Before Interest and Taxes	214.82%	360.79%
	Interest Expense		
j) Net Profit Margin	Net Income	23.48%	25.64%
	Total Income		
k) Capital Adequacy Ratio	Total Qualifying Capital	18.28%	17.68%
	Total Risk-Weighted Assets		
l) Common Equity Tier 1 Ratio	Net Tier 1 Capital	17.44%	16.83%
	Total Risk-Weighted Assets		



# ENABLING COMMUNITIES

2023 ANNUAL AND SUSTAINABILITY REPORT





# Caring for the Common Good

## OUR SUSTAINABILITY DISCLOSURES

At the heart of every prosperous community is a financial institution that champions sustainable progress and economic empowerment.

At Metrobank, we aim to be that institution by creating platforms for environmentally sustainable and economically inclusive growth pave the way to progress. Through innovative banking solutions, broad-based financial services, and strategic partnerships, we unlock sustainability opportunities and open pathways to prosperity for all.

Metrobank has been consistently a top-tier bank with a demonstrated track record of financial stability and success since 1962. Given mounting social and environmental challenges, we know we must work more efficiently, consume fewer resources, and do more for our society to maintain our leading position as a benchmark of excellence in Philippine banking.

For this reporting year, infrastructure development, a key driver for economic growth, received a substantial boost, with loans amounting to PHP 228.7 billion, benefiting 1,090 clients. Additionally, our efforts to empower micro, small, and medium enterprises (MSMEs) and countryside clients are reflected in loans exceeding PHP34.8 billion to 5,425 clients. Beyond financial contributions, we continue to integrate sustainability into our core operations, in synergy with multiple Sustainable Development Goals (SDGs). We strive to increase operating efficiencies and amplify our societal impact through strategic corporate social responsibility programs. Metrobank's sustainability disclosures are being subjected to an external assurance audit through its holding company, GT Capital. Metrobank seeks to establish a baseline inventory of its Scope 3 emissions aligned with international standards and local protocols to support the bank's climate risk assessments.

As we enter our fifth year of sustainability reporting, we reaffirm our commitment to operating conscientiously and sustainably. Our sustainability disclosures follow

an annual cycle from January 1 to December 31, 2023. It covers the performance and management approach of Metropolitan Bank & Trust Co. (Metrobank) in economic, environmental, social, and governance (EESG) issues. The contributions of Metrobank Foundation, Inc., our local subsidiaries, and our employee volunteerism group, the Purple Hearts Club, are also presented in this report.

We have prepared this report in line with the Global Reporting Initiative (GRI) Standards, focusing on the most material topics for our business. Our report's GRI Content Index is found on pages 140 to 142. We are guided by the disclosure mandates of the Securities and Exchange Commission and the Bangko Sentral ng Pilipinas (BSP). A digital copy of this report is available at [www.metrobank.com.ph](http://www.metrobank.com.ph).



Your feedback means a lot to us. Please address your comments and suggestions to our Sustainability Department: [sustainability@metrobank.com.ph](mailto:sustainability@metrobank.com.ph).





# SUSTAINABILITY HIGHLIGHTS

## ECONOMIC GROWTH AND EMPLOYMENT

**PHP 155.5 Billion**

Economic value generated, of which PHP 126.9 billion was distributed to key stakeholders

**PHP 196.2 Billion**

Commercial loans to stimulate trade activities and other industry business operations

**USD 10.7 Billion**

Remittance value facilitated

**14,859**

Total employee headcount, of which 65% are women and 37% are below 30 years old

**949**

consolidated branches nationwide

**30**

Foreign branches, subsidiaries, and representative offices

**2,501**

consolidated ATMs and CAMs

**Over 500**

financial education-related events in 2023 with an audience of over 85,000

**88%**

Financial transactions that go through our e-channels

## GOVERNMENT SUPPORT

**PHP 1.5 Trillion**

capital raised for Philippine government's economic goals through auction participation, issue management, and government securities distribution

## INFRASTRUCTURE & LOCAL INDUSTRY SUPPORT

**PHP 228.7 Billion**

Commercial loans to develop roads, highways, commercial properties, as well as IT and telecommunications infrastructure

**PHP 7.5 Billion**

Spending on local suppliers and service providers

**6.8%**

Share of consolidated commercial loans portfolio linked to MSME financing

## HUNGER ERADICATION

**PHP 92.5 Billion**

Commercial loans to enable production and trade of food and agricultural activities

## POVERTY ERADICATION

**2,494,729**

Individuals assisted through Metrobank Foundation's Financial and In-kind Grant Assistance Program

**PHP 102 Million**

in community investments through Metrobank Foundation

## ENERGY SECTOR

**PHP 174.5 Billion**

Commercial loans to support electric power generation, transmission, distribution, and other energy sector activities

## QUALITY EDUCATION

**PHP 276.5 Million**

Commercial loans to support development of educational facilities and services of academic institutions

## ENVIRONMENT

**7,066**

Trees planted by Metrobankers through Purple Hearts Club from 2019 to 2023

## PUBLIC INFRASTRUCTURE

**PHP 173.7 Billion**

Commercial loans to support funding of public infrastructure, sustainable urbanization, and safe and affordable housing

**PHP 10.4 Million**

Amount donated by employees for Purple Hearts Club's programs on community development, health, education, livelihood, and disaster relief

**11,933**

Families aided during super typhoons and flash floods

Note: Inclusive of subsidiaries



# Sustainability at Metrobank

At Metrobank, sustainability means advancing national growth by offering financial solutions that empower both individuals and businesses, so we can enable communities to thrive. We work hand-in-hand with entrepreneurs and families, so their hopes and dreams become within reach. Our approach to sustainability, however, balances immediate needs with future goals, incorporating economic, environmental, and social factors into our decision-making processes and in the ways we facilitate growth for everyone in the community.

Our commitment, encapsulated by the promise “You’re in Good Hands” ensures that while we support responsible wealth creation today, we also strive to ensure the future prosperity of coming generations. Acknowledging the limitations of resources, market maturity, and the urgency of numerous sustainability-related challenges, we strive for thoughtful solutions, prioritizing those that yield lasting and significant benefits for our stakeholders.

In 2023, we were awarded the ESCAP Sustainable Business Network (ESBN) Asia-Pacific Green Deal Green Badge. for completing a digital assessment that aligns reported ESG metrics with stakeholders’ needs for consistent,



comparable, and shareable data. Through this program, we aim to enhance our competitiveness, future-proof our operations, and increase our visibility among investors, customers, and other stakeholders.

## SUSTAINABILITY FOCUS AREAS

Metrobank’s sustainability strategy is structured around five key focus areas encapsulating our vision for a sustainable future. These areas reflect Metrobank’s commitment to advancing societal goals while ensuring long-term business success. By clarifying our ambition and channeling investments into these specific focus points, we align our business objectives with broader sustainability goals to create the most meaningful impact.

As one of the country’s biggest banks, we channel these investments by providing capital to businesses of various sizes that are aligned with our sustainability ambitions. We do this as part of our lending services at Metrobank, and through our subsidiaries, PSBank for retail loans, and Orix for agricultural equipment leasing.

The Metrobank Foundation also provides grants to partner organizations, thereby spreading value to more Filipinos.

Metrobank acknowledges the extensive impact our collective work has towards achieving the 17 SDGs. We contribute to their attainment in many ways. We facilitate access to financial resources and services; we widen access to affordable credit; we finance the development of infrastructure; and support information and communication technology to grow our vibrant economy. We generate employment opportunities for thousands of Filipinos and empower thousands more through the Metrobank Foundation and the Purple Hearts Club. Our thematic focus areas, however, focus on the five SDGs: 1,2,4,8, and 9, from which we center our sustainability philosophy.

## End poverty in all its forms everywhere.

We recognize the fundamental role financial institutions play in poverty alleviation. By providing accessible financial services and supporting income-generating activities, Metrobank aims to contribute to the eradication of poverty in measurable ways.

## End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.

Through the Metrobank Foundation, we support initiatives that bolster food security and sustainable agricultural practices. We also promote health and nutrition in communities that are most in need through long-term feeding programs.

## Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Metrobank advocates for the transformative power of education in addressing Philippine developmental challenges. We invest in initiatives that provide quality education and lifelong learning opportunities, fostering an environment where everyone has the chance to learn and grow.

## Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

Our growing efforts in this area involve stimulating economic growth through financing and supporting projects that create jobs and ensure fair labor practices.

## Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.



A sustainable future will require robust infrastructure and sustainable industrial practices. Therefore, we finance projects that support economic growth and are innovative in creating an impact.







## Impact on SDGs

FOCUS AREA	UN Target	Related Section	Initiatives	Performance
<b>8 Decent Work and Economic Growth</b> 	8.1, 8.2, 8.3, 8.a Achieve higher levels of economic productivity, support decent job creation, and expand access to banking, insurance, and financial services	Sustainable Finance	Contribution of Commercial Loans to SDGs	<ul style="list-style-type: none"> <li>• PHP196.2 billion in commercial loans to stimulate trade activities, operations of holding companies and other financial intermediaries, hotels and resorts, and professional and technical services</li> </ul>
			Contribution of Parent Bank and Subsidiaries to the UN Sustainable Development Goals	<ul style="list-style-type: none"> <li>• More than PHP700 billion funding by means of participation in securities auctions while the entire MBTC Group mobilized private investors to help the government generate Php1.5 trillion capital funding</li> </ul>
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	Economic Performance	Economic Value Generated and Distributed	<ul style="list-style-type: none"> <li>• PHP155.5 billion economic value generated of which PHP126.9 billion was distributed to key stakeholders</li> </ul>
	8.3 Support productive activities, decent job creation, entrepreneurship, creativity and innovation through access to financial services	Financial Inclusion	Facilitating Access to Financial Resources	<ul style="list-style-type: none"> <li>• USD10.7 billion remittance value facilitated</li> </ul>
	8.5 Achieve full and productive employment and decent work for all women and men, and equal pay for work of equal value	Workforce Diversity	Employee Profile	<ul style="list-style-type: none"> <li>• 14,859 total employee headcount</li> <li>• Equal base entry-level salary for men and women</li> </ul>
	8.8 Protect labour rights and promote safe and secure working environment	Responsible Labor Practices	Collective Bargaining Agreements	<ul style="list-style-type: none"> <li>• 81% of permanent rank-and-file employees are covered by collective bargaining agreements</li> </ul>
	8.9 Promote sustainable tourism that creates jobs and promotes local culture and products	Sustainable Finance	Contribution of Commercial Loans to SDGs	<ul style="list-style-type: none"> <li>• PHP12.4 billion in commercial loans to support tourism</li> </ul>
		Corporate Citizenship and Philanthropy	Supporting Community Development	<ul style="list-style-type: none"> <li>• 428 local artists and designers awarded through Metrobank Art and Design Excellence Program since 1984</li> </ul>
	8.10 Encourage and expand access to banking, insurance and financial services for all	Sustainability Highlights	Scale of Operations	<ul style="list-style-type: none"> <li>• 949 branches and 2,326 ATMs nationwide and over 30 foreign branches, subsidiaries, and representative offices</li> </ul>
		Financial Inclusion	Countryside Banking	<ul style="list-style-type: none"> <li>• Presence in 8 out of the 9 poorest provinces in the country</li> </ul>
			Remittances	<ul style="list-style-type: none"> <li>• 113 remittance partners across 26 countries and territories abroad</li> </ul>
			Electronic Banking	<ul style="list-style-type: none"> <li>• 88% of our clients' total financial transactions go through our e-channels</li> </ul>
			Financial Literacy	<ul style="list-style-type: none"> <li>• 3 Metrobank educational online platforms</li> <li>• Over 500 financial education-related events with an audience of over 85,000 through Metrobank and FMIC Group</li> </ul>

FOCUS AREA	UN Target	Related Section	Initiatives	Performance
<b>9 Industry, Innovation and Infrastructure</b> 	9.1, 9.3, 9.4, 9.c Develop quality, reliable, sustainable and resilient infrastructure, increase access of small-scale enterprise to value chains and markets, upgrade infrastructure and retrofit industries, increase access to information and communications technology	Sustainable Finance	Contribution of Commercial Loans to SDGs	<ul style="list-style-type: none"><li>• PHP228.7 billion in commercial loans to develop public infrastructure projects such as roads and highways and commercial properties, support manufacturing and operations of transportation, storage, telecommunication activities</li></ul>
			Contribution of Parent Bank and Subsidiaries to the UN Sustainable Development Goals	<ul style="list-style-type: none"><li>• More than PHP700 billion funding by means of participation in securities auctions while the entire MBTC Group mobilized private investors to help the government generate Php1.5 trillion capital funding</li></ul>
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation	Economic Performance	Economic Value Generated and Distributed	<ul style="list-style-type: none"><li>• PHP155.5 billion economic value generated of which PHP126.9 billion was distributed to key stakeholders</li></ul>
	9.3 Increase access of small-scale industrial and other enterprises to financial services and integrate them into value chains and markets	Procurement Practices	Spending on Local Suppliers	<ul style="list-style-type: none"><li>• PHP7.5 billion spending on local suppliers and service providers</li></ul>
		Financial Inclusion	Support for SMEs	<ul style="list-style-type: none"><li>• 2.3% of our total portfolio (6.8% of commercial loans) is linked to SME financing<sup>(1)</sup></li></ul>
		Sustainable Finance	Contribution of Commercial Loans to SDGs	<ul style="list-style-type: none"><li>• Php135 billion in commercial loans to support electric power generation, transmission, distribution, and other energy sector activities</li></ul>
<b>1 No Poverty</b> 	1.1 Eradicate extreme poverty for all	Corporate Citizenship and Philanthropy	Supporting Community Development	<ul style="list-style-type: none"><li>• 2,494,729 individuals assisted through Metrobank Foundation's Financial and In-kind Grant Assistance Program</li></ul>
				<ul style="list-style-type: none"><li>• PHP10.4 million total employee donations raised for Purple Hearts Club's programs on community development, health, education, livelihood, and disaster relief</li></ul>
				<ul style="list-style-type: none"><li>• 19,453 care packages under 2023 Metrobank Shoebox Project containing school supplies, hygiene kits, and non-perishable food items distributed to kids</li></ul>
	1.4 Ensure that all men and women have equal rights to economic resources as well as access to basic services	Financial Inclusion	Support for Micro and Small enterprises	<ul style="list-style-type: none"><li>• Php4.34 billion in loans to support micro and small enterprises</li></ul>
		Economic Performance	Economic Value Generated and Distributed	<ul style="list-style-type: none"><li>• Php102 million in community investments</li></ul>
	1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure to climate-related extreme events	Corporate Citizenship and Philanthropy	Supporting Community Development	<ul style="list-style-type: none"><li>• 11,933 families aided during super typhoons and flash floods</li></ul>

FOCUS AREA	UN Target	Related Section	Initiatives	Performance
<b>2 Zero Hunger</b> 	Ensure access to safe, nutritious and sufficient food, double the agricultural productivity and incomes of small-scale food producers, ensure sustainable food production systems and implement resilient agricultural practices	Sustainable Finance	Contribution of Commercial Loans to SDGs	<ul style="list-style-type: none"> <li>• PHP92.5 billion in commercial loans to enable production and trade of food and agricultural activities</li> </ul>
<b>4 Quality Education</b> 	4.1 Ensure that all girls and boys complete primary and secondary education	Corporate Citizenship and Philanthropy	Supporting Community Development	<ul style="list-style-type: none"> <li>• 50 grade school scholar graduates of Metrobank Foundation's Scholarship Program to date</li> </ul>
	4.3 Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	Corporate Citizenship and Philanthropy	Supporting Community Development	<ul style="list-style-type: none"> <li>• PHP339,285 donated to support distance learning through Purple Hearts Club's education program</li> </ul>
		Compensation and Benefits	Availment of Employee Scholarship Program	<ul style="list-style-type: none"> <li>• 489 employees who availed of educational subsidies –Metrobank Educational Assistance for Dependents of Employees (MEADE) and Metrobank Employees Graduate Assistance Program (MEGA)</li> </ul>
	4.6 Ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy	Corporate Citizenship and Philanthropy	Supporting Community Development	<ul style="list-style-type: none"> <li>• 914,719 total campaign reach for "MMC Learn@Home, an online mathematics learning program for students</li> </ul>
	4.a Build and upgrade education facilities that are safe, inclusive, and effective learning environments for all	Sustainable Finance	Contribution of Commercial Loans to SDGs	<ul style="list-style-type: none"> <li>• Php276.5 million in commercial loans to support development of educational facilities and services of academic institutions</li> </ul>
	4.c Substantially increase the supply of qualified teachers	Corporate Citizenship and Philanthropy	Supporting Community Development	<ul style="list-style-type: none"> <li>• 100 public educator beneficiaries of Metrobank Foundation's Education grant for capacity building</li> <li>• 380 teachers recognized as Outstanding Filipinos by Metrobank Foundation to date</li> </ul>

<sup>[1]</sup> Following BSP definition of MSME

### 3 Good Health and Well Being

- PHP5.4 billion in commercial loans to support hospital activities and production and trade of pharmaceutical products
- Year-round MetrobankCARES program focusing on seven wellness dimensions
- Mental health sessions via MetrobankCARES: Mindful Moments program
- The Doña Victoria Ty Tan Professorial Chairs in Medical Education - a partnership with the UST Research and Endowment Foundation, Inc.

### 5 Gender Equality

- 17% of top management positions are women
- 60% of senior officers are women
- 65% of total employees are women
- Equal base entry-level salary for men and women

### 6 Clean Water and Sanitation

- PHP14.5 billion in commercial loans to support water supply, waste management, and remediation activities
- Construction of 10 handwashing facilities in four select schools to benefit elementary students.

### 7 Affordable and Clean Energy

- We offer Metro Clean Energy Equity Feeder Fund UITF to clients as an opportunity to Invest in global companies engaged in renewable and alternative energy
- 100% replacement to energy-efficient lighting fixtures for 6 centers

### 10 Reduced Inequalities

- 37% of total employees are below 30 years old
- 65% of total employees are women
- PHP4.3 billion in loans to support micro and small enterprises
- We offer clients regardless of economic status affordable investments through Metrobank Aspire Feeder Funds for as low as P1,000
- We offer clients affordable tax-free investments for retirement through Metrobank Personal Equity and Retirement Account (PERA) for as low as P5,000

### 11 Sustainable Cities and Communities

- Php173.7 billion in commercial loans to support funding of public infrastructure, sustainable urbanization, and safe and affordable housing

### 12 Responsible Consumption and Production

- Php4.3 billion in commercial loans to support responsible production and trade of household items and other goods
- Regular replacement of conventional fluorescent to LED and air-conditioning to inverter units
- Support for sustainable agriculture and supporting businesses

### 13 Climate Action

- Implementation of Sustainable Finance Framework (SFF) and integration of E&S considerations into bank operations and risk management
- Engagement of
  - Potential partners for sustainable investments
  - Data platform providers and subject matter experts on Climate Risk Assessment
  - Suppliers on lowering the bank's emissions
- Capacity building initiatives on E&S risks
- Awareness campaigns to improve human and institutional capacity on disaster warning and response

### 14 Life Below Water

- Php1.5 billion in commercial loans to support responsible fishing
- Coastal clean-up in Pangasinan led by employee volunteers through Purple Hearts Club

### 15 Life On Land

- 7,006 trees planted by Metrobankers through Purple Hearts Club from 2019 to 2023
- Coastal clean-up in Pangasinan led by employee volunteers through Purple Hearts Club

### 16 Peace, Justice, and Strong Institutions

- 169 soldiers and 156 police officers recognized as Outstanding Filipinos by Metrobank Foundation

### 17 Partnerships for the Goals

- Continue to be a reliable partner for the government towards the realization of sustainable development agenda thru direct generation of funds and mobilization of private investors to help the government generate capital funding
- Metrobank Foundation Grants and Social Development Partnerships extended financial assistance to socio-civic and non-government organizations, as well as local and national government agencies whose projects/programs are aligned with the thrusts of the Foundation on health, education, and livelihood toward the attainment of select SDGs
- Php7.5 billion spending on local suppliers and service providers

Note: Inclusive of subsidiaries

### Stakeholder Engagement

We collaborate with diverse stakeholder groups to share best practices, achieve unified objectives, and set future goals.

Through varied channels, we seek to understand the concerns of our stakeholders to foster dialogue toward solutions. This engagement ensures that the concerns and

aspirations of those touched on by our business are heard and addressed.

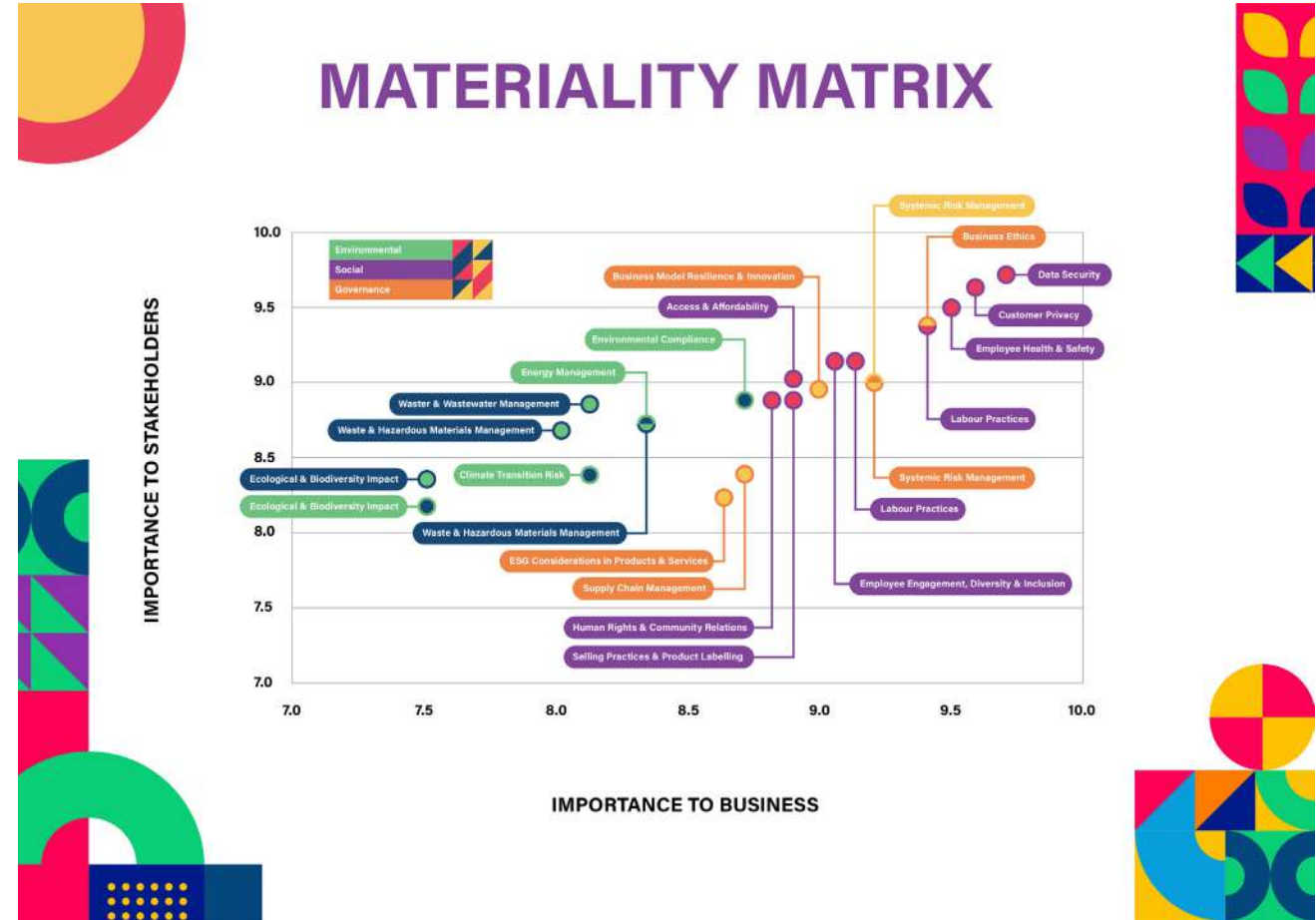
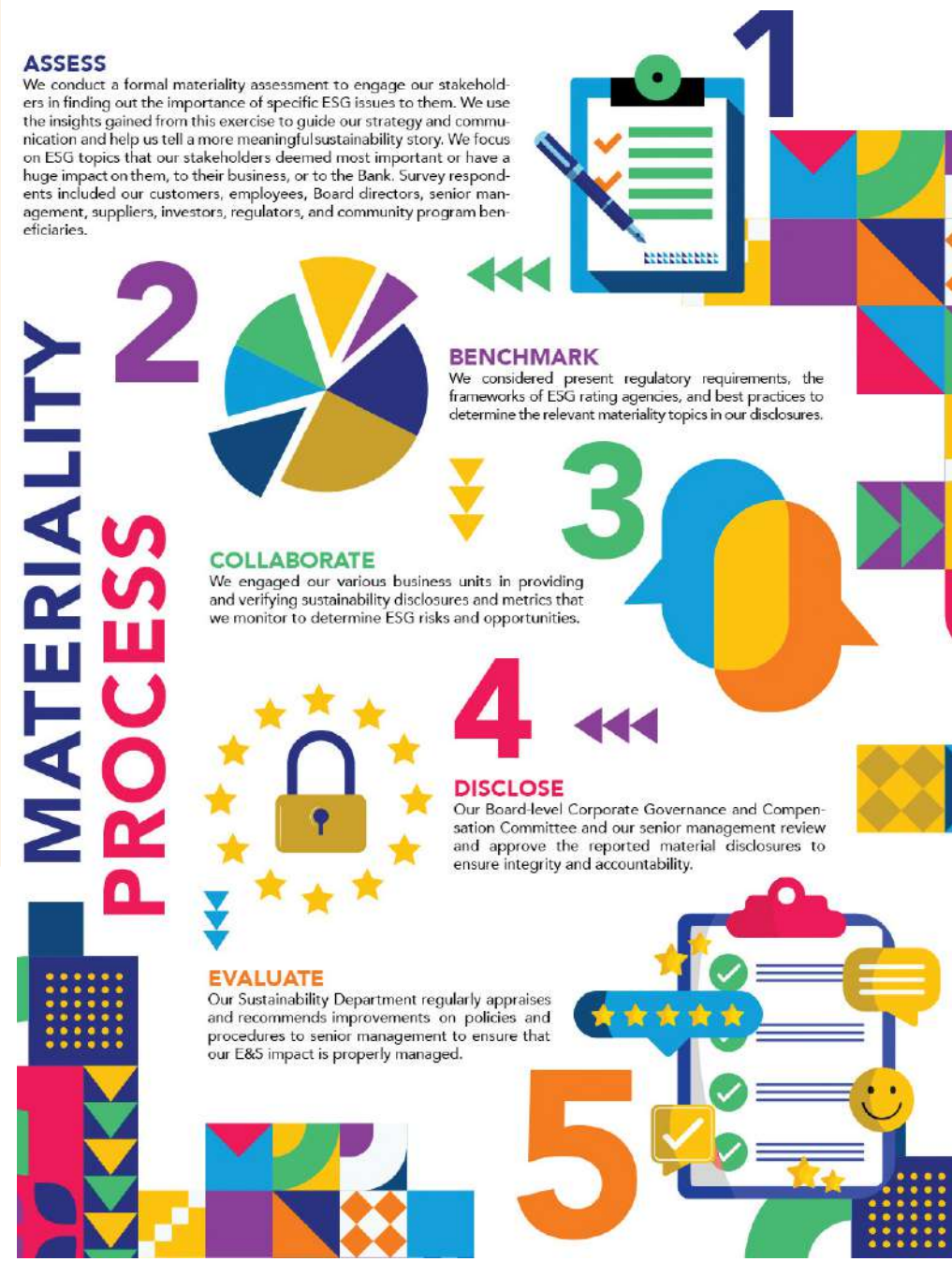
Stakeholder Group	Engagement Platform	Frequency of engagement	Concerns and Issues	Management Approach
<b>Customers or clients</b> We cater to the wide range of financial needs of Filipinos.	<ul style="list-style-type: none"> <li>Customer touchpoints with our frontline employees</li> <li>Customer satisfaction surveys</li> <li>Net promoter score studies</li> <li>Promotion of digital adoption through information drives</li> <li>Materiality Assessment Survey</li> </ul>	<ul style="list-style-type: none"> <li>daily</li> <li>annually</li> <li>annually</li> <li>as needed</li> <li>once every two years</li> </ul>	<ul style="list-style-type: none"> <li>Financial fraud</li> <li>Service reliability</li> <li>Access to and affordability of products and services</li> <li>Sales practices and product labeling</li> <li>Customer privacy</li> <li>Data security</li> <li>Business model resilience and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Robust fraud awareness measures</li> <li>Data privacy and protection</li> <li>Customer assistance and complaints handling</li> <li>Development of new customer-centric financial products and services</li> <li>ESG considerations in products and services</li> </ul>
<b>Employees</b> Our dedicated and empowered employees help us deliver meaningful banking to our customers.	<ul style="list-style-type: none"> <li>Employee engagement survey</li> <li>Performance assessment</li> <li>E-connect through the HR Helpdesk page</li> <li>Workplace by Facebook</li> <li>Townhall, sector meetings, and conventions</li> <li>Materiality Assessment Survey</li> </ul>	<ul style="list-style-type: none"> <li>once every two years</li> <li>annually</li> <li>as needed</li> <li>as needed</li> <li>quarterly</li> <li>once every two years</li> </ul>	<ul style="list-style-type: none"> <li>Compensation and benefits</li> <li>Health and safety</li> <li>Employee engagement, diversity &amp; inclusion</li> <li>ESG considerations in products and services</li> <li>Business model resilience and innovation</li> <li>Employee health and safety</li> <li>Data security</li> <li>Opportunities for volunteerism and community engagement</li> <li>Grievance mechanism</li> </ul>	<ul style="list-style-type: none"> <li>Periodic salary review</li> <li>Performance evaluation</li> <li>Employee training and career development</li> <li>Active engagement of ESG consultants and providers of products and services</li> <li>Occupational health and safety</li> <li>Responsible labor practices</li> <li>Implementation of policies relating to non-discrimination, gender and equality</li> </ul>
<b>Suppliers</b> As an extension of our business, our suppliers allow us to provide innovative, seamless, and secure solutions to the community we serve.	<ul style="list-style-type: none"> <li>Vendor management process</li> <li>Annual performance review</li> <li>Materiality Assessment Survey</li> </ul>	<ul style="list-style-type: none"> <li>as needed</li> <li>annually</li> <li>once every two years</li> </ul>	<ul style="list-style-type: none"> <li>Procurement terms</li> <li>Business ethics</li> <li>Data security</li> </ul>	<ul style="list-style-type: none"> <li>Transparency in the vendor accreditation process</li> <li>Procurement spending toward local suppliers and service providers</li> </ul>

Stakeholder Group	Engagement Platform	Frequency of engagement	Concerns and Issues	Management Approach
<b>Investors</b> Our shareholders are our partners in sustainable value creation.	<ul style="list-style-type: none"> <li>Stockholders' Meeting</li> <li>Earnings Call</li> <li>Regular meetings and teleconferences</li> <li>Investor roadshows</li> <li>One-on-one meetings</li> <li>Regular correspondence through letters, memos, and email</li> <li>Materiality Assessment Survey</li> </ul>	<ul style="list-style-type: none"> <li>annually</li> <li>quarterly</li> <li>as needed</li> <li>as needed</li> <li>as needed</li> <li>once every two years</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Growth outlook</li> <li>ESG considerations in products and services</li> <li>Business model resilience and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Timely disclosure of financial performance and prospects</li> </ul>
<b>Regulators</b> Our regulators ensure that businesses are conducted fairly and protect everyone's rights.	<ul style="list-style-type: none"> <li>Regular correspondence through letters, memos, and emails</li> <li>Responding to consultation papers and industry opinion sought by regulators</li> <li>Materiality Assessment Survey</li> </ul>	<ul style="list-style-type: none"> <li>as needed</li> <li>as needed</li> <li>once every two years</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory reliefs</li> <li>Adequacy of risk management o (Systematic Risk Management)</li> <li>Anti-money laundering, combating the financing of terrorism or proliferation financing</li> <li>Compliance to regulatory bodies</li> <li>Corporate governance</li> <li>Data security</li> <li>Business Model Resilience &amp; Innovation</li> </ul>	<ul style="list-style-type: none"> <li>Bank policies and controls</li> <li>Annual Performance Assessments</li> <li>Effective compliance and internal audit functions</li> <li>Disciplinary actions</li> <li>Implementation of a robust ESRM framework</li> <li>Timely response to inquiries and requests</li> <li>Timely submission/ of regulatory reports</li> </ul>
<b>Community</b> Our community gives us the license to operate. This is why we contribute meaningfully to society by providing access to financial solutions, and by boosting economic activities.	<ul style="list-style-type: none"> <li>Dialogues, feedback mechanisms, and surveys</li> <li>Community outreach programs</li> <li>Virtual events, activities, and webinars</li> <li>Recognition of key contributors to society through Metrobank Foundation's "Outstanding Filipinos" program</li> <li>Materiality Assessment Survey</li> </ul>	<ul style="list-style-type: none"> <li>as needed</li> <li>annually</li> <li>quarterly</li> <li>annually</li> <li>once every two years</li> </ul>	<ul style="list-style-type: none"> <li>Stimulation of the local economy</li> <li>Program implementation</li> <li>Recipients and impacts of corporate social responsibility projects</li> <li>ESG priorities and progress</li> </ul>	<ul style="list-style-type: none"> <li>Initiatives to expand financial inclusion</li> <li>Results-based Program Management Approach</li> <li>Rollout of recognition programs and community projects</li> <li>Financial support to education, arts, and culture</li> </ul>
<b>Assessment bodies</b> We deal with rating agencies that measure our efforts, helping us communicate our sustainable business practices to investors and external stakeholders.	<ul style="list-style-type: none"> <li>Raters' issuer portals</li> <li>Due diligence questionnaires</li> <li>Meetings and teleconferences</li> </ul>	<ul style="list-style-type: none"> <li>annually</li> </ul>	<ul style="list-style-type: none"> <li>Risk exposures, priorities, and progress</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement of disclosures and management action</li> <li>Active engagement with external ESG agencies/ scorers</li> </ul>








Materiality Assessment

A formal materiality assessment process guides us in aligning Metrobank's operations with the evolving needs of stakeholders and regulatory guidelines. This assessment was based on the Sustainability Accounting Standards Board (SASB) framework, with sector-specific, financially material ESG topics. This was complemented by the Global Reporting Initiative (GRI) standards, references from SEC Philippines' guidelines, and a review of practices reported by our peers. We review material ESG issues from the perspective of customers, employees, board directors, senior management, suppliers, investors, regulators, and community program beneficiaries. We benchmark the bank's material topics against regulatory requirements, ESG rating agency frameworks, and best practices. The insights we gained help us shape our strategy and communication, allowing us to tell a more meaningful sustainability story.



**Materiality Matrix**  
Metrobank has identified key issues that are material for the organization. Among these are ensuring data security and customer privacy, customer welfare and satisfaction, and employee health and safety. Moreover, the bank sees good governance as imperative in topics such as business ethics, systematic risk management, and good economic performance. Topics that are material to Metrobank have been summarized into five key segments of priority:

The table below shows the identified material topics embedded into our sustainability framework.

Theme	Relevance	Aligned Material Topics <sup>1</sup>	Topic Boundary <sup>2</sup>	Relevant SDGs
Approach to Sustainability	As a publicly listed company, we embed sustainability principles into our governance framework and risk management process.	<ul style="list-style-type: none"><li>• Materiality Assessment*</li><li>• Stakeholder Engagement</li></ul>	Internal and External (customers, suppliers, regulators, and community beneficiaries)	
Economic Sustainability	As a financial institution, we strive to provide for our customers' financial needs. We also continue tracking our direct economic contributions by meeting our financial obligations to key stakeholders.	<ul style="list-style-type: none"><li>• Sustainable Finance</li><li>• Economic Performance</li><li>• Procurement Practices*</li><li>• Tax Strategy*</li></ul>	Internal and External (customers and suppliers)	
Environmental Sustainability	We manage our environmental impact through prudent use of natural resources and compliance with environmental laws and regulations.	<ul style="list-style-type: none"><li>• Operational Eco-Efficiency</li><li>• Environmental Compliance*<ul style="list-style-type: none"><li>-- Waste &amp; hazardous materials management</li><li>-- Greenhouse gas (GHG) emissions</li></ul></li></ul>	Internal	
Social Sustainability	<p>As an employer, we strive to provide an exceptional workplace environment so our employees find meaning in their work. We continually invest in their health, professional growth, and personal development. As a financial services provider, we address our customers' various needs through our diverse products and services, which are accessible and reliable via numerous platforms.</p> <p>As a partner and corporate citizens, we listen and engage with our stakeholders to foster long-term relationships, protect their interests, and optimize our social impact.</p>	<ul style="list-style-type: none"><li>• Workforce Diversity*</li><li>• Talent Attraction and Retention</li><li>• Human Capital Development</li><li>• Occupational Health and Safety</li><li>• Responsible Labor Practices</li><li>• Financial Inclusion</li><li>• Consumer Financial Protection</li><li>• Information Security and System Availability</li><li>• Privacy Protection</li><li>• Transparency in products and services</li><li>• Corporate Citizenship and Philanthropy</li></ul>	Internal and External (customers, suppliers, and community beneficiaries)	
Governance	As a member of a highly regulated industry, we have built a stable and responsible brand with a credible and trustworthy reputation. Our track record in transparency, dependability, and accountability allows us to build lasting relationships with our stakeholders, and entice new partners and customers.	<ul style="list-style-type: none"><li>• Governance Structure</li><li>• Good governance and integrity</li><li>• Corporate Policies and Practices</li><li>• Management of Environmental and Social Risks</li></ul>	Internal and external (customers and suppliers)	

[1] Topics highlighted in asterisk (\*) refer to existing corporate policies and disclosures covering our list of material topics.  
[2] Internal refers to the Bank, its operations, and its people. External involves our relationships with other stakeholders.

# Economic and Governance

As a leading financial institution, Metrobank plays a key role in nation-building. Beyond providing equitable and trustworthy banking services to people of all backgrounds, the bank is integral in mobilizing capital that supports economic development, and in facilitating collective action towards a more sustainable future.

In doing so, we increasingly manage capital risk to unlock funds and grant loans. We assist various groups in overcoming infrastructure and developmental challenges. We support public-private partnerships and facilitate the access of smaller businesses to financial markets. In the coming years, we aim to deepen our commitment to

sustainability by safeguarding its ideals and principles at the heart of our governance structure, operational processes, and business activities. This way, we ensure that every decision we make, from capital risk management to the development of financial products, aligns with broader sustainable growth objectives in a way that balances the bank's short and long-term interests.

## Economic Value Generated and Distributed

In 2023, Metrobank, as the Parent Bank, made significant economic contributions that reflect our commitment to overall national growth and the development of various local communities. We generated a direct economic value of PHP 155.5 billion, demonstrating our robust financial performance.

Our operational expenses amounted to PHP 66.8 billion, primarily directed towards payments to local suppliers and service providers, underscoring our support for the local economy.

Employee welfare remained a priority, with PHP 21.6 billion allocated to remuneration, rewards, and benefits.

Shareholders and other capital payments were responsibly managed at PHP 16.7 billion.

Our fiscal responsibilities included PHP 21.7 billion in taxes, licenses, and other governmental fees, contributing to national development.

Furthermore, PHP 102 million in community investments highlighted our dedication in societal welfare, reinforcing our role as a socially responsible corporate citizen.

## Sustainable Finance

We align our sustainable finance contributions with the UN SDGs. Through the Global Goals, we can clearly define our sustainability contributions while recognizing possible investment streams from emerging markets, such as green finance, renewable energy, and sustainable agriculture. In investing in the right companies, like those who champion sustainable and ethical business practices, we facilitate growth that leaves no one behind.

Breakdown of Economic Value Generated in PHP billion			
	2023	2022	2021
Distributed	127	84	83
Retained	29	21	5

Breakdown of Economic Value Distribution in 2023 (in millions)		
Operating costs	66,764	43%
Employee wages and benefits	21,633	14%
Payments to providers of capital	16,685	11%
Payments to government	21,686	14%
Community investments	102	.07%
Economic value retained	29	18%



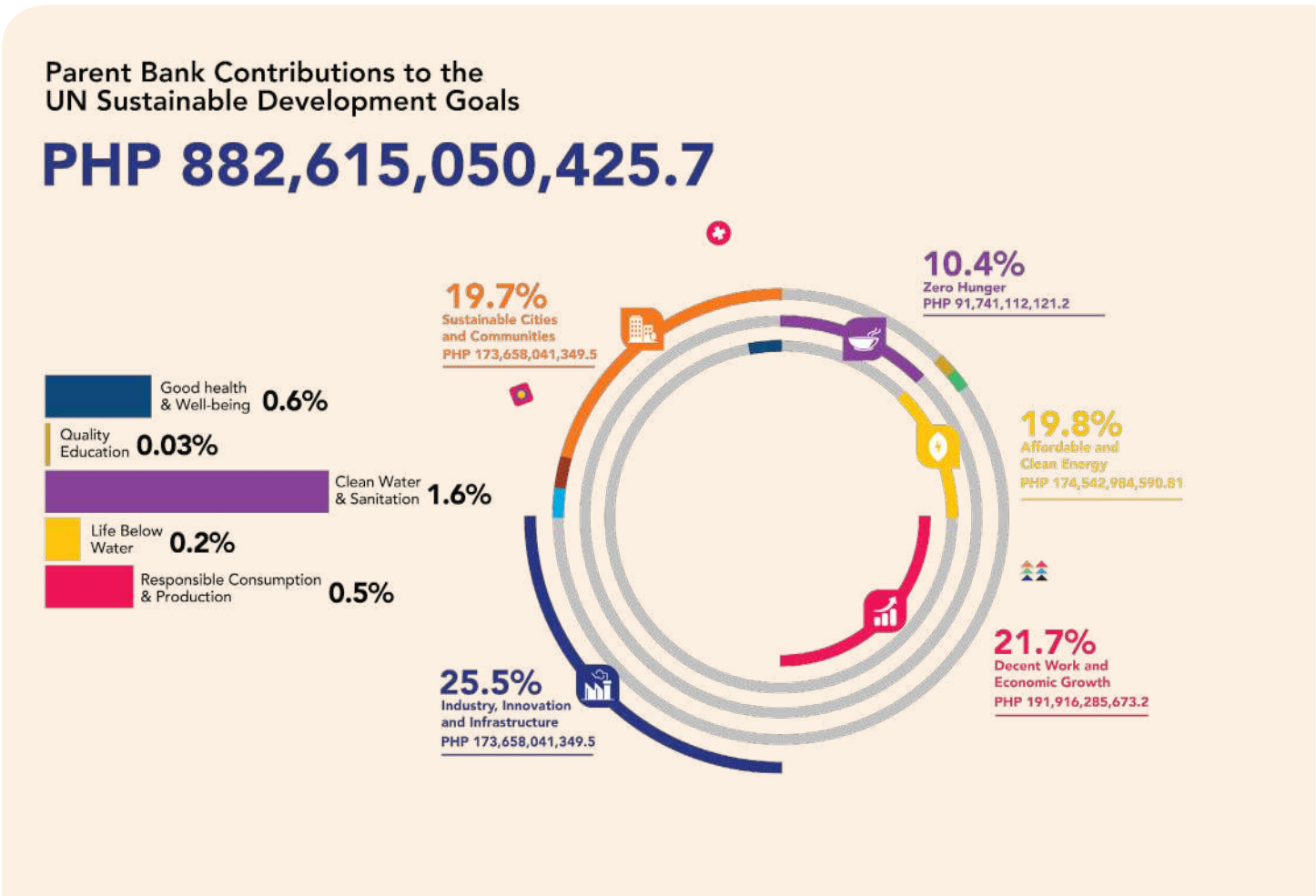
Parent Bank Contributions



For this reporting year, we reviewed our commercial loan portfolio and identified those aligned with the SDGs based on the purpose of the loan and the client’s nature of business. We covered accounts with an outstanding loan balance of at least PHP 500 million. As of December 2023, our contributions to the UN SDGs through our core operations in financing are as follows:

In addition to our commercial lending operations, we also contributed to attaining the UN SDGs through our Treasury and Investment Banking businesses. We participated in the Bureau of the Treasury (BTr) and BSP auctions and helped the Philippine government raise over PHP 700 billion to fund its various expenditures focused on supporting programs for economic resiliency, including those under the agriculture, infrastructure,

education, and healthcare sectors, emergency recovery, and resiliency funds.

We also distributed over PHP 500 billion in Philippine government securities to clients, deepening the domestic capital markets and creating more economic value.



Metrobank Subsidiaries' Contributions		
	Statements	SDGs
	ORIX METRO Leasing and Finance Corporation (ORIX METRO) extended loans amounting to over PHP9.1 billion to help micro, small, and medium enterprises, by leasing vehicles and equipment to clients in rural agriculture and the infrastructure sector.	SDGs 1, 2, 8, 9, and 10:
	First Metro Investment Corp. (First Metro) helped the National Government and various corporations raise over PHP 490 billion in capital. It was one of the joint issue managers and selling agents for a Retail Treasury Bond (RTB) and a Retail Dollar Bond (RDB) issue amounting to over PHP350 billion. First Metro also enabled various corporations to raise over PHP 110 billion in corporate bonds and preferred share issuances to fuel their growth — from expanding a client’s property portfolios to financing eligible green projects, all contributing to the improvement of Filipinos’ quality of life.	SDGs 1, 2, 3, 4, 7, 8, 9, 10, 11, 12, 13, and 17

transparency about the risks and rights associated with our products, including the risk of over-indebtedness, especially for clients with limited literacy. Moreover, we are dedicated to improving financial literacy for all income levels and expanding our products and services to increase banking access across all economic sectors.

Every day, we promote financial inclusion through our local and international branch networks, our mobile app, and online banking channels. We aim to bring our delivery channels, products, and services closer to underserved sectors, enabling them to meet their needs at the time and place of their choosing.

**Reaching Out to the Countryside**  
Our countryside branches comprised 385 or 55.0% of our total domestic branch network as of 2023. Located outside Metro Manila, these branches enable us to reach Filipinos in eight out of nine provinces belonging to the two poorest clusters in the Philippines.

**Reaching Out to Filipinos Abroad**  
We respond to the financial needs of overseas Filipinos and their families through our presence in 26 countries and territories abroad. Our international network includes:

- Five foreign branches: MB New York, MB Taipei, MB Tokyo, MB Osaka, and MB Seoul
- Six foreign remittance subsidiaries: MRUK, MR

Financial Inclusion

The role of banks in mobilizing and deploying capital for sustainable development continues to be critical, with more than 25 million Filipinos still living in poverty. In line with the efforts of the Bangko Sentral ng Pilipinas (BSP) to promote financial inclusion, Metrobank strives to bring more

Filipinos into the banking system and out of the poverty trap by offering affordable and easy access to savings accounts, loans, insurance, and other financial services.

At Metrobank, we are committed to supporting unbanked groups by extending loans and enhancing

- Singapore, MR Japan (Yokohama), MR Hong Kong (six offices), MR Canada (2 offices), and MB Remittance Center Hawaii (two offices)
- 113 remittance partners

Our presence abroad enabled us to facilitate USD10.7 billion worth of remittances in 2023, representing a 29% growth from US\$8.3 billion in 2022 and a 36% jump from 2020.

Complementing our remittance business are other financial services we offer to Philippine-based beneficiaries of overseas Filipinos. We also conduct financial literacy seminars to Filipinos leaving for work abroad.

#### Reaching Out to Filipinos Everywhere

We reach out to more Filipinos through our online banking facilities, including the enhanced Metrobank App. In 2023, we have enabled the Pay via QR feature and credit card features, allowing our customers do more with just a few taps. These credit card features include sending money via PayNow, paying bills, getting cash installments via Cash2Go, moving balances from other credit cards with Balance Transfer, converting purchases to installments with Balance Conversion; activating new Metrobank credit cards, as well as reporting and deactivating lost credits card for security

The Metrobank App continues to encourage online use. As of Feb

2024, our combined digital user base for Metrobank online and Metrobank App has reached 1.9 Million, 1.4 Million of which are Metrobank App users.

The Cash PickUp feature in our mobile app enabled our clients to send up to PHP30,000 anywhere in the Philippines through over 10,200 remittance partner outlets, expanding our reach to more underserved markets.

#### Reaching Out to MSMEs

Micro-, small-, and medium-enterprises (MSMEs) comprise 99.5% of the total number of establishments and employ 63% of the labor force in the country. They also account for a quarter of our total export revenue and 40% of our gross domestic product, according to government statistics in the first half of 2023.

To enable MSMEs to access funds online, our Business Banking Center (BBC) actively onboarded small and medium enterprises to the Metrobank Business Online Solutions (MBOS) platform. MBOS is an innovative online banking system that allows corporate and commercial clients, including SMEs, to transact digitally with Metrobank.

We continue to support the extension of loans channeled to MSMEs. It improves the disclosure of client's rights and risks of products or services (including risk of over-indebtedness) offered to low-literate clients and MSMEs. We also endeavor to make the terms

and conditions available to clients in the national or local language while continuously promoting the improvement of financial literacy across the entire income spectrum.

#### Enabling Products and Services

Our enabling products and services promote financial inclusion by offering tailored solutions to meet the diverse needs of individuals and businesses. These products bridge the gap between economic sectors and financial opportunities, enabling access to capital, investment, and savings mechanisms.



#### SME Loans

In 2023, we have extended PHP 30.4 Billion loans to MSMEs representing 7.6% of our borrowing clientele. In addition, our subsidiary, Orix Metro Leasing Finance Corporation, reached out to MSMEs in the countryside with PHP 4.3 Billion in equipment financing. Our SME Loans support small business growth by offering financial solutions tailored to various needs. The SME Puhunan Loans enable small business owners to finance their capital requirements, such as purchasing inventory and financing payables, with the option to invest in property

enhancement or manufacturing goods. For entrepreneurs looking to enter franchising, SME Franchise Business Loans provide capital for acquiring franchises, renovations, or purchasing machinery, equipment, and supplies. Additionally, the SME Agri Business Loans cater to those in the agricultural sector, facilitating the acquisition of agri-related products, increasing working capital, and investing in equipment, machinery, and infrastructure improvements for production, storage, sorting, or distribution, thus empowering agripreneurs to expand their operations efficiently.

#### Savings Accounts

We have accessible savings accounts catering to customers at different stages of their lives,



from growth until retirement. All three are interest-bearing savings accounts, with low to zero maintaining balance, no dormancy fee, and the features of a normal savings account. With a lower barrier to entry, we instill the value of saving to the youth, with an added layer of protection through the Fun Savers Club, connect overseas Filipino workers to their loved ones through the OFW Savings Account, and support our pensioners. In 2023, we have opened close to 50,000 new accounts for all three products.



#### Metro Aspire Funds

Our Metro Aspire Funds offer Unit Investment Trust Funds (UITFs) designed to cater to varying risk profiles and investment objectives. They enhance accessibility and

affordability for investing by significantly lowering the minimum initial investment and subsequent contributions to Php1,000 and Php500, respectively, thus promoting social security and empowering investors with limited funds. Participants agree to a build-up period, committing to automatic monthly contributions for at least two years, facilitating easier entry into the investment world.

#### Metro PERA Funds

Our PERA Funds offer a trio of Unit Investment Trust Funds (UITFs), each tailored to distinct risk profiles and designed to optimize retirement savings while benefiting from tax exemptions under the PERA Law. The Metrobank PERA Money Market Fund is ideal for



	Fun Savers Club Savings Account	OFW Savings Account	SS and US Pensioner Accounts
<b>As of 2023</b>	exclusively offered to Young Savers who are below 18 years old, bundled with Free Accident Insurance and Educational Trust Benefit; automatically converted to Regular Savings Account once the owner turns 18 years old	created to help Filipinos working abroad to build their savings and/or send remittances to their beneficiaries in the Philippines	SSS Pensioner Account: offered to SSS pensioners for the automatic credit of their retirement, death, and disability benefits. US Pensioner Account: offered to US Government pensioners and their beneficiaries. Instead of waiting to receive pension check sent via snail mail, U.S. agencies will directly credit pension payments to pensioners' Metrobank account
<b>Clients Served</b>	209,1888	151,589	372,197
<b>Volume</b>	13.2B	9B	10.3B

conservative investors, focusing on peso-denominated deposits to generate income and returns surpassing regular time deposits. For those with moderate risk tolerance, the Metrobank PERA Bond Fund invests in PHP-



denominated fixed-income securities with a strategic aim of high income and enhanced returns, maintaining a maximum weighted average duration of five years. The Metrobank PERA Equity Fund



caters to aggressive investors, aiming for top growth through a diversified portfolio of equities listed on the Philippine Stock Exchange. These funds provide a structured pathway to secure financial stability in retirement, offering a voluntary savings mechanism adaptable to individual risk preferences and financial goals.

**Financial Literacy**

Financial literacy is one of the fundamental components of achieving financial inclusion. We capitalize on our expanded international network and online

platforms to grow our audience and ensure everyone can make informed decisions and achieve financial sustainability.

We have three online educational platforms that enhance financial literacy and investment understanding among our clients and the general public:

- **Money Basics:** Since its 2019 launch, Money Basics has sought to improve public financial literacy through articles covering simple money tips and complex investment strategies. Accessible at <https://www.metrobank.com.ph/learn/money-basics> and the Bank's Facebook and Instagram accounts, the platform offers stories and practical tips on personal finance.
- **Earnest:** Tailored for novice investors, Earnest provides a user-friendly platform to learn investment fundamentals through lesson cards and detailed articles. The app is available on iOS and Android platforms, with further resources on <https://earnest.ph>.
- **Moneybilty:** As a dynamic financial education e-book and platform, Moneybilty presents many money management topics, incorporating interactive features like quizzes and financial tools to make learning engaging. Explore Moneybilty at <https://moneybilty>.

**Subsidiaries**

Our subsidiaries, First Metro Investment Corporation (First Metro), First Metro Asset Management, Inc. (FAMI), and

First Metro Securities Brokerage Corporation (FMSBC) have been steadfast in their campaigns to educate the public on the economy and financial markets. Our face-to-face and online sessions have reached diverse audiences around the Philippines. Seminars and webinars reached thousands of participants from different corners of the country.

**First Metro Investment Corporation**

Financial education increases public participation in the country's growth. First Metro promotes financial inclusion by educating a wide range of customers and stakeholders with the information they need to better grow investments.

As part of our investment banking arm's investment literacy advocacy, First Metro's bi-annual Economic & Capital Markets Briefing aims to educate, raise awareness, and encourage participation in the capital markets, fostering long-term economic development for our country. Successfully expanding its primary audience of institutional investors, issuer corporations, and fund managers to include retail, smaller beginner investors, First Metro enlightened its audiences with a deeper understanding of the economy and equipped them in making informed financial decisions with topics on the global and local macro-economy, capital market issuances, fixed-income markets, and equity markets. In addition to the bi-annual briefings, more focused briefings by First Metro's

2020-2023 Audience	
	Attendance
2023	3,111
2022	1,737
2021	2,643
2020	1,583

2020-2023 Audience				
	Total Attendance	NCR	Provincial	International
Total:	3,099	2,217	793	89
Percentage:	100%	71%	26%	3%

12 attendees did not indicate city/country

Research team were introduced in 2023, with sessions held in May and October.

**First Metro Securities Brokerage Corp.**

First Metro Securities Brokerage Corporation (FMSBC) is the brokering subsidiary of First Metro. In 2023, it hosted over 500 financial education events, including on-site seminars, TV interviews, and speaking engagements, attracting over 79,000 participants. FMSBC expands its reach through collaborations with Metrobank, One First Metro, educational institutions, private companies, and government bodies, bringing in experts to discuss topics such as budgeting, financial security, debt management, investment for overseas Filipino workers, scam prevention, wealth creation, pension optimization, and retirement planning. FMSBC also offered in-house seminars covering financial literacy, stock trading,

bond market investing, mutual funds, unit investment trust funds, real estate, real estate investment trusts, exchange-traded funds and platform & mobile app navigation tutorials.

**First Metro Asset Management Inc.**

In 2023, First Metro Asset Management, Inc. (FAMI), the leading mutual fund investment company under the First Metro Group, launched several

investment literacy programs to turn Filipinos into savers. FAMI conducted 44 sessions nationwide, reaching 3,348 participants, including students, educators, government workers, healthcare professionals, and financial officers. More than half of these were in-person events. The programs focused on practical financial skills such as budgeting, debt management, risk management through savings and insurance, and investment strategies for various goals, including education and retirement.

The sessions covered a range of topics:

1. Basic money management, personal finance, and investment options for students, teachers, and government employees using interactive methods.
2. Retirement planning advice for educators.
3. An introduction to investing through managed funds like Mutual Funds, UITF, and ETF for students.

Number of First Metro Sec's Financial Education-related events for the entirety 2023		
	Events	Attendees/viewers
Luzon	101	25,216
Visayas	144	22,153
Mindanao	182	19,631
Masterclass and TV interviews	82	12,395
Total	511	79,395



4. Special series for mothers and fathers, focusing on financial preparation for new parents, managing finances for growing families, planning for children's education and parents' retirement, and raising financially independent adults.
5. Strategies for breadwinners and overseas Filipino workers (OFWs) on budgeting, saving, and investing to secure their financial future.
6. Guidance for middle-aged individuals on retirement planning, including pension sources and income-generating investments.
7. Investment policy development for treasurers, along with updates on market trends.

## SUSTAINABILITY GOVERNANCE

Sustainability Governance represents a foundational pillar in our journey towards integrating sustainability into the core of our operations. It encapsulates a structured approach to decision-making, policy implementation, and accountability mechanisms aligned with long-term environmental, social, and governance (ESG) objectives. Our Board of Directors is crucial in steering the Bank towards our sustainability goals. The Board's essential duties under the 2023 Metrobank Corporate Governance Manual include:

- Institutionalizing the adoption of sustainability principles;
- Promoting a culture that fosters environmentally and socially responsible business decisions;

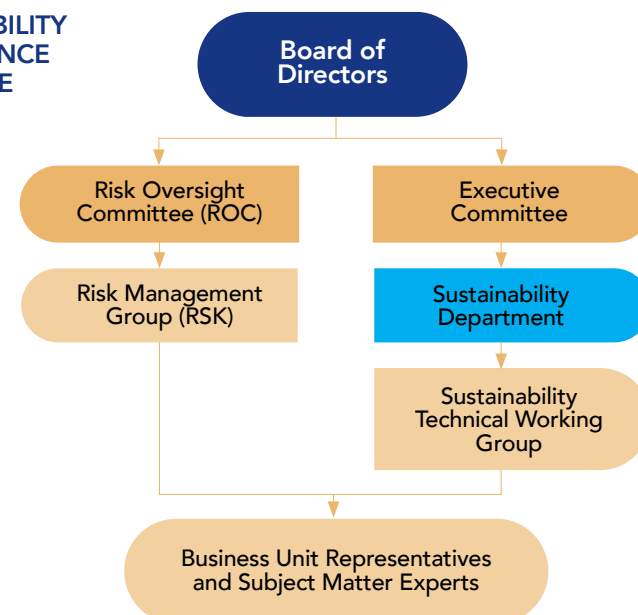
- Approving the Bank's Environmental and Social Risk Management System (ESRMS);
- Ensuring that sustainability objectives and policies are clearly communicated across the institution;
- Ensuring that adequate resources are available to attain our sustainability objectives; and
- Ensuring that our sustainability agenda is integrated into our performance appraisal system.

The bank's sustainability governance is led by the Executive Committee (EXCOM) and the Risk Oversight Committee (ROC), both of which report to the Board. The Board relies on the

EXCOM and ROC to guide and oversee the implementation of the Bank's Sustainability Framework and Strategy, ensuring it meets regulatory requirements. The execution of these responsibilities is entrusted to the Sustainability Department, with support from the Risk Management Group (RSK) and technical working group.

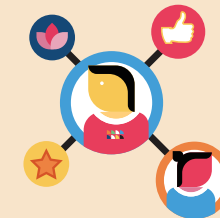
The Sustainability Department is responsible for managing and planning all sustainability-related activities, ensuring the integration of sustainability principles throughout the bank's operations. This department also coordinates the practical aspects of sustainability initiatives in close collaboration with business units and subject matter experts.

## SUSTAINABILITY GOVERNANCE STRUCTURE



**DO NO HARM:** Rationalize exposure to identified closely monitored industries/sectors due to potential environmental and social impact by planning for the gradual wind-down of exposure to activities that are environmentally and socially harmful. Align with government goals (Philippine Development Plan 2023-2028) towards exposure targets.

**DO GOOD:** Support transition finance for hard-to-abate sectors by considering provision of transition finance to borrowers to support their sustainability journey. Identify high E&S risk clients that require enhanced due diligence and create a roadmap to reduce high-risk exposure.



**DO MORE:** Accelerate the growth of a sustainable portfolio. Identify and assess opportunities for growth of a sustainable loan book, and where applicable, strengthen sustainable products portfolio.

## Execution of Sustainability Agenda

Our approach to driving sustainability across Metrobank is to Do No Harm, Do Good, and Do More.

In executing our agenda, we are guided by our E&S Risk Appetite Statement (RAS)

- We have low tolerance for E&S risks that adversely affect the business. We actively monitor current and emerging E&S risks across our lending functions, investment activities and other related bank operations, and we are committed to mitigating the negative impact of these risks

to contribute positively to social development goals.

- We accept that our lending and investment operations are exposed to E&S risks that may cut across principal material risks, including credit, operational, and strategic risks. We employ an Environment and Social Risk Management (ESRM) framework and a three-lines-of-defense mechanism to manage these risks and ensure adherence to our E&S risk appetite.
- On the operational front, we have a low-risk appetite for risk events and significant breaches. We manage our operational risk through dynamic Operational

Risk Management framework and a sound Business Continuity plan (BCP).

- We support counterparties and activities that add value to the economy:
  - a) by aiding in the national goal of job creation, and
  - b) via the production of goods and services that are needed and sustainable.
- We seek to promote sustainable business practices by supporting customers who:
  - a) earn from their businesses legitimately,
  - b) choose legitimate counterparties, and
  - c) manage their finances responsibly by practicing sound risk management.

## ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT SYSTEM (ESRMS)

Our Environmental and Social Risk Management Framework (ESRMF) plays a critical role in identifying and managing our ESG risk factors which may affect the bank's operational, credit, and reputational standing. The system also serves as a guide towards ensuring the long-term viability and resiliency of our lending and investments practices. We have been steadily incorporating the management of E&S risks in our corporate governance and risk management frameworks, as well as in our strategic objectives, lending, investment, and business operations, following issued sustainability-related guidelines by the BSP via Circular 1085

(Sustainable Finance Framework), Circular 1128 (Environment and Social Risk Management Framework), and Circular 1149 (Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks). By integrating climate-related risks into our financial strategies, we fortify our resilience against the multifaceted challenges that lie ahead.

We recognize the unique importance of banks in the promotion of sustainable development. Through socially and environmentally responsible business decisions guided by this framework, the bank is better equipped to support equitable economic growth in the Philippines.

**Managing Environmental and Social Risks**

Our lending and investment operations are exposed to E&S risks that may cut across principal material risks, including credit, operational, and strategic risks. We are strengthening our risk management through the development and use due diligence frameworks and tools in our lending, investment, and procurement practices.

We have identified certain types of business relationships that are prohibited by law and where there is the risk of life and well-being. The bank will not knowingly provide financing to businesses or operations that are directly involved in the following sectors and activities:

**Exclusion List**

- Atomic / nuclear power
- Red light business / adult entertainment
- Virtual currencies
- Production and/or trading of illegal drugs
- Unregulated charities
- Shell banks and other shell institutions
- Operations involving illegal deforestation, fishing, mining, and other similar illegal activities affecting the environment
- Human rights violations including child labor, forced and inhumane labor, human trafficking, and unfair labor practices
- Projects that could lead to the destruction of areas designated to be of high ecological value (critical habitat, biodiversity hotspot) or cultural value (indigenous sacred ground, UNESCO).
- Projects that are in areas that may reasonably lead to unmitigated displacement and destruction of indigenous communities

We shall abide by government roadmaps related to energy development, such as the Department of Energy’s 2020 Memorandum on “Moratorium of Endorsements for Greenfield Coal-Fired Power Projects ” and the Philippine Energy Plan.

**Credit Risk Management**

We take a precautionary approach to environmental and social risks in our lending and investment activities. In identifying and assessing risks, we classify clients and business transactions based on sustainability and climate risk exposure. A due diligence process informs the best actions for identified accounts. We established a three-lines-of-defense mechanism to manage these risks. First, the Relationship Manager conducts E&S risk assessments for new and existing loan accounts, in accordance to the bank’s policy guidelines. The Risk Management Group functions as second line of defense by identifying emerging risks and ensuring adherence to control procedures

Lastly, the Internal Audit Group independently reviews the robustness of the framework.

**Operational Risk Management**

We ensure the continuity of our business operations by integrating E&S into our operational risk tools. We mitigate emerging E&S risks by identifying core risk areas that might impact the business, including physical risks arising from natural or man-made

disasters, transition risks, such as those arising from the adoption of new technologies or policies, and social risks related to health and wellness management, labor and civil relations, and developments in cyberspace that may impact our operations, people, property, and facilities.

As part of our commitment to advancing the environmental and social stewardship, we adopt a phased approach in integrating E&S considerations across operational risk areas starting from our own operations, the lending and investment products we offer, extending to clients, suppliers and outsourced service providers. Among the operational risks considered is nature and biodiversity risk, as threats to our ecosystem also threaten economic activities our supply chain relies upon.

We seek to progressively strengthen our policies and procedures to promote greater environmental and social responsibility and continuously explore the development and adoption of environmental and social friendly technologies and innovations.

**TAX STRATEGY**

The central aspect of our tax strategy is strict adherence to all tax laws and regulations to ensure compliance and protect Metrobank’s reputation. We maintain high levels of transparency in our tax dealings and reporting. Aside from the mandated taxes that we remit to the government, we seek to further support government initiatives that promote economic growth and sustainable development, while exploring possible tax benefits that may come with such initiatives.

Our provision for income tax increased to PHP 12.1 billion in 2023 from PHP 9.0 billion in 2022. Disclosures related to taxes of the Bank are found in Notes 28 and 38 of the Audited Financial Statements.

**PROCUREMENT PRACTICES**

Our process for choosing suppliers and contractors follows the Bangko Sentral ng Pilipinas (BSP) guidelines. Our General Services Group (GSG) works closely with other departments to ensure that vendors are correctly accredited, selected, and reviewed. We strictly follow our policy for canvassing and bidding when buying products or hiring for services.

Metrobank adheres to international treaties on human rights and labor rights. The bank shall not knowingly engage vendors and suppliers who are found to have participated in any human rights abuses such as forced labor, child labor, and discrimination. The bank also has zero tolerance for all forms of corruption. We expect strict adherence from our supply chain partner on human rights and other protections under local laws. We also expect them to be mindful of their environmental impact. Metrobank’s Outsourcing Policy guides our business units in outsourcing activities or functions. As part of vendor accreditation, we require an Environmental Compliance Certificate for projects potentially impacting the environment. We also secure certifications from

Provision for Income Tax	Parent		
Figures in PHP million	2023	2022	2021
Current:			
Final tax	8,315	4,535	3,060
Regular corporate income tax*	3,873	2,913	2,317
Minimum corporate income tax	-	-	-
	12,188	7,448	5,377
Deferred*	(128)	1,593	421
	12,060	9,041	5,798
*includes income taxes of foreign subsidiaries			

Spending on Suppliers, in PHP million			
	2023	2022	2021
Procured from international suppliers	1,481	372	787
Procured from local suppliers	7,526	5,559	3,682

relevant government agencies to ensure that vendors classified as manpower services providers are legitimate independent contractors and in good standing with the Social Security System, Pag-IBIG Fund, and PhilHealth in payments and contributions.

We conduct an annual performance evaluation of suppliers and vendors for quality assurance, regulatory compliance, risk, cost, and relationship management. To maintain healthy relationships with suppliers, we ensure payments for delivered goods and services are promptly settled.

We prioritize working with local suppliers. We prefer to deal with local resellers or local offices of multinationals. However, in 2023, we have recorded an increased spending on international suppliers driven by highly specialized requirements in the development and maintenance of major systems. While the ratio of our local procurement spending decreased, value of spending has grown by 35% year-on-year.

We continue sourcing a new Procurement and Vendor Management System in the

medium term to provide better analytics and insights into our spending, enabling us to apply third-party risk management on our procurement process.

#### MARKETING AND LABELING

Metrobank empowers customers through transparency in our financial products and services. By aligning with regulations from the Bangko Sentral ng Pilipinas (BSP), the Philippine Deposit Insurance Corporation (PDIC), the Securities and Exchange Commission (SEC), the Department of Trade and Industry (DTI), BancNet, and other agencies, we ensure that our clients have the necessary information to make smart decisions. Our marketing approach is straightforward and honest, avoiding misleading content and prioritizing clarity and comprehension in all promotional and branding materials.

Our commitment to marketing accuracy extends across all media, complying with standards set by the BSP, the Ad Standards Council (ASC), PDIC, SEC, Intellectual Property Office (IPO), DTI, and more. In 2023, we maintained a record free of

any incidents of non-compliance in product, service information, and marketing communications, avoiding any fines or warnings.

#### CONSUMER FINANCIAL PROTECTION

We are guided by the consumer protection standards of the BSP and our Consumer Protection Policy Manual (CPPM). In 2023, a total of 13,681 employees, representing 96.6% of our workforce, completed the e-learning module on our customer protection policy.

Through the Fight Fraud Program, we are able to raise awareness among Filipino consumers on ways to avoid falling prey to scams and other security issues to protect their funds. We continue to be vigilant against incidents of fraud, aligned with our goal to safeguard our reputation and build trust in our institution. To prevent the occurrence of fraud, our Fraud Management Division utilizes several tools for fraud analysis, prevention, and mitigation. We continued to ramp up our education drive to keep our customers and the public informed of the latest trends and frequent fraud schemes.

We also directly engage our clients through the following channels in addition to conducting webinars and sending our SMS and email alerts on fraud awareness and prevention: Through the efforts of the bank to spread awareness to our clients, the team was able to reduce Gross Fraud Loss by 35% in basis points at end of 2023.

#### Digital Channels

- Posting always-on fraud awareness content on Metrobank’s Facebook and Instagram accounts
- Regular uploading of fraud articles on Metrobank’s website (<https://www.metrobank.com.ph/learn/fight-fraud>)
- Partnering with industry experts like those from the media to create fraud awareness content that will reach more audiences (press releases, advertorials, video content)
- Frequent fraud advisory reminders sent to clients via SMS and email

#### Mainstream Media

- Frequent publishing of fraud advisory ad materials on major broadsheets
- Email Security Zone
- Utilizing the Email Security Zone feature in our electronic direct mail marketing communications

#### Scam Proof Platform

- To create a safer online environment for all, we, along with our subsidiary PSBank, and other banks and companies across industries, launched the Scam Proof platform to educate Filipinos about the dangers of financial fraud and how to prevent it.

We also equip our employees with the right knowledge to raise fraud awareness among our clients and their loved ones. We regularly post fraud awareness tips, advisories and webinar materials on our

Facebook Workplace page and conduct quarterly implementation of e-learning courses for all employees.

#### CUSTOMER COMPLAINTS MANAGEMENT

In 2023, Metrobank undertook comprehensive measures to address customer complaints, improve their experience, and enhance their understanding of financial products and services. The top complaints included issues with Instapay, cash dispensing errors at ATMs, and problems related to the bank’s mobile app and credit card deliveries. Our approach to handling these complaints involved improvements in first-call resolution, fraud notification turnaround times, and client communication regarding the status of their complaints. The bank’s Customer Incident Management System (CIMS) and iFRIEND system for credit card complaints played crucial roles in logging, investigating, and resolving complaints efficiently. We took specific actions to address each type of complaint, ranging from checking ATM journals for cash dispensing issues to coordinating with other banks for Instapay transfers and handling credit card disputes per Visa and Mastercard guidelines. The resolution processes were designed to be swift and effective, with most issues being resolved within two banking days, while more complex e-fraud complaints took up to 18 banking days.

For the past two years, we have maintained a complaints to total transactions ratio of 0.0003%

To improve customer experience, we introduced several initiatives, such as chatbot services for FX inquiries, waived fees for small transactions, and new Metrobank Online App features, including QR code availability and cardless withdrawal. We provided credit card customers with enhanced services, including a mobile app for account management, SMS confirmations for transactions, and dedicated customer service channels. Furthermore, the bank emphasized client education to ensure customers were well-informed about our financial products and services. This was achieved through various channels, including in-app advisories, anti-fraud campaigns, and clear communication of terms and conditions. We also carefully crafted the bank’s marketing materials to avoid misleading statements.

To ensure customer satisfaction, the bank focused on improving its recourse processes and keeping customers informed about the status of their concerns, especially for cases requiring longer resolution times. This comprehensive strategy aimed to resolve complaints and prevent future issues, thereby fostering a positive banking experience for all customers.



**INFORMATION SECURITY,  
SYSTEM AVAILABILITY AND  
DIGITAL SECURITY**

To continue earning our customers’ trust and patronage, we protect our information and information systems from unauthorized access, use, disclosure, modification, recording, disruption, and destruction across our operations.

**Privacy Protection**

We prioritize customer privacy as a key component of our customer protection strategy. We diligently safeguard personal information in line with the Data Privacy Act of 2012. Our Privacy Policy ensures adherence to data privacy and protection standards, focusing on the responsible management and security of customer data. As such, we ensure customers are well-informed about the handling of their personal data and their rights under the law.

Our Privacy Policy outlines the protection measures for personal data, data collection types, usage, stakeholders’ rights, and data retention periods according to relevant laws. It also advises on personal data protection and contact information for privacy concerns. We have complied with the registration requirements provided in the Data Privacy Act (DPA) of 2012 and its Implementing Rules and Regulations (IRR) through the National Privacy

Commission Registration System (NPCRS). With the NPC Seal of Registration, our clients and partners are assured that Metrobank has completed the first level of DPA compliance. Our entire Privacy Policy is available on our website.

The Data Privacy Department oversees all privacy-related matters, addressing concerns from both internal and external stakeholders through various communication channels.

**Customer Privacy**

In our routine business operations, we collect personal data from customers to confirm, authenticate, and refresh our records, applying this information to necessary bank transactions. Our robust IT infrastructure, with strict protocols, a secure database, and regularly reviewed procedures, underpins our commitment to personal data confidentiality, security, accuracy, and integrity. This ensures the safe and private handling of customers’ financial transactions and associated personal information.

**Data Security**

We strictly maintain the confidentiality of customer information in financial transactions and any personal data shared during these interactions. All customer-related information, including details about accounts,

transactions, and dealings with the bank, is handled with the highest level of confidentiality.

Our process encompasses identifying and collecting various information types, the purpose of collection, sourcing methods from customers, the bank’s IT security infrastructure, and disclosure protocols internally and to third parties when necessary.

We continuously review and update our Information Security Program to keep pace with changes in banking and technology, ensuring compliance with information security and data privacy laws and regulations. We have had no data breaches reported to the National Privacy Commission.

**Milestones in Data Privacy  
Awareness and Compliance**

Metrobank has made significant strides in data privacy awareness and compliance, as evidenced by the following achievements:

- Performed Privacy Impact Assessments (PIA) across selected branches nationwide, identifying 45 banking activities and involving 335 processes for handling client, employee, and customer data. PIAs were also completed for two business divisions and six departments.
- Organized the 3rd Data Protection Officers (DPO) Summit on May 5, 2023,

attended by DPOs and data privacy teams from the Metrobank Group. The discussions focused on NPC Circular 22-004 regarding the renewal and registration of data processing systems and the responsibilities of Personal Information Controllers (PICs) in agreements with third-party service providers. This event, which began in 2022, aims to

unify approaches and share best practices in information dissemination, conducting PIAs, notifications and reports to the NPC, and fostering business collaborations.

- Conducted Data Privacy Orientation for Branch Operations Officers and Subject Matter Experts (SMEs) through the Officers Development Programs.



Environment

Metrobank understands the urgency of mitigating the effects of climate change. As a major financial organization with nationwide operations, Metrobank contributes to environmental protection and conservation by working to lessen our footprint year on year, and by investing and aligning ourselves with ecologically-responsible customers, suppliers, and business partners.

We embrace a collaborative strategy by partnering with government and industry peers.

Ultimately, our goal is to weave environmental stewardship into the fabric of our operations, aligning with national and global efforts toward a more resilient banking industry.

OPERATIONAL ECO-EFFICIENCY (ENERGY, WATER, WASTE AND GHG)

We are dedicated to reducing our carbon footprint by implementing energy conservation policies and initiatives. Our proactive approach not only minimizes our environmental impact but also aligns with government initiatives aimed at addressing global warming and bolstering disaster resilience. Furthermore, we prioritize the development and promotion of environmentally friendly products that contribute to a healthier planet. In 2023, we have revisited our existing contracts, identified opportunities within our operations to transition to renewable energy where feasible, and engaged potential providers.

Our retail arm, PSBank, has made significant progress in reducing its carbon footprint through circularity in operations, renewable energy adoption, and materials management. By implementing a screening process for asset disposal, PSBank repurposed 68

office items, saving P1.5 million in acquisitions and reducing non-hazardous waste. Additionally, employee engagement contributed to recycling efforts. The bank achieved 100% renewable energy for its Head Office since March 2022 and partially extended this to a Los Baños branch, reducing energy costs. Digitization efforts have also substantially decreased paper usage through the Green PIN initiative and electronic statements, resulting in savings in materials and physical delivery trips.

Use of Energy, Water and Materials

At the core of our sustainability strategy lies a commitment to reducing our environmental footprint, a vital step in ensuring the long-term viability of our business. This commitment involves a comprehensive approach to managing energy, water, and material usage. In 2023, we accomplished 100% replacement lighting fixtures to LED for six corporate centers, 56% progress for branches, 100% progress for branches, 100%

transition to inverter-type air conditioning units in four centers, and 100% installation of motion sensor as part of energy efficiency efforts in all corporate centers.

We aim to continuously evolve our policies, embrace new technologies, and execute more impactful sustainability projects to improve our sustainability performance.

Fuel Consumption

We closely track the fuel consumption of our service vehicles and standby power generators across corporate centers based on purchases for the year.

With the growing need to support onsite engagements of our expanding workforce, centers' reported fuel consumption increased by 7.8% in 2023. We also expanded fuel monitoring to include major centers in the provinces, increasing our generator set consumption

We are on our second year monitoring fuel use of branch network. In 2023, the fuel consumption of 95.0% of our domestic branches was at 53,545.9 liters. We plan to improve our data collection further with the emissions baselining project commencing in 2024.

Power Consumption

In 2023, we continued to track power usage across our corporate centers and domestic branches. Our total power consumption reached 55,739.7 megawatts per hour (MWh), remaining relatively flat compared to 2022's 55,601.8 MWh.

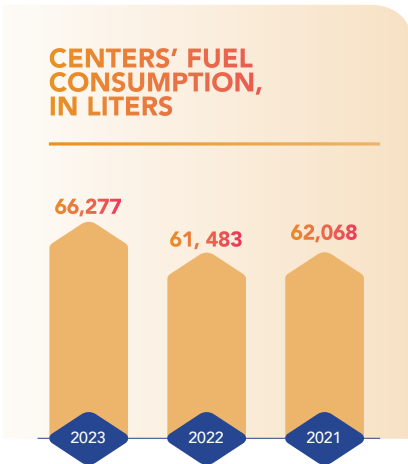
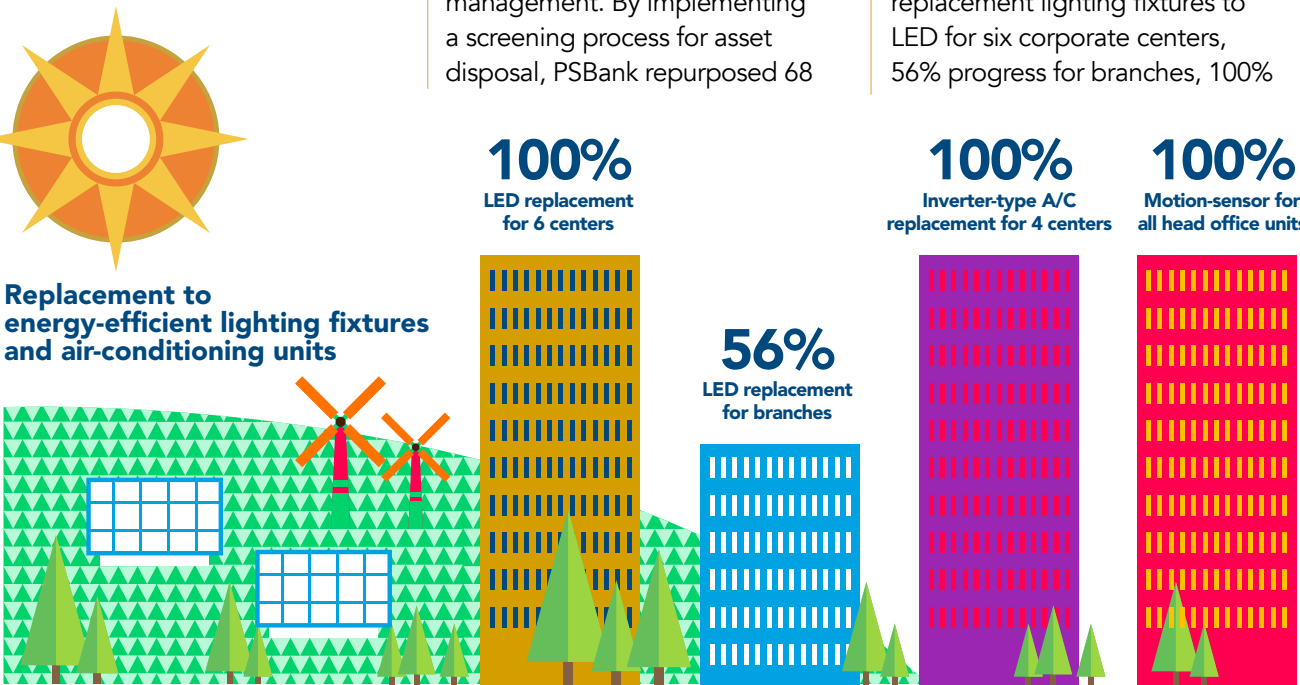
Breaking down our 2023 power usage, we determined that domestic branches were responsible for 71% of the total, with corporate centers contributing 29%. We're committed to further enhancing our data collection and management to accurately track power consumption across all locations.

Workplace Practices on Energy Efficiency

- Turn off computers after work.
- Turn off computer screens when not in use. Screens account for 10% of the total energy consumed even on standby mode.
- Switch off printers at the end of the workday. Printers consume energy even on standby mode.



- Turn off lights that are not in use (e.g., in conference rooms after meetings, after office hours).
- Take advantage of natural daylight. Turn off or dim lights when adequate sunlight is available to illuminate interior space.



Power Consumption in MWh			
	2023	2022	2021
Centers	15,962	16,240	17,473
Branches	39,777	39,361	29,027



# DAANIN SA KAPLASTIKAN: TRANSFORMING PLASTIC WASTE INTO ENVIRONMENTAL ACTION



In Tagalog, the term “kaplastikan” typically connotes insincere relations or intentions. But in the offices of Metrobank, the word hums with a different vibe. Here, ‘Daanin sa Kaplastikan’ isn’t just a clever play on words; it’s a mantra for change, a testament to the transformative power of reimagining a negative situation into a chance to do good.

This campaign, initiated by Gina L. Viay, Head of Risk Management Group’s Business Continuity Department (BCD) as part of Purple Hearts Club ALAY RSK Chapter’s planned environmental project aims to reduce plastic waste and promote sustainability and environmental consciousness among Risk employees by collecting donated PET bottles and turning them into alternative concrete for building sidewalks.

The initiative yielded impressive results, accumulating 87.75 kilograms of donated plastic waste-filling a total of 31 bags, with Credit Risk Division (CRD) as the leading contributor. This

achievement underscores the power of collective action in addressing environmental challenges.

Behind the project’s success was the dedicated effort of Gina and her colleagues at Business Resilience and Risk Management Division, composed of Anton Limlengco, Alec Pocamas, Ryann Licuanan, Izza Tan, Cha Avila, Mabel Encila, headed by Mike Naval. The team, in charge of planning the Group’s Christmas party, employed various strategies, including launching the campaign through the RSK Christmas Party Contest on National Environmental Awareness Month, providing clear objectives and goals, and emphasizing the broader environmental impact of their actions. By tapping into their sense of responsibility towards the environment and future generations, they motivated the entire Risk Management Group to participate actively in the initiative.

Gina’s discovery of upcycling sprouted from the fertile grounds of her household. “We separate every waste

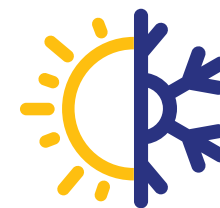
item, especially plastics, which can be brought to the junk shops so they can be recycled or reused for another purpose,” Gina shares. Her interest in sustainable waste management and the UN SDGs can be traced back to conversations with her husband, Willy Viay, who leads projects on alternative building materials, like crushed PET bottles, as partial substitute for sand in concrete composites. “Our daughter, Danna Viay, who is also a Metrobanker, also donates plastic to another sustainability project – The Plastic Flamingo,” Gina reveals. The Viay household exemplifies a mini-ecosystem of sustainability, proving that unified action, no matter how seemingly small, is enough to spark significant change.

Looking ahead, Gina envisions “Daanin sa Kaplastikan” as a bank-wide initiative. With dedication and concerted effort, Gina believes Metrobank can set an example for other organizations in promoting sustainable practices and environmental stewardship.

“Daanin sa Kaplastikan” exemplifies the power of individual initiative and collective action in addressing pressing environmental issues. With sincerity and care, Metrobank and its employees prove that even the smallest actions can lead to significant change.



- Reduce the operating hours of appliances and equipment (e.g., turn off air conditioning units in the lobby or teller’s area after banking hours).
- Regularly request maintenance or cleaning of appliances and equipment (e.g., A/C unit) from the General Services Group (GSG) via the IT Service Portal.

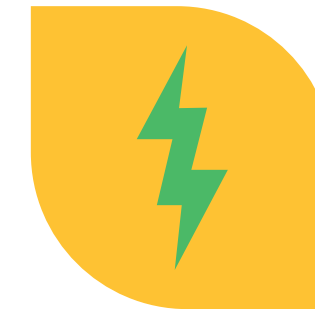


- Immediately report malfunctioning or leaking faucets, drinking fountains, etc., for repair to GSG via the IT Service Portal.
- Installation of motion sensors and energy monitoring devices across the facility



## Metro Clean Energy Feeder Fund

With the Metro Clean Energy Equity Feeder Fund, Metrobank offers clients the opportunity to optimize their earning potential while supporting the shift from fossil fuel to clean energy. This unit investment trust fund invests in the BlackRock Global



## METRO CLEAN ENERGY EQUITY FEEDER FUND

Funds (BGF) Sustainable Energy Fund - Class D2 (USD), which places at least 70% of its total assets in the equity securities of global sustainable companies including renewable energy technology, renewable energy developers, alternative fuels, energy efficiency, enabling energy, and infrastructure.

With the Metro Clean Energy Equity Feeder Fund, it is more affordable and accessible for Philippine clients to diversify their peso funds into these dollar-denominated assets. This approach simplifies access to a complex emerging market, allowing local investors to support environmentally responsible global energy companies while aiming for profit under the guidance of professional fund managers. It’s an investment that promises both financial gains and a positive impact on the climate crisis.

## GHG Emissions

Our resource management strategy is focused on reducing greenhouse gas (GHG) emissions to mitigate environmental harm. We regularly

maintain our bank vehicles and generator sets to ensure they are in optimal condition, and conduct routine oil changes for vehicles and emission testing for generators. We are committed to developing new policies, embracing innovative technologies, and conducting research and feasibility studies on effective carbon reduction methods to enhance our performance further.

## Measuring Our Carbon Footprint

We measure our carbon footprint using the GHG Protocol, the main global standard for calculating GHG emissions for both public and private sectors. Adopting the financial control approach, we accounted for 100% of emissions from our operations, using global and national emission factors related to fuel and power use. In 2023, our emissions totaled 40,290 tonnes of CO<sub>2</sub>e, a slight increase from 40,087 tonnes in 2022. Notably, 99.6% of these emissions came from power consumption (Scope 2). We’re committed to monitoring our fuel and power usage and implementing energy conservation projects to manage our carbon footprint effectively. Additionally, we’re establishing a stable baseline for resource consumption across our corporate centers and domestic branches. Metrobank seeks to initiate establishing its Scope 3 emissions inventory aligned to international standards and local protocols to support the bank’s climate risk assessments.



# METROBANK'S GREEN GUARDIAN: NIKKI ELAINE D. AMBULO



Nikki Elaine D. Ambulo, a team leader in our Commercial Banking Group, is making waves with her practical and impactful method of minimizing waste. Nikki has taken on the challenge of single-use plastics, a prevalent issue in our throwaway culture today. She collects various disposable items, including plastic bottles, utensils, and cleaning product containers, and donates them to The Plastic Flamingo, also known as The Plaf, a social enterprise that converts donated plastic waste into building materials for community projects, such as schools, housing, and household items, embodying the principles of a circular economy perfectly. Although Nikki has been conscious of single-use plastics since 2015, her interest took a turn in 2020 at the height of the pandemic lockdown when food deliveries and other necessities



were the norm. “When I noticed that we have already accumulated a lot of food containers and plastic utensils, I decided to look for organizations that accept plastics to put it to good use,” Nikki shares.

Her search led her to look for companies that would not only recycle plastic waste but could also repurpose it into new, functional forms. Since August 2021, Nikki has been a regular contributor to The Plaf, dropping off over 100 kilos of plastic waste at various The Plaf locations around Metro Manila.

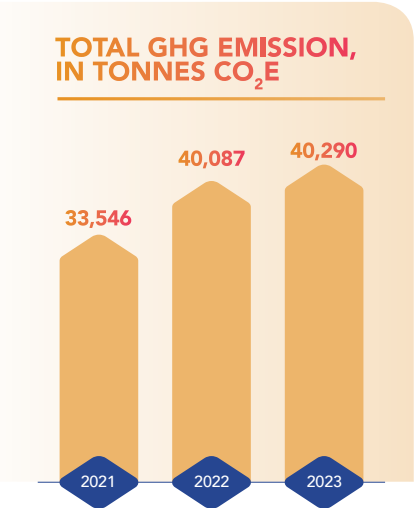
Her efforts did not end there. Soon, she began actively encouraging her friends and colleagues to participate, sharing information about how The Plaf promotes sustainable waste management practices. Nikki is optimistic about the future of upcycling at Metrobank.

UN SDG 12 calls for responsible consumption and production at every level of the socio-economic chain. With Metrobank, Nikki demonstrates that everyone can lead and participate in a circular economy. When asked if this initiative is something that could be adopted across Metrobank, Nikki says, “Yes, I think this can be adopted bankwide. We have already implemented this within Combank in The Shops by adding a recycling bin in the pantry, and many of our employees have willingly joined the initiative. Hopefully, we can encourage more and more people to participate.”

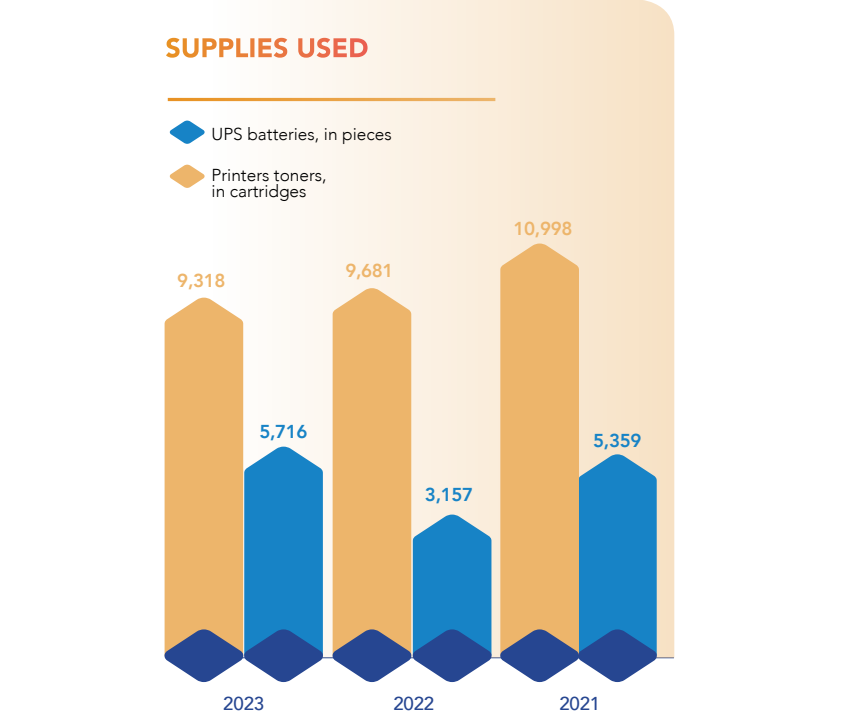
Nikki’s advocacy is a testament to the idea that we must become the change we seek in this world, a reminder that individual initiative, coupled with affirmative community relations, can genuinely make an impact.

**Water Consumption**  
We continue to track our water consumption across branches and corporate centers and plan to improve on our data collection following the 2023 emissions inventory.

**Waste Disposal**  
Effective waste management is crucial to our environmental strategy and operational efficiency. Improper disposal poses environmental, legal, and reputational risks, we closely track waste generation, expanding our monitoring in 2023 to include nationwide branches. This year, we produced 299.4 tonnes of solid waste, with 109.5 tonnes from corporate centers. We also recorded and 14.7 tonnes



Waste GeneratedCenters'			
	2023	2022	2021
Solid waste, in tonnes	110	31	26
Hazardous waste, in tonnes	38	8	5



of hazardous waste from ink cartridges, fluorescent tubes, and generator set oil. This is the first year we have expanded the scope of our waste data collection aligned with DENR's Self Monitoring Report with the hope of improving our Solid Waste Management Program, which focuses on recycling and waste reduction. This includes designated bins for hazardous waste in compliance with DENR regulations.

We have also adopted paperless transactions and paper reuse in printing. Our waste reduction

initiatives encourage employees to use email instead of printing, print only when necessary, reuse paper, store digital copies of documents, and reserve official stationery for work-related use, among other reminders.

**Environmental Compliance**  
We have low tolerance for risks arising from environmental violations leading to regulatory fines. Thus, we ensure that we adhere to all applicable environmental laws, including appointing DENR-Pollution Control Officers to our corporate centers and branches. In 2023, we have closely monitored and resolved 20 minor infractions through enhanced operational risk management.



Social

We are committed to enriching the social fabric of our communities. Through strategic partnerships, comprehensive programs on workforce empowerment, and a resolute commitment to corporate social responsibility, we aim to demonstrate how financial institutions can be powerful catalysts for social good.

The year 2023 marks another milestone in Metrobank’s journey of empowering our employees and communities. The bank’s dedication to diversity, inclusion, and employee well-being is exemplified through our various training and development programs for the year. In CSR and Philanthropy, the Bank has actively championed causes in health, education, arts, and livelihood through grants to organizations in partnership with government agencies and social development partnerships.

In all the work that we do, we ensure that universal human rights are protected and promoted. We enjoin our counterparties to work towards aligning with the Bank’s commitment on preventing forced labor, child labor, and discrimination of any kind. The Bank also protects the freedom of assembly and collective bargaining of its employees. Furthermore, it works to protect the privacy and rights of its customers

Workforce Diversity

We value diversity in our workforce, recognizing it as a cornerstone of organizational strength. By bringing together individuals from various backgrounds, we create a rich tapestry of perspectives and skills that enhances our ability to meet the needs of an equally diverse customer base.

Our focus on diversity is not only about representation; it’s about harnessing the unique contributions of each employee to foster a collaborative and inclusive environment. In doing so, we amplify productivity and reinforce Metrobank’s commitment to being a progressive, forward-thinking institution in today’s dynamic financial landscape.



Women in the Workplace

Promoting gender diversity and professional growth is integral to our sustainability initiatives. The Metrobank EmpowHER campaign, launched during National Women’s Month, establishes a platform for female leaders to share success stories, inspire colleagues, and foster a culture of equality. Emphasizing achievements, it creates a supportive women’s network and provides educational resources for Metrobankers to understand and support women in their lives.

In the latest MetroVoice Employee Engagement Survey, we have learned from female Metrobankers that:

- 99% are proud to be part of the company
- 98% understand how their work contributes to the achievement of the Bank’s goals and objectives,
- 94% feel that their job makes good use of their skills and abilities, and
- 95% believe that the organization’s values guide them on a day to day basis.

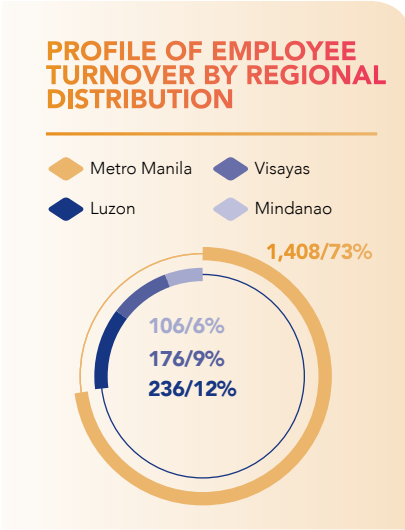
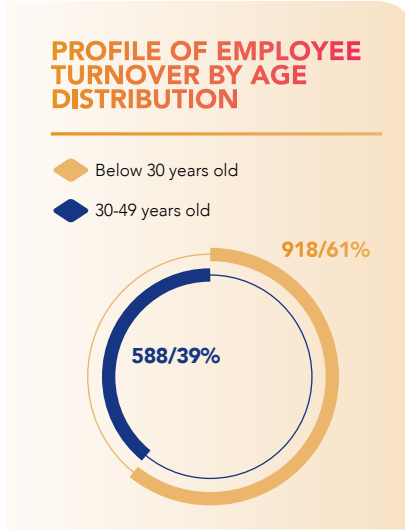
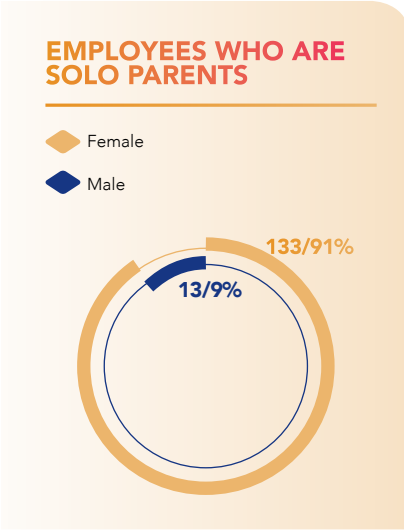


The EmpowHER campaign features impactful initiatives like the like the Breakthrough of Women Leaders, Purple Table Podcast, Webinar: HEroes supporting SHEroes with Maxicare, and the W.E. S.H.O.U.T. CSR program. Breakthrough highlighted 16 female leaders, fostering a network for leadership through MB Connect. The Purple Table Podcast showcased insights from three3 leaders on MB Connect. The Webinar educated Metrobankers on supporting women, and W.E. S.H.O.U.T. provided free surgeries for underprivileged indigent patients, reflecting Metrobank’s Metrobank’s holistic approach to empowering women at work.

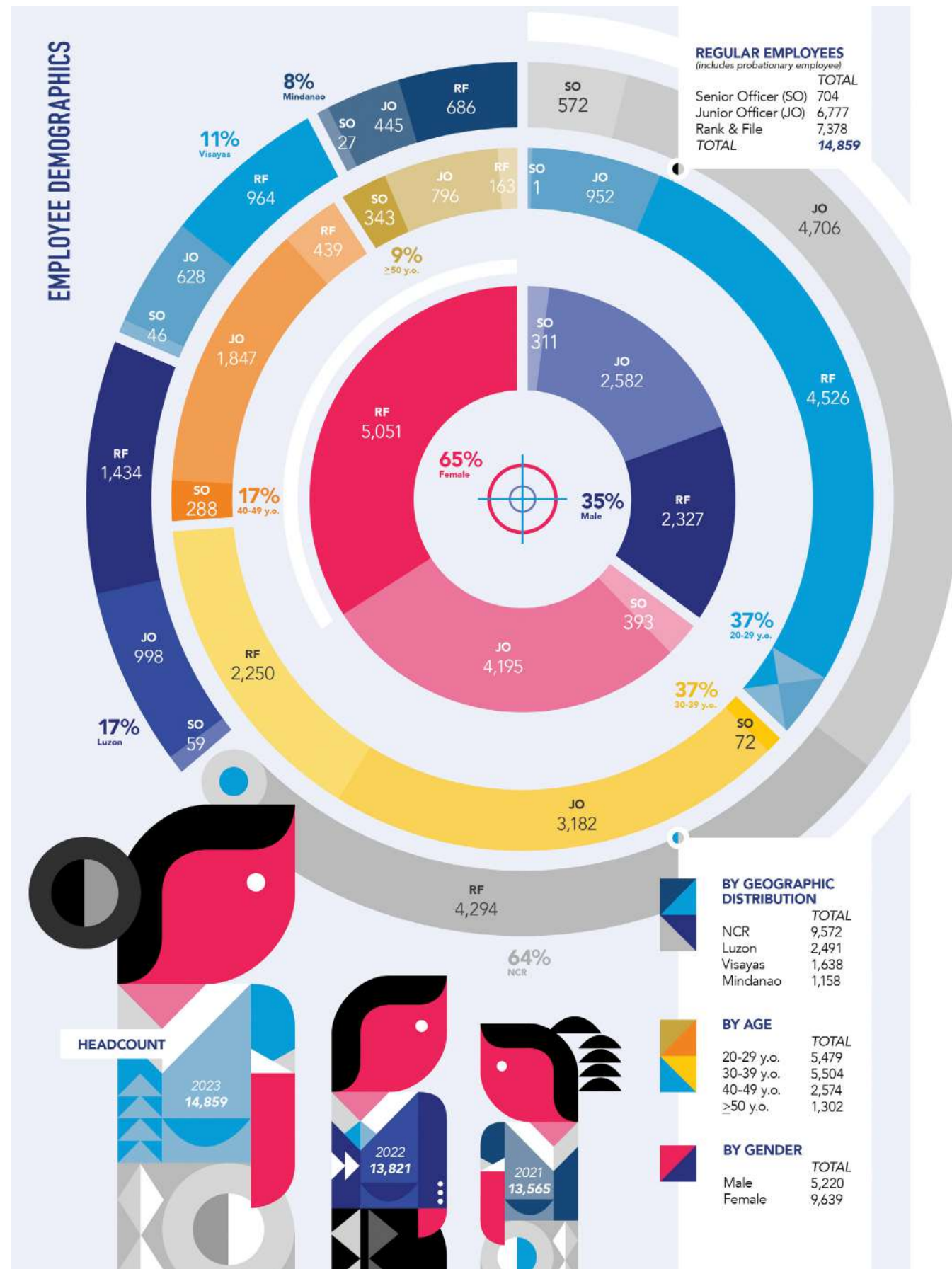
In 2023, 80% of Metrobankers were reached by campaign-related posts, and 77% actively participated in the Women’s Women’s Month webinar. Workplace engagement, including posts, likes, and hashtag use, was



a key indicator of success. The W.E. S.H.O.U.T. CSR initiative in 2023 raised P340,000, enabling 20 disadvantaged patients to undergo surgeries for the removal of uterine and ovarian tumors.







## Talent Attraction and Retention

Our people are our greatest asset, and their growth and satisfaction drive our success. In 2023, our focus on attracting the right mix of talents and maintaining an inspiring work culture for our current employees remained steadfast.

## Compensation and Benefits

We offer competitive salaries and benefits higher than the minimum local labor requirement. Aside from all the government-mandated benefits, Metrobank provides the following perks to all our permanent employees:

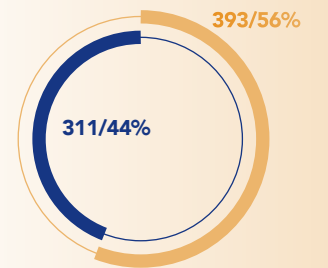
- Health benefits on top of PhilHealth
- 14th- and 15th-month pay
- Car plan or bank-assigned car service
- Financial assistance with low interest rates
- Clothing allowance
- Medical allowance
- Group Life Insurance Coverage
- Loyalty bonus
- Educational assistance to support continuing development
- Vacation leave benefits superior than Service Incentive Leave
- Maternity allowance on top of maternity leave
- Sick leave on top of SSS sickness benefit

We also have company policies for employees who wish to avail of the following benefits:

- Employee Medical and Dental Benefits
- Loan Privileges
- Allowances
- Educational Assistance Programs
- Retirement Plan
- Leave Privileges

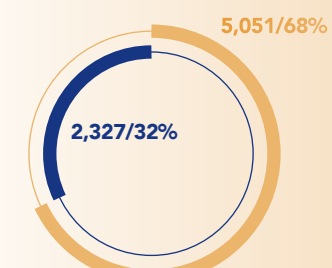
## AMONG OUR SENIORS OFFICERS

- ◆ Total no. of women
- ◆ Total no. of men



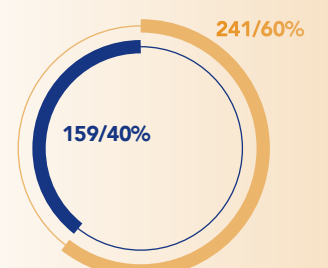
## AMONG RANK-AND-FILE EMPLOYEES

- ◆ Total no. of women
- ◆ Total no. of men



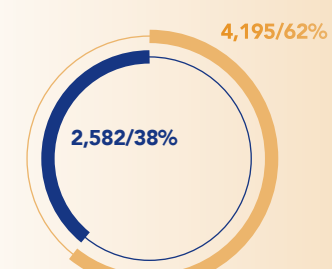
## IN MANAGEMENT POSITIONS FOR REVENUE-GENERATING BUSINESS UNITS

- ◆ Total no. of women
- ◆ Total no. of men



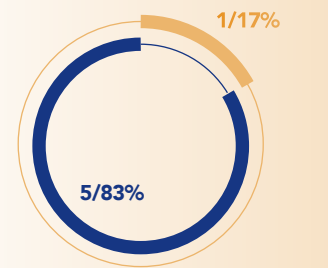
## AMONG OUR JUNIOR OFFICERS

- ◆ Total no. of women
- ◆ Total no. of men



## IN TOP-MANAGEMENT POSITIONS

- ◆ Total no. of women
- ◆ Total no. of men



Talent Acquisition

Metrobank promotes a vibrant, inclusive workplace by attracting and retaining top talent who inspire innovation and excellence. We invest in talent development, enhancing organizational capacity, and refining recruitment processes to facilitate employee career growth and advancement.

One of our key initiatives is the implementation of Strengthened Sourcing initiatives. This enables us to pinpoint and engage high-caliber candidates who resonate with our values and strategic objectives. We actively enrich our workforce with new perspectives and specialized

Compensation and Benefits 2023	
Ratio of entry-level wage to local minimum wage	125%
Base-entry-level salary of male and female employees	EQUAL
Male retention rate	95%
Return rate of employees who availed of maternity or paternity leave	100%
Rate of employees who availed of maternity benefits and were still employed 12 months after	94%

expertise through strategic sourcing and collaborations with educational and industry partners. Simultaneously, we focus on enhancing organizational capacity by providing customized training, mentorship, and leadership development programs. These initiatives empower our professionals to expand their skills and pursue advancement opportunities within Metrobank.

Moreover, our commitment to transparency and support manifests in streamlined internal recruitment processes, fostering seamless transitions and avenues for career advancement. organization. We empower our employees to pursue their aspirations within our organization through optimized workflows, enhanced communication channels, and clear pathways for internal mobility. Furthermore, we value employee feedback in shaping our talent strategies. We leverage platforms such as the Employee Feedback portal and dedicated engagement sessions to solicit insights, address concerns, and continuous improvement.

As evidenced by our accomplishments in 2023, with 2,966 new hires and a 20% job offer acceptance rate, our steadfast commitment to nurturing talent continues to yield tangible results, propelling Metrobank towards sustained growth and success.

Employee Engagement

We actively engage and motivate our employees by responding to their needs and providing multiple channels for open communication. These include regular check-ins with supervisors, HR Business Partner discussions, the HR Helpdesk on Facebook Workplace, annual performance reviews, town halls, sector meetings, conventions, and our Purple Hearts Club for employee volunteerism.

Each business unit also holds town hall meetings and performance discussions, allowing employees to give direct feedback and suggestions on their work experience. Additionally, all staff can access the Employee Feedback portal on our Insight Online channel, where our Business Systems Division addresses queries and concerns. Business units also participates in workshops to identify pertinent programs and projects aligned with their areas of focus and strength.

In July 2023, Metrobank conducted its bankwide employee engagement survey, Metrovoice administered by Willis Towers Watson. This comprehensive survey, conducted biennially, provides a platform for Metrobankers to anonymously express their sentiments regarding their experiences within the organization. The survey revealed a 92% sustainability engagement

score, affirming the remarkable engagement and motivation levels of 99% of participating Metrobankers.

Furthermore, six Labor-Management Committee (LMC) meetings were held between Management and the Union, serving as crucial forums for communication, strategy dissemination, and addressing work-related concerns raised by the Union. The frequency of these meetings not only fostered open dialogue but also solidified the collaborative commitment of both parties towards the welfare and prosperity of Metrobank employees. Metrobank remains dedicated to sustaining and enhancing employee engagement as we move forward, recognizing it as a cornerstone of our organizational strength and success.

Training and Development

Enhancing our organizational capability is key to meeting the needs of our stakeholders. In this area, we focus on developing our employees' skills by providing tailored learning solutions at the right time, aligned with our business goals. In 2023, we concentrated on three key areas of talent development:

Foundational Capabilities:

We offer courses on essential knowledge areas like core values and regulatory policies, including officer development programs. Topics covered include communication skills, continuous improvement, and industry compliance.

Functional Capabilities:

We specialize in training for roles like treasury and IT, with in-house programs for relationship managers and traders and external training for data analytics and information security. This also includes learning from internal experts and strengthening our cybersecurity.

Leadership Capabilities:

We focus on developing Leadership Behaviors on Intellectual Capacity, Interpersonal Skills, and Intensity in our leaders. Initiatives include LinkedIn Learning for People Managers, Executive Coaching for high potential, and localized mentoring circles to share best practices.

We partner with external e-learning providers to enhance the delivery and engagement of our training. The effectiveness of these programs is evaluated through assessments, on-the-job observations, and feedback, focusing on the training's relevance, the speaker's effectiveness, and the quality of learning facilities.



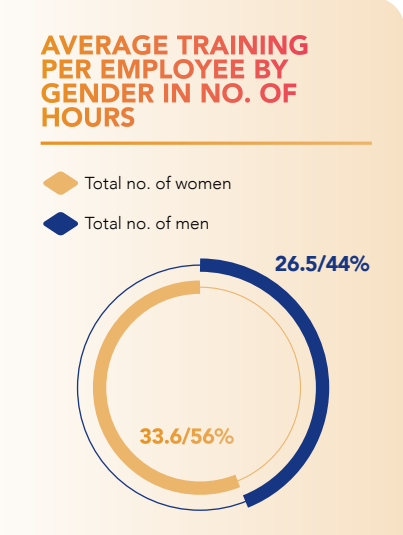
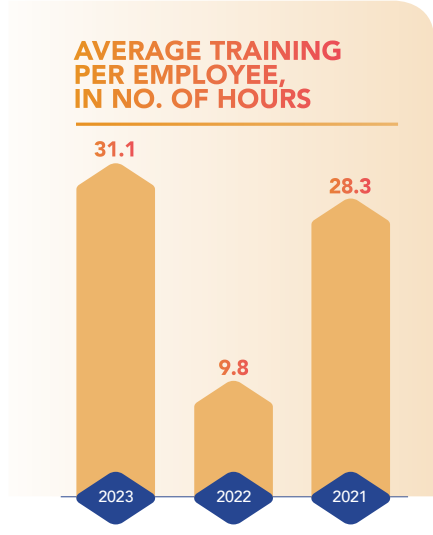
Average Training per employee			
	2023	2022	2021
In no. of hours	31.1	9.8	28.3
	Male		Female
Gender	26.5		33.6
	Senior Officers	Junior Officers	Rank and File
By employee rank	15.4	26.1	37.3

The bank has also taken active steps in hastening the development of ready now successors for key roles through cross posting assignments and immersions to prepare them for the imminent retirement of incumbent leaders.

Our Leadership Potential Assessment evaluates leadership potential, focusing on crucial metrics, irrespective of personal backgrounds. This assessment aids in hiring, promoting, and developing leaders capable of advancing our organization.

Our succession program closely monitors talent career paths, ensuring our employees' full potential is realized for our shared long-term success. Key initiatives include a 360° tool for assessing successor readiness, cross-posting assignments for key roles, and a comprehensive development program involving both asynchronous and synchronous sessions, mentoring, and grooming junior leaders for future roles. We continuously monitor critical talent management metrics, including ready-now successors for vital positions, attrition of identified successors, and attrition of high-potential individuals, ensuring talent management remains a central focus in our decision-making process.

Employees Eligible for Performance Review			
By Gender	2023	2022	2021
Male permanent	4,636	4,333	4,597
Female permanent	8,549	8,071	8,564
By Age			
< 30 years old permanent	3,659	3,886	3,778
30-50 years old permanent	8,313	1,240	7,801
> 50 years old permanent	1,213	7,278	1,582
By Rank			
Sr. Officer	701	615	573
Jr. Officer	6,405	5,883	5,990
Rank & File	6,079	5,906	6,598
<b>TOTAL</b>	<b>13,185</b>	<b>12,404</b>	<b>13,161</b>



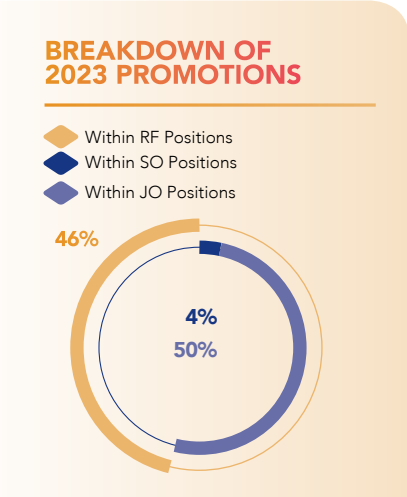
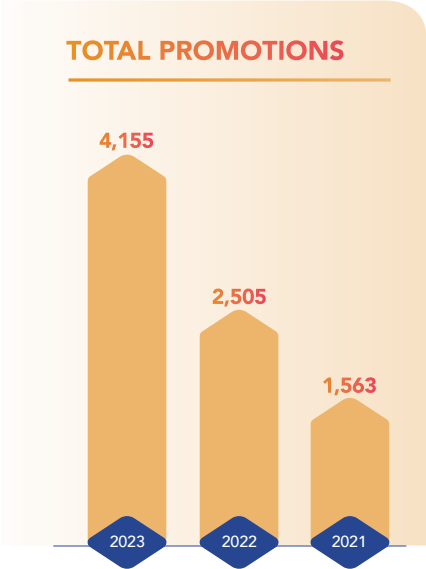
In 2023, we prioritized impactful learning and development initiatives, achieving key milestones: the continuous delivery of core goals, the successful relaunch of the Ascend Leadership Program, the transition of key programs to hybrid or face-to-face formats, and increased LinkedIn Learning engagement. We reached a 100% delivery rate for committed learning programs, with an impressive average participant rating of 4 out of 5. We used questionnaires, on-the-job observations, and informal feedback to gauge learning effectiveness.



We are exploring mandatory E&S learning modules for all employees and specialized courses for specific functions.

#### Career Development

We continue to identify and develop high-performing and high-potential talent through Talent Reviews. We also utilized our 360 tool to support readiness assessment of successors to ensure quality of next generation of leaders.





## MetrobankCARES Wellness Dimension



### PHYSICAL

Health and fitness endeavors, including proper nutrition, physical activity, and behaviors that support body health

### OCCUPATIONAL SAFETY & HEALTH

Ensuring a safe and healthful workplace by affording full protection against all hazards in the work environment

### FINANCIAL

Having the ability to manage budgetary commitments, meet financial goals, protect against risks, save for contingencies or future needs

### EMOTIONAL/MENTAL

Focuses on the ability to acknowledge and properly express feelings, including validating and managing emotions constructively.

### FAMILY

Prioritizing care for the family that includes healthy mental functioning, productive activities, and fulfilling relationships with one another.

### SOCIAL

Establishing beneficial connections with others and supporting harmony in these relationships

### SPIRITUAL

Developing a purpose in life, having the ability to spend reflective time alone, taking time to reflect on the meaning of events in life, and acting for the welfare of others.

## Occupational Health and Safety

At Metrobank, our dedication to occupational health and safety (OSH) is paramount, as we prioritize maintaining a secure and healthy environment for all stakeholders, including employees, clients, contractors, visitors, and the public. In 2023, we actively reinforced this commitment through the MetrobankCARES Program, Metrobank's health and wellness arm. This program upholds safety standards set by the Department of Labor and Employment (DOLE) and emergency and disaster preparedness protocols. Metrobank CARES takes a comprehensive approach, addressing physical, emotional/mental, social, spiritual, financial,

and occupational wellness, with three objectives: supporting employee well-being, enhancing productivity, and fostering a positive workplace experience.

Throughout the year, our efforts centered on empowering employees to take charge of their health through annual physical exams, executive check-ups, webinars, informative infographics, and health and wellness caravans across multiple Metrobank sites. Furthermore, we emphasized mental health and wellness, providing educational webinars on mental health, nutrition, and self-care, complemented by podcasts and online exercises. Programs like Mindful Moments and the MB Connect Reach Out

platform employees' emotional and psychological well-being. In 2023, our OSH programs received good participation from employees underscoring our commitment to ensuring a safe working environment. We maintained a record of 100% compliance with OSH regulatory requirements, coupled with diligent efforts to minimize reported work accidents and illnesses. Additionally, we provided comprehensive disaster and emergency management guidance, with our Workplace Safety Center vigilantly monitoring employee safety in real-time.

Meanwhile, our Health and Safety Committees remained vigilant in enforcing emergency protocols

and ensuring organizational compliance. Our holistic OSH management system encompasses compliance, emergency response, and employee wellness initiatives, fostering transparent communication among management, OSH personnel, and employees. With a steadfast commitment to achieving zero OSH incidents, we continuously strive to meet and exceed the Department of Labor and Employment's stringent requirements, emphasizing the importance of reportorial documentation, Hazard Identification, Risk Assessment and Control updates, regular training sessions, and emergency drills to address OSH matters effectively.

## Responsible Labor Practices

We prioritize responsible labor practices as they enhance productivity, reduce compliance costs, lower turnover, and improve reputation. Our practices align with our long-term goals and enable us to provide a welcoming, safe and inclusive work environment to our employees.

### Collective Bargaining

We support the right to freedom of association and collective bargaining. Our employee union, with 5,945 members (81% of our regular staff), is governed by a Collective Bargaining Agreement (CBA) for 2022-2024, concluded in 2021. Regular Labor-Management

Committee (LMC) meetings with the union foster harmonious relations and open communication, discussing labor standards and CBA implementation. In 2023, we held six LMC meetings.

### Human Rights and Non-Discrimination

Commitment to human rights and equality is core to our values. Metrobank respects and supports international covenants such as the Universal Declaration of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work.

In line with this, the bank shall not tolerate any form of forced or compulsory labor or child labor. We ensure equal treatment irrespective of race, gender, religion, or other protected characteristics.

Our Anti-Violence Against Women and their Children (VAWC) policy, aligning with Republic Act No. 9262, protects female employees from domestic abuse, offering up to 10 days of paid leave for related medical or legal needs.

We have also enforced an Anti-Sexual Harassment Policy since 2009, detailing unacceptable behaviors and their consequences and a process for handling complaints. Additionally, we have policies for HIV and AIDS Prevention, Mental Health, and Hepatitis B Workplace Control. In 2023, no discrimination incidents were reported.

Diseases/Principal Complaint	2021	2022	2023
Eye Diseases	61	66	110
Gastrointestinal Diseases	313	204	394
Genitourinary Illnesses	95	28	98
Head Illnesses	54	260	218
Heart And Blood Vessels **	363	373	228
Infectious Diseases	-	0	62
Mouth & Ent Diseases	537	1,050	410
Neuromuscular / Skeletal / Joints	135	0	372
Others***	60	0	695
Reproductive Illnesses	202	51	33
Respiratory Illnesses	137	35	631
Skin Diseases	196	209	244
<b>Total</b>	<b>2,153</b>	<b>2,276</b>	<b>3,495</b>

### Employee Well-being

Employee well-being is a cornerstone of Metrobank's organizational culture, underpinned by robust policies and initiatives to foster a safe, inclusive, and supportive workplace environment. The Bank's Code of Conduct is central to this commitment, complemented by the HR Policy - Anti-Sexual Harassment Control Standards, which collectively ensure a zero-tolerance approach to misconduct and harassment. Additionally, our Risk Incident Reporting process provides a channel for escalating OSH-related issues, enabling prompt resolution and continuous improvement in workplace safety. Within our Business Units, certified First Aiders and Safety Officers, part of the Health & Safety Committee, address and mitigate OSH-related concerns, prioritizing the health and safety of all employees.

Moreover, Metrobank advocates transparency and accountability through its Whistleblowing Policy, empowering employees to report misconduct without fear of reprisal. This is complemented by our Collective Bargaining Agreement, incorporating a Grievance Process Procedure to ensure fair and equitable resolution mechanisms for rank-and-file and management personnel. Anchored in our Code of Conduct, clear standards of behavior and consequences for non-compliance reinforce a culture of integrity and accountability throughout the organization. Our commitment to non-

discrimination extends beyond policies to proactive measures, including implementing diversity-promoting initiatives, comprehensive training, and ensuring equitable treatment for all employees, regardless of race, gender, or other protected characteristics. Similarly, our management approach to human rights prioritizes fostering a workplace environment that respects and upholds human rights, ensuring diversity, fair treatment, and equal opportunity for all employees.

Metrobank leads various initiatives, such as Health and Wellness Caravans for employee well-being, offering essential products and on-site wellness activities. Additionally, our webinars which cover topics from drug-free workplaces to mental health resilience, equips Metrobankers with tools to prioritize their physical and well-being. Furthermore, Metrobank is committed to nurturing future talent while upholding children's rights through our Student Internship Program. Aligned with the Commission on Higher Education (CHED) Memorandum Order (CMO) No. 104, our program ensures that student interns are at least 18 years old at the start of their internship period, with equitable compensation practices aligned with prevailing minimum wage rates set by DOLE in their assigned localities. This commitment underscores our dedication to fostering a workplace environment where everyone can thrive and contribute to our success.

## OUTSTANDING FILIPINO TEACHER: EDGAR R. DURANA



Recently honored with the 2023 Metrobank Outstanding Filipinos Award, Mr. Edgar R. Durana exemplifies passion beyond the call of duty as an exemplary educator for students with special needs. His innovative approaches in special education have broken down barriers, showcasing the profound impact of passionate teaching methods and enabling a more inclusive community for learning and integration.

Mr. Durana's journey as an educator started in high school when his teachers discovered his potential to become an educator. True enough, he heeded the call of teaching. Not only that, he also became a champion of a specialized field: teaching Persons with Disabilities (PWDs).

In 2004, his passion found him through a scholarship opportunity at the Philippine Normal University focused on studying how to nurture deaf kids.

This opportunity was not just a stepping stone but a gateway into a world of discovery in Special Education (SPED).

Nineteen years since receiving his scholarship, Mr. Durana is the creator of remarkable initiatives like "Project Be I.E. Ready," revolutionizing SPED by equipping teachers with the tools to embrace inclusive education through structured and research-based session guides.

The results of this program are impressive. Over 90% of participating teachers reported feeling more confident and equipped to overcome challenges. More importantly, students with disabilities experienced newfound motivation and confidence, with a notable increase in test scores and overall engagement. The school environment, too, became more inclusive, with students embracing diversity and supporting each other's learning journey.

Moreover, Mr. Durana's "SPED Income Generating Project" has been pivotal in promoting independence through entrepreneurship among learners with disabilities. Another project in collaboration with the Rizal Provincial Technical Education and Skills Development Center- Binangonan further bridges the gap between education and real-world application.

Today, Mr. Durana is recognized as a national and regional expert in SPED, serving as a consultant and resource person for various SPED programs and contributing to the nationwide implementation of inclusive education.

His life and accomplishments are just one of the ten remarkable stories of heroism that the Metrobank Foundation celebrated this year through our Outstanding Filipinos Award. His story echoes beyond the four walls of the classroom as testaments to the transformative power of dedicated educators in shaping a better world, in harmony with Metrobank's goals.



# NOURISHING OUR SHARED FUTURE: FOOD FOR THE HUNGRY PHILIPPINES



Despite advancements in technology and economic growth, disparities in access to basic needs continue to persist. This reality is evident in the Philippines where daily, 95 children succumb to malnutrition and one in three is stunted. Amid these challenges, Food for the Hungry Philippines (FHP), a Christian NGO committed to eradicating poverty, stands out as a pivotal force for change. With a legacy spanning five decades and operations in over 20 countries, FHP empowers vulnerable communities through comprehensive programs in food security, health, education, livelihood, and disaster risk reduction, directly supporting 13,000 children and their families in the Philippines.

In response to the country's healthcare challenges, Food for the Hungry Philippines (FHP) has initiated programs bridging the gap in nutrition and health. One good example is the Scaling Up Health and Nutrition Project, focusing on the nutritional needs and education of children and their families.

A collaboration between FHP and the Metrobank Foundation Inc. (MBFI), Scaling Up Health and Nutrition is a school-based supplemental feeding introduced in 2023 to 50 school children ages 6 to 12 from La Paz Central School in La Paz, Leyte identified as severely wasted, wasted, and underweight for age. This program is complemented with nutrition education for their parents and caregivers on proper feeding practices and dietary intake.

Crop management education was provided to volunteer parents to ensure continuous food supply from their home gardens. While addressing affordable access to food, parents also learned

to incorporate nutritious vegetables into the daily meals they cook for their families.

Eight months into the project, the project has already achieved substantial results. Community gardens bloom with nutritious produce like radish, pechay, alugbati, and kangkong, and stories of children with remarkable health improvement underscore the changes being made at the grassroots.

This collaboration exemplifies how strategic partnerships and community engagement can create solutions. The success seen in La Paz serves as a model for how integrated approaches to health and nutrition can catalyze lasting improvements in child well-being, the kind of partnership that MBFI champions and will continue to support.

## CORPORATE CITIZENSHIP AND PHILANTHROPY

The enduring legacy of our founder, the late Dr. George S.K. Ty, stands as a testament to the values of benevolence, assistance to others, and contribution to national advancement. Guided by his vision, we remain unwavering in advocating for social initiatives in critical areas such as education, peace and order, and the arts. These efforts reinforce our dedication to our nation's economic and social development. We recognize that our achievements are not solely measured financially but more so by the significant, positive impact we create in the communities we serve.

At the core of our Corporate Citizenship Strategy are the Metrobank Foundation and the Purple Hearts Club (PHC), which serve as vehicles for implementing our comprehensive community and social responsibility programs. The Metrobank Foundation, our corporate social responsibility (CSR) arm, aims to be the country's premier corporate philanthropic foundation, uplifting individuals and the sectors they represent. Guided by the values of "Excel, Engage, Empower" (3Es), we forge partnerships with various stakeholders to expand and sustain the impact of our CSR programs, providing links to communities and sectors that benefit from our social responsibility efforts.

Aligned with the UN Sustainable Development Goals, our Foundation is dedicated to transforming our aspirations into measurable outcomes within the next three years. We are focused on creating real social impact through key initiatives, including raising educational standards, fostering artistic development, and promoting thought leadership in Corporate Social Responsibility (CSR) through research and documentation. Our commitment to excellence is reflected in our core processes, which encompass recognizing and nurturing excellence, providing strategic grants, advocating CSR and social change, and building local and international partnerships.

To enhance our initiatives' effectiveness, we adopt a Results-Based Management Approach, monitoring progress monthly and performing annual analyses. Feedback through surveys, dialogues, and impact studies helps assess our programs' success and engage stakeholders, aligning with community needs and encouraging grassroots collaboration.

Community involvement is vital to our operations. We establish formal partnerships with government and non-government entities and work closely with Metrobank branches nationwide. These collaborations allow us to react quickly to disasters, open facilities, and offer volunteer opportunities.

“

We are focused on creating real social impact through key initiatives, including raising educational standards, fostering artistic development, and promoting thought leadership in Corporate Social Responsibility (CSR) through research and documentation.





METROBANK FOUNDATION’S  
KEY PROGRAM HIGHLIGHTS

Pillar	Program	Overview	Beneficiaries	
			2023	To Date
Health	Water, Sanitation, and Hygiene (WASH)	Financial assistance for the construction of handwashing facilities, toilets, and hygiene kits	4 elementary schools	
	Feeding & Nutrition	Distribution of food packs and long-term, multi-year feeding program	50 school children	
Education	Metrobank-MTAP-DepEd Match Challenge	Conducting nationwide math competition to help improve numeracy skills among the youth, participation of half a million students from public and private elementary and secondary schools all over the country	941 participants	
	Professional Chair Lectures	Strengthening key professions in the areas of law, health, public service, and governance. Distinguished officials become professional chairholders in the domains of public service and governance, law, liberty, and prosperity.	1 professional chairholder	92 professional chairholders
	National Teachers Month	Encouraging various sectors of society to pay tribute to the teaching profession in line with Presidential Proclamation No. 242 declaring September 5 to October 5 as National Teachers’ Month	• 93 partner organization • 437,266 participants	1,402 partner organizations
	Metrobank Scholarship program	Providing financial assistance to underprivileged but academically deserving students while instilling among scholars the value of ‘paying it forward’ for the gift of education they have received.	1,234 scholars	
	EDGE Teacher Training	An 8-week Structured Literacy Training for 100 public school educators in Metro Manila. Under this program, teachers will learn how to strengthen students’ skills in phonological awareness, fluency, vocabulary, comprehension, and writing.	100 public school teachers	
Arts	Support for Art Education and Cultural Heritage Education Program	Training in cultural heritage, including people in need, and capital assistance for project implementation for artistic projects and endeavors	• 55 live viewers	
	Outstanding Filipinos	Recognizing exemplary teachers, soldiers, and police officers for rendering service above and beyond their call of duty, inspiring and influencing their peers in their respective professions, and leaving a lasting positive impact on people and the country	• 30k reached on social media	705 awardees
	Metrobank Art & Design Excellence	Recognizing young Filipino artists’ talent and hard work and continuously promoting Philippine art and culture. We also conduct efforts to preserve and enrich the MADE art collection as part of MADE’s contribution to local art history and cultural heritage	• 147 attendees onsite	428 Grand Awardees



PURPLE HEARTS CLUB

Pillar	Program	Overview	Beneficiaries	
			2023	To Date
Livelihood	Product Development and Skills Enhancement	Targeted towards agribusiness and multisectoral people in need partnership with ESWF	• 25 families	
	Helping Hands Employee Volunteerism	This program is partnered with its corporate social responsibility arm, Metrobank Foundation, Inc. (MBFI) in 2023 which includes feeding programs, financial literacy sessions for farmer-beneficiaries, and a Christmas Shoebox project for various institutions.	• 342 Metrobankers	
Special Interventions	Disaster Response	Relief assistance for survivors of natural calamities.	11,933 families	
	Financial and In-Kind Grant Assistance	Financial assistance is extended to socio-civic and non-government organizations as well as local and national government agencies whose projects/programs are aligned with the thrusts of the Foundation in health, education, arts, and livelihood toward the attainment of select Sustainable Development Goals (SDGs).	• 2,494,729 individuals • 11,933 families	
	2023 Bags of Blessing	This program is for beneficiaries chosen belonged to the poorest of the poor families who lack permanent shelter and source of income, vulnerable households earning below minimum wage, survivors of natural calamities, and members of the Indigenous Peoples tribes.	10,000 families	128,000 families



	Beneficiaries or Output	
	Description	2023
Overview	No. of PHC Chapters	85
	No. of volunteers	14,885
	Volunteers who served during CSR activities	
	Bank-wide	795
	PHC Chapters	546
	Donation Drive: Volunteers who donated	
	Bank-wide	13,251
	PHC Chapters	8,348
	Total amount of donations raised, in Php thousands	10,437,359.00
	Volunteer participation rate through service and donation efforts	
Thrusts	Key Activities Conducted	Amount Donated
Education	Brigada Eskwela: School Clean-up and Repair	339,285.00
	Brigada E-skwela: Bag to school	
	Reading is Awesome: Book Donation Drive	
	Donation amount raised, in Php thousands	
Health	Medical Assistance for Women with Ovarian and Uterine Tumors	474,237.00
	Dental Mission	
	Dugong Metrobank Bloodletting Project	
	Total number of blood donors	
	Metro Manila 424	
	Countryside 393	
Community Assistance	Shoebox Project / Pamaskong Handog	9,600,717.00
	Sharing of Blessings / Lovebag Project	
	Donation for Children with Special Needs	
	Donation to Orphanage	
	Christmas Gift Giving for Agency Personnel	
	Donation amount raised, in Php thousands	
Environmental	Tree Planting	23,120.0 0
	Donation amount raised, in Php thousands	





CHAPTER HIGHLIGHT:  
GSG CHANNEL OF BLESSINGS

Program/Activity	Brief Descriptions	Count Beneficiaries Reached/ Trees Planted
Turn Over of Donations to CRIBS FOUNDATION, INC., Antipolo, Rizal	GSG-Channel of Blessings Chapter volunteers extended help for a safe and loving home and environment for each child free from any form of violence or abuse. Volunteers also extended time to give care and development, healing and recovery to children needing special protection.	A total of 79 children (23 abandoned children, 26 sexually abused, and 30 independent orphans)
Sharing of Blessings 2023	GSG-Channel of Blessings Chapter volunteers chose well-deserving strangers for a bag of blessings containing grocery pack items and rice. This activity shows the life reflections of those needy and how Metrobankers realized how blessed we are through some piece of talks and interviews.	100 Deserving Less Fortunate Strangers along the Streets
Turn-over of Donations to Bahay Pagibig (House of Prayer - Pampanga)	GSG-Channel of Blessings Chapter volunteers helped the sick, homeless, and abandoned senior citizens by donating of their basic needs such as diapers, grocery items, toiletries, tumblers, clothes, and assorted medicines/vitamins.	49 residents, elderly men and women
Mangroves Tree Planting at Calatagan, Batangas	A simple activity for Metrobankers to help recharge ecological and environmental preservations. Coordinated with Metrobank Foundation and Toyota Philippines Inc.	Planted 3,000 Mangrove Propagules at 1 Barangay (Entire population of Brgy. Talisay, Calatagan, Batangas)
Dugong Metrobank	Blood Donation Activity GSG-Channel of Blessings Chapter volunteers will help assist the blood donors at 22F HRMG and other COB members who donated blood to save lives.	
Brigada Eskwela 2023 at Wawang Pulo National High School, Valenzuela	Donated school uniforms to deserving students of the adopted/chosen public school (Wawang Pulo National High School, Valenzuela City). GSG-Channel of Blessing believes that poverty does not hinder success in life. GSG-Channel of Blessings Chapter volunteers will help the students by providing them with free school uniforms as they are using during their school days.	33 High School Students (well-deserving chosen Special Awardees)
National Teachers Day Celebration	Celebrated National Teachers Day Month with Metrobank Foundation initiated booth at MOA Exhibit for 2023 Manila International Book Fair (MIBF) Booth) with distributed appreciation tokens to some of the teachers.	Public & Private Teachers celebrated at MIBF, MOA, Pasay

Program/Activity	Brief Descriptions	Count Beneficiaries Reached/ Trees Planted
Turn Over of Donations to Concordia Children's Services, Inc., Sta. Mesa Manila	<p>Coordination has been done with their wishlist items that could be purchased with our collected resources. This organization is dedicated to building and nurturing abandoned children and assisting underprivileged youth.</p> <p>Concordia Children's Services Inc. has been tirelessly working towards improving the lives of less fortunate children in our community. Their mission aligns perfectly with our company's commitment to social responsibility and positively impacting the lives of those in need.</p>	26 Orphaned Children *Eldest- 9 y/o *Youngest- 2 y/o
Brigada Eskwela at Basud Elementary School, Sorsogon	Assistance program and turnover of donations to in need students of a public school- Basud Elementary School. This school is located in a rural area in the province of Sorsogon. GSG Channel of Blessings Chapter was very happy to extend help to dedicated students, faculty, and staffs of the said school. GSG-Channel of Blessings Chapter volunteers will help the well-deserving students, faculty and staff, and teachers of Basud Elementary School by providing them with facility tools and equipment.	350 grade school students
Shoebox Project 2023	<p>GSG-Channel of Blessings Chapter volunteers extended the support and continued participation in celebrating Christmas with love for the less fortunate IP students of the chosen school in the Rizal area.</p> <p>Puray Elementary School has been home and light of Indigenous People (IP) Dumagat-Remontado Tribe since 1950s. It is located in the heart of Brgy. Puray, Montalban (Rodriguez, Rizal) School at the province of Rodriguez (Montalban), Rizal.</p>	535 Indigenous People (IP) Students of Puray Elementary School
Recognition and Gift Giving for Metrobank Center Janitors and Maintenance Team	GSG-Channel of Blessings Chapter initiated yearly appreciation and recognition for the industrious and cheerful Metrobank Center's Housekeepers through giving of simple Christmas grocery packages and cash gifts for them to take home for their families and enjoy celebration of Christmas season.	27 Personnel of Metrobank's Housekeepers (DIARS Team)



# YOU'RE IN GOOD HANDS: MOVING FORWARD TO 2024 AND BEYOND



By enhancing our risk management frameworks, advancing climate preparedness, and fostering strong community and stakeholder relationships, we assure investors and clients that their trust in us is well-placed.”

As we advance into 2024, Metrobank positions itself at the forefront of the local banking industry's shift toward sustainability and improved resilience, reinforced by our deepening commitment to Environmental, Social, and Governance (ESG) principles.

Metrobank's Environmental and Social Risk Management (ESRM) framework sets a robust foundation for our journey. We are working on upgrading our greenhouse gas (GHG) emissions inventory, a crucial step in refining our assessment, management, and disclosure of climate-related impacts, aligning our efforts with global standards and future regulatory expectations.

## ESRM FRAMEWORK INTEGRATION

A cornerstone of the bank's agenda is continuing our efforts to integrate our ESRM framework into existing control standards and operational procedures. We've achieved significant milestones in mapping critical sites and enhancing our business units' engagement strategies in lending, investing, and procurement practices. Through collaborations to consolidate data in line with reporting standards—such as the Philippine Sustainability Reporting Guidelines, Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and the International Financial Reporting Standards (IFRS) S1 and S2 Standards—we are enhancing our sustainability and climate disclosures.

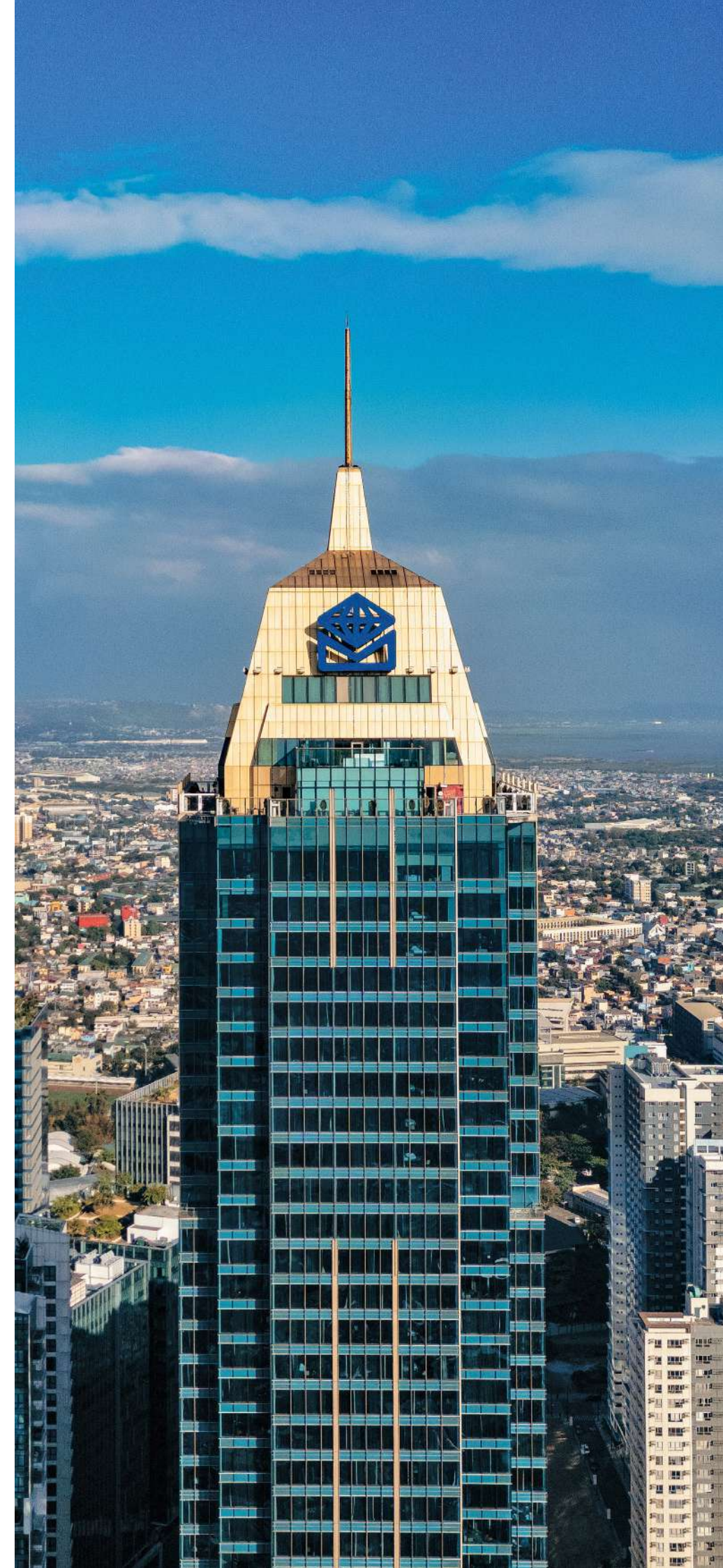
Moreover, our active participation in ESG ratings assessments and engagement with stakeholders, including investors and clients,

other counterparties, and civil society groups, enriches our risk management framework, ensuring comprehensive sustainability reporting and diligent oversight of high-risk sectors.

## ADVANCING CLIMATE RISK PREPAREDNESS

Our commitment to climate resilience extends to refining our risk mapping and stress testing frameworks. These initiatives align with international best practices for financial institutions, evaluating our exposure to physical and transition-related climate risks. By improving our GHG emissions inventory across Scopes 1, 2, and 3, we are laying the groundwork for decisive action toward decarbonization and enhanced climate resilience. Through the Metrobank Foundation, we aim to strengthen community ties and assess project-related risks, focusing on SDG-aligned proposals and impact measurement.

Metrobank's strategic ESG initiatives for 2024 and beyond demonstrate our emerging leadership role in the local banking industry's shift towards sustainability. By enhancing our risk management frameworks, advancing climate preparedness, and fostering strong community and stakeholder relationships, we assure investors and clients that their trust in us is well-placed.





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Vice Chairman



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Independent Director



Juan Miguel L. Escaler  
Independent Director



Philip G. Soliven  
Independent Director



Alfred V. Ty  
Director



Solomon S. Cua  
Director



Vicente R. Cuna, Jr.  
Director



Edgar O. Chua  
Independent Director



Jose Vicente L. Alde  
Director



Marcelo C. Fernando, Jr.  
Independent Director



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of the Philippines  
Chairman, Board of Advisers,  
Metrobank Foundation



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Senior Adviser  
Chairman/CEO, Bank of East Asia, Ltd.  
Hong Kong



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President, Solid State Multi  
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Chairman, Chan C. Bros, Inc.  
Chairman, Liwayway (China) Co., Ltd.  
Special Envoy of the President  
for the People's Republic of China

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**Mary V. Ty**  
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Adviser, Federal Land, Inc.  
Adviser, Manila Medical Services, Inc.  
Trustee, Metrobank Foundation, Inc.



**David O. Chua**  
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Director, First Philippine Holdings Corp.  
President, Cathay Pacific Steel Corp.  
Vice Chairman, University of the East  
Trustee, University of the East –  
Ramon Magsaysay Memorial Medical  
Center, Inc.  
Vice President, Federation of Filipino-  
Chinese Chambers of Commerce  
and Industry, Inc.  
Former Director, Philippine Stock  
Exchange



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as of December 31, 2023



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Mary Mylene A. Caparas, Executive Vice President; Fernand Antonio A. Tansingco, Senior Executive Vice President



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Anna Therese Rita D. Cuenco, Homer Gerrard L. Ortega, Emmeline D. Go



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Frances Gail E. Male, Bernardino D. Ramos



Senior Vice Presidents - Left to right  
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Jocelyn L. Bata, Antonio R. Ocampo Jr., Harrison C. Gue



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Not in photo:  
David Peter B. Holmes, Senior Vice President

# BOARD OF DIRECTORS PROFILE

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Chairman  
Director since April 2002  
57 years old  
Director, GT Capital Holdings, Inc.\*  
Vice Chairman, Philippine Savings Bank\*  
Chairman, Metropolitan Bank (China) Ltd.  
Advisor, AXA Philippines  
Advisor, First Metro Investment Corp.  
MBA, Columbia University, New York

**Francisco C. Sebastian**  
Vice Chairman  
Director since April 2002  
69 years old  
Chairman, GT Capital Holdings, Inc.\*  
Director, Metro Pacific Investments Corporation  
Director, Federal Land, Inc.  
AB Economics, Ateneo de Manila

**Fabian S. Dee**  
President/Director  
President/Director since April 2012  
(also served as Director from September 2007 to March 2011)  
61 years old  
President, Bancnet, Inc.  
Trustee, Metrobank Foundation, Inc.  
Former Director, Bankers' Association of the Philippines  
Former Chairman and Director, Metrobank Card Corporation  
Former Chairman, LGU Guarantee Corporation  
Former Chairman, Metro Remittance Singapore PTE Ltd.  
Former Chairman, SMBC Metro Investment Corporation  
BS Management Engineering, Ateneo de Manila

**Alfred V. Ty**  
Director  
Director since September 2015  
56 years old  
Vice Chairman, GT Capital Holdings, Inc.\*  
Vice Chairman, Metro Pacific Investments Corporation  
Chairman, Toyota Motor Philippines Corporation  
Chairman, Lexus Manila, Inc.  
Chairman, Federal Land, Inc.  
BS Business Administration, University of Southern California

**Vicente R. Cuna, Jr.**  
Director  
Director since April 2014  
61 years old  
Head, Enterprise Services Sector, Metrobank  
Vice Chairman, Philippine Savings Bank\*  
Former Chairman, Orix Metro Leasing and Finance Corp.  
Former President, Philippine Savings Bank\*  
Former Director, First Metro Investment Corporation  
AB Economics, De la Salle University

**Solomon S. Cua**  
Director  
Director since April 2018  
68 years old  
Chairman, AXA Philippines  
Vice Chairman/Director, Philippine Racing Club, Inc.\*  
Advisor, Metropolitan Bank (China) Ltd.  
Director, Grand Titan Capital Holdings, Inc.  
President/Director, SC & SSC Holdings, Inc.  
Director/Treasurer, Palm Integrated Commodities, Inc  
Former Chairman, Charter Ping An Insurance Corporation  
Former Undersecretary of The Department of Finance  
Masters of Laws, London School of Economics & Political Science

**Jose Vicente L. Alde**  
Director  
Director Since April 2022  
57 years old  
President/Director, Philippine Savings Bank\*  
Chairman, Sumisho Motor Finance Corporation  
Trustee, Chamber of Thrift Banks  
Former Director, Metrobank Card Corporation  
MBA, Asian Institute of Management

**Edgar O. Chua**  
Independent Director  
Director since April 2017  
67 years old  
Independent Director, Integrated Micro-electronics, Inc. \*  
Independent Director, First Gen Corporation\*  
Independent Director, JG Summit Petrochemical Corporation  
President and CEO, Cavtex Holdings Inc.  
Chairman, Makati Business Club  
Chairman, De La Salle Philippines  
Advisor, Coca Cola Bottlers Philippines  
BS Chemical Engineering, De La Salle University

**Angelica H. Lavares**  
Independent Director  
Director since April 2019  
70 years old  
Teaching Fellow, Institute of Corporate Directors  
Independent Director, Prulife UK  
Independent Director, Rural Bank of Silay  
Former Executive Vice President, Bank Of Commerce  
Former Chief Legal Counsel and Compliance Officer, Metrobank  
Bachelor of Laws, University of the Philippines

**Philip G. Soliven**  
Independent Director  
Director since May 2020  
62 years old  
Vice Chairman, Multico Prime Power Inc  
Treasurer/Director, American Chamber of Commerce Philippines  
Director, Rotary Club of Makati  
Former Vice President, Bank of Boston, Singapore  
Former Director, First Metro Investment Corp.  
Former President, Cargill Philippines Inc.  
Business Management, Ateneo De Manila University

**Marcelo C. Fernando, Jr.**  
Independent Director  
Director since April 2021  
63 years old  
Director, AIC Group of Companies Holding Corp.  
Member, AIM Board of Trustees  
Former Treasurer, SM Investments Corporation (SMIC)\*  
Former Managing Director, Citibank N.A., Philippines, Citibank N.A. Thailand  
MBA, Asian Institute of Management

**Juan Miguel I. Escalar**  
Independent Director  
Director since April 2022  
57 years old  
Country CEO/Director, Trusting Social AI Philippines  
Director, ESE Realty Corp.  
Director, URBANHOMES Corp.  
Former Co-Head-Investment Banking, Credit Suisse Philippines  
Former Executive Director, Goldman Sachs Singapore  
Former Director, Merrill Lynch, Singapore  
Former Vice President, ING Bank Manila  
MBA, Columbia University

\* Publicly listed



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Roxas, Eriberto Pedro Antonio C.  
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Sanchez, Alfredo Jr. C.  
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Siochi, Reynaldo C.  
Sioson, Michelle Odette D.  
Siy, Vida Jordana C.  
Sowy, Maria Theresa Z.  
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Tan, Vivien V.  
Tan, Edgar Rey S.  
Tan, Edward Eli B.  
Tan, Mary Janet S.  
Tan, Andrew S.  
Terrobas, Carlsten A.  
Tom, Albert Arnold A.

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Tuazon, Raymund R.  
Umali, Claudine Marie Magdalene D.  
Uy, Archie L.  
Valenzuela, Ma. Gingili A.  
Valerio, Tricia H.  
Varquez, Esther T.  
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Yatco - Lopez, Beatrice C.  
Yee, Mary Ruth Frances M.  
Yee, Michael B.

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Camitan, Angelie B.  
Cañarejo, Maxima U.

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Canlas, Ma Eliza C.  
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Cardona, Laura Twinkle T.  
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Castillo, Teodoro  
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Castro, Jr. Rexallen B.  
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Comia, Arnel P.  
Corda, Edgar Alexander B.  
Cordero, Carlo Antonio C.  
Cornista, Ana Veronica V.  
Cortez, Jesusa M.  
Cosico, Avigail B.  
Cruz, Marissa A.  
David, Maria Cristina B.  
De Belen, Rosario R.  
De Castro, Ma. Theresa N.  
De Castro, Dijoanna M.  
De Dios, Maria Yvonne Khristine S.  
De Guia, Florida L.  
De Guzman, Heidi V.  
De Jesus, Derrick Jan T.  
De Leon, Joseph Eric V.  
De Leon, Jerome S.  
De Leon, Bernard M.  
De Ramos, Dino A.  
Dee, Dino G.  
Del Mundo, Jennifer G.  
Del Rosario, Ma. Celina D.  
Dela Cruz, Grazel G.  
Delloro, Michelle V.  
Deza, Perlita Libertine P.  
Diaz De Rivera, Micael Andrei B.  
Dimaguila, Theresa G.  
Dinglasan, Clarissa C.  
Dizon, Mervin S.  
Domingo, Editha P.  
Dumlao, Ruigi Ethon V.  
Duque, Rey L.  
Durendez, Rafael D.  
Dy, Liza M.  
Ebuna, Donna S.  
Ele-Paulino, Maria Felicitas V.  
Emborgo, Charlene V.  
Emralino, Geraldine V.  
Era, Marie Charisse Camille C.  
Escalona, Ferdinand C.  
Espera, Eloisa P.  
Espineda, Marylou V.  
Eustaquio, Christopher John H.  
Fabroa, Ferdinand Franklin E.  
Famoso, Wilma Flor R.  
Fantilaga, Elmo F.  
Fedelino, John Erwynne B.  
Fermin, Antonia Maribel M.  
Figuracion, Maria Concepcion M.  
Filipino, Cristina T.  
Flores Jr, Elamor C.  
Fortin, Mariel T.  
Francisco, Charito D.  
Fresnido, Gregorio III B.  
Fuentes, Amiel G.  
Fulgencio, Nea M.

Gabot, Norman R.  
Gabriel, Eloisa A.  
Galicía, Olivia S.  
Galura, Eva Marie M.  
Garchitorea, Andrei Aino J.  
Garcia Jr., Romeo M.  
Garrido, Czarina E.  
Gayeta, Verlina N.  
Gaza, Kristine V.  
Geronimo, Isidro A.  
Go, Michael  
Go, Andrew Michael G.  
Goguanco, Ronald P.  
Gomez, James Vincent D.  
Gregorio, Ann Rozainne R.  
Guanzo, Jr. Eduardo Miguel H.  
Guevara, Ma. Joy P.  
Guntayon, Florencio B.  
Guzman, John Rommel M.  
Haveria, Melchor F.  
Heceta, Julita Corazon M.  
Henson, Juan Marco S.  
Herrera, Jose Emmanuel K.  
Hilario, Romina C.  
Hiteroza, Alyssa Nichole S.  
Hugo, Ann Soledad A.  
Ico, Ronaldo D.  
Ignacio, Roy B.  
Ilao, Niña Preciosa Y.  
Inocencio, Dietrich A.  
Isip, Jose Mari V.  
Jacinto, Myruh U.  
Jardeleza, Roderick T.  
Katigbak, Cristy D.  
Koa, Emily Joy S.  
Kua, Sharon B.  
Kua, Francis W.  
Kua Chun Ming, Kimberly T.  
Lampong, Annsille Gwendina D.  
Landrito, Michael Marion D.  
Lao, Nathaniel A.  
Lariosa, John Benecer III R.  
Larlal, Francis Rene B.  
Laude, Ronald V.  
Laudico, Laurence John D.  
Lawan, Marivic M.  
Ledesma, Rosalie H.  
Lei, Analisa B.  
Leocadio, Khristine Joy S.  
Leyson, Amelyn O.  
Liam, Cherrie Belle Y.  
Lim, Steve Robertson L.  
Lim, Anna Lissa S.  
Lim, Vernetta C.  
Lim, Jennifer H.  
Lim, Arthur D.  
Lim, Christine Y.  
Lim Ang, Jennifer K.  
Lim, Jr. Joseph C.  
Lipana, Jene Michelle G.  
Lipat, Irene Ann Y.  
Lo, Jesus A.  
Lobendino, Michelle G.  
Lopez, Leonard L.  
Lozada, Nadja C.  
Lukban, Lilibeth N.  
Luna, Hansel R.  
Luzarraga, Myra O.  
Mabagos, Zerubenaída S.  
Mabunay, Ma. Clarissa S.  
Macabidang, Eloisa S.  
Madriñan, Daisy M.  
Magbual, Eugenio R.  
Malan, Joel Julio M.  
Malco, Aileen B.  
Maliwat, John Erwynne B.  
Mamangun, Joseph Lawrence A.  
Manatad, Sonia Grace A.  
Manio, Maria Cristina M.  
Manzano, Ivy Din A.  
Marcelo, Renan P.  
Marcos, Maureen Mafe D.  
Mariano, Evelyn D.  
Mariano, Jeffrey C.  
Mariano, Marian Louise F.

Mariano, Jr. Ernest Michael L.  
Marica, Alice R.  
Marquez, Pamela Jane M.  
Martin, Rachelle S.  
Martin, Strawberry Anne Aubrey B.  
Mateo, Maricar R.  
Medrano, Myra Liza P.  
Mendoza, Alexander P.  
Mendoza, Juan Carlo N.  
Mendoza, Manolo Manolet T.  
Mercado, Maureen S.  
Mercado, Jeanette P.  
Mercado Jr., Nilo Felix G.  
Mesina, Neil Michael A.  
Miguel, Marie Antonette R.  
Mir, Marjorie N.  
Miranda, Jay L.  
Molina, Joyce M.  
Montaño, Farah Mae A.  
Morabe, Jose Rey C.  
Moraleja, Pia Corazon M.  
Nabua, Mary Grace P.  
Nadal, Adele Melinda H.  
Naredo, Nerissa Q.  
Navarro, Don Manolo M.  
Ng, MelanieA.  
Nicdao, Ramon P.  
Nieto, Anabel N.  
Nono, Anna G.  
Nucom, Amabelle D.  
Oliva, Erwin Lemuel G.  
Oppus, Louie T.  
Opulencia, Jose Lorenzo S.  
Orias, Michael Charlie M.  
Padilla, Jr. Lamberto M.  
Pador, Flossie Mae G.  
Padua, Myla S.  
Paez, Donna Marie P.  
Pagatpat, Audrey R.  
Pahati, Ronaldo T.  
Paiso, Elaine B.  
Palacio, Arli Rosvil B.  
Palacios, Pamela L.  
Palma Jr, Rogelio V.  
Palmares, Ma. Agnes L.  
Palomares, Mary Joy G.  
Pantallon, Nikitta Lourdes R.  
Papa, Portia V.  
Pascual, Ruel A.  
Pasquin, Ely P.  
Patangan Jr., Vicente C.  
Pegenia, Jacky Lyn A.  
Pelaez, Joseph Eric D.  
Peña, Percival C.  
Perez, Jeanfer D.  
Pios, Erickson D.  
Platon, Neree Joy A.  
Poblete, Jeanette J.  
Ponce, Anna Katrina Y.  
Pongco, Jever Lynn A.  
Porcel, Harold P.  
Prado, Camille C.  
Punsalan, Hyacinth Karen M.  
Quesada, Nencie A.  
Quiñanola, Romberg E.  
Quintero, Bernadette V.  
Ramos, Meneleo E.  
Ramos, Rowell A.  
Realizan, Janus D.  
Relova, Maryrose Catherine B.  
Reyes, Jhayvee C.  
Reyes, Frederick D.  
Reyes, Ricardo V.  
Riantoco, Elmer Fritz G.  
Rigodon, Eugene Celeste M.  
Rillo, Glenn Joseph A.  
Rodriguez, Ramon Martin F.  
Rogando, Liezl O.  
Romualdez, Jamie Rose D.  
Roque, Maria Emily R.  
Rosillo, Maria Rowena M.  
Roxas, Allan B.  
Roxas, Shiela Marie P.  
Rubiano, Susanna L.  
Rubio, Christian Gregorio N.

Rull, Marycar Y.  
Salonga, Enmar S.  
Salvador, Amihan R.  
Samson, Lady Marielle R.  
San Juan, Mark D.  
Sanchez, Irish G.  
Sandil, Ricardo L.  
Santiago, Maricris M.  
Santillan, Lourdes Anne B.  
Santos, Ma. Milagros Laureta D.  
Santos, Krislyn H.  
Santos, Gladilyn S.  
Santos, Jovita C.  
Santos III, Saul A.  
Sarmiento, Ricky K.  
Sayo, Leomel C.  
Serote, Kharen S.  
Sibayan, Elmer V.  
Silva, Nonette D.  
Silva, Rufina Anabelle V.  
Silverio, Jowell G.  
Sinay, Roseminia R.  
Sinay, Jeanilyn A.  
Singson, Nancy L.  
Somico, Alma D.  
Soque, Teodora D.  
Soriano, Maricel C.  
Sorila, Ferdinand M.  
Soyangco, James A.  
Suarez, Mary Grace B.  
Sumang, Marie Christine P.  
Supan, Rodel C.  
Suplico, Maria Ava Sharone S.  
Sy, Janet U.  
Sy, Henry Steven T.  
Pador, Flossie Mae G.  
Tacuboy, Normandy J.  
Tan, Elizabeth T.  
Tan, Wilmer T.  
Tan, Francis L.  
Tan, Vincent D.  
Tan, Mark Benedict C.  
Tan, Charissa Amor L.  
Tantuan, Mercy M.  
Teodoro, Bernadette Z.  
Teodoro, Lady Madonna A.  
Tipan, Jr. Artemio C.  
Tiu, Jericho R.  
Trespalacioreal, Jevite P.  
Triviño, Maria Rofelia P.  
Tuason, Geoffrey V.  
Tuazon, Diego Louis D.  
Tuazon, Anne Katherine A.  
Turtal, Larry S.  
Urot, Ma. Carminda G.  
Uy, Mar-Lou P.  
Valencia, Tito C.  
Valenzuela, Raphael Jose L.  
Valeriano, Ma. Michelle S.  
Vargas Jr., Vito T.  
Vasquez, Paul Nelson R.  
Viay, Gina L.  
Villafuerte, Alfredo C.  
Villaluz, Rommel B.  
Villaluz, Paolo Enrique S.  
Villanueva, Marlon L.  
Villanueva, Cristina M.  
Villanueva, Imelda R.  
Villones, Nancy B.  
Wong, Grace L.  
Yap, Jose Conrado Ildefonso R.  
Yap, Glynn Hazel C.  
Yap, Irene Cheryl B.  
Yatco, Krisselle Monina V.  
Ysmael Jr., Ricardo Carlos Eugenio M.  
Yu, Emerson O.  
Yuiocco, Gaysel M.  
Yuson, Jr. Inocencio Y.

Note: All directors are Filipinos  
\* Listed on PSE

# PRODUCTS AND SERVICES

## DEPOSIT SERVICES

Regular Debit Account  
Regular Passbook Account  
Regular Checking Account  
Account One  
Fun Savers Club Savings Account  
USD & 3rd Currency Savings Accounts  
Short & Long-Term Time Deposit  
Spark Savings Account  
OFW Savings Account (with debit card/passbook)  
SSS and US Pensioner Accounts  
Treasury Time Deposit

## DEPOSIT SERVICES - DIGITAL SERVICES

Online Customer Updating

## CONSUMER LENDING

Metrobank Car Loan  
Metrobank Home Loan

## PERSONAL LOANS

Metrobank Personal Loan

## CARD PRODUCTS

Credit Cards  
Metrobank Rewards Plus Visa  
Metrobank Titanium Mastercard  
Metrobank M Free Mastercard  
Metrobank ON Virtual Mastercard  
Metrobank World Mastercard  
Metrobank Cashback Visa  
Metrobank Dollar Mastercard  
Metrobank Platinum Mastercard  
Metrobank Travel Platinum Visa  
Metrobank Femme Signature Visa  
Toyota Mastercard  
PSBank Credit Mastercard  
NCCC Mastercard

## Debit / Prepaid Cards

Metrobank Prime Debit Mastercard  
Metrobank Paycard  
Metrobank Prepaid Mastercard  
YAZZ Prepaid Visa  
Victory Liner Premiere  
Jac Liner Prepaid Visa  
AXA Prepaid Visa  
Uniprint Elite Prepaid Visa  
Ardeur Bonus Prepaid Visa  
PisoPay Prepaid Visa  
IAM Worldwide Prepaid Visa  
Sta. Ana Multipurpose Cooperative Prepaid Mastercard  
STI Alumni Association Prepaid Mastercard

## CREDIT CARD PROGRAMS AND FACILITIES

M Here  
0% Installment  
National Usage Program  
Cash2Go  
Balance Transfer  
Balance Conversion  
Bills2Pay  
M Online  
Mobile SOA  
Metrobank Interactive Assistant (MIA)  
PayNow

## MERCHANT ACQUIRING PAYMENT SOLUTIONS

Point-of-Sale (POS) Terminals  
Metrobank Internet Payment Gateway  
Metrobank Simplify Commerce  
Metrobank Online Installment  
Recurring Payment Solution facility  
Mail Order Telephone Order (MOTO)  
POS CashNow  
QR Pay Acquiring of P2M QRPH and E-Wallets

## POINT-OF-SALE (POS) TERMINAL FEATURES AND SERVICES

EMV Certified and Contactless capable  
Card Acceptance - Visa, Mastercard, JCB, UnionPay, AMEX and BancNet  
Metrobank Installment Acceptance  
QR Acceptance - P2M QRPH, GCash, GrabPay, UPI QR, Alipay and WeChat Pay  
Mobile Point-Of-Sale Solution  
Android POS Terminal  
ECR (Electronic Cash Register) Integration  
Dynamic Currency Conversion (DCC)

## ELECTRONIC BANKING FACILITIES

Automated Teller Machine  
Affiliated with MasterCard/Cirrus/Maestro/Visa/BancNet/China UnionPay  
Carded and Cardless Withdrawal  
Credit Card Cash Advance  
Balance Inquiry  
Bills Payment  
Inter-bank Funds Transfer  
Intra-bank Funds Transfer  
Purchase of Prepaid Load  
Checkbook Request  
Statement Print/Request  
Payslip Viewing/Printing  
PIN Change  
Payroll Cash Advance

Wealth Manager  
UITF Online  
Metrobank Operations Support Engine (MOSE)

## Cash Accept Machine

Balance Inquiry  
Carded and Cardless Cash Deposit  
Prepaid Card Loading

## Cash Recycling Machine (CRM)

Affiliated with MasterCard/Cirrus/Maestro/Visa/BancNet/China UnionPay  
Carded and Cardless Withdrawal  
Credit Card Cash Advance  
Balance Inquiry  
Bills Payment  
Inter-bank Funds Transfer  
Intra-bank Funds Transfer  
Purchase of Prepaid Load  
Checkbook Request  
Statement Print/Request  
Payslip Viewing/Printing  
PIN Change  
Payroll Cash Advance

Carded and Cardless Cash Deposit  
Prepaid Card Loading

## Corporate Cash Accept Machine (CCAM)

Cash Deposit / Cash In

## Metrobank Online

Dashboard overview  
Balance Inquiry/Transaction History  
Interbank - Transfer to other bank via Instapay & Pesonet  
Intrabank - Transfer to any Metrobank Account  
Generate/ Share/ Scan/ Upload QR Code  
Cash Pick-Up  
Bills Payment using CASA  
Send Load/Load Prepaid  
Order Checkbook  
Cardless Withdrawal  
Online Time Deposit opening/viewing  
Banks, Billers, Contact and Account Enrollment  
UITF  
Wealth Manager link out  
Schedule Transaction (Send Money & Pay Bills)  
Consumer Loans Link Out (Metrobank Car and Home Loans)  
Forex Rate link out  
ATMs, CAMs, Branch Locator link out  
Tax Payment

## Metrobank App

Biometrics / FaceID login  
Dashboard overview  
My Accounts view  
Balance Inquiry/Transaction History  
Interbank - Transfer to other bank via Instapay & Pesonet  
Intrabank - Transfer to any Metrobank Account  
Generate/ Share/ Scan/ Upload QR Code  
Paynow (send money using credit card as source)  
Bills Payment using CASA  
Bills Payment using Credit Card  
Cardless Withdrawal  
Online Time Deposit viewing  
Credit Card Activation  
Report Lost Credit Card  
Cash2Go  
Balance Transfer  
Balance Conversion  
Banks, Billers, Contact and Account Enrollment  
Schedule Transaction (Send Money & Pay Bills)  
AXA insurance link out (Travel, Motor and Health Protection)  
Consumer Loans Link Out (Metrobank Car and Home Loans)  
Forex Rate link out  
ATMs, CAMs, Branch Locator link out  
Promos link out  
Apply for Credit Card link out  
Apply for Personal Loans link out  
Help & Support

## MISCELLANEOUS OVER-THE-COUNTER SERVICES

Manager's Check

## CUSTODIAL SERVICES

Safety Deposit Boxes

## DOMESTIC REMITTANCE

Remittance-To-Account  
Cash Pick-up via Metrobank Mobile

## ELECTRONIC FUND TRANSFER

InstaPay  
PESONet

## CASH MANAGEMENT SERVICES

Metrobank Business Online Solutions  
Basic Banking Solutions  
Account Inquiry and Statement

Transaction History  
Own Account Funds Transfer  
Check Status Inquiry  
Checkbook Stock Request  
Stop Payment Order  
Loan Inquiry  
Interest Rate Inquiry

## Liquidity Solutions

Account Sweep  
Reverse Sweep

## Payment Solutions

To Another Metrobank Account Funds Transfer (TAMA)  
Manager's check  
Corporate Check  
Domestic or Foreign Funds Transfer (PESONet, RTGS, PDDTS, GSRT & SWIFT)  
Metrobank EasyLink)

## Payroll Solutions

Payroll Service  
Online Payroll Plus

## Collection Solutions

Direct Debit  
Bills Payment (BPCA)  
Present and Pay  
Business Payment Gateway  
Check Warehousing  
Deposit Pick-Up (DPU)  
Cash Delivery  
Metro Check Collect (MCC)  
CollectAnywhere - Domestic / International

## GOVERNMENT COLLECTION AND OTHER PAYMENT SERVICES

*(Available to Corporates & Retail)*  
BIR Tax Payments  
Philhealth Premiums  
Pag-ibig Payments  
SSS Contributions, Sickness, Maternity and Employees Compensation (SMEC)  
Bureau of Customs (BOC) Duties

## TRADE SERVICES (EXPORT)

Export Letters of Credit (LC)  
Advising, Confirmation, Transfer LC

Export Letters of Credit (LC) and Non-LC  
Negotiation, Settlement

## TRADE SERVICES (IMPORT)

Commercial Letters of Credit (LC)  
LC Negotiation and Settlement

## Guarantees

Standby LC, Bank Guarantee, CLCU  
Shipping Guarantee/AWB/BL Endorsement

Certificate of Assigned Cash Deposit

## Non-LC Trade Transactions

Documents Against Payment  
Documents Against Acceptance  
Open Account  
Direct Remittance  
Advance Payment  
Collection of Import Advance, Final Duties and Export Fee  
Confirmation of SBLC/BG/CLCU



TRADE FINANCE

Supplier Financing Program  
Dealer Financing Program  
Receivables Factoring  
Trust Receipt Financing  
Floor Stock Financing Trust Receipt  
Export Packing Credit Line  
Export Bills Purchase and Collection

COMMERCIAL LENDING

SME Puhunan Loans  
SME Franchising Financing  
SME Agribusiness Loans  
Agricultural Loan  
Real Estate Loan  
FCDU Loans  
Project Financing programs  
Syndicated Loans

OVERSEAS FILIPINO SERVICES

OFW PHP Savings Account (Passbook)  
OFW PHP Savings Account (ATM)  
OFW USD Savings Account (Passbook)  
Credit to Metrobank Account  
Credit to Account with Other Philippine Banks  
Cash Pick-up at Metrobank Branches  
Cash Pick-up Anywhere  
Bills Payment (Includes payment services for SSS and PAG-IBIG Contributions)  
Shipping Payroll Services

TREASURY PRODUCTS

Metrobank Issued Products

Long Term Negotiable Certificates of Deposits  
Peso Fixed-Rate Bonds  
Medium Term Notes

Fixed Income Securities

Government Securities  
    Peso Treasury Bills (T-bills)  
    Peso Fixed Rate Treasury Notes (FXTNs)  
    Peso Retail Treasury Bonds (RTBs)  
BSP Securities  
Corporate Bonds  
Sovereign Bonds

Derivatives

Cross Currency Swaps (CCS)  
Interest Rate Swaps (IRS)  
Foreign Exchange Options (FXO)  
Foreign Exchange Forwards  
Foreign Exchange Swaps  
Non-deliverable Forwards (NDF)

Foreign Exchange

Spot Foreign Exchange

Structured Products

Asset Swaps  
Deposit Plus  
Third Party Structured Products Brokering

UNIT INVESTMENT TRUST FUNDS (UITFS)

Peso Feeder Funds

Metro Aspire Bond Feeder Fund  
Metro Aspire Balanced Feeder Fund  
Metro Aspire Equity Feeder Fund

Peso PERA Funds

Metrobank PERA Money Market Fund  
Metrobank PERA Bond Fund  
Metrobank PERA Equity Fund

Peso and Dollar Fixed Income Funds

Metro Money Market Fund  
Metro Short Term Fund  
Metro Max-3 Bond Fund  
Metro Max-5 Bond Fund  
Metro Corporate Bond Fund  
Metro Unit Paying Fund  
Metro\$ Money Market Fund  
Metro\$ Short Term Fund  
Metro\$ Max-3 Bond Fund  
Metro\$ Max-5 Bond Fund  
Metro\$ Asian Investment Grade Bond Fund

Peso Balanced & Equity Funds

Metro Balanced Fund  
Metro Equity Fund  
Metro Philippine Equity Index Tracker Fund  
Metro High Dividend Yield Unit Paying Fund  
Metro Multi-Themed Equity Fund of Funds

Peso Feeder Fund with Offshore

Metro Clean Energy Equity Feeder Fund

Dollar Feeder Funds

Metro\$ World Equity Feeder Fund  
Metro\$ US Equity Feeder Fund  
Metro\$ Eurozone Equity Feeder Fund  
Metro\$ Japan Equity Feeder Fund  
Metro\$ US Investment Grade Corporate Bond Feeder Fund  
Metro\$ China Equity Feeder Fund

PERSONAL WEALTH MANAGEMENT SERVICES

Personal Management Trust  
Personal Investment Management Arrangement

INSTITUTIONAL FUND MANAGEMENT

Management of Corporate and Institutional Funds

Employee Benefit Trusts  
Pre-Need Trusts  
Corporate Investment Management Arrangements

Other Fiduciary Services

Escrow Services  
Other Agency Arrangements

PRIVATE BANKING SERVICES

Portfolio Advisory  
Discretionary Mandates  
Investment and Hedging Recommendation  
Wealth & Estate Planning

MEMBERSHIP  
IN INDUSTRY ASSOCIATIONS

ACAMS (Certified Anti-Money Laundering Specialist)  
ACI Financial Markets Association Philippines  
Association of Bank Compliance Officers  
Association of Bank Remittance Officers  
Association of Certified Fraud Examiners  
Association of Philippine Correspondent Bank Officers  
Bank Marketing Association of the Philippines  
Bank Security Management Association  
Bankers Council for Personnel Management  
Bankers Institute of the Philippines  
Clearing Officers Club, Inc. (COCI)  
Credit Card Association of the Philippines  
Credit Management Association of the Philippines  
Employers’ Confederation of the Philippines  
European Chamber of Commerce of the Philippines  
Federation of Indian Chambers of Commerce Philippines  
Financial Executives Institute of the Philippines  
Fund Managers Association of the Philippines  
Information Technology and Business Process Association of the Philippines  
Integrated Bar of the Philippines  
Internet and Mobile Marketing Association of the Philippines  
Information Security Officers Group  
Management Association of the Philippines  
Money Market Association of the Philippines  
National Association of Securities Broker Salesmen  
People Management Association of the Philippines  
Philippine Association of National Advertisers  
Philippine Association of Stock Transfer and Registry Agencies  
Philippine Chamber of Commerce and Industry  
The American Chamber of Commerce of the Philippines  
The Japanese Chamber of Commerce and Industry of the Philippines  
Trust Officers Association of the Philippines  
Philippines-Japan Economic Cooperation Committee  
Philippine Society for Training and Development

GRI CONTENT INDEX

GRI Standard/ Other Source	DISCLOSURE	LOCATION
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	SEC Form 17-C Notes to the FS pp. 1-2; Metrobank website (www.metrobank.com.ph/about-us)
	2-2 Entities included in the organization's sustainability reporting	p.69; SEC Form 17-C Notes to the FS p.2
	2-3 Reporting period, frequency and contact point	p.69; SEC Form 17-C Cover Sheet This report was originally published in April 2024.
	2-4 Restatements of information	No restatements.
	2-5 External assurance	We did not seek external assurance for any of our reported disclosures. Select environmental and social data are being subjected to an external assurance audit through its holding company, GT Capital.
	2-6 Activities, value chain and other business relationships	pp. 93-94, 17-C Notes to FS pp. 1, 72, 81
	2-7 Employees	pp. 104-105  Temporary employees include employees who have been extended beyond normal retirement. Their count is included in the employee profile on pp. pp. 104-105  Temporary employees include project hires, i.e., directly sourced/engaged manpower whose employment terms are fixed. There are currently less than 50 project hires.  Numbers are reported at end of reporting period.  There are no non-guaranteed hours employees nor part-time employees.
	2-8 Workers who are not employees	In addition to regular employees, the Bank employs 2,128 contractual employees (total headcount as of end-2023 14,859; 13,821 in 2022; 13,565 in 2021).  They perform janitorial/ housekeeping, messengers, and IT-related functions.
	2-9 Governance structure and composition	pp. 38-47, 90; Metrobank Corporate Governance Manual (CGM) - Feb 2022 (www.metrobank.com.ph/articles/about-us/corporate-governance-manual) pp. 2-41
	2-10 Nomination and selection of the highest governance body	p. 39-40; CGM pp. 17-23
	2-11 Chair of the highest governance body	pp. 39-40, 44
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 90
	2-13 Delegation of responsibility for managing impacts	pp. 90
	2-14 Role of the highest governance body in sustainability reporting	p.80
	2-15 Conflicts of interest	CGM pp. 11-12, 17-18, 44, 47-48, 54-55, 121-135
	2-16 Communication of critical concerns	p. 51, CGM p. 54
	2-17 Collective knowledge of the highest governance body	pp.42-43
	2-18 Evaluation of the performance of the highest governance body	p.43, CGM pp. 54
	2-19 Remuneration policies	CGM pp. 53-54
	2-20 Process to determine remuneration	CGM pp. 53-54, 75-79
	2-22 Statement on sustainable development strategy	Annual Report pp. 4-9
	2-23 Policy commitments	pp. 92-93, 104, 113-114, ; Metrobank website (https://www.metrobank.com.ph/articles/meaningful-sustainability/corporate-policies-practices, https://www.metrobank.com.ph/articles/about-us/corporate-governance-code-of-conduct-and-ethics-bank-directors, https://www.metrobank.com.ph/articles/about-us/corporate-governance-code-of-ethics-employees)
	2-24 Embedding policy commitments	All policies are Board-approved. Policy Users and Accountable Units are defined in each document. Policy commitments, including Code of Ethics, are part of the New Employee Orientation (NEO) Training. Critical topics are available via e-learning.
	2-26 Mechanisms for seeking advice and raising concerns	AR Page 31 Customer Concerns, CGM pp. 54, 117-120 Whistleblowing Policy
	2-27 Compliance with laws and regulations	Page 103 Environmental Compliance
	2-28 Membership associations	Page 139 Membership in Associations
	2-29 Approach to stakeholder engagement	pp.78-79 Stakeholder Engagement
	2-30 Collective bargaining agreements	Page 113 Collective Bargaining. We have uniform policies covering working conditions and terms of employment – whether covered by CBA or not. There are certain policies, though, specifically benefits, that are given to non-CBA employees (e.g., officers).

Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 80 Materiality Process
	3-2 List of material topics	pp. 78-79, 81-82 Material Topics and Topic Boundary, Stakeholder Engagement
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82 Sustainability Framework
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Page 83 Economic Value Generated and Distributed
	201-3 Defined benefit plan obligations and other retirement plans	SEC 17-C Notes to the Financial Statements Note 27- Retirement Plan and Other Employee Benefit, Pages 109-113
Market presence		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 78-79 Stakeholder Engagement
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	p. 108
	202-2 Proportion of senior management hired from the local community	Data not available
Indirect economic impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82 Sustainability Framework
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Page 84 Contribution to the UN Sustainable Development Goals
	203-2 Significant indirect economic impacts	pp.74-77 SDG Highlights No negative impacts discussed
Procurement practices		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78 Stakeholder Engagement
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	pp.93-94 Procurement Practices
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82 Sustainability Framework
	205-2 Communication and training about anti-corruption policies and procedures	Anti-corruption policies are communicated via email and are accessible through Insight Online.
	205-3 Confirmed incidents of corruption and actions taken	Page 47 Fair Business Dealings
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82 Sustainability Framework
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 99 Power Consumption
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82 Sustainability Framework
	303-5 Water consumption	Page 103 Operational Eco-Efficiency
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 82 Sustainability Framework
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	pp.101,103 GHG Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	pp.101,103 GHG Emissions
Waste		
RI 3: Material Topics 2021	3-3 Management of material topics	Page 82 Sustainability Framework
	306-3 Waste generated	Page 103 Waste Disposal
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78 Stakeholder Engagement
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	PP. 104-105
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 107 Compensation and Benefits
	401-3 Parental leave	Page 107 Compensation and Benefits

CORPORATE INFORMATION

Material Topics		
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78 Stakeholder Engagement
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	pp.112-113 Occupational Health and Safety
	403-2 Hazard identification, risk assessment, and incident investigation	pp.112-113 Occupational Health and Safety
	403-3 Occupational health services	pp.112-113 Occupational Health and Safety, Page 113 Human Rights and Non-Discrimination
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 112 Occupational Health and Safety, Page 113 Human Rights and Non-Discrimination
	403-6 Promotion of worker health	pp.112-113 Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	pp.112-113 Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	pp.112-113Occupational Health and Safety
	403-9 Work-related injuries	pp.112-113Occupational Health and Safety
	403-10 Work-related ill health	pp.112-113Occupational Health and Safety
Training and education		
GRI 404: Training and Education 2016	3-3 Management of material topics	Page 78 Stakeholder Engagement
	404-1 Average hours of training per year per employee	Page 110 Training and Development
	404-2 Programs for upgrading employee skills and transition assistance programs	pp.109-110 Training and Development
	404-3 Percentage of employees receiving regular performance and career development reviews	pp.110-111 Career Development
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78 Stakeholder Engagement
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	pp.104-107 Workforce Diversity; 1 out of the 12 Board of Directors is female; <a href="https://www.metrobank.com.ph/articles/about-us/our-people">https://www.metrobank.com.ph/articles/about-us/our-people</a>
	405-2 Ratio of basic salary and remuneration of women to men	Page 108 Compensation and Benefits
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78 Stakeholder Engagement
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	pp. 92-93, 104, 113-114 Human Rights and Non-Discrimination
Local communities		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 79 Stakeholder Engagement
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	pp. 116-123 Corporate Citizenship and Philanthropy
	413-2 Operations with significant actual and potential negative impacts on local communities	pp.116-123 Corporate Citizenship and Philanthropy
Marketing and labeling		
GRI 3: Material Topics 2021	3-3 Management of material topics	Page 78 Stakeholder Engagement
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Page 94 Marketing and Labelling
	417-2 Incidents of non-compliance concerning product and service information and labeling	
	417-3 Incidents of non-compliance concerning marketing communications	
Customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	pp. 78-79 Stakeholder Engagement
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Page 96 Data Security

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### BSP CONSUMER PROTECTION AND MARKET CONDUCT OFFICE (CPMCO):

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- Message BSP Online Buddy (BOB) through BSP Webchat by visiting BSP's official website, <https://www.bsp.gov.ph/>, and click the webchat feature
- Talk-to-BSP SMS by sending details of the concern to 21582277 (data and SMS fees apply)
- BSP Facebook by sending a message to <https://www.facebook.com/BangkoSentralngPilipinas>
- BSP Telephone Number (02) 8811-1BSP (8811-1277)

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