PBCOM
PHILIPPINE BANK OF COMMUNICATIONS
菲律濱交通銀行
6795 Ayala Avenue corner V.A. Rufino Street, Makati City, Philippines
(02) 8777-2266 | 1-800-10-777-2266

20 May 2025

PHILIPPINE STOCK EXCHANGE, INC.
6/F PSE Tower, 5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Atty. JOHANNE DANIEL M. NEGRE**
Officer-in-Charge, Disclosure Department

THE PHILIPPINE DEALING & EXCHANGE CORPORATION
29/F BDO Equitable Tower
8751 Paseo de Roxas, Makati City

Attention: **Ms. SUZY CLAIRE R. SELLEZA**
Issuer Compliance and Disclosure Department

Ladies and Gentlemen:

In compliance with the Philippine Dealing & Exchange Corporation Issuer Disclosures Operating Guidelines, we furnish you a copy of the Bank's Definitive Information Statement.

For your information.

Truly yours,

PHILIPPINE BANK OF COMMUNICATIONS
By:



MA. THERESA G. DELA ROSA
Corporate Secretary

P	W	0	0	0	0	0	6	8	6

S.E.C. Registration Number

P	H	I	L	I	P	P	I	N	E		B	A	N	K			O	F		C	O	M	M	U	N	I	C	A	T	I	O	N	S

(Company's Full Name)

P	B	C	O	M		T	O	W	E	R	,	6	7	9		5		A	Y	A	L	A		A	V	E	N	U	E				

C	O	R	N	E	R		V	.	A	.		R	U	F		I	N	O		S	T	R	E	E	T							

M	A	K	A	T	I		C	I	T	Y																						

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

Ma. Theresa G. Dela Rosa

Contact Person

(02) 8830-7062

Company Telephone Number

1	2		3	1

Month Day
Fiscal Year

2	0		I	S

Form Type

3rd Tuesday of June

Month Day
Annual Meeting

Secondary License Type, If Applicable

M	S	R	D

Dept. Requiring this Doc.

Amended Articles Number/Section

		3	8	9

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel Concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

NOTICE OF THE ANNUAL MEETING OF STOCKHOLDERS

Please take notice that the Annual Meeting of Stockholders of the **PHILIPPINE BANK OF COMMUNICATIONS** ("PBCOM") will be held on **Wednesday, 18 June 2025, 9:00 a.m. to 10:00 a.m.** The meeting will be conducted virtually and can be accessed at the link to be provided in the Bank's website at https://www.pbcom.com.ph/.

A G E N D A

1. Call to Order
2. Certification of Notice and Quorum
3. Review and Approval of the Minutes of the Previous Meeting held on 11 June 2024
4. Annual Report of Management and Approval of the Audited Financial Statements for 2024
5. Ratification of Acts of the Board of Directors and Management since the Last Annual Meeting of Stockholders
6. Election of Directors
7. Appointment of External Auditor
8. Other Matters
9. Adjournment

For purposes of the meeting, only stockholders of record as of **11 April 2025** are entitled to notice of, and to vote at, the Annual Meeting of Stockholders.

PBCOM will be holding a virtual Annual Meeting. The conduct of the Annual Meeting will be streamed live, and stockholders may attend, participate and vote only through proxy, remote communication or *in absentia*. The requirements and procedures for voting *in absentia* and participation through remote communication are set forth in the Information Statement.

Stockholders who choose to vote by proxy must submit and address their signed proxy to the attention of the Corporate Secretary at 5/F PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino Street, Makati City or via e-mail at CorporateSecretary@pbcom.com.ph not later than 5:00 p.m. on or before 27 May 2025.

The electronic copy of the Bank's Information Statement, Management Report, SEC Form 17-A and other pertinent documents related to the 2025 Annual Stockholders Meeting shall be posted in PBCOM's website at https://www.pbcom.com.ph/ and PSE Edge.

PBCOM IS NOT SOLICITING PROXIES.

MA. THERESA G. DELA ROSA
Corporate Secretary

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the Appropriate box

   ☐ Preliminary Information Statement

   ☒ Definitive Information Statement

2. Name of Registrant as specified in its charter **PHILIPPINE BANK OF COMMUNICATIONS**

3. Province, country or other jurisdiction of incorporation or organization **Philippines**

4. SEC Identification Number **PW00000686**

5. BIR Tax Identification Number **000-263-340-000**

6. Address of Principal Office PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino Street, Makati City 1226, Philippines

7. Registrant's telephone number, including area code **(632) 8830-7000**

8. Date, time and place of meeting of security holders
   Date **18 June 2025 Wednesday**
   Time **9:00 a.m. to 10:00 a.m.**
   Place **Virtual Stockholders' Meeting at the link to be provided in PBCOM's website - https://www.pbcom.com.ph/**

9. Approximate date on which the Information Statement is first to be sent or given to security holders

   27 May 2025

10 Securities registered pursuant to Section 8 and 12 of the Code or Sections 4 and 8 of the RSA (information of the number of shares and amount of debt is applicable only to corporate registrants)

Title of Each Class	Number of Common Stock Outstanding or Amount of Debt Outstanding
Common Stock	**480,645,163 shares**
Debt Outstanding	**None**

11. Are any or all of the registrant's securities listed on a Stock Exchange?
    Yes √ No

12. If yes, disclose the name of such Stock Exchange and the class of securities listed therein:
    Philippine Stock Exchange, Inc. **Common Shares**

We are not asking you for a proxy and you are requested not to send us a proxy.

GENERAL INFORMATION

Date, Time and Place of Meeting of Security Holders

Date : 18 June 2025, Wednesday
Time : 9:00 a.m. to 10:00 a.m.
Place : Virtual Stockholders' Meeting at the link to be provided in PBCOM's website - https://www.pbcom.com.ph/

Mailing Address of the Bank

The complete mailing address of the Philippine Bank of Communications (hereinafter, "PBCOM", the "Bank" or the "Corporation") is:

PHILIPPINE BANK OF COMMUNICATIONS
PBCOM Tower, 6795 Ayala Ave. corner V.A. Rufino St.
Makati City 1226, Philippines

Record Date

The record date for the purpose of determining the stockholders entitled to notice of, and to vote at, the Annual Meeting of the Stockholders is **11 April 2025** (the "Record Date").

Approximate Date of First Release of Information Statement

The approximate date on which this Information Statement will be first sent out to the stockholders of the Bank is on **27 May 2025**.

Dissenter's Right of Appraisal

In accordance with Title X of the Revised Corporation Code, any stockholder of the Bank has the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; and

3. In case of merger or consolidation; and

4. In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

The procedure for the exercise of such appraisal right by the stockholders is as follows:

1. The stockholder voted against the proposed corporate action.

2. The dissenting stockholder shall make a written demand on the corporation within thirty (30) days after the date on which the vote was taken for payment of the fair market value of his shares. The failure of the stockholder to make the demand within such period shall be deemed a waiver of the appraisal right.

3. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate(s) of stock within ten (10) days after demanding payment for his shares, the fair value thereof; and

4. Upon payment of the agreed or awarded price, the stockholder shall transfer his shares to the corporation.

To date, there are no corporate matters or actions that will entitle dissenting stockholders to exercise their right of appraisal as provided in Title X of the Revised Corporation Code.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

There is no matter to be acted upon in which any director or executive officer is involved or had a direct, indirect or substantial interest (except the election of directors).

No director has informed the registrant, in writing or otherwise, that he intends to oppose any action to be taken by the registrant at the Meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

(a) **Total Number of Shares Outstanding as of the date of this report:** 480,645,163 common shares

Number of Votes per Share: One (1) vote per share.

(b) **Record Date**: All stockholders of record as of the close of business on **11 April 2025** are entitled to notice of, and to vote at, the Annual Meeting.

(c) Pursuant to Article II, Section 2 of the Bank's By-laws, a stockholder may vote during the Annual Stockholders' Meeting in person or by proxy.

In accordance with Section 23 of the Revised Corporation Code, a stockholder may vote for the directors of the Bank in any of the following manner:

1. He may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by his shares; or

2. He may distribute them in the same principle among as many candidates as he shall see fit.

3. In any of the foregoing instances, the total number of votes cast by the shareholder should not exceed the number of shares owned by him as shown in the books of the Bank multiplied by the number of directors to be elected.

Pursuant to Sections 23 and 57 of the Revised Corporation Code which allow voting through remote communication or *in absentia*, stockholders may access the Bank's online web address at https://www.pbcom.com.ph/, to be able to register and vote *in absentia* on the matters for approval at the meeting. A stockholder who votes in absentia shall be deemed present for purposes of quorum.

Participants may send questions or remarks via the livestream portal. Stockholders may also send questions and/or remarks in advance or during the meeting to the Corporate Secretary at CorporateSecretary@pbcom.com.ph.

The requirements and procedures for voting in absentia and participation through remote communication are set forth under **Annex "A"** of this Information Statement.

Security Ownership of Certain Record and Beneficial Owners as of April 11, 2025:

There are no delinquent stocks and the direct and indirect record of beneficial owners of more than five percent (5%) of common shares of the Bank as of April 11, 2025 are:

Title of Class	Name and Address of Record Owner and relationship with Issuer	Name of Beneficial Ownership and relationship with Record Owner	Citizenship	No. of Shares	% Held
Common	**P.G. Holdings, Inc. 900 Romualdez St., Paco, Manila Stockholder**	**Lucio L. Co-Chairman and Susan P. Co-Director- Authorized to vote the shares**	**Filipino**	186,241,408	38.75%
Common	**VFC Land Resources, Inc. 1379 San Gregorio St., Paco, Manila Stockholder**	**Various stockholders Lucio L. Co – Authorized to vote the shares**	**Filipino**	88,883,602	18.49%
Common	**Ralph C. Nubla, Jr.* 2 Sanso Street, Corinthian Gardens, Quezon City Stockholder**	**Ralph C. Nubla, Jr. – same as record owner**	**Filipino**	51,779,374	10.77%
Common	**PCD Nominee Corporation 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder**	**Various stockholders No stockholder owns more than 5% of the company's voting securities through PCD**	**Filipino Non-Filipino**	49,191,524 1,994,501 51,186,025	10.65%
Common	**Eric O. Recto** 5/F PBCOM Tower 6795 Ayala Ave. cor. V.A. Rufino St., Makati City Stockholder**	**Eric O. Recto – same as record owner**	**Filipino**	50,159,424	10.44%
Common	**Telengtan Brothers & Sons, Inc. Km. 14, South Superhighway, Paranaque City Stockholder**	**Various stockholders Authorized to vote the shares-any one of the ff: Bunsit Carlos G. Chung/Felix Chung/Ching Tiong Keng**	**Filipino**	31,859,844	6.63%

* - 5,260,338 shares of the 51,779,374 shares of Ralph C. Nubla, Jr. are under PCD Nominee Corp.

** - 323,648 shares of the 50,159,424 shares of Eric O. Recto are under PCD Nominee Corp.

Except as stated above, the Board of Directors and Management of the Bank have no knowledge of any person who, as of the date of this report, was indirectly or directly the beneficial owner of more than five percent (5%) of the Bank's outstanding shares of common stock or who has voting power or investment power with respect to shares comprising more than five percent (5%) of the outstanding shares of common stock. There are no persons holding more than five percent (5%) of the Bank's common stocks that are under a voting trust or similar agreement.

The PCD, being a nominee corporation, only holds legal title, not beneficial ownership of the lodged shares. The beneficial owners, such as the clients of PCD, have the power to decide how their shares are to be voted.

Security Ownership of Management

The following are the number of shares of common stock owned of record and beneficially by the directors and executive officers of the Bank and the percentage of shareholdings of each, as of April 11, 2025:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent
Common	Eric O. Recto	Direct	50,159,424*	Filipino	10.44%
Common	Leonardo B. Dayao	Direct	15,901	Filipino	0.00%
Common	Patricia May T. Siy	Direct	100	Filipino	0.00%
Common	Bunsit Carlos G. Chung	Direct	550,716	Filipino	0.11%
		Indirect	449,294		0.09%
Common	Lucio L. Co	Direct	1	Filipino	0.00%
		Indirect	93,120,704		19.37%
Common	Susan P. Co	Direct	1	Filipino	0.00%
		Indirect	93,027,584		19.35%
Common	Jack E. Huang	Direct	100	Filipino	0.00%
Common	Levi B. Labra	Direct	100	Filipino	0.00%
Common	Hans Brinker M. Sicat	Direct	100	Filipino	0.00%
Common	Gregorio T. Yu	Direct	1,432,692	Filipino	0.30%
Common	Paolo Benigno A. Aquino IV	Direct	100	Filipino	0.00%
Common	Stephen Anthony T. CuUnjieng	Direct	100	Filipino	0.00%
Common	Conrado A. Gloria, Jr.	Direct	100	Filipino	0.00%
Common	Teresita J. Herbosa	Direct	100	Filipino	0.00%
Common	Gilda E. Pico	Direct	100	Filipino	0.00%
Common	John Howard D. Medina	N/A	0	Filipino	0.00%
Common	Alan E. Atienza	N/A	0	Filipino	0.00%
Common	Victor O. Martinez	N/A	0	Filipino	0.00%
Common	Erico C. Indita	N/A	0	Filipino	0.00%
Common	Jane K. Gocuan	N/A	0	Filipino	0.00%
Common	Arlene M. Datu	N/A	0	Filipino	0.00%
Common	Expedito G. Garcia	N/A	0	Filipino	0.00%
Common	Jane Lim-Laragan	N/A	0	Filipino	0.00%
Common	Mina F. Martinez	N/A	0	Filipino	0.00%
Common	Greg L. Romero	N/A	0	Filipino	0.00%
Common	Jo-Anne R. Legaspi	N/A	0	Filipino	0.00%
Common	Dreda Teresa D. Mendoza	N/A	0	Filipino	0.00%
Common	Ronald Paul D. San Diego	N/A	0	Filipino	0.00%
Common	Mailene V. Mungcal	N/A	0	Filipino	0.00%
Common	Lav E. Tambuyat	N/A	0	Filipino	0.00%
Common	Angelica U. Egalin	N/A	0	Filipino	0.00%
Common	Ma. Theresa G. Dela Rosa	N/A	0	Filipino	0.00%

* - 323,648 shares of the 50,159,424 shares of Eric O. Recto are under PCD Nominee Corporation

Except as disclosed above, the Bank has not received from any of the directors or executive officers of the Bank any statement of ownership, whether of record or beneficially, of more than five percent (5%) of the Bank's outstanding shares of common stock. As known by the Bank, the aggregate number of

common shares owned directly by all key officers and directors as a group as of April 11, 2025 is 238,757,217 common shares.

Changes in Control

There are no voting trust agreements or any other similar agreement that may result in a change in control of the Bank of which the Bank has any knowledge. No change in control of the Bank has occurred since the beginning of its last fiscal year.

Directors and Executive Officers

Pursuant to the Bank's By-Laws, the directors are elected at the annual stockholders' meeting to hold office until next succeeding annual meeting and until their respective successors in interest have been elected and qualified.

The following names have been nominated for election to the Board of Directors for the ensuing year, 2025-2026:

Eric O. Recto
Leonardo B. Dayao
Patricia May T. Siy
Lucio L. Co
Susan P. Co
Bunsit Carlos G. Chung
Jack E. Huang
Levi B. Labra
Hans B. Sicat
Gregorio T. Yu
Paolo Benigno A. Aquino IV – Independent Director
Stephen Anthony T. CuUnjieng – Independent Director
Conrado A. Gloria, Jr. – Independent Director
Teresita J, Herbosa – Independent Director
Gilda E. Pico – Independent Director

The aforementioned list of nominees had been evaluated and confirmed by the Nominations Committee of the Bank.

The nominees for Independent Director have all the qualifications and none of the disqualifications of an Independent Director.

The following names were nominated as members of the Executive, Risk Oversight, Governance, Audit, Related Party Transactions (RPT), and Trust Committees for the ensuing year:

Executive Committee

a. Lucio L. Co (Chairperson)
b. Eric O. Recto (Vice Chairperson)
c. Leonardo B. Dayao (Vice Chairperson)
d. Patricia May T. Siy
e. Bunsit Carlos G. Chung

Risk Oversight Committee

a. Conrado A. Gloria, Jr. (Chairperson / Independent Director)

b. Teresita J. Herbosa (Independent Director)
c. Stephen Anthony T. CuUnjieng (Independent Director)
d. Levi B. Labra
e. Patricia May T. Siy

Governance Committee
a. Gilda E. Pico (Chairperson / Independent Director)
b. Conrado A. Gloria, Jr. (Independent Director)
c. Stephen Anthony T. CuUnjieng (Independent Director)
d. Eric O. Recto
e. Leonardo B. Dayao

The Governance Committee also serves as the Bank's Nominations Committee, Compensation and Remuneration Committee and Performance Evaluation Committee.

Audit Committee
a. Teresita J. Herbosa (Chairperson / Independent Director)
b. Gilda E. Pico (Independent Director)
c. Paolo Benigno A. Aquino IV (Independent Director)

RPT Committee
a. Stephen Anthony T. CuUnjieng (Chairperson/Independent Director)
b. Conrado A. Gloria, Jr. (Independent Director)
c. Gilda A. Pico (Independent Director)
d. Levi B. Labra
e. Hans Brinker M. Sicat

Trust Committee
a. Eric O. Recto (Chairperson)
b. Patricia May T. Siy
c. Jack Ekian T. Huang
d. Hans Brinker M. Sicat
e. Dreda Teresa D. Mendoza/Trust Officer

Rules on Nomination and Election of Directors and Independent Directors and Manner of Voting

In compliance with SEC SRC Rule 38, and as a matter of practice, the Bank has adopted the following rules in the nomination and election of directors.

SEC.1. Period. All the nominations for directors and independent directors shall be submitted to the Nominations Committee through any of the members of the committee or the Corporate Secretary at any time before the submission of the Definitive Information Statement to the Securities and Exchange Commission, allowing the Nominations Committee sufficient time to pass upon the qualifications of the nominees.

SEC.2. Form and Contents. All nominations shall be in writing duly signed by a stockholder and accepted and conformed to by the nominees likewise in writing indicating whether a particular nominee/s is/are intended to be an independent director or not. It must contain the nominee's age, educational attainment, work and/or business experience and/or affiliation.

SEC.3. Qualifications. No individual shall be nominated as director or independent director unless he meets the minimum requirements/qualifications prescribed by the regulatory agencies/offices concerned of listed banks.

SEC.4. List of Candidates. The Nominations Committee shall pre-screen the qualifications of the nominees and prepare the final list of candidates, including a summary of all relevant information about them.

Names of Directors and Executive Officers

The following are the names, ages and periods of service of the nominee Directors and executive officers of the Company with a brief description of the business experience during the past five years of each of the directors and executive officers:

Board of Directors

ERIC O. RECTO, *Chairman of the Board and Director*

Mr. Recto, Filipino, 61 years old, was elected Director and Vice Chairman of the Board on July 26, 2011, appointed Co-Chairman of the Board on January 18, 2012 and Chairman of the Board on May 23, 2012.

He is presently Chairman and President of Bedfordbury Development Corporation; Chairman of the Board and Chief Executive Officer of Alphaland Corporation; Chairman of the Board and Chief Executive Officer of Atok-Big Wedge Co., Inc.; He is Vice Chairman and Lead Independent Director of Aboitiz Power Corporation; Independent Director of Manila Water Company, Inc.; and holds board positions in a few other publicly-listed companies. He was appointed Senior Advisor of Stonepeak Infrastructure Partners in the US and Director of Miescor Infrastructure Development Corporation.

Prior to his current roles, he was President of Petron Corporation, the largest oil refining and marketing company in the Philippines. He also previously served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005.

Eric has an undergraduate degree in Industrial Engineering from the University of the Philippines and has an MBA from Cornell University's Johnson Graduate School of Management

LEONARDO B. DAYAO, *Vice Chairman and Director*

Mr. Dayao, Filipino, 81 years old, was elected Director on September 29, 2014 and Co-Vice Chairman on October 24, 2014. Mr. Dayao currently holds the following positions in publicly listed companies: *President* of Cosco Capital, Inc. and *Director* of Puregold Price Club, Inc.

He also holds various positions in the following privately-owned companies: *Chairman and President* of Fertuna Holdings Corp., *Chairman* of Catuiran Hydropower Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Karayan Hydropower Corporation, League One Finance and Leasing Corporation, Pamana Water Corporation, PSMT Philippines, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc.; *Vice-Chairman* of Ayagold Retailers, Inc.; *President* of Alcorn Petroleum Minerals Corporation, K4 Water Resources Corporation, Matuno River Dev. Corp., NE Pacific Shopping Centers Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., San Jose City I Power Corp., Southern Utility Management Services, Incorporated (SUMSI), Union Energy Corporation; Vice-President of Alerce Holdings Corp., Bellagio Holdings, Inc., KMC Realty Corporation, Puregold

Properties, Inc., Union Equities, Inc.; and *Director* of Canaria Holdings Corporation, Entenso Equities Incorporated, Kareila Management Corporation, and Puregold Realty Leasing & Management, Inc. Mr. Dayao is also *Vice President* of Puregold Duty Free, Inc.

Mr. Dayao received a Bachelor of Science Degree in Commerce from Far Eastern University. He is a Certified Public Accountant and has completed Basic Management Program at Asian Institute of Management and earned units in MBA from University of the Philippines-Cebu.

LUCIO L. CO, *Chairman of the Executive Committee and Director*

Mr. Co, Filipino, 70 years old was elected Director on September 29, 2014.

Mr. Co currently holds the following positions in other publicly listed companies: *Director and Chairman* of Puregold Price Club, Inc., Cosco Capital, Inc. and The Keepers Holdings, Inc. (formally Da Vinci Capital Holdings, Inc.).

He is also the *Chairman* of the following privately-owned companies: Alcorn Petroleum & Minerals Corporation, Entenso Equities Incorporated, Makabayan Holdings Incorporated, Matuno River Dev. Inc., NE Pacific Shopping Centers Corporation, Pajusco Holdings Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., Puregold Realty Leasing & Management, Inc., San Jose City I Power Corp., Union Energy Corporation and *Chairman and President* of Bellagio Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Invescap Incorporated, P.G. Holdings, Inc., Puregold Duty Free, Inc., Puregold Properties, Inc., Union Equities, Inc.. Mr. Co is also a *Director* of the following privately-owned companies: Bacolod Real Estate Development Corp., Catuiran Hydropower Corporation, Cleangreen Energy Corporation, Forbes Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Illido Management Corp., Karayan Hydropower Corporation, Kareila Management Corp., LCCK & Sons Realty Corporation, League One Finance and Leasing Corporation, Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., Negros Water Company Inc., Pamana Water Corporation, PPCI Subic Inc., Patagonia Holdings Corp., Premier Wine & Spirits, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., Technowater Corp., Tower 6789 Corporation and VS Gripal Power Corp. Mr. Co is a member of the Board of Trustees of Adamson University and Luis Co Chi Kiat Foundation, Inc.

Mr. Co has been an entrepreneur for the past 50 years.

PATRICIA MAY T. SIY, *President & CEO and Director*

Ms. Siy, Filipino, 64 years old, was elected Director, President and Chief Executive Officer on June 1, 2015. She is also a Director of PBCOM Finance Corporation.

Immediately before joining PBCOM, she served as Chief Corporate Planning Officer of Travellers International Hotel Group from 2012 and as Chief Finance Officer of Rustan's Supercenter Inc. from 2011 to 2012. Her banking experience spanned 38 years. She was with Security Bank Corporation where she held various positions from 2000 to 2011 in Middle Market Lending and Corporate Lending leading to the Executive Vice President post for the Commercial and Retail Banking Segment. She held senior positions in Standard Chartered Bank from 1994 to 2000 in the fields of Regional and Philippine Consumer Credit, Group Special Asset Management, and Corporate Banking in Cebu and Head Office. Her first Bank was Private Development Corporation of the Philippines where she stayed from 1983 to 1994 as Project Analyst, Cebu Lending Head, Visayas Lending Head, and then Branch Lending Head.

Ms. Siy graduated from De La Salle University with a Bachelor of Science degree in Industrial Management Engineering minor in Chemical Engineering.

BUNSIT CARLOS G. CHUNG, *Director*

Mr. Chung, Filipino, 74 years old, was elected Director on June 17, 1997.

He is concurrently Chairman & President of Supima Holdings, Inc., Chairman of Tosen Foods Corporation, Director of La Suerte Cigar & Cigarette Factory, Century Container Corporation, Bicutan Container Corporation, PBCOM Finance Corporation, State Investment Trust, Inc. and State Properties, Inc. He is also an Advisory member of the Board of Trustees of Xavier School Inc., and a member of the Board of Trustees of Immaculate Conception Academy (Greenhills) Scholarship Foundation, Seng Guan Buddhist Temple, Angelo King Foundation Inc. and Kim Siu Ching Family Association and Chairman and President Phil Tiong Se Academy.

Mr. Chung has a degree in AB (Economics) & Business Administration from De La Salle University as well as an MBA from the University of Southern California.

SUSAN P. CO, *Director*

Mrs. Co, Filipino, 67 years old, was elected Director on September 29, 2014. She currently holds the positions of *Chairman* of Puregold Price Club, Inc. and *Vice-Chairman* of Cosco Capital, Inc., both publicly listed companies.

Mrs. Co is the *Chairman and President* of Cosco Price, Inc., *Chairman* of Tower 6789 Corporation, Kareila Management Corporation and President of Makabayan Holdings Incorporated. She is also a *Director* of the following privately-owned companies: Bellagio Holdings, Inc., Blue Ocean Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Illido Management Corp., KMC Realty Corp., League One, Inc., Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., NE Pacific Shopping Center Corporation, P.G. Holdings, Inc., Patagonia Holdings Corp., PPCI Subic Inc., Premier Wines and Spirits, Inc., Puregold Duty Free (Subic), Inc., Puregold Duty Free, Inc., Puregold Finance, Inc., Puregold Properties, Inc., Puregold Realty Leasing & Management, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., San Jose City I Power Corp., Union Energy Corporation and Union Equities, Inc. and *Director and Treasurer* of Forbes Corporation. Mrs. Co is also a member of the Board of Trustees of Luis Co Kiat Foundation, Inc.

Mrs. Co received a Bachelor of Science Degree in Commerce from the University of Santo Tomas.

JACK EKIAN T. HUANG, *Director*

Mr. Huang, Filipino, 70 years old, was elected Director on June 4, 2019. He currently holds the positions of Director of Puregold Price Club Inc. and Cebu Business Continuous Forms, Vice President of Abacus Securities Corporation and Director and Treasurer of Richmedia Network Inc.

In the past, he was Assistant Vice President of the Bank of the Philippine Islands, Branch Manager of Ayala Investment & Development Corporation, Director and President of First Abacus Financial Holdings Corporation, Director of Abacus Securities Corporation and a member of the Board of Trustees and Member of the Finance Committee of Sacred Heart School (Ateneo de Cebu).

Mr. Huang obtained his Bachelor of Arts in Economics at the Ateneo de Manila University

LEVI B. LABRA, *Director*

Mr. Labra, Filipino, 66 years old, served as an Independent Director from October 24, 2014 until his election as a regular member of the Board of Directors on February 22, 2017.

Mr. Labra is also a *Director* of Cosco Capital, Inc., a publicly listed company and a *Board Adviser* at Puregold Price Club, Inc.

He obtained his Bachelor of Science in Business Administration (Cum Laude) at the University of San Carlos, Cebu City.

HANS BRINKER M. SICAT, *Director*

Mr. Sicat, Filipino, 64 years old, was elected Director on June 13, 2024.

Hans is the country head of Ares Management Corporation in the Philippines. Ares is a leading global alternative investment manager. He has been involved in the global capital market for over 3 decades. Prior to the current role, he was CEO of ING Bank Philippines, Chairman & CEO of the Philippine Stock Exchange, Managing Director & country board member of Citi Philippines. He was an investment banker with Citi and its predecessor firms (Salomon Brothers & Citicorp Securities) in various roles in New York, Hong Kong & the Philippines.

Hans is an independent director in a number of firms*, and has been on industry association boards like the Bankers Association of the Philippines (BAP) and the Investment House Association of the Philippines (IHAP) which he presided over at one time. He also did a committee role at the World Federation of Exchanges (WFE). Through the years, he has been active with the Young Presidents' Organization (YPO & YPO Gold), a global leadership community of CEOs; he was on the Southeast Asia Regional board and is still on the Philippines Executive Committee, which he previously chaired.

Hans finished his coursework for Ph.D. Economics program at the Univ. of Pennsylvania in Philadelphia; he has a Master of Arts in Economics and a Bachelor of Science in Mathematics from the University of the Philippines. He was conferred an Honorary Doctorate in Business Administration by the Western University in Thailand.

*Note: Current firm affiliations are Arthaland Corporation; Escada de Oro Holdings, Inc. (and related companies); Philippine Bank of Communications; ProJuris Business Services; Transnational Diversified Group

Previous firms' affiliations: Fintonia Group; ING Bank Philippines Foundation, Inc.; LegisPro Corporation; List Sotheby's Philippines, Philippine Dealing System (PDS) Group; PSE Foundation, Inc.; Serica Fund and Serica Balanced Fund; Skycable Corporation; served as Emerging Markets Committee Head, World Federation of Exchanges.

Involved with: Endeavor Organization, Philippine Map Collectors Society

GREGORIO T. YU, *Director*

Mr. Yu, Filipino, 66 years old, was elected Director on July 26, 2011. He is presently the Chairman of Nexus Technologies, Inc. Mr. Yu also sits as Director in various companies, among which are Apo Agua Infrastructura, Inc., Glacier Megafridge, Inc., Inchcape Philippines, Glyph Studios, Inc., Jupiter

Systems Corporation, Philequity Management Inc., Prople BPO Inc., and WSI Corporation.

He is concurrently the Lead Independent Director of AIA Philippines Life and General Insurance Company, Inc., Independent Director of Alphaland Corporation, Filipino Fund, Inc., House of Investments, Inc., Philippine Airlines, Inc., Vantage Financial Corporation (formerly E-business Services, Inc.), Unistar Credit and Finance and Vantage Equities Inc. He also serves as Board Member of the Manila Symphony Orchestra since 2009.

He received his MBA from the Wharton School of the University of Pennsylvania in 1983 and his Bachelor of Arts in Economics (Honors Program) Summa Cum Laude from De La Salle University in 1978**.**

PAOLO BENIGNO A. AQUINO IV, *Independent Director*

Mr. Paolo Benigno "Bam" A. Aquino IV, Filipino, 47 years old, was elected Independent Director of the Bank on January 31, 2024.

Currently, he holds core positions in various private institutions like Kaya Natin! Movement for Good Governance and Ethical Leadership, Inc. as Chairperson, Pasajob Inc. as Director, At1ndahan Inc. as Director and Mee Games Inc. as Director. Prior to his current roles, Bam served as Senator of the Republic of the Philippines from 2013 to 2019. He also served as Chairperson and Commissioner-at-Large of the National Youth Commission from 2003 to 2006 and 2001 to 2003, respectively. He was also President of other private institutions like Microventures Inc. and Megamobile Inc., Director of Ryt BrainTech Solutions Inc. and was a Special Project Manager of ABS-CBN Foundation.

Bam earned his Bachelor of Science in Management Engineering degree from the Ateneo de Manila University in 1999 and attended Executive Education Program on Public Policy and Leadership at the Kennedy School of Government, Harvard University.

STEPHEN ANTHONY T. CUUNJIENG, *Independent Director*

Mr. CuUnjieng, Filipino, 65 years old, was elected Independent Director on July 1, 2022.

He concurrently serves as an Independent Director of First Philippine Holdings Corporation and Century Properties Group since 2018 and 2015, respectively. Mr. CuUnjieng is likewise an Independent Director of Century Pacific Food Inc. and Greenergy Holdings Inc. starting 2023. In 2024, he was also elected as Independent Director of Pasay Harbor City Corporation and Cebuana Lhuillier Services.

In the past, he was a Senior Managing Director at Evercore and Chairman at Evercore Asia Limited from 2009 to 2022. He was previously an Independent Director of Aboitiz Equity Ventures (2010 to 2018), an Adviser to the Board of SM Investments Corporation (2008-2017) and Director of Manila North Tollways Corporation (2008-2013). He was also Vice Chairman, ASEAN of Macquarie (Hong Kong) Limited from 2007 to 2009.

Mr. CuUnjieng holds a degree in Bachelor of Arts (1980) and also has a Bachelor's Degree in Law (with honors) (1984) from the Ateneo de Manila University and the Ateneo Law School. He also has a Master's Degree in Business Administration (Finance) from Wharton School of Business (1986).

CONRADO A. GLORIA, JR., *Independent Director*

Mr. Gloria, Filipino, 65 years old, was elected Independent Director on June 4, 2019.

He currently holds the positions of President & CEO of GIV Capital Holdings Corporation and Director of Miguel and Maria Group of Companies. Mr. Gloria is also an Independent Director of Scheirman Construction Consolidated Inc.

In the past, he served as President & COO of Investment & Capital Corporation of the Philippines, Executive Vice President and Managing Director of SB Capital Investment Corporation, President of SB Equities, Inc., Senior Vice President of Southeast Asia Cement Holdings Inc. and Senior Finance Officer of International Finance Corporation.

Mr. Gloria obtained his Bachelor of Arts in Economics at the University of the Philippines and his Master's in Business Administration at the Asian Institute of Management.

TERESITA J. HERBOSA, *Independent Director*

Ms. Herbosa, Filipino, 74 years old, was elected as Independent Director on November 2, 2022.

She currently serves as a Director of the Board of Telecommunications Connectivity, Inc., and also sits as an Independent Director of mutual fund companies under the Sunlife Group and Grepalife Group: Sunlife of Canada Prosperity Bond Fund, Inc., Sunlife Prosperity Peso Starter Fund, Inc., Sunlife Prosperity Dollar Starter Fund, Inc., Sunlife Prosperity Peso Voyager Feeder Fund Inc., Sunlife Prosperity World Income Fund, Inc., Sunlife Prosperity Achiever Fund 2028, Inc., Sunlife Prosperity Achiever Fund 2038, Inc., Sunlife Prosperity Achiever Fund 2048, Inc., Grepalife Balanced Fund Corp., Grepalife Dollar Bond Fund Corp. and Grepalife Fixed Income Fund Corp.

Ms. Herbosa is the former Chairperson of the Philippine Securities and Exchange Commission or SEC from April 2011 up to June 2018.

Prior to government service, Ms. Herbosa was with Angara Abello Concepcion Regala & Cruz Law Offices ("ACCRALAW") where she headed its prestigious Litigation and Dispute Resolution Department for more than 10 years during which it was consistently recognized as the best in that area of practice. She retired from ACCRALAW in 2011 as a Senior Partner/Co-Managing Partner. Ms. Herbosa was also a law professor at the DLSU College of Law (Rufino Campus) and Lyceum Makati.

Ms. Herbosa finished AB Political Science cum laude at the University of the Philippines (UP) Diliman, and Bachelor of Laws cum laude and class salutatorian from the UP College of Law. She has a master's degree from the University of Michigan.

GILDA E. PICO, *Independent Director*

Ms. Pico, Filipino, 78 years old, was elected Independent Director on February 22, 2017.

She is currently Chairman of the Board of Producers Savings Bank Corporation. Ms. Pico is also connected with Marinor Development Corporation as Director/Treasurer, Gilart Holdings Corporation as President, Maya Philippines, Inc. and Pagasa Finance Corp. as Independent Director.

In the past, Ms. Pico was President and CEO of Land Bank of the Philippines from November 2006 to July 2016. She was Land Bank's Acting President from July 2005 to November 2006 and Trustee of Land Bank Countryside Development Fund from 2005 to 2015. She also served as Chairman/Director in various government and private institutions engaged in leasing, realty, insurance, guarantees, microfinancing, rural and development banking from 1985 to 2016 such as LBP Insurance Brokerage,

Inc., LBP Leasing and Finance Corporation, Landbank Realty Corp., Masaganang Sakahan, Inc., National Livelihood Development Corporation, Peoples Credit and Finance Corporation, Philippine Crop Insurance Corporation, among others.

Ms. Pico obtained her Bachelor of Science Degree in Commerce in 1966 from the College of the Holy Spirit where she graduated Magna Cum Laude and earned units in Masters in Business Administration from the University of the East. Ms. Pico is a Certified Public Accountant.

Independent Directors

As approved by the Board of Directors, the procedure for the nomination of independent directors shall be as follows:

The nomination of independent directors shall be conducted by the Nominations Committee prior to the Annual Meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the nominees for election. The Nominations Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors.

After the nomination, the Nominations Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, as required by existing and applicable rules, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the information statement, or in such other reports the Company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relation with the nominee.

Only nominees whose names appear on the final list of candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the final list of candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual annual stockholders' meeting.

All nominees, Messrs. Paolo Benigno A. Aquino IV, Stephen Anthony T. CuUnjieng, Conrado A. Gloria, Jr., Mmes. Teresita J. Herbosa, and Gilda E. Pico do not have a relationship with the Bank which would interfere with the exercise of independent judgment in carrying out responsibilities of a director. None of them are related to any of the directors or officers of the Company.

The Chairman of the Bank, Mr. Eric O. Recto, has recommended the nominations of Messrs. Paolo Benigno A. Aquino IV. Stephen Anthony T. CuUnjieng, Conrado A. Gloria, Jr., Mmes. Teresita J. Herbosa and Gilda E. Pico as independent directors for the ensuing year. Mr. Recto is not related to any of the mentioned nominees.

The Nominations Committee has taken into consideration the qualifications to be an Independent Director. Attached as **Annexes "B", "C", "D", "E", and "F"** are the Certificates of the Qualifications of the Nominees for Independent Directors. The Nominations Committee is composed of Ms. Gilda E. Pico (Chairperson), Messrs. Eric O. Recto, Leonardo B. Dayao and Conrado A. Gloria, Jr. and Stephen Anthony T. CuUnjieng.

EXECUTIVE OFFICERS

JOHN HOWARD D. MEDINA, *Executive Vice President and Chief Operations Officer*

Mr. Medina, Filipino, 54 years old, joined PBCOM in 2017 and has over 26 years of experience in the banking industry as a senior executive in the Philippines and as an adviser to large banks in the United States. Mr. Medina obtained his Bachelor of Science in Industrial Engineering degree from the University of the Philippines, Diliman and Master of Business Administration degree from the Shidler College of Business at the University of Hawai'i at Manoa. He was also awarded Graduate Certificates in Leadership from The East–West Center, International Management from the Pacific Asian Management Institute, and European Management from the European Summer School for Advanced Management held in Marseilles, France.

ALAN E. ATIENZA, *Executive Vice President – Treasurer*

Mr. Atienza, Filipino, 53 years old, joined PBCOM in 2015 and has over 26 years of banking experience in Trading and Treasury Operations. He has been a recipient of numerous industry awards for Fixed Income Trading and has been a board member of Money Market Association of the Philippines (MART). Mr. Atienza obtained his Bachelor of Arts in Economics and holds a Master of Business Administration degree, both from San Sebastian College.

VICTOR O. MARTINEZ, *Executive Vice President – Corporate and Commercial Banking Group Head*

Mr. Martinez, Filipino, 59 years old, joined PBCOM in 2020 and has 31 years of experience in Corporate Lending, Loan Syndication and Project Finance across major industries gained from local and foreign banks. Mr. Martinez obtained his Bachelor of Science in Commerce major in Management of Financial Institutions from De La Salle University and holds a Master of Management degree from Willamette University, Salem Oregon.

ERICO C. INDITA, *Executive Vice President – Branch Banking Group*

Mr. Indita, Filipino, 56 years old, joined PBCOM in 2020 and has over 30 years of extensive management and banking experience in Branch and Retail Banking. Mr. Indita, obtained his Bachelor of Science Degree in Commerce major in Management from San Beda College and holds a Master in Business Administration Degree from Ateneo De Manila University Graduate School of Business. He also has a Diploma in Strategic Negotiations from Asian Institute of Management.

JANE K GOCUAN, *Executive Vice President Chief Strategy and Implementation Officer*

Ms. Gocuan, Filipino, 53 years old, joined PBCOM in February 2024. Jane has over 31 years of broad experience in the banking industry covering branch and retail banking, priority banking and investments, treasury, lending and brand recognition building honed by holding various roles in foreign, government and private local banks. Ms. Gocuan obtained her Masters and Bachelor's Degree (Magna Cum Laude) from the University of the Philippines Cebu. She also holds an International Investment Advice Certificate from the Securities Institute of London.

ARLENE M. DATU, *Senior Vice President and Comptroller*

Ms. Datu, Filipino, 66 years old, joined PBCOM in 2013 and has over 43 years of banking experience gained from Local and Foreign Banks as well as a Credit Card Company. She has extensive exposure on

Financial Accounting, Management Profitability Reporting and Analysis, Regulatory Compliance, Operations, Risk and Audit. Ms. Datu obtained her Bachelor of Science major in Accounting from Polytechnic University of the Philippines.

EXPEDITO G. GARCIA, *Senior Vice President – Transaction Banking Group*

SVP Mr. Garcia, Filipino, 57 years old, joined PBCOM in 2015 with over 33 years of extensive Management and Banking experience, with the last 19 years spent in a senior supervisory role. He has strong background in Corporate Cash Management and Managing and Developing Electronic Banking Channels with exposure to both Corporate and Retail Markets. Mr. Garcia obtained both his Bachelor of Science in Industrial Management Engineering minor in Mechanical Engineering and Master's Degree in Business Administration from De La Salle University. He also holds a Certificate in International Cash Management from the Association of Corporate Treasurers, United Kingdom.

JANE LIM-LARAGAN, *Senior Vice President – General Services Group*

Atty. Laragan, Filipino, 57 years old, joined PBCOM in 2016 and has 21 years of experience in various departments: Legal, Human Resources, General Services, Compliance and Risk. Atty. Laragan obtained both her Bachelors Degree in Commerce Major in Economics, and Bachelors Degree in Law from the University of Santo Tomas.

MINA F. MARTINEZ, *Senior Vice President – Human Resources Group Head*

Ms. Martinez, Filipino, 62 years old, joined PBCOM in 2015 with 40 years of Human Resource Management experience gained from the Construction, Manufacturing, Banking and Retail industries. She specializes in Policy Development and Documentation, Employee and Labor Relations, Workforce Planning, Performance Management, Training and Development. Ms. Martinez obtained her Bachelor of Arts in Mass Communications from Far Eastern University and completed all academic units for her Master of Business Administration from Colegio de San Juan de Letran, Manila.

GREG L. ROMERO, *Senior Vice President - Information Technology Group*

Mr. Romero, Filipino, 56 years old, joined PBCOM in 2023 and has over 37 years of Information and Communications Technology experience gained from Banking, Telecommunications, and Credit Card industries. He obtained his Bachelor of Science Degree in Mathematics major in Computer Science from Ateneo De Manila University.

JO-ANNE R. LEGASPI*, First Vice President - Legal Services Group*

Atty. Legaspi, Filipino, 45 years old, joined PBCOM in 2020 and has over 19 years of Legal experience in Banking, Retail, Service, Real Estate, and Manufacturing industries. Atty. Legaspi obtained her Bachelor of Arts Degree in Political Science from the Ateneo de Manila University, and Juris Doctor Degree from the Ateneo de Manila University School of Law.

DREDA TERESA D. MENDOZA*, First Vice President - Trust and Wealth Management Group*

Ms. Mendoza, Filipino, 52 years old, joined PBCOM in February, 2021. She brings with her 29 years of experience in Trust banking in the areas of operations, portfolio management and sales and marketing gained from her stints in both local and foreign owned Trust institutions. She is currently serving as Director in the Trust Officers Association of the Philippines (TOAP) and as Board of Trustee in the Trust Institute Foundation of the Philippines (TIFP). Ms. Mendoza obtained her Bachelor of Science in

Business Administration major in Accounting, Cum Laude, at the Mindanao State University, Marawi City.

MAILENE V. MUNGCAL, *First Vice President* and Chief Audit Executive

Ms. Mungcal, Filipino, 44 years old, joined the Bank on the first working day of 2024, with more than 22 years of banking experience in auditing/internal audit. She obtained her Bachelor of Science in Accountancy from the University of Santo Tomas. She is a Certified Public Accountant.

RONALD PAUL D. SAN DIEGO, *First Vice President and Chief Risk Officer*

Mr. San Diego, Filipino, 38 years old, joined PBCOM in July of 2023 and has 12 years of experience in Credit and Operational Risk Management. Mr. San Diego obtained his Bachelor of Science in Statistics minor in Sociology from the University of the Philippines, Los Banos, Laguna. He has MBA Units from SMC-Ateneo Leadership and Management Development Program. He is also a a Certified Risk Analyst (CRA).

LAV E. TAMBUYAT, *First Vice President and Chief Information Security Officer*

Ms. Tambuyat, Filipino, 44 years old, joined PBCOM in February 2019. She brings with her more than 15 years of progressive experience in IT Audit, Information Security, Cyber Security, IT Risk Management, IT Compliance, Project Management, and IT Governance and Controls. She currently holds the following certifications: Certified Information System Auditor (CISA), Certified Information Security Manager (CISM), Control Objectives and Information Technology (COBIT 5) Framework, Project Management Professional (PMP) and Certified in Risk and Information Systems Control (CRISC).

ANGELITA U. EGALIN, *Vice President and Chief Compliance Officer*

Ms. Egalin, Filipino, 59 years old, joined PBCOM in 1988 with over 31 years' experience in banking. Fields of specialization include Compliance, Governance, AML, Branch Banking and Loan Operations. Ms. Egalin obtained her Bachelor of Science in Business Administration major in Accounting from the University of East. She is also a Certified Public Accountant (CPA).

MA. THERESA G. DELA ROSA, *Corporate Secretary*

Ms. Dela Rosa, Filipino, 57 years old, was elected Corporate Secretary on January 30, 2025. She is currently a Partner at Gruba Caganda Advincula Melo & Dela Fuente Law Offices (formerly Zambrano Gruba Caganda & Advincula.Law Offices).

Ms. Dela Rosa received his Bachelor of Arts degree in Behavioral Science from the Unversity of Sto. Tomas and his Bachelor of Laws degree from San Beda College of Law in 1993. She was admitted to the Philippine Bar in 1994.

Attached is a certification that the abovementioned Directors and Executive Officers are not presently connected with any government agency or government-owned or controlled corporation **(Annex "G").**

Directorships in Other Reporting Companies

- Mr. Eric O. Recto is also a Director of Atok-Big Wedge Co. Inc., Aboitiz Power Corporation, Manila Water Company, Inc., PH Resorts Group Holdings, Inc. and DITO CME Holdings Corp.
- Mr. Leonardo B. Dayao is also a Director of Puregold Price Club, Inc. and Cosco Capital, Inc.
- Mr. Lucio L. Co is also a Director of Puregold Price Club, Inc., Cosco Capital, Inc., and The Keepers Holdings, Inc. (formerly Da Vinci Capital Holdings, Inc)
- Ms. Susan P. Co is also a Director of Puregold Price Club, Inc. and Cosco Capital, Inc.
- Mr. Levi B. Labra is also a Director of Cosco Capital, Inc.
- Mr. Hans B. Sicat is also an Independent Director of Arthaland Corporation
- Mr. Gregorio T. Yu is also a Director of Vantage Equities, Inc.
- Mr. Jack Ekian T. Huang is also a Director of Puregold Price Club, Inc.
- Mr. Stephen Anthony T. CuUnjieng is also a Director of First Philippine Holdings Corporation, Century Properties Group, Century Pacific Food Inc., and Greenergy Holdings Inc.

  Shares of Atok-Big Wedge Co., Inc. (AB), Aboitiz Power Corporation (AP), Manila Water Company (MWC), PH Resorts Group Holdings, Inc.(PHR), DITO CME Holdings Corp. (DITO), Puregold Price Club, Inc. (PGOLD), Cosco Capital, Inc. (COSCO), Keepers Holdings, Inc. (KEEPR) (formerly Da Vinci Capital Holdings, Inc.), Arthaland Corporation (ALCO), Vantage Equities, Inc. (V), First Philippine Holdings Corporation (FPH), Century Properties Group (CPG), Century Pacific Food Inc. (CNPF) and Greenergy Holdings, Inc. (Green) are all listed in the Philippine Stock Exchange, Inc.

Significant Employee

There is none to disclose. The Bank currently does not employ any person who is not an executive officer but makes a significant contribution to the business.

Family Relationships

Mr. Lucio L. Co and Ms. Susan P. Co are husband and wife. Ms. Katrina Marie Co-Go, Assistant to the Excom Chairman, is the daughter of Mr. and Mrs. Lucio Co. Other than the foregoing, the persons nominated or chosen by the Bank to become directors or executive officers are not related to each other up to the fourth civil degree either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

To the best of the knowledge of management, the Bank is not aware of:

- any bankruptcy petition filed by or against any business of which they are incumbent directors or senior officers was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or executive officers;
- 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 the involvement of the incumbent directors or executive officers in any type of business, securities, commodities or banking activities; and
- any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization that any of the incumbent directors or executive officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated,

which may have a material effect in the operations and deter, bar or impede the fulfillment of his/ her duties as a director or executive officer of the Bank.

Certain Relationships and Related 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. The Bank's transactions with related parties include key management personnel, affiliates (i.e. entities which are controlled), significantly influenced by or for which significant voting power is held by the Bank or key management personnel or their close family members and retirement plan for the benefit of the Bank's employee). These transactions are made in the ordinary course of business and on substantially same terms with that of other parties.

The Bank's related party transactions below are also presented and discussed in details in the Audited Financial Statements. ***(Note 31 of 2024 AFS, page 107)***

Related Party	Transaction with the Bank
Post-retirement Plan	The Bank's Retirement Board approves the investment made in the retirement plan. Trust fee income from such service and total deposits maintained with the Bank in 2024 amounted to ₱2.76 Million and ₱ 46.76 Million, respectively, while interest expenses paid by the Bank to the deposits was ₱1.12 Million.
Provident Fund	Outstanding deposit and interest paid by the Bank as of year-end were ₱29.24 Million and ₱1.01 Million, respectively, while trust fees earned from such service amounted to ₱2.19 Million.
Key Management Personnel	Senior Management Team constitutes key management personnel for purposes of PAS 24. Short-term benefits and post-employment benefits given to SMT in 2024 amounted to ₱178.87 Million and ₱ 10.42 Million, respectively. The year-end balance of deposits and interest expenses paid by the Bank amounted to ₱51.65 Million and ₱ 2.25 Million, respectively.
Affiliate	The year-end balance of deposits and interest expenses incurred by the Bank amounted to ₱8.90 Million and ₱1.22 Million, respectively. Rental income earned for the year is ₱0.21 Million.
Significant Investors	The year-end balance of deposits and interest expenses incurred by the Bank amounted to ₱ 7.63 Billion and ₱ 205.89 Million, respectively. Rent and interest expense were P24.88M and P2.90 Million, respectively. Outstanding balance on loans and receivables is P467.94Million.

As required by BSP, the Bank discloses loans transactions with certain directors, officers, shareholders and their related interests ("DOSRI") in the ordinary course of business, under commercial terms and on an arm's length basis observing at all times the legal limits prescribed under current BSP regulations on DOSRI loans. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of their respective deposits and book value of their respective investments in the Bank. In the aggregate, loans to DOSRI generally should not exceed the lower of the Bank's total unimpaired capital or 15% of the total loan portfolio. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations. As of December 31, 2024 the Bank is in compliance with such regulations.

Compensation of Directors and Executive Officers

Since the Bank obtained an exemption from the SEC to disclose the required detailed compensation information, disclosure of aggregate compensation paid or accrued during the last three fiscal years 2022 to 2024 of the Bank's Chief Executive Officer and four other most highly compensated executive officers are as follows:

	2024	2023	2022
CEO and four most highly compensated Executive officers	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Executive Vice President	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Executive Vice President	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Senior Vice President
Salary	₱66,955	₱66,475	₱64,465
Bonus	22,318	22,158	21,488
Other Annual Compensation			
TOTAL	₱89,273	₱88,633	₱85,953

All officers and directors as Group Unnamed			
Salary	₱814,548	₱758,496	₱648,154
Bonus	271,516	252,832	216,051
Other Annual Compensation	-	-	-
TOTAL	₱1,086,064	₱1,011,328	₱864,205

The following is the estimated annual compensation for year 2025:

	Salary	Bonus	Other Annual Compensation	Total
Total of CEO and Four most highly compensated Executive Officers	₱70,303	23,434	none	₱93,737
All officers as a group unnamed	₱866,647	285,092	none	₱1,151,739

Directors' compensation amounted to ₱12.85 Million, ₱12.26 Million, and ₱12.91 Million, as of December 31, 2024, 2023, and 2022, respectively.

Breakdown of the 2024 Directors' compensation are as follows:

Name of Director	Amount (Php)
Jack Ekian T. Huang	1,425,000
Levi B. Labra	1,377,500

Hans Brinker M. Sicat	1,422,500
Gregorio T. Yu	1,507,500
Paolo Benigno A. Aquino IV*	1,252,500
Stephen Anthony T. Cuunjieng	1,492,500
Conrado A. Gloria, Jr.	1,362,500
Teresita J. Herbosa	1,507,500
Gilda E. Pico	1,355,000
Emmanuel Y. Mendoza**	150,000
Total	**12,852,500**

*Director effective February 1, 2024
** Director until December 19, 2023

The five (5) Independent and four (4) other regular Directors are entitled to per diems of P12,500.00 and P5,000.00 for attending Board meetings and Board Committee meetings, respectively. The remaining six (6) Directors have waived their right to receive per diems. As stipulated in the By-laws, Directors are also entitled to share in the net profits to be distributed in such manner as the Board may provide but not exceeding four (4) percent.

There are no other terms and conditions with regard to the employment contract between PBCOM and named Executive Officers or any other more compensatory plans or arrangements except those disclosed above.

There are no Outstanding Warrants or Options held by the Directors and Officers as of December 31, 2024.

The Bank has no record of adjusting or amending the exercise price of stock warrants previously awarded to any of the officers and directors.

Independent Public Accountant

The accounting firm of Sycip, Gorres, Velayo and Co. ("SGV"), with address at SGV Building, 6760 Ayala Avenue, Makati City, has been the Bank's independent public accountants for the past years. The same accounting firm will likely be recommended for re-election at the scheduled annual meeting this year. Mr. Ray Francis C. Balagtas was assigned partner starting in 2019 in compliance with SRC 68(3)(b)(ix).

SGV is expected to be represented in the coming Annual Stockholders' Meeting with an opportunity to make statements, if they so desire, and will be available to respond to appropriate questions.

There is no disagreement with the Bank's accountants on matters of accounting and financial disclosure.

The aggregate external audit fees billed for each of the last three (3) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditors are as follows:

Fiscal Year	Audit Fees	All other fees
2024	₱4,730	3,183
2023	₱4,503	-
2022	₱5,256	-

The above audit fees are inclusive of the following: (a) Other assurance related services by the External Auditor that are reasonably related to the performance of the audit or review of the Bank's financial statements and (b) All Other Fees. Fees paid to professional partnerships like SGV are not subject to withholding tax.

The Audit Committee is directly responsible for approving the appointment of the independent public accountants. Annually, the Committee recommends that the Board request shareholder ratification of the appointment of the independent public accountants. The Committee is also responsible for approving the fee of the independent public accountants and periodically reviews the fees charged for all permitted audit-related expenses and other services. It is also their responsibility to evaluate and, when appropriate, to remove the independent public accountants.

As of December 2024, the Audit Committee consists of Teresita J. Herbosa as Chairperson, with Gilda E. Pico and Paolo Benigno A. Aquino IV as members. All members of the Committee are Independent Directors.

Compensation Plans

No action pertaining to any plan involving the payment or distribution of cash or non-cash compensation will be taken during the Annual Meeting.

Action with Respect to Reports

The stockholders will be asked to approve or ratify during the Annual Stockholders Meeting the following matters:

1. Review and approval of the Minutes of the Previous Meeting held on 11 June 2024 **(copy attached as Annex "H")** covering the following matters:

    a. Certification of Notice and Quorum
    b. Approval of Minutes of Previous Stockholders' Meetings Held on 13 June 2023 (Annual Meeting)
    c. Annual Report of Management and Approval of the Audited Financial Statements for 2023
    d. Ratification of the Acts of the Board of Directors and Management since the last Annual Meeting of Stockholders
    e. Election of Directors
    f. Appointment of External Auditors
    g. Other Matters/Open Forum

Prior to adjournment, the Chairman opened the floor for discussion with the stockholders present, and asked the Secretary of the meeting if there were questions submitted. The Secretary informed the Chairman that no questions have been submitted by the stockholders, and that participating stockholders are given the opportunity to submit questions or remarks via the livestream portal by using the 'Q&A' button found at the bottom of their screens. Stockholders may also send questions and/or remarks in advance or during the meeting to the Corporate Secretary at CorporateSecretary@pbcom.com.ph

There are no other items submitted for approval or consideration, other than those required in the ordinary course of business that requires approval or presentation to the shareholders of the Bank.

Other Matters

The following is a summary of the acts of Management since the last Annual Meeting in 2024 to date which will be submitted for ratification to the stockholders during the coming Annual Meeting:

Date	Particulars
April 11, 2025	List of Stockholders - Record Date
March 31, 2025	Public Ownership Report
March 31, 2025	Top 100 Stockholders
March 31, 2025	Monthly Foreign Ownership Report
March 31, 2025	Monthly Board Lot Report
March 26, 2025	Notice of Annual Stockholders' Meeting
February 28, 2025	Monthly Foreign Ownership Report
February 28, 2025	Monthly Board Lot Report
January 31, 2025	Monthly Foreign Ownership Report
January 31, 2025	Monthly Board Lot Report
January 30, 2025	Resignation of Atty. Michael H. Lao as Corporate Secretary and Appointment of Atty. Ma. Theresa G. Dela Rosa as Corporate Secretary
January 06, 2025	Directors' Attendance to Board Meetings for year 2024
December 31, 2024	Public Ownership Report
December 31, 2024	Top 100 Stockholders
December 31, 2024	Monthly Foreign Ownership Report
December 31, 2024	Monthly Board Lot Report
November 30, 2024	Monthly Foreign Ownership Report
November 30, 2024	Monthly Board Lot Report
November 05, 2024	Bonds Listing
October 31, 2024	Monthly Foreign Ownership Report
October 31, 2024	Monthly Board Lot Report
October 18, 2024	Shortened Offer Period for Maiden Peso Bond Issue)
October 14, 2024	Bond Offer
September 30, 2024	Public Ownership Report
September 30, 2024	Top 100 Stockholders
September 30, 2024	Monthly Foreign Ownership Report
September 30, 2024	Monthly Board Lot Report
August 31, 2024	Monthly Foreign Ownership Report
August 31, 2024	Monthly Board Lot Report
July 31, 2024	Monthly Foreign Ownership Report
July 31, 2024	Monthly Board Lot Report
June 30, 2024	Public Ownership Report
June 30, 2024	Top 100 Stockholders
June 30 2024	Monthly Foreign Ownership Report
June 30, 2024	Monthly Board Lot Report
June 11, 2024	Results of 2024 Annual and Organizational Meetings

Voting Procedures

The vote required for acts requiring stockholders' approval is at least a majority of the outstanding capital stock.

In the election of directors, the fifteen (15) nominees with the greatest number of votes will be elected directors.

Every stockholder is entitled to one vote. However, with respect to the election of directors, the stockholders may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the number of directors to be elected.

Shareholders who are unable to attend the meeting may choose to execute a proxy form or vote electronically *in absentia* using the Bank's online web address at https://www.pbcom.com.ph/. A stockholder who votes *in absentia* shall be deemed present for purposes of quorum. The requirements and procedures for voting in absentia and participation through remote communication are set forth under **Annex "A"** of this Information Statement.

Proxies must be submitted to the Corporate Secretary not later than 5:00 p.m. on or before 27 May 2025.

The method of counting the votes of the shareholders shall be in accordance with the general provisions of the Revised Corporation Code of the Philippines. Counting will be done by tabulation of the votes by the Corporate Secretary with the assistance of his staff and the stock and transfer agent.

Corporate Governance

PBCOM Board of Directors and Management, employees and shareholders, believe that Corporate Governance is a necessary component of what constitutes sound strategic business management. Thus, the Bank has undertaken every effort necessary to create awareness for this within the organization. All Directors and Senior Management are required to attend its annual continuing education program on Corporate Governance and Risk Awareness.

The Board, Senior Management and all employees conduct themselves with utmost honesty and integrity in the discharge of their duties, functions and responsibilities, thus nurturing the continuing success of the Bank and securing its competitiveness in the best interest of the Bank, its shareholders and other stakeholders. Bank Officers promote the good governance practices within the Bank by ensuring that policies on governance are consistently adopted across the organization, with measurable standards, initiatives and specific responsibilities and accountabilities for each personnel.

All Directors and Senior Management are required to attend its annual continuing education program on Corporate Governance and Risk Awareness which shall be conducted by a private or government institution duly recognized/accredited by the BSP. Training of directors include an orientation program on Corporate Governance (conducted by training providers duly accredited by the SEC) for first-time directors for at least eight (8) hours and annual continuing training for at least four (4) hours for all directors and key officers including the Corporate Secretary and Chief Compliance Officer.

In house Seminar on Corporate Governance conducted by the Philippine Chamber of Commerce and Industry (PCCI) on September 26, 2024 at the Acacia Hotel, Alabang, Muntinlupa City was attended by the Bank's Board of Directors and Senior Management Team and Officers.

Consistent with the global practices of good Corporate Governance, the Bank's overriding commitment to a culture of good governance is seen through the following underlying principles:

1. It is the Bank's objective to enhance shareholders' value by making the most efficient use of resources. Its human capital strategy is one of its vital focus areas, as it is a principal indicator for the company's success.

2. The Board of Directors constitutes Board Committee namely: Governance, Audit, Risk Oversight and Related Party Transactions Committees which are all chaired by Independent Directors and composed of majority of Independent Directors, all of whom have a good understanding of the business.

3. The Governance Committee is responsible for ensuring the Board's effectiveness and due observance of Corporate Governance principles and guidelines. They assist the Board of Directors in fulfilling its corporate governance responsibilities.

   Attached are the 2024 Summary of the Performance Evaluation of the Board and Board Committees **(Annex "I")** and the Attendance of the Board of Directors in the 2024 Annual Stockholders' Meeting and in the Board and Board Committee Meetings **(Annex "J").**

4. The Governance Committee, through its Nominations Sub-Committee, ensures the quality of its leadership, consistent with its "fit and proper" rule when selecting its Directors and Senior Management Team, while the Performance Evaluation Sub-Committee, recommends and oversees the implementation of a Performance Management Process for Senior Management and the Members of the Board, review performance vis-a-vis agreed upon objectives, evaluate progress made with respect to Senior Management Directors Development plans, monitor changes in professional affiliations, personal status even health, which could have qualifications, resignation and succession implications.

5. Transparency in its Annual Reports is ensured and reflects true and fair accounting information prepared in accordance with applicable standards; disclose and discuss all material risks; and disclose and explain the rationale for all material estimates. Disclosures are all completed in a timely manner.

6. To ensure that all act in the best interest of the Bank, full disclosure by its Directors, Officers and Employees on any actual or expected conflict of interest is required.

7. The Bank's Corporate Governance Manual, Code of Ethics and Code of Conduct clearly states Management's philosophy and compliance standards.

Annually, the Bank through the Governance Committee reviews the Corporate Governance Manual and recommends changes/amendments/revisions for the approval of the Board of Directors when and where necessary.

In addition, to promote a strong governance culture and transparency, the Bank's compliance with the Code of Corporate Governance are disclosed in the Integrated Annual Corporate Governance Report.

FINANCIAL AND OTHER INFORMATION

Financial Statements

Copies of the audited financial statements for the period ended December 31, 2024 shall be made available to the stockholders in the Bank's website at https://www.pbcom.com.ph/.

The Company

Philippine Bank of Communications ("PBCOM" or the "Bank") was incorporated on August 23, 1939, as one of the earliest non-American foreign banks in the Philippines. It received its commercial banking license from the Bureau of Banking under the Department of Finance of the Philippine Commonwealth and commenced operations on September 4, 1939, with an initial capitalization of ₱2 million.

The Bank's operations were temporarily interrupted during World War II, but through the infusion of fresh capital, it resumed its banking activities in 1945. Throughout its early years, PBCOM played a vital role in the country's banking sector, helping businesses and individuals manage their finances through traditional banking services.

In 1974, PBCOM transitioned to full Filipino ownership when a group of industrialists led by Ralph Nubla Sr. acquired a majority stake in the Bank. This acquisition paved the way for the Bank's continued expansion and its focus on catering to both corporate and retail banking clients.

Banking Licenses & Regulatory Approvals

PBCOM has continuously evolved its banking services in response to regulatory developments and market opportunities:

- August 24, 1961 – The Bank was granted a Trust License, enabling it to provide fiduciary and investment services.
- December 14, 1981 – It became a registered government securities dealer, allowing it to participate in the trading of government bonds and other related securities.
- December 24, 1993 – PBCOM obtained a license from the Bangko Sentral ng Pilipinas (BSP) to operate as an expanded commercial bank, broadening its range of financial services, including foreign currency deposit units and investment banking.
- March 31, 2000 – To realign its business strategy and focus on its core strengths, the Bank applied for and received approval from the Monetary Board of the BSP to convert its expanded commercial banking license into a regular commercial banking license.
- December 1, 2022 – After fulfilling all regulatory requirements, PBCOM received its Certificate of Authority from BSP to operate as a Universal Bank, allowing it to engage in a wider range of financial activities, including investment banking and expanded corporate lending.

Capital Structure Changes & Ownership Transitions

Over the years, PBCOM underwent multiple capital restructuring initiatives and ownership transitions to strengthen its financial position and support its growth strategy:

- December 2011 – The ISM Communications Group acquired a controlling interest in the Bank through a ₱2.8 billion investment by the Chung and Nubla Groups. This transaction facilitated further capital infusion and expansion plans.

- March 8, 2013 – The Securities and Exchange Commission (SEC) approved PBCOM's quasi-reorganization and capital stock increase, which included:
  - The reclassification of 120 million preferred shares to common shares.
  - A reduction in par value from ₱100 to ₱25 per share.
  - An increase in authorized capital stock to ₱19 billion, divided into 760 million common shares.
- March 26, 2014 – The Bank successfully exited the 10-year Financial Assistance Agreement with the Philippine Deposit Insurance Corporation (PDIC) by fully settling a ₱7.6 billion loan.
- September 23, 2014 – BSP approved P.G. Holdings Inc. (PGH)'s ₱5.98 billion investment in newly issued PBCOM shares.
- October 1, 2014 – VFC Land Resources Inc. (VFC) acquired 59.24 million shares from ISM Group, increasing its stake in the Bank.
- 2015-2024 – PGH and VFC continued acquiring additional shares, leading to the Co Family's total stake in PBCOM reaching 57.24% as of December 31, 2024.

Strategic Transactions & Business Expansion

To streamline operations and focus on its core banking activities, PBCOM has undertaken several strategic initiatives:

- July 29, 2019 – The Bank divested its stake in PBCOM Rural Bank, Inc., consolidating its resources at the parent level to enhance operational efficiency.
- January 20, 2022 – BSP approved PBCOM's application to upgrade to a Universal Bank, allowing it to offer a broader range of financial services.
- March 15, 2022 – The Board of Directors approved amendments to the Articles of Incorporation to:
  - Change PBCOM's primary purpose from Commercial Bank to Universal Bank.
  - Extend its corporate term from 50 years to perpetual.
- May 3, 2024 – PBCOM completed the dissolution and liquidation of PBCOM Insurance Services Agency, Inc. (PISAI). The subsidiary settled all its liabilities and liquidated its remaining assets, ceasing its operations and consolidation in the Bank's financial statements.
- November 4, 2024 – PBCOM raised ₱7.7 billion from its maiden issuance of Peso Fixed Rate Bond listed in the Philippine Dealing & Exchange Corp. (PDEx). The series A bond which have a tenor of one-and-a-half years and a fixed interest rate of 6.0796% represents the first tranche under PBCom's ₱15 Billion Peso Bond Program.

Business of Registrant

PBCOM offers a wide range of products and services to clients. These includes basic universal banking services such as deposit products, credit and loan facilities, trade-related services, treasury and foreign exchange trading, cash management services and Trust and Investment Management services.

Deposit products and services include peso, dollar and third currency savings, checking and time deposit accounts, ATM accounts, foreign and domestic remittance services, cash management services namely deposit pick-up and cash delivery, payroll and check-writing services. Ancillary services such as safety deposit boxes and manager's checks, demand drafts, acceptance of tax and SSS payments are also available, these products and services are offered to both individuals and corporate clients.

Credit and loan facilities include working capital financing, post-dated check discounting, specialized lending programs such as contract-to-sell financing, and Micro-Finance. Other credit-related products include home, auto, and personal loans, as well as trade financing,

Trade-related services include import LCs, standby LCs, credit bank guaranty, and shipside bond, export LC advising, export packing credits & export bills negotiation and collections, trade financing of receivables and payables, domestic LCs, and trust receipt financing. These services are financing facilities offered to importers and exporters.

Treasury products include dealerships and brokering of government securities and commercial papers, both domestic and international, deposit substitutes like promissory notes and repurchase agreements, foreign exchange proprietary trading, and commercial client servicing.

Trust services include investment management services, personal trust funds, escrow agency services, employee benefit trust services, and estate planning.

Contribution to Operating Income

As of December 31, 2024, the contribution to Operating Income is broken down as follows: (1) 75.08% is derived from net interest income, which includes interest income from lending, investment securities, and others receivables less interest expense and finance charges (2) 24.92% is from non-interest income consisting of trading gains, service charges, fees and commissions, income from trust operations, profit/loss from asset sold, foreign exchange gain/loss, rental income and miscellaneous income.

The Bank does not maintain any branch or sales office abroad. Hence, all revenues are generated domestically.

Distribution Methods of Products and Services

As of December 31, 2024, the Parent Bank's liability and ancillary products and services are distributed primarily through its 95 branches, 4 of which are in Pop-Up formats situated in selected Puregold stores.

PBCOM clients may also conduct their transaction in various channels such as the 171 automated teller machines deployed in strategic branch sites and in 76 off-site locations. In addition, the Bank has also deployed 102 Cash Deposit Machines across various sites to help service the deposit transactions of its clients.

The Bank has likewise expanded its digital presence through its Digital-Only Bank which BSP approved last December 11, 2019, this will complement the existing Internet and Mobile Banking facilities of the bank launched last June 21, 2017 and September 28, 2018, respectively.

Competition

As of end of 2024, the Philippine commercial banking industry is composed of 44 Universal and Commercial Banks) of which 15 are Private Domestic Banks, 3 are Government Banks and 26 are Foreign Banks with either established subsidiaries or foreign branch licenses.

Patents, Trademarks, Licenses, Franchises, Concessions, and Royalty

PBCOM have registered the trademarks of the following: PBCOM, Philippine Bank of Communications, PBCOM Together we Grow, PBCOM Pop-up Branch, PBCOMobile and PBCOM eRegalo.

Customers

PBCOM has multi-segment client base with growth seen across Individuals, Commercial and Corporate accounts. This result stems from the bank's focus on expanding its market through the ecosystem of its principals.

Subsidiaries and Affiliates

PBCOM Insurance Services Agency, Inc. (PISAI)

On May 9, 2014, the SEC approved the incorporation of PBCOM's wholly-owned subsidiary, PBCOM Insurance Services Agency, Inc. (PISAI), which was primarily engaged in soliciting and promoting insurance products. In the same year, PISAI, PBCOM, and Pru Life UK executed a five-year general agency agreement to market and distribute life, health, and protection products. However, the agreement was terminated by all parties effective August 31, 2017, rendering PISAI inactive.

On January 11, 2021, the BOD approved PISAI's dissolution and liquidation. Subsequently, on March 4, 2021, PISAI's Board of Directors resolved to shorten the company's corporate term to June 30, 2021. Due to several regulatory requirements for business termination, the effectivity of PISAI's corporate term was extended until April 2024. PISAI submitted its application for amending its Articles of Incorporation on November 15, 2023, and the SEC approved this amendment on April 3, 2024, extending the corporate term until April 30, 2024.

On May 3, 2024, PISAI completed the settlement of its liabilities and liquidated its remaining assets for distribution to its stockholders. As a result, the Parent Company received the release of PISAI's remaining assets and derecognized its investment, thereby ceasing the consolidation of PISAI's financial statements.

PBCOM Finance Corporation

The Bank's lone affiliate, PBCOM Finance Corporation, was incorporated and registered with the SEC on January 9, 1980 to provide, grant, and/or extend credit facilities to any person, business, judicial or otherwise. It is 40% owned by the Bank while the remaining 60% is owned by various individual shareholders. Its principal place of business is located at PBCOM Building, 214-216 Juan Luna Street Binondo, Manila.

Transaction with and/or Dependence on Related Parties

The Bank's related parties include key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members, associates and post-employment benefits for the benefit of the Bank's employee.

As required by BSP, the Bank discloses loan transactions with its associates, affiliates and with certain directors, officers, stockholders and related interests (DOSRI). As of December 31, 2024 the Bank is compliant with DOSRI rules and regulations.

The Bank's related party transactions are presented and discussed in Note 31 of the Audited Financial Statements.

Effect of Existing or Probable Government Regulations

Bangko Sentral ng Pilipinas

The Bank fully complies with the required capitalization for universal banks with expanded FCDU license as prescribed by the BSP. The Bank's consolidated qualifying capital as of end-December 31, 2024, stood at ₱21.06 Billion. As reported to BSP, its capital-to-risk assets ratio under the BASEL III reporting standards covering credit, market, and operational risks remained well above the 10% regulatory threshold, standing at 15.72%.

Bureau of Internal Revenue

Republic Act No. 9337, which amended the National Internal Revenue Code, stipulates that:

- The regular corporate income tax (RCIT) rate is 30%.
- The interest expense deduction is capped at 33% of interest income subject to final tax.
- A Minimum Corporate Income Tax (MCIT) of 2% on modified gross income applies and is compared with the RCIT. Any excess MCIT over RCIT is carried forward for three years as a tax credit.
- Net Operating Loss Carry-Over (NOLCO) is deductible from taxable income for up to three years from the year of loss.
- FCDU offshore income (income from non-residents) remains tax-exempt, whereas onshore income (interest income from loans to residents) is taxed at 10%.
- Other FCDU transactions are subject to either the 30% RCIT or 2% MCIT, whichever is applicable.

Tax Reform for Acceleration and Inclusion (TRAIN) Law (RA 10963)

Effective January 1, 2018, the TRAIN Law introduced several changes to the tax regime, including:

- 100% increase in Documentary Stamp Tax (DST) rates, except for debt instruments, which saw a 50% increase.
- Fringe Benefits Tax rate increase from 32% to 35%.
- Excise tax increases on petroleum products, reaching up to ₱8 per liter/kilo.
- Final Withholding Tax on interest income from deposits under the expanded foreign currency deposit system increased from 7.5% to 15%.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

Signed into law on March 26, 2021, the CREATE Act introduced tax adjustments, including:

- Reduction of the corporate income tax rate from 30% to 25%.
- Deductible interest expense limit reduced to 20% of interest income subject to final tax.

- Temporary reduction of the MCIT rate to 1% until June 30, 2023.

Recent Tax Updates (2024)

- Revenue Memorandum Circular No. 36-2024, issued on March 11, 2024, clarified that for corporations with a calendar year ending December 31, 2023, the applicable MCIT rate is 1.5%.
- No changes have been made regarding the taxation of FCDUs.

Research and Development Activities

The Bank offers basic commercial banking products and services that require no significant amount to be spent on product research & development.

Employees

As of December 31, 2024, the Parent Bank has 1,130 employees with 919 officers and 211 rank-and-file. All of the Parent Company's rank-and-file employees are covered by a CBA covering the period 2023 to 2025. There had been neither dispute nor occurrence of employee strikes for the past years.

Risk Management

PBCOM's Enterprise Risk Management (ERM) Framework serves as the cornerstone of the Bank's approach to identifying, assessing, and managing risks across the organization. It outlines the Bank's commitment to effective and efficient risk management, grounded in the principles of good corporate governance — namely fairness, accountability, and transparency — as demonstrated through its robust risk governance structure.

The Framework illustrates how risk management is deeply embedded into PBCOM's organizational culture, systems, and operations. It sets out the guiding philosophies, core principles, governance structures, key elements, policies, and processes that empower employees at all levels to proactively manage risk. This integration ensures that risk considerations are incorporated into everyday business activities and strategic decision-making.

Risk management at PBCOM is applied enterprise-wide — encompassing the Board of Directors, Senior Management, Business Groups, Business Centers, support units, subsidiaries, affiliates, and individual employees. It is also integrated into specific functions, programs, projects, and initiatives. The implementation of this framework enhances management practices, supports sound decision-making, promotes efficient resource allocation, and ultimately drives sustainable value creation. At the same time, it safeguards the interests of clients, upholds public trust, and ensures regulatory compliance.

ERM Vision, Mission, Philosophy and Objectives

Vision Statement

To protect and optimize PBCOM's enterprise value through effective risk management.

Mission Statement

To develop risk awareness and a risk/return consciousness in the Bank in order to protect deposits, preserve capital, and ensure adequate return on capital.

Philosophy

PBCOM recognizes that enterprise risk management is fundamental for its safe and sound operation and sustainable growth. It ensures business success through balanced risk and reward, operational excellence, and conformance to the highest ethical standards and regulatory requirements.

Enterprise Risk Management in PBCOM is aligned with its business objectives and strategies. It operates at all levels and in all units of PBCOM that continually manage risk in an environment fostered by an appropriate governance structure, a strong "control culture," and a proactive process of identification, understanding, assessment, and mitigation of all its material risks.

Objectives

- To identify, measure, manage, and control risks inherent in PBCOM's activities or embedded in its portfolio;
- Define and disseminate risk management philosophy and policies;
- Assist risk-taking business and operating units in understanding and measuring risk/return profiles;
- Develop a risk management infrastructure that includes policies and procedures, organization, limits and approval authorities, MIS and reporting, systems and risk models and;
- Promote a risk awareness and strong "control culture" in PBCOM.

PBCOM Enterprise Risk Governance

The **Board of Directors (BOD)** is responsible for establishing and maintaining a sound risk management system and is ultimately accountable for identifying and controlling risks; Nevertheless, separate independent bodies are responsible for managing and monitoring risks.

The **Risk Oversight Committee (ROC)** has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. Its primary responsibilities are to:

1. *Oversee the risk management framework.* The committee shall oversee the enterprise risk management framework and ensure that there is periodic review of the effectiveness of the risk management systems and recovery plans. It shall ensure that corrective actions are promptly implemented to address risk management concerns.

2. *Oversee the adherence to risk appetite.* The committee shall ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limits structure, policies and procedures relating to risk management and control, and performance of management, among others.

3. *Oversee the risk management function.* The committee shall be responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also

ensure that the risk management function has adequate resources and effectively oversees the risk taking activities of the Bank.

The **Enterprise Risk Management Group (ERMG)** is the ROC's implementing arm in carrying out its functions. It assists the Bank's Board of Directors and Management in accomplishing its objectives by bringing a systematic and disciplined approach to promoting risk management practices consistent with the type and complexity of operation of the Bank and its subsidiaries. It assists in the management of risk that is a direct responsibility of the business and support units.

Capital Management

PBCOM's capital management framework is designed to deliver optimal returns to shareholders while ensuring that the Bank's capital base remains strong enough to safeguard the interests of all stakeholders. This framework involves continuous monitoring of both capital requirements and available capital resources to ensure that:

- Qualifying capital consistently remains above the minimum regulatory requirement of ten percent (10%) of risk-weighted assets;
- The composition and quality of capital align with the risks the Bank faces or intends to undertake to support growth and returns; and
- A prudent balance is maintained between strategic growth objectives and the ongoing institutional strength of the Bank.

PBCOM consistently maintains a capital adequacy ratio well above the 10% regulatory minimum set by Philippine banking regulations.

As part of its strategic planning, the Bank undertakes an Internal Capital Adequacy Assessment Process (ICAAP). This process enables the Bank to:

- Define its risk appetite alongside growth and return objectives;
- Identify business lines, products, and services that support these goals;
- Assess the risks associated with each initiative;
- Develop strategies to mitigate and manage identified risks;
- Determine the quantity and quality of capital needed to remain resilient through adverse scenarios;
- Conduct stress testing to uncover potential vulnerabilities and pressure points; and
- Formulate capital build-up strategies and contingency plans.

The ICAAP is a collaborative effort between Senior Management and the Board of Directors. PBCOM submits the results and supporting documentation of its ICAAP to the Bangko Sentral ng Pilipinas for supervisory review and evaluation.

The Bank's regulatory qualifying capital is composed of Common Equity Tier 1 and Additional Tier 1 capital, which include paid-up common stock, retained earnings (including current year's profit), and surplus reserves, net of regulatory deductions such as unsecured DOSRI (Directors, Officers, Stockholders, and Related Interests) exposures and goodwill. Tier 2 (Gone-Concern) Capital comprises appraisal increment reserves (as approved by the Monetary Board) and general loan loss provisions.

For Pillar 1 risks—Credit, Market, and Operational—PBCOM calculates capital charges using the standardized approach, adhering to the 10% requirement of risk-weighted assets as stipulated by the Manual of Regulations for Banks (MORB). The Bank also evaluates these figures against internally assessed capital requirements using internal models to determine if additional capital charges are warranted.

Market, Liquidity and Interest Rate Risk Management

Market risk refers to the potential losses arising from unfavorable movements in the market value of financial instruments, whether on- or off-balance sheet. To measure this risk, PBCOM utilizes a Value-at-Risk (VaR) model at a 99% confidence level. The reliability and accuracy of the VaR model are validated through back-testing, employing both hypothetical and actual historical approaches. To capture the potential impact of extreme but plausible market events beyond the scope of VaR, the Bank also conducts stress testing.

Market risk is actively managed through a comprehensive system of risk limits aligned with the Bank's capital adequacy, return expectations, and overall risk appetite. These limits include the VaR limit, Nominal Position limit, Off-Market Tolerance limit, Management Action Triggers, and Stop-Loss thresholds. Additionally, the Bank uses a Market Risk Assessment Matrix to evaluate and monitor its overall market risk profile.

Liquidity risk arises from the possibility that the Bank may be unable to meet its financial obligations when they fall due, in any currency. To manage this risk, the Bank maintains rigorous daily monitoring of key regulatory liquidity ratios, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Beyond regulatory compliance, the Bank employs internal limits such as liquidity indicators, funding concentration metrics, and the Maximum Cumulative Outflow (MCO) to monitor and manage liquidity risk exposures. Liquidity stress testing is conducted to assess the potential impact of adverse scenarios on the Bank's MCO profile. The Bank also uses a Liquidity Risk Assessment Matrix to determine its overall liquidity risk posture. As an added safeguard, PBCOM holds a substantial portfolio of High-Quality Liquid Assets (HQLA) that can be quickly converted to cash to meet unexpected funding needs.

Interest rate risk stems from the potential impact of interest rate fluctuations on future cash flows or the fair value of financial assets and liabilities. PBCOM assesses this risk using two key measures: Earnings-at-Risk (EaR) and Economic Value of Equity (EVE), both derived from the Bank's interest rate repricing gap profile. These metrics help quantify the potential effects of interest rate changes on the Bank's net interest income and capital base under both normal and stressed conditions.

To manage this risk, the Bank operates within clearly defined risk limits and applies a prudent asset-liability management strategy. This approach ensures that interest rate exposures remain within tolerable levels, thereby preserving financial stability and supporting sustainable earnings.

Credit Risk Management

Credit risk is the most significant financial risk in the banking industry and is inherent in all revenue-generating activities. It refers to the possibility that a counterparty to a financial instrument will default on its contractual obligation, resulting in a financial loss to the Bank. This risk materializes when funds are extended, committed, invested, or otherwise exposed through actual or implied agreements. Historically, capital erosion due to loan losses has been a primary cause of institutional failures. At PBCOM, credit risk predominantly stems from lending activities, securities trading, and foreign exchange operations.

Recognizing that accurate identification and assessment are fundamental to effective credit risk management, the Bank has established a comprehensive set of credit policies and underwriting standards, duly approved by the Board of Directors. These guidelines ensure that all credit exposures undergo thorough due diligence and objective evaluation. The Bank conducts regular assessments of

both potential and existing borrowers' capacity to meet interest and principal repayments. Lending limits are revised as necessary to reflect evolving creditworthiness.

Credit proposals are reviewed through a multi-tiered approval structure—beginning with designated individual authorities and escalating, where warranted, to the Executive Committee (EXCOM) and the Board of Directors. This structured approval process upholds independence and rigor in credit decision-making.

To further enhance its credit risk management capabilities, the Bank implements an Internal Credit Risk Rating System (ICRRS) aligned with international standards, compliant with Basel II requirements, and tailored to the Bank's size, complexity, and business model. The resulting credit scores, supplemented by expert judgment, are used as a foundation for proactively determining loan loss provisions in accordance with Philippine Financial Reporting Standards (PFRS) 9.

Credit Exposure Limits

To effectively manage and control credit risk, the Bank establishes exposure limits that define the maximum level of risk it is willing to assume for individual borrowers, borrower groups, and specific industry or economic sectors. These include thresholds for large exposures, sectoral concentration (such as real estate loan ceilings), and tolerances for past due and non-performing loan ratios across different product types.

These risk limits are subject to regular monitoring and undergo annual reviews—or more frequent assessments when warranted by changes in market conditions or borrower risk profiles. All tolerance limits are reviewed and approved by the Board of Directors to ensure alignment with the Bank's overall risk appetite.

Furthermore, credit exposure to any single borrower is controlled through detailed sub-limits that apply to both on- and off-balance sheet exposures. Actual exposures are closely tracked and measured against approved limits on a regular basis to ensure compliance and enable timely corrective actions when necessary.

Other Credit Enhancements

The Bank further mitigates credit risk by securing appropriate collateral, guarantees, or suretyships. The type and amount of security required are based on the assessed credit risk profile of each borrower or counterparty. When signs of credit deterioration or impairment emerge, the Bank may require additional collateral to safeguard its exposure and minimize potential credit losses.

To ensure consistent and effective credit risk mitigation, the Bank has established clear guidelines on the acceptability and valuation of various collateral types. The main forms of collateral typically obtained include:

- Cash or securities for securities lending and reverse repurchase agreements;
- Mortgages on commercial real estate, machinery, inventories, and trade receivables for commercial loans; and
- Mortgages on residential properties and vehicles for retail lending.

In cases of default, it is the Bank's policy to dispose of repossessed assets in an orderly and timely manner. The proceeds from these sales are applied to reduce or fully settle the outstanding obligations. Generally, the Bank does not retain repossessed properties for business use.

To ensure the continued health and quality of the loan portfolio, the Bank implements an independent post-credit review process. This ongoing review allows for the timely identification and evaluation of risks associated with existing credit exposures and enables the Bank to implement corrective measures as needed.

The management of the credit portfolio is governed by both internal policies and regulatory limits, designed to control credit risk exposures and maintain portfolio integrity. The Enterprise Risk Management Group (ERMG) plays a key role in monitoring large exposures and concentrations in line with Bangko Sentral ng Pilipinas (BSP) requirements.

Operational Risk Management

Operational risk refers to the potential for loss arising from inadequate or failed internal processes, systems, human factors, or external events. It includes legal risk but excludes strategic and reputational risks. As it is embedded in all products, services, and activities across the Bank—including its subsidiaries and affiliates—operational risk spans multiple business lines and functions.

The cornerstone of operational risk control at PBCOM is a robust internal control system, approved by the Board of Directors and executed with full participation from every employee. The Operational Risk Management (ORM) Framework provides comprehensive guidance on managing these risks effectively. This framework is subject to regular review by the Board to ensure that ORM policies, processes, and systems remain relevant and effective across all levels of decision-making.

To monitor and manage operational risks, the Bank employs several key tools:

- Risk Control Self-Assessment (RCSA)
- Key Risk Indicators (KRI)
- Internal Operational Loss Database

These tools enable proactive risk identification and mitigation, with results regularly reported by the ORM Team to the Risk Oversight Committee (ROC). Complementary reports—including the Profile of Complaints, Legal Case Updates, Bank Security Assessments, and Vendor Performance Evaluations—are provided by respective line units to ensure broad-based operational risk coverage. The Bank also has systems for reporting operational crimes, loss events, and policies governing whistle-blowing and administrative case handling.

To further mitigate risk, the Bank employs both preventive and detective controls embedded in its policies, operating procedures, approval limits, and delegated authorities. Risk is also transferred through adequate insurance coverage, self-insurance reserves, and allowances for probable losses.

Promoting a strong risk culture, the Bank—through its Enterprise Risk Management Group (ERMG), Compliance Management Group (CMG), and other subject-matter experts (e.g., the Chief Information Security Officer and Data Privacy Officer)—conducts regular training programs. These include onboarding orientation for new hires and computer-based training (CBT) for all employees, emphasizing operational risk awareness and regulatory compliance. These groups also lead the development and enhancement of risk and compliance policies and engage business units through interactive sessions to address risk issues and improve processes.

PBCOM's Technology Risk Management Framework supports the effective governance of risks associated with technology-enabled products, services, and operations. It aligns with Bangko Sentral

ng Pilipinas (BSP) regulations and incorporates periodic reviews of strategic, operational, compliance, and reputational risks.

Comprehensive risk assessment and profiling methodologies are applied across IT functions and application systems. Technology risk management is integrated throughout the project lifecycle—from initiation to implementation—ensuring risk identification, control validation, and timely corrective action planning. These efforts are closely monitored and reported to maintain effective risk mitigation.

The Risk Management Team also contributes actively to the development of risk management policies, supports the launch of new technology initiatives, and fosters a risk-aware culture through focused seminars and training sessions.

To ensure resilience and continuity of operations, the Bank has established a Business Continuity Management (BCM) Framework that includes robust planning, risk assessments, and crisis response strategies. Key components include:

- Business Continuity Plan (BCP)
- Crisis Management and Emergency Preparedness Plan
- Pandemic Plan
- Cyber Resiliency Plan

These plans outline detailed procedures to guide the Bank's response to disruptions, aiming to protect lives, property, and the environment while ensuring uninterrupted delivery of critical services. The Bank regularly conducts business impact analyses, updates continuity plans, and performs BCP tests and evaluations to assess readiness.

Legal risk involves the potential for financial loss due to incomplete, inaccurate, or unenforceable legal documentation, which could compromise the Bank's rights under contracts and obligations. It also encompasses conduct that could undermine the Bank's institutional value and is closely associated with fiduciary and reputational risks.

To address these risks, PBCOM's Legal Services Group (LSG) leads the implementation of a structured Legal Risk Management process. This includes:

- Maintaining and regularly updating the Legal Risk Management Manual, which applies bank-wide;
- Periodic reviews of ongoing legal cases and assessment of potential outcomes;
- Regular reporting to the Risk Oversight Committee (ROC); and
- Ensuring compliance with legal obligations to avoid litigation, sanctions, and reputational harm.

In addition to the Enterprise Risk Management Group (ERMG), the Bank has an **Information Security Office** headed by the Chief Information Security Officer that handles Information and Security Cyber Management.

Information and Cyber Security Management

Information security is a critical pillar of PBCOM's commitment to operational resilience and business continuity. As the Bank continues to grow and adapt to an increasingly complex threat environment, it has adopted a risk-centric approach to cybersecurity—ensuring that proactive measures are in place to protect its digital assets, systems, and data.

To maintain a strong security posture, PBCOM emphasizes the following strategic pillars:

- **Continuous Education and Awareness**

  The Bank recognizes that its people serve as the first line of defense. Through regular training and awareness programs, employees are empowered to act as a "human firewall," helping to detect and prevent potential threats early.

- **Security Governance and Compliance**

  Robust internal security processes have been established, forming the foundation of the Bank's information security framework. These processes ensure that cybersecurity efforts are aligned with regulatory requirements and industry best practices.

- **Proactive Security Measures**

  PBCOM implements a defense-in-depth strategy, utilizing multiple layers of security controls to safeguard its information assets. These measures enhance visibility across the IT environment and improve transparency in detecting, analyzing, and responding to cyber threats through mature security monitoring and advanced toolsets.

PBCOM is committed to maintaining a cyber-resilient environment, where structured protection of information and system resources is continuously delivered. To support this, the Bank has adopted a four-pillar model for cyber readiness and resiliency:

1. **Manage and Protect**
   Focuses on identifying, assessing, and managing risks through the implementation of technologies, processes, and controls designed to protect systems, networks, and data from cyberattacks.

2. **Identify and Detect**
   Ensures the Bank's ability to swiftly detect anomalies and potential cybersecurity incidents before they escalate. This is achieved through continuous security monitoring and real-time threat detection mechanisms.

3. **Respond and Recover**
   Enhances the Bank's capability to respond to incidents, mitigate the impact of attacks, remove threats, and resume normal operations quickly and efficiently. PBCOM places a strong emphasis on agility in incident response and recovery planning.

4. **Govern and Assure**
   Aligns all information security initiatives with the Bank's strategic objectives. Oversight is driven from the top levels of the organization, with cybersecurity governance embedded into daily operations and long-term planning.

Through these efforts, PBCOM upholds the protection of both the Bank's and its customers' information as a top priority, reinforcing trust and enabling secure business operations in an ever-evolving digital landscape.

Data Privacy Management

PBCOM cares about the protection of personal identifiable and/or sensitive information provided by customers and/or clients, thus, shall at all times abide to the minimum regulatory and statutory requirements. PBCOM built its privacy risk management system based on the provisions of Republic

Act 10173 – Data Privacy Act of 2012, its Implementing Rules and Regulations (IRR), National Privacy Commission (NPC) issuances, and other related laws.

Privacy risk is defined as a potential loss of control over personal identifiable and/or sensitive personal information. With the emerging threats on data privacy, the Bank has instituted control measures to efficiently manage the risk to an acceptable level.

PBCOM, through the designated Data Protection Officer (DPO), manages the risk related to data privacy by adhering to the five (5) pillars of compliance as mandated by the NPC, at the minimum.

Privacy Impact Assessment were the main focus on an annual basis, assessment of third party providers data protection measures and to update the inventory of the Banks processing systems and to ensure that organizational, technical and physical security measures are in place.

With CISO, CIO and CRO's active participation in managing the organizational and technical risks and by actively participating in the conduct of Security Breach tabletop exercise, the Bank and its employees will be ready to handle incidents that may lead to security breaches including data privacy breach.

The Bank's compliance to the data privacy is reported to the Board of Directors (BOD), through the Risk Oversight Committee (ROC), on a quarterly basis or as deemed necessary.

Year 2025 will focus on activities to continuously contribute to increasing of awareness thru different campaigns both for internal and external data subjects. Strengthening the employees and the Banks readiness for any security incidents leading to privacy breach will also be an important program that will be implemented.

For the past years the Bank have a strong security measures in place for the Organizational and Technical aspect. The National Privacy Commission shared in the past years' conferences that the common root cause for data privacy breaches are human error, which is a controllable factor and can be addressed immediately. For 2024 we elevated our adherence with NPC's mandate related to Physical Security measures we will be more vigilant in implementing procedures, plans and programs promoting Data Protection.

For 2025, PBCOM will be more actively present with the Banking Sector by being a member of the Data Privacy Coordination Group. The Data Privacy Coordination Group (DPCG) is a committee of the Bankers Association of the Philippines (BAP) created by the Board of Directors under Resolution No. 2022-27. The DPCG is mandated to oversee the impact of the implementing rules and regulations of the Data Privacy Act of 2012 ("Data Privacy Act") and to monitor and ensure compliance of the participating banking institutions with the standards set for personal data protection under the Data Privacy Act

DPO also advocates accountability on Data Privacy compliance by having Data Privacy Coordinators for each group and division. They will be the Data Privacy Champions that will assist the DPO and the Bank to ensure that each member of their team is compliant with the Banks Data Privacy Policy and National Privacy Commissions rules and regulations,

An increase in awareness of the Banks employees was also evident and can be attributed to the continuous campaigns cascaded and trainings facilitated by the DPO. The campaigns and trainings conducted is to equip all employees on how to protect personal information not only of our customers and stakeholders, the Bank's information but their personal information as well and to understand their obligations as an employee in the adherence of the Data Privacy Principle of transparency, legitimate purpose and proportionality and their rights and role as a Data Subject.

PBCOM is one with the National Privacy Commission on its active campaign to protect all data subjects from any unauthorized and unlawful processing of information.

Trust Risk Management

The Trust and Wealth Management Group (TWMG) of PBCOM is exposed to fiduciary risks arising from the management of funds and assets placed under its care and custody. Fiduciary risk refers to the potential for financial loss, legal liability, or reputational damage resulting from the failure to meet obligations to trustors or principals. These risks may adversely affect the Bank's financial standing and public trust.

TWMG's fiduciary activities are subject to multiple risk dimensions, including market, credit, liquidity, operational, legal, compliance, strategic, and reputation risks. These exposures exist across both discretionary and non-discretionary trust arrangements, and across the Group's core functions: account management, portfolio and trading, trust credit evaluation, and operations.

Risk oversight is jointly performed by the Trust Committee (TCOM) and the Risk Oversight Committee (ROC):

- The Trust Committee oversees the operations of TWMG, ensuring that fiduciary services—including wealth and trust management—are delivered with integrity and within a robust internal control framework. It ensures compliance with fiduciary obligations and the proper implementation of risk management policies.

- The Risk Oversight Committee (ROC) holds overarching responsibility for the development and execution of the Bank's risk strategy, framework, policies, and exposure limits, including those applicable to the trust and wealth management business.

  The ERMG leads the effective implementation of fiduciary risk controls through the deployment of several key tools and methodologies:

  - **Regular Reporting**: Monthly reports to the ROC and quarterly updates to the Trust Committee provide transparency into risk exposures and performance.

  - **Stress Testing**: Periodic stress testing of the TWMG portfolio assesses resilience against adverse market conditions.

  - **Risk Control Self-Assessments (RCSA)**: These assessments help identify and address control gaps within TWMG's processes.

  - **Fiduciary Risk Policies**: The Bank maintains a comprehensive set of trust risk management policies that guide fiduciary operations and reinforce the Group's accountability to clients and stakeholders.

Item 2. Properties

PBCOM's Head Office is located at PBCOM Tower, 6795 Ayala Avenue, corner V.A. Rufino Street, Makati City. The Bank owns 50% of PBCOM Tower, which was constructed under a Joint Development Agreement with Filinvest Asia Corporation. The Bank has 95 branches and 4 branch-lites

as of December 31, 2024. Most of these are located in the metropolitan areas of Luzon, Visayas, and Mindanao.

PBCOM's branches are owned and/or leased. The list of branches is attached herewith marked as Annex "K". All properties owned by the bank are unencumbered. To date, the Bank has not identified properties to acquire in the next 12 months.

Item 3. Legal Proceedings

PBCOM has pending cases, covering credit-related suits and claims and also non-credit-related cases, that remain unsettled. It is not practicable to estimate the potential financial statement impact of these contingencies. However, in the opinion of management, the suits and claims, if decided adversely, will not involve sums that would have a material effect on the financial statements.

The Bank is a defendant in legal actions arising from its normal business activities, including the management of the PBCOM Tower. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the Bank's financial position.

On 27 December 2024, PBCOM, through its legal counsels, received the decision dated 20 December 2023 from the Philippine Competition Commission (PCC) for alleged violation of the compulsory notification requirement for mergers related to the sale of PBCOM Rural Bank, Inc. The Bank filed a Motion for Reconsideration on 11 January 2025. The motion for reconsideration is submitted for resolution. At present, it is not practicable to estimate the potential financial impact. However, management believes that the outcome will not materially affect the Bank's financial position.

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

Nothing was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

Market Price and Dividends

A. Dividends History:

There are no dividends declared for the years ended December 31, 2024, 2023 and 2022.

The Bank strictly complies with the BSP regulatory requirements under Section 124 of the Manual of Regulations for Banks which states that before any declaration of dividends, banks shall comply with the following:

a. Clearing account with the Bangko Sentral is not overdrawn;
b. Liquidity floor requirement for government funds;
c. Minimum capitalization requirement and risk-based capital ratio;
d. The combined requirement for capital conversion buffer and countercyclical capital buffer;
e. Higher loss absorbency requirement foir UB/KBs and their subsidiary banks and QBs that are identified as Domestic Systemically Important Banks; and
f. Has not committed any unsafe or unsound banking as defined under existing regulations.

B. Common Shares of the Bank are traded in the Philippine Stock Exchange.

Stock Prices:

	2025		2024		2023	
	High	**Low**	**High**	**Low**	**High**	Low
1st Quarter	P16.98	P15.00	P 17.88	P14.04	P 16.20	P13.60
2nd Quarter			17.38	14.40	19.20	14.90
3rd Quarter			17.88	14.54	16.00	14.50
4th Quarter			17.58	15.02	14.30	14.10

As of April 11, 2025 the closing share price of the Bank's common share was P16.20.

C. Holders

As of April 11, 2025, there are 389 shareholders of the Bank's 480,645,163 issued and outstanding common shares, 2,010,424 or 0.42% of which are owned by foreigners.

The top 20 registered stockholders of the Bank as of April 11, 2025 are as follows:

	Name of Shareholder	Nationality	No. of Shares	%
1	P.G. Holdings, Inc.	Filipino	186,241,408	38.75%
2	VFC Land Resources, Inc.	Filipino	88,883,602	18.49%
3	PCD Nominee Corporation	Filipino	49,191,524	10.65%
		Non-Filipino	1,994,501	
4	Eric O. Recto	Filipino	49,835,776	10.37%
5	Ralph C. Nubla, Jr.	Filipino	46,519,036	9.68%
6	Telengtan Brothers & Sons, Inc.	Filipino	31,859,844	6.63%
7	La Suerte Workmen's Compensation Fund	Filipino	7,687,833	1.60%
8	TTC Development Corporation	Filipino	4,181,665	0.87%
9	Roxas-Chua, Ray Anthony Go	Filipino	3,070,724	0.64%
10	Cham, Edison Siy	Filipino	1,790,853	0.37%
11	KLG International, Inc.	Filipino	1,790,853	0.37%
12	Yu, Gregorio T.	Filipino	1,432,692	0.30%
13	Chungunco, Raymond N.	Filipino	604,011	0.13%
14	TFC Holdings, Inc.	Filipino	562,588	0.12%
15	Chung, Bunsit G. (a.k.a. Carlos G. Chung)	Filipino	550,716	0.11%
16	Chung, Patricia Regine K.	Filipino	261,294	0.05%
17	Chung, Philippe Ryan K.	Filipino	261,294	0.05%
18	Ching, Winnifred	Filipino	187,798	0.04%
19	Ching, Jeffrey	Filipino	175,505	0.04%
20	Chung, Dexter Noel T.	Filipino	174,196	0.04%
	Chung, Sidney	Filipino	174,196	0.04%
	Chung Zachary	Filipino	174,196	0.04%
	Total		**477,606,105**	**99.38%**

**** - 5,260,338 shares of Ralph C. Nubla, Jr., and 323,648 shares of Eric O. Recto are under PCD Nominee Corp.***

The PCD, being a nominee corporation, only holds legal title, not beneficial ownership of the lodged shares. The beneficial owners, such as the clients of PCD, have the power to decide how their shares are to be voted.

The material information on the current shareholders and voting rights are discussed on **pages 5, 6 and 7 of the Information Statement** under Voting Securities & Principal Holders Thereof and Security Ownership of Certain Record and Beneficial Owners as of April 11, 2025. The complete list of stockholders who are entitled to vote is available at the Bank's website and has been disclosed with the PSE and the SEC on April 21, 2025.

Recent Sale of Unregistered Securities

There were no sales of unregistered securities within the fiscal year covered by this report.

The Bank has no registered debt securities. There are no existing or planned stock options. There are no registered securities subject to redemption or call. There are no existing or planned stock warrant offerings.

Management's Discussion and Analysis of Financial Condition and Results of Operations (Quarterly)

1. Management's Discussion & Analysis

The Group registered a net income of P472.9 Million as of the 1st quarter of the year 2025, P23.2 Million or 4.7% lower than the P496.1 Million earned during the same period last year. This is attributable to P123.6 Million higher operating expense and P106.4 Million decline in the trading performance, partially offset by P187.0 Million improvements in net interest income.

Interest income expanded by 11.1% or P253.0 Million due to higher asset growth and higher yields in securities portfolio. To fund this growth, deposits volume increased, and the Group issued bonds payable at the latter part of 2024 which resulted to higher interest expense by P66.0 Million. Total operating expenses went up by 13.2% mainly because of higher provision for impairment losses, higher volume-driven costs - GRT, DST and PDIC insurance, higher manpower costs and higher depreciation and amortization. Income taxes also increased by P26.3 Million mainly from higher net taxable income, partially offset by lower final taxes on interest income on peso government securities and higher DTA recognized.

Total Assets of the Group increased by P4.2 Billion (2.7%) from P156.9 Billion as of end of year 2024 to P161.1 Billion at the end of the first quarter of 2025. This is primarily due to increases in inventories of debt securities carried at FVOCI and FVTPL by P3.1 Billion and P2.2 Billion, respectively, and increase in investment in overnight deposit facility (ODF) with the BSP by P3.1 Billion, partially offset by decline in statutory reserve requirements by P1.8 Billion and lower loan volume by P1.8 Billion.

The Group's gross NPL ratio is at 3.59%, 0.93% points higher than the 2.66% ratio at the end of 2024. PBCOM's liquidity position continued to remain stable as the Bank comfortably met

all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by P3.6 Billion, 2.6% higher than last year's end level of P137.7 Billion. This resulted mostly from P8.4 Billion increase in deposit liabilities mainly from P12.8 Billion higher time deposits, offset by P4.3 Billion lower low-cost deposits, and P5.5 Billion lower bills payable. Total Capital is now at P19.8 Billion from P19.2 Billion as of end of December 2024. This 3.1% increase in Capital was mainly contributed by the earnings of the Bank during the quarter.

The Bank's Risk Based Capital Adequacy Ratio of 15.75% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

2. Discussion of various key indicators:

A. Key Financial Performance (consolidated)

Ratio	March 2025 (Consolidated)	March 2024 (Consolidated)	Remarks
Net Profit Margin *(Net income divided by Gross income)*	27.37%	30.99%	Decrease by 3.62 % pts mainly due to higher operating expenses mainly in provision for impairment losses, manpower costs, and higher volume-driven costs. Net trading loss during the period also contributed to the decline, offset by higher net interest margin.
Return on Average Asset *(Net income divided by Average assets)*	1.19%	1.36%	Decline in the ratio is mainly driven by to higher operating expenses and net trading losses this period. These were partially offset by improvement in net interest margin from lower cost of funds and higher volume of loans.
Return on Average Equity *(Net income divided by Average equity)*	9.68%	11.13%	Return on average equity decreased by 1.44 % pts from higher operating expenses and net trading losses this period. These were partially offset by improvement in net interest margin
Capital Adequacy Ratio (Basel 3) *(Qualifying capital divided by the total of risk-weighted assets that include credit, market, and operational risk)*	15.75%	16.84%	Decreased by 1.09 % pts mainly due to higher total risk-weighted assets, offset by higher total qualifying capital.
Basic Earnings per share *(Net income divided by average no. of common shares)*	0.98	1.03	Decrease in basic earnings per share by PHP0.05 from lower net income during the current period.

B. Financial Soundness (consolidated)

Ratio	March 2025 (Consolidated)	March 2024 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities Total deposit refers to the total of the peso and foreign currency deposits.*	22.91%	18.54%	Ratio increased by 4.37 % pts mainly higher level in liquid assets (higher financial assets at FVOCI, FVTPL and Due from BSP), offset by net increase in total deposits
Debt Ratio (Total Liability to Total Assets)	87.69%	87.74%	Decreased by 5 bps as the increase in total assets (higher financial assets at FVOCI and FVTPL, Due from BSP & Due from other

Debt refers to the total liabilities, while assets refer to total Assets			Banks and increase in receivables from customers) exceeded the increase in total liabilities (higher time deposits).
Asset to Equity Ratio (Total Asset to Total Equity)	8.12	8.16	Ratio is lower by 4 bps mainly as a result of increase in equity in relation to higher growth in assets.
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	162.09%	165.85%	Bank's interest rate coverage decreased due to higher operating expenses and net trading losses this period.
Net Interest Margin Net interest income over Average Earning assets	4.05%	4.02%	Ratio is slightly higher due to lower cost of funds

Statement of Condition: March 2025 vs. December 2024 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Remarks
Cash and Other Cash Items	33,863	3.23%	Higher cash in ATMs, offset by lower cash on hand
Due from BSP	1,302,920	17.85%	Higher mainly due to ODF, offset by the decline in statutory reserve requirement to 5% in 2025
Due from Other Banks	782,354	181.90%	Higher funds mainly with foreign banks
Interbank Loans Receivable	(334,443)	-82.74%	Lower mainly from lower interbank call loans with foreign banks
Financial assets at Fair Value through Profit or Loss	2,215,265	100.00%	Purchase of investments in FVTPL
Financial assets at Fair Value through Other Comprehensive Income	3,052,840	27.13%	Purchase of investments in FVOCI and mark-to-market adjustment
Investment securities at Amortized Cost	(946,122)	-3.27%	Maturity of HTC investments
Loans and Receivables	(1,839,988)	-1.82%	Decrease in outstanding receivables mainly in corporate loans and import bills
Investment in a subsidiary and associate	67	0.66%	Share in net income for the 1st Quarter
Property and Equipment	(5,562)	-0.68%	Decrease mainly due to depreciation recognized for the period
Investment Properties	(6,577)	-0.18%	Decline due to depreciation recognized for the period offset by higher ROPA foreclosures/ dacion en pago than ROPA sale
Intangible Assets	1,725	0.33%	Increase due to software-related purchases made throughout the year, offset by amortization recognized for the period
Deferred tax assets	14,625	3.01%	Higher DTA movement for the period
Other Assets	(58,894)	-8.45%	Decrease mainly due to lower cash margin and DST on hand, offset by higher prepaid PDIC insurance, prepaid expenses on annual bankwide subsidies and prepaid taxes that were paid in 1Q
Demand Deposits	(3,294,015)	-7.91%	Higher time deposits volume, partially offset by lower deposits volume in CASA
Savings Deposits	(1,035,991)	-7.56%	
Time Deposits	12,755,288	23.09%	
Bills Payable	(5,464,393)	-33.35%	Decrease in REPO and interbank bills payable
Bonds Payable	12,426	0.16%	Amortization of transaction costs for corporate bond issued in Nov 2024
Outstanding Acceptances	247,806	303.42%	Increase due to higher bills exchange accepted by the Bank
Manager's Checks	233,187	106.66%	Higher un-negotiated MC's as of the period
Accrued Interest, Taxes and Other Expenses Payable	7,190	0.50%	Increase mainly due to higher other operating expense accrual and higher Deposits interest accrual, offset by lower Bills payable interest accrual as of the period
Income Tax payable	127,656	93.38%	Higher income tax payable for the period

Other Liabilities	20,704	1.74%	Increase mainly due to higher accounts payable, offset by lower finance lease payable, advance rentals and rental deposits
Retained Earnings	472,936	8.18%	Increase from net income for the period
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	135,089	20.48%	Lower net mark-to-market losses mainly from FCDU debt investments in FVOCI
Cumulative translation adjustment	(5,809)	-5.63%	Lower downward CTA adjustment mainly due to rate differential from MRT accretion

Statement of Income and Expenses: Jan-Mar 2025 vs Jan-Mar 2024 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Interest Income on investment securities	81,417	16.98%	Higher interest income due to higher yields and higher average volume mainly from FVTPL
Interest Income on Loans and receivable	177,184	9.99%	Higher interest income is primarily derived from growth in average volume primarily from corporate loans
Interest Income on Interbank loans receivable and securities purchased under resale agreements	(8,800)	-46.71%	Lower interest income due to lower average volume mainly from SPURA and lower yields
Interest Income on Deposit with other Banks and others	3,197	41.35%	Higher interest income due to higher volume mainly from ODF with BSP
INTEREST AND FINANCE CHARGES			
Interest Expense on Deposit Liabilities	(38,992)	-4.76%	Lower interest expense due to lower cost of funds mainly from TDs
Interest Expense on Bills payable, borrowings and others	105,106	55.65%	Higher interest expense due to higher average volume mainly from corporate bond issuance, offset by lower cost of funds mainly from Repos
OTHER INCOME			
Trading and Securities Gain – net	(106,388)	-207.48%	Decline due to net realized trading loss and unrealized mark-to-market loss in 1Q 2024
Rent Income	(6,313)	-6.79%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants
Service Charges, Fees & Commissions	(2,808)	-2.66%	Lower primarily due to lower TFR fees & commitment fees, offset by higher penalty fees, loan processing fees, bank commission on letter of credits and insurance fees
Foreign Exchange Gain (Loss) – Net	20,934	88.70%	Higher unrealized and realized foreign exchange gains
Gain/(Loss) on asset exchange	9,349	1980.72%	Higher net gain on foreclosure
Profit/(Loss) from Assets Sold	17,915	792.00%	Higher ROPA gain on sale in 2025
Income from Trust Operations	1,470	15.33%	Increase is mainly due to higher ADB of assets under management
Miscellaneous Income	5,710	13.12%	Increase is mainly due to income from aircon extension of lessees, rental interest & penalties and higher other income from loans, offset by lower recovery on written-off accounts and downward impact of gain on sale of bank premises
OPERATING EXPENSE			
Compensation and Fringe Benefits	24,029	7.09%	Higher manpower costs for the period due to higher average headcount and salary adjustments
Taxes and Licenses	22,498	10.85%	Increase mainly due to higher GRT costs and higher DST costs from deposits

Depreciation and Amortization	22,412	26.82%	Increase mainly due to higher ROPA and ROU asset depreciation, offset by lower bank premises depreciation
Occupancy and other equipment-related costs	(2,864)	-6.28%	Decrease mainly from decline in electricity & water costs, partially offset by higher repairs & maintenance and rent expense
Provision for (recovery from) impairment losses	33,890	1863.06%	Higher loan provision requirements during the period
Miscellaneous	23,632	8.94%	Increase mainly due to higher legal fees & contractual services, higher brokerage & PDEX fees from higher volume of transactions and higher PDIC insurance from higher volume of deposits
Provision for income tax	26,326	15.72%	Increase mainly due to higher net taxable income (mainly from higher interest income from loans & investments), offset by lower final taxes on interest income on peso government securities and higher DTA recognized on loan allowance

3. Discussion and Analysis of Material Event/s and Uncertainties

a. The Bank does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), or other relationships of the company with unconsolidated entities or other persons created during the reporting period.

b. As of March 31, 2025, the unspent amount from the approved capital expenditures budget on projects involving technology enhancement and facilities improvement amounted to ₱283.3 Million.

c. The Bank has taken prudent steps to mitigate the risk through a more careful credit process and tighter credit policies. More importantly, it continues its assessment of its portfolio by regularly doing the stress test exercise.

d. There is no recorded significant quarterly income or losses that did not come from the Bank's regular operations.

e. Interest income on the non-discounted loan is recognized based on the accrual method of accounting, while unearned discounts are amortized to income over the term of the loans. As such, no seasonal aspect has a material impact on the Bank's interest revenues. Non-interest revenues, on the other hand, are primarily dependent on market dynamics and economic trends rather than seasonal factors

Management's Discussion and Analysis of Financial Condition and Results of Operations *(Annual)*

1. Management's Discussion & Analysis

Financial Condition & Results of Operations: 2024 (Consolidated)

The Group registered a net income of P2.2 Billion for 2024. This is P312.7 Million or 16.5% improvement from 2023's net income of P1.9 Billion. This is mainly attributable to P1.3 Billion (22.3%) higher operating income mainly from P807.0 Billion improvement in net interest income and P323.6 Million better trading performance. This is partially offset by higher operating expenses by P946.1 Million.

Interest income expanded by 22.1% or P1.8 Billion due to asset growth and higher yields in both loan and securities portfolios. Higher deposit volume and bonds payable issuance this year funded this growth. The increase in volume and higher cost of funds due to current high interest rates environment caused the interest expense to increase by P946.2 Million. Higher trading income is mostly composed of realized gains from the trading activities of the Bank. Total operating expenses went up by P946.1 Million mainly because of higher provision for impairment losses, higher volume-driven costs - GRT, DST and PDIC insurance, higher manpower costs, higher depreciation and amortization, and higher occupancy and other equipment-related costs. Income taxes also increased by P72.3 Million mainly from higher net taxable income, higher final taxes on interest income on peso government securities and onshore income, partially offset by higher DTA recognized.

Total Assets of the Group increased by P9.4 Billion (6.4%) from P147.5 Billion as of December 2023 to P156.9 Billion at the end of December 2024. This is primarily due to growth in loans and other receivables volume by P9.6 Billion, increases in inventories of debt securities carried at FVOCI and HTC by P2.8 Billion and P1.1 Billion, respectively, and increase in foreclosed properties by P1.2 Billion, partially offset by decline in statutory reserve requirements & investment in overnight deposit facility (ODF) with the BSP by P4.9 Billion.

The Group's gross NPL ratio for the year ended at 2.66%, 0.11 % points lower than the 2.77% ratio at the end of 2023. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by P7.8 Billion, 6.0% higher than last year's end level of P129.8 Billion. This resulted mostly from P7.6 Billion increase from corporate bond issuance in 2024, P6.7 Billion higher bills payable, and P625.8 Million higher low-cost deposits, partially offset by P3.8 Billion lower time deposits and P2.9 Billion decline from the maturity of LTNCD. Total Capital is now at P19.2 Billion from P17.7 Billion last December 2023. This 8.9% increase in Capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 15.72% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

Financial Condition & Results of Operations: 2023 (Consolidated)

The Group registered a net income of P1.90 Billion for 2023. This is P265.88 Million or 16.3% improvement from 2022's net income of P1.63 Billion. This is mainly attributable to P400.86 Million (7.2%) higher operating income largely from P495.1 Million better trading performance.

Interest income expanded by 41.6% or P2.3 Billion due to higher asset yields and growth in both loan and securities portfolios. Interest expense, however, also increased on the account of higher cost of funds due to current high interest rates environment and caused P2.4 Billion decline in net interest income. Total operating expenses slightly went up by P18.4 Million (0.54%) primarily because of volume-driven costs such as GRT, DST and PDIC insurance, and higher manpower costs, offset by lower provision for impairment losses, management and professional fees, and depreciation and amortization. Income taxes also increased by P117.9 Million, mainly from higher final taxes on interest income on peso government securities and onshore income and lower DTA recognized.

Total Assets of the Group increased by P22.6 Billion (18.1%) from P124.9 Billion as of December 2022 to P147.5 Billion at the end of December 2023. This is primarily due to growth in loan volume by P14.9 Billion (19.3%), increases in inventories of debt securities carried at HTC and FVOCI by P6.1 Billion and P3.4 Billion, respectively, offset by decline in interbank receivables and SPURA by P 2.1 Billion.

The Group's gross NPL ratio for the year ended at 2.77%, 0.93 % points lower than the 3.23% ratio at the end of 2022. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by P20.5 Billion, 18.8% higher than last year's end level of P109.3 Billion. This resulted mostly from P17.3 Billion increase in deposit liabilities, mainly from higher time deposits partially offset by lower demand deposits, and P2.1 Billion increase in bills payable. Total Capital is now at P17.7 Billion from P15.6 Billion last December 2022. This 13.4% increase in Capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 16.55% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

Financial Condition & Results of Operations: 2022 (Consolidated)

The Group registered a net income of ₱1.63 Billion for 2022. This is ₱58.62 Million or 3.7% improvement from 2021's net income of ₱1.57 Billion. This is mainly attributable to ₱477.75 Million (9.4%) higher operating income largely due to ₱565.72 Million or 13.3% growth in net interest income, ₱ 58.38 Million higher fees & commission mainly from penalty fees in corporate loans, ₱40.82 higher foreign exchange gains, mostly realized, and ₱47.48 Million higher net gains from ROPA sales. These increases were partially offset by ₱124.73 Million higher net trading losses, reflecting the adverse effects of a rising interest rate environment on the Bank's Peso and USD bond portfolios, and ₱85.23 Million reduction in rental income due to pre-terminations & re-negotiated contracts of tenants as a result of the COVID-19 crisis. ₱269.02 Million higher income taxes and ₱150.19 Million higher operating expenses further offset the increase in operating income.

Growth in net interest income is attributable to ₱485.29 Million increase in interest income from loans due to higher average loan volume, mainly from the growth in corporate loan portfolio, ₱393.74 Million increase in interest income from investments due to higher yields and higher average volume, partially offset by from ₱294.33 Million increase in interest expense mainly due to rise in cost of funds and higher average volume of Time Deposits & Repos. Income taxes increased by ₱269.02 Million or 104.8% as a result of lower deferred tax assets recognized, higher final taxes, and higher taxable income from growth in interest income from loans during the current year. Total operating expenses went up by ₱150.19 Million or 4.6%, mainly because of higher manpower costs, higher accruals for professional fees and higher taxes & licenses from rise in GRT and DST, partly offset by ₱34.61 Million lower provision requirements for credit and impairment losses in the current period.

Total Assets of the Group grew by ₱15.65 Billion (14.3%) from ₱109.24 Billion as of December 2021 to P124.89 Billion as of the end of December 2022. This is primarily due to ₱13.43 Billion increase in Loans and Other Receivables, mostly from expansion of corporate loans, and ₱6.14 Billion increase in Held to Collect Securities, partially offset by ₱1.60 Billion lower Interbank loans receivable and ₱1.48 Billion decline in Financial assets at Fair Value through Other Comprehensive Income.

The Group's gross NPL ratio is at 3.23%, 1.06 % points lower than the 4.89% ratio at the end of 2021. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱14.26 Billion, 15.0% higher from last year's end level of ₱95.06 Billion. This resulted mostly from ₱12.50 Billion increase in deposit liabilities mainly from ₱6.85 Billion & ₱4.33 Billion growths in time and demand deposit volume, respectively.

Total Capital is now at ₱15.57 Billion from ₱14.18 Billion last December 2021. This 9.8% improvement in capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 17.07% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

2. Discussion of various key indicators:

A. Key Financial Performance (consolidated)

Ratio	December 2024 (Consolidated)	December 2023 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	30.30%	31.82%	Decrease by 1.52% pts mainly due higher provision for impairment losses, compensation & benefits and higher volume-driven costs. This is offset by higher net interest income, higher net trading gain, and higher gain from ROPA foreclosure and sold.
Return on Average Asset *(Net income divided by Average assets)*	1.45%	1.39%	Increased by 6 bps as the impact of growth in net returns exceeded the increase in volume of average assets.
Return on Average Equity *Net income divided by Average equity)*	11.98%	11.42%	Return on average equity increased by 56 bps from higher interest income from higher average volume and higher yields, higher net trading gain, and higher gain from ROPA foreclosure and sold.
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	15.72%	16.55%	The capital ratio decreased by 83 bps mainly due to higher total risk-weighted assets, offset by higher total qualifying capital.
Basic Earnings per share *Net income divided by average no. of common shares)*	4.60	3.95	Increase in basic earnings per share by ₱0.65 from higher net income from the current period.

Ratio	December 2023 (Consolidated)	December 2022 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	31.82%	29.33%	Increased by 2.49 % pts due to impact of net trading gains (net trading loss in 2022) and lower provision for impairment losses, reduced by impact of higher interest expenses this year due to higher cost of funds
Return on Average Asset *(Net income divided by Average assets)*	1.39%	1.39%	Ratio maintained at a consistent level as the impact of higher volume-driven expenses and employee compensation & benefits was offset by lower provision for impairment
Return on Average Equity *Net income divided by Average equity)*	11.42%	10.97%	Return on average equity increased by 45 bps from higher net income driven by net trading gains and lower provision for impairment losses.
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	16.55%	17.07%	The capital ratio decreased by 52 bps due to higher total credit risk-weighted assets offset by higher total qualifying capital
Basic Earnings per share *Net income divided by average no. of common shares)*	3.95	3.39	Increase in basic earnings per share by ₱0.55 from higher net income for the current period

Ratio	December 2022 (Consolidated)	December 2021 (Consolidated)	Remarks

Profit Margin *(Net income divided by Gross income)*	29.33%	30.94%	Net profit margin decreased by 1.6 % pts mainly due to higher provision for income tax from lower recognition of DTA, higher final taxes, and higher taxable income in 2022
Return on Average Asset *(Net income divided by Average assets)*	1.39%	1.49%	Decreased by 10 bps as the impact of increase in average assets exceeded the impact of growth in net income
Return on Average Equity *Net income divided by Average equity)*	10.97%	11.78%	Return on average equity decreased by 81 bps from higher provision for income taxes and total operating expense from the results of the current operations
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	17.07%	18.18%	The capital ratio decreased by 1.11% due to higher total credit risk-weighted assets
Basic Earnings per share *Net income divided by average no. of common shares)*	3.39	3.27	Increase in basic earnings per share by ₱0.12 from higher net income during the current period

B. Financial Soundness (consolidated)

Ratio	December 2024 (Consolidated)	December 2023 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	18.27%	19.69%	Ratio decreased by 1.41 % pts mainly due to lower level in liquid assets (lower Due from BSP, cash and other cash items and lower interbank loans & SPURA), offset by decrease in time deposits and maturity of LTNCD.
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	87.74%	88.03%	Decreased by 29 bps as the increase in total assets (higher financial assets, ave. receivables from customers, increase in ROPA mainly due to dacion in 2024, and higher Due from other Banks) exceeded the increase in total liabilities (issuance of Corporate bond and higher bills payable & low-cost deposits).
Asset to Equity Ratio (Total Asset to Total Equity	8.16	8.35	Ratio is lower by 0.20 mainly as result of increase in equity in relation to growth in assets.
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	170%	179%	Bank's interest rate coverage decreased due to impact of increase in interest expense from rising cost of funds.
Net Interest Margin Net interest income over Average Earning assets	4.05%	3.96%	Ratio is slightly higher as increase in average asset yields outweighed the average COF rates.

Ratio	December 2023 (Consolidated)	December 2022 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	19.69%	21.41%	Ratio decreased by 1.72 % pts as the increase in total deposits, mainly time deposits, has outweighed the increase in liquid assets (from higher financial assets, particularly FVOCI offset by lower Interbank loans)
Debt Ratio (Total Liability to Total Asset)	88.03%	87.54%	Increased by 49 bps due to increase in total liabilities, mainly in deposit liabilities and bills payable, to fund the increase in loans and

Debt refers to the total liabilities while assets is the total assets			receivables and investment securities at amortized cost and FVOCI.
Asset to Equity Ratio (Total Asset to Total Equity	8.35	8.02	Ratio is higher by 0.33 mainly as result of higher growth in assets in relation to the increase in equity
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	179%	374%	Bank's interest rate coverage decreased by 194.8 % pts. due to impact of increase in interest expense from rising cost of funds
Net Interest Margin Net interest income over Average Earning assets	3.96%	4.80%	Ratio is slightly lower as increase in average COF rates outweighed the increase in average asset yields

Ratio	December 2022 (Consolidated)	December 2021 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	21.41%	28.96%	Ratio decreased by 7.55 % pts due to lower liquid assets (from lower Interbank loans & financial assets, particularly FVOCI) in relation to higher total deposits, mainly time and demand deposits
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	87.54%	87.02%	Increased by 52 bps as the increase in total assets slightly exceeded the increase in total liabilities. Increase in assets is mostly from investment securities at amortized cost and loans and other receivables, mostly from corporate loans
Asset to Equity Ratio (Total Asset to Total Equity	8.02	7.71	Ratio is higher by 31 bps mainly as result of higher growth in assets in relation to the increase in equity
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	374%	470%	Bank's interest rate coverage decreased by 96.72 % pts. due to impact of increase in interest expense from rising cost of funds & higher time deposit volume, partially offset by impact of higher earnings before interest & taxes
Net Interest Margin Net interest income over Average Earning assets	4.80%	4.83%	Ratio is slightly lower as the impact of increase in average total yields is offset by increase in average COF rates

Statement of Condition: December 2024 vs. December 2023 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Remarks
Cash and Other Cash Items	-512,810	-32.81%	Decrease mainly due to lower cash on hand and cash in ATMs
Due from BSP	-4,907,500	-40.21%	Lower mainly due to decline in statutory reserve requirements in Nov24
Due from Other Banks	-55,427	-11.42%	Lower funds mainly with foreign banks
Interbank Loans Receivable	-88,151	-17.90%	Lower mainly from interbank call loans with foreign banks
Financial assets at Fair Value through Profit or Loss	-	-	
Financial assets at Fair Value thorough Other Comprehensive Income	2,837,402	33.72%	Purchase of investments in FVOCI and mark-to-market movements
Investment securities at Amortized Cost	1,144,271	4.12%	Purchase of securities at amortized cost
Loans and Receivables	9,546,222	10.40%	Increase in outstanding receivables mainly in commercial loans and import bills

Property and Equipment	8,555	1.05%	Increase mainly from PBCOM Tower improvements, offset by depreciation recognized for the period
Investment Properties			
Condominium Units for Lease	-46,509	-2.90%	Decline due to depreciation recognized for the period
Foreclosed properties	1,154,699	118.34%	Increase from higher ROPA foreclosures/ dacion de pago than ROPA sale, offset by depreciation recognized for the period
Office units for lease	-351	-17.66%	Decline due to depreciation recognized for the period
Deferred tax assets	81,899	20.26%	Higher DTA movement for the period
Other Assets	272,213	64.13%	Increase mainly due cash margin and by higher DST on hand
Deposit Liabilities			
Demand Deposits	243,024	0.59%	Higher volume of demand deposits
Savings Deposits	382,770	2.87%	Higher volume of savings deposits
Time Deposits	-3,841,685	-6.50%	Lower volume of time deposits
Bills Payable	6,699,761	69.16%	Increase in FCDU bills payable and interbank call loans
Bonds Payable	7,623,300	100.00%	Corporate bond issuance in Nov24
Outstanding Acceptances	-23,740	-22.52%	Decrease due to lower bills exchange accepted by the Bank
Manager's Checks	-413,422	-65.41%	Lower un-negotiated MC's as of the period
Accrued Interest, Taxes and Other Expenses Payable	-107,976	-6.97%	Decrease mainly due to lower Deposits & Bills payable interest accrual as of the period, offset by corporate bond interest accrual as of the period
Income Tax payable	36,116	35.91%	Higher income tax payable for the period
Other Liabilities	142,890	13.64%	Increase mainly due to higher accounts payable - loans, higher finance lease payable, and higher rental deposits from Tower
Surplus reserves	3,857	0.85%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement
Retained Earnings	2,206,416	70.81%	Increase is from net income for the period partially offset by RE appropriation to cover deficiency on 1% minimum GLLP requirement
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	-621,368	-1628.54%	Higher net mark-to-market losses mainly from FCDU debt investments in FVOCI
Cumulative translation adjustment	4,242	3.95%	Increase from lower downward CTA adjustment mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	-15,857	-33.62%	Higher actuarial loss recognized on retirement fund

Statement of Condition: December 2023 vs. December 2022 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Remarks
Cash and Other Cash Items	158,533	11.29%	Higher cash on hand, higher cash on atm, & higher cash on cash center
Due from Bangko Sentral ng Pilipinas	868,509	7.66%	Higher mainly from regular deposits under statutory reserve requirements
Due from Other Banks	(603,660)	-55.42%	Lower funds mainly with foreign banks
Interbank Loans Receivable	(2,108,226)	-81.07%	Lower mainly from lower GS Repo offset by higher interbank call loans
Financial Assets at Fair Value through Profit or Loss	-	-	

Financial Assets at Fair Value through Other Comprehensive Income	3,406,963	68.02%	Purchase of Peso debt investments in FVOCI
Investment Securities at Amortized Cost	6,114,566	28.23%	Purchase of securities at amortized cost
Loans and Receivables	14,850,435	19.31%	Increase in outstanding receivables, mainly in corporate loans and import bills
Property and Equipment	10,652	1.33%	Increase due to reclassification of Investment Property to Bank Premises, higher leasehold rights and improvements, and additional right of use assets for the period, offset by depreciation recognized for the period
Investment Properties			
Condominium Units for Lease	(88,564)	-5.23%	Decrease due to reclassification of Investment Property to Bank Premises and depreciation recognized for the period
Foreclosed properties	13,647	1.42%	Higher ROPA foreclosures offset by ROPA sales and depreciation recognized for the period
Office units for lease	(350)	-14.97%	Decline due to depreciation recognized for the period
Deferred Tax Assets	13,756	3.52%	Increase mainly due to higher RBU loan allowance and ROPA accumulated depreciation, offset by lower lease liability, advance rental, right of use assets & Unamortized past service cost
Other Assets	(38,312)	-8.28%	Decline mainly due to lower retirement assets, lower prepaid expenses, lower DST, and lower tax credits, and offset by higher prepaid taxes on deposits
Deposit Liabilities			
Demand	(4,103,734)	-9.02%	Lower volume of demand deposits
Savings	646,800	5.11%	Higher volume of savings deposits
Time	20,706,830	53.95%	Higher volume of time deposits
Bills Payable	2,092,736	27.56%	Increase in bills payable - REPO
Outstanding Acceptances	55,192	109.90%	Increase due to higher bills of exchange accepted by the Bank
Manager's Checks	410,523	185.31%	Higher un-negotiated MC's as of report date
Accrued Interest, Taxes and Other Expenses	684,739	79.22%	Increase mainly due to Deposits & Bills payable interest accrual, other operating expense and GRT accruals
Income Tax Payable	(18,229)	-15.34%	Lower income tax payable for the period
Other Liabilities	28,510	2.80%	Higher due to increase in payables to Bancnet bills payment & IBFT, offset by decrease in advance rentals, and finance lease payables
Surplus reserves	241,445	113.44%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement
Retained Earnings	1,656,126	113.46%	Increase is from net income for the period partially offset by RE appropriation to cover deficiency on 1% minimum GLLP requirement
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	276,431	87.87%	Lower net MTM losses from FCDU debt investments in FVOCI
Cumulative translation adjustment	1,419	1.34%	Higher downward CTA mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	(82,878)	-232.06%	Higher actuarial loss recognized on retirement fund

Statement of Condition: December 2022 vs. December 2021 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Remarks
Cash and Other Cash Items	(111,700)	-7.37%	Lower cash on hand
Due from Bangko Sentral ng Pilipinas	1,064,985	10.37%	Higher mainly from ODF
Due from Other Banks	430,597	65.38%	Higher funds with foreign banks
Interbank Loans Receivable	(1,595,267)	-38.02%	Lower GS Repo and foreign interbank loans
Financial Assets at Fair Value through Profit or Loss	(886,291)	-100.00%	Sale of investments in FVTPL
Financial Assets at Fair Value through Other Comprehensive Income	(1,480,691)	-22.82%	Sale of investments in FVOCI
Investment Securities at Amortized Cost	6,141,545	39.57%	Increase due to purchase of securities at amortized cost
Loans and Receivables	12,138,486	18.74%	Increase in outstanding receivables, mainly in corporate loans
Property and Equipment	(78,380)	-8.88%	Decline due to depreciation recognized for the period
Investment Properties			
Foreclosed properties	127,809	15.32%	Higher ROPA foreclosures, offset by depreciation recognized for the period
Office units for lease	(351)	-13.05%	Decline due to depreciation recognized for the period
Deferred Tax Assets	64,953	19.95%	Increase mainly due to set-up of tax assets on additional provision for credit losses
Other Assets	(116,652)	-20.17%	Lower largely due to decline in tax credits and CWT carry-over
Deposit Liabilities			
Demand	4,333,580	10.53%	Higher volume of demand deposits
Savings	1,308,795	11.52%	Higher volume of savings deposits
Time	6,851,167	21.73%	Higher volume of time deposits
Bills Payable	1,583,031	26.34%	Increase in bills payable - REPO
Outstanding Acceptances	(21,391)	-29.87%	Decrease due to lower bills of exchange accepted by the Bank
Manager's Checks	49,288	28.61%	Higher un-negotiated MC's as of report date
Accrued Interest, Taxes and Other Expenses	183,666	26.98%	Increase in expense and interest payable accruals as of the period
Income Tax Payable	51,990	77.80%	Higher income tax payable for the period
Other Liabilities	(85,957)	-7.79%	Lower mainly from lower advance rentals and rental security deposit
Surplus reserves	105,916	99.06%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement
Retained Earnings	1,525,772	-2309.62%	Increase mostly from net income for the period
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	(368,094)	-687.91%	Higher net MTM losses
Cumulative translation adjustment	131,663	55.40%	Lower downward CTA mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	(5,027)	-12.34%	Cumulative amount of actuarial loss in 2022

Statement of Income and Expenses: Jan-Dec 2024 vs Jan-Dec 2023 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Interest Income on investment securities	478,297	29.00%	Higher interest income due to higher yields mainly from HTC, and higher

			average volume mainly from FVOCI and FVTPL
Interest Income on Loans and receivable	1,332,563	21.78%	Higher interest income due to higher average volume and higher yields mainly from corporate loans.
Interest Income on IBCL	-59,956	-46.18%	Lower interest income due to lower average volume mainly from SPURA, offset by higher yields
Interest Income on Deposit with other Banks and others	2,199	7.62%	Higher interest income due to higher yields mainly from ODF with BSP
Interest Expense on Deposit Liabilities	777,292	30.90%	Higher interest expense due to higher average volume mainly from TDs and higher cost of funds
Interest Expense on Bills payable, borrowings and others	168,858	23.87%	Higher interest expense due to higher average volume mainly from corporate bond issuance and higher cost of funds mainly from Repos
Trading and Securities Gain – net	323,645	251.32%	Higher realized trading gains and unrealized mark-to-market gains
Rent Income	-20,351	-5.14%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants
Service Charges, Fees & Commissions	55,059	12.88%	Higher primarily due to higher commitment fees, TFR fees, and Instapay fees
Foreign Exchange Gain (Loss) – Net	-1,911	-1.89%	Lower realized foreign exchange gains, offset by higher unrealized foreign exchange gains
Gain on asset exchange	63,185	534.38%	Higher net gain on ROPA foreclosure
Profit/(Loss) from Assets Sold	80,582	362.00%	Higher gain on ROPA sold
Income from Trust Operations	3,965	10.62%	Increase is mainly due to higher ADB of assets under management
Miscellaneous Income	21,027	15.40%	Increase mainly due to higher recovery on written-off accounts, gain from sale of bank-owned property, higher GRT portion shouldered by the clients, and gain on derecognition of investment in PISAI
Compensation and Fringe Benefits	188,208	15.58%	Higher manpower costs for the period due to higher ave. headcount and salary adjustments
Taxes and Licenses	136,713	18.27%	Increase mainly due to higher GRT costs and higher DST costs from deposits
Insurance	30,405	15.03%	Higher PDIC insurance from higher volume of deposits
Depreciation and Amortization	51,814	15.13%	Increase mainly due to higher ROPA and ROU asset depreciation, offset by fully amortized software cost, and fully-depreciated office equipment & computer
Occupancy and other equipment-related costs	28,343	17.77%	Increase mainly from increase in electricity & water costs, and higher repairs and maintenance, offset by lower rent expense
Management and professional fees	-17,208	-16.78%	Decrease is primarily due to lower professional fees
Security, clerical, messengerial and janitorial services	5,018	3.86%	Higher janitorial and messengerial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	18,747	22.88%	Higher expenses incurred in 2024
Communications	3,718	7.51%	Increase in commercial leased lines
Provision for (recovery from) impairment losses	465,051	1905.24%	Higher loan provision requirements during the period

Miscellaneous	35,326	8.34%	Increase mainly due to higher legal fees, brokerage & PDEX fees from higher volume of transactions, contractual services, and IT costs
Share In Net Income Of An Associate	-1,009	-61.98%	Lower net income share from PBCOM Finance and impact of gain from last year's sale of ROPA
Provision for income tax	72,308	11.24%	Increase mainly due to higher net taxable income, higher final taxes on interest income on peso government securities and onshore income, offset by higher DTA recognized on loan allowance

Statement of Income and Expenses: Jan-Dec 2023 vs Jan-Dec 2022 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	1,521,905	33.12%	Higher interest income is primarily derived from increased yields and the growth in average volume, driven by new loan availments, mainly from corporate loans
Investment securities	742,543	81.87%	Higher interest income is attributed to increased yields, primarily from HTC and FVOCI, as well as from a higher average volume, primarily in HTC
Interbank loans receivable and securities purchased under resale agreements	62,697	93.38%	Higher interest income from higher yields
Deposits with other banks	(785)	-2.65%	Lower interest income is primarily attributed to a decrease in average volume, mainly in ODF with BSP, offset by higher yields
INTEREST AND FINANCE CHARGES			
Deposit liabilities	1,916,276	319.73%	The increase is primarily due to a higher cost of funds and an increase in the volume of high-cost deposits
Bills payable, borrowings and others	518,340	274.28%	The increase is mainly attributed to higher cost of funds and average volume, driven by new repos during the year
OTHER INCOME			
Rent income	(24,239)	-5.77%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants
Trading and securities gain (loss) – net	495,103	135.15%	Higher net trading gain, mostly realized, compared to the net trading loss in the same period last year
Service charges, fees and commissions	37,368	9.58%	Higher primarily due to higher trade finance receivables charges, insurance fees income, and loan booking fees (mainly from corporate loans and home loans). This increase is partially offset by lower corporate loan penalty fees and processing fees.
Profit (loss) from assets sold	(38,783)	-63.53%	Lower ROPA gain on sale in 2023
Foreign exchange gain - net	3,322	3.40%	Higher realized foreign exchange gains were partially offset by unrealized foreign exchange losses
Income from trust operations	5,593	17.61%	Increase is mainly due to impact of higher ADB of assets under management

Gain (loss) on assets exchange – net	15,300	440.16%	Net gain on asset exchange compared to net loss in prior year
Miscellaneous	15,453	12.76%	Higher mainly from other income from loans and higher recovery on written-off accounts, partially offset by the impact of income from the forfeiture of security deposits of lessees resulting from the pre-termination of lease contracts in the prior year
OPERATING EXPENSE			
Provision for credit and impairment losses - net	(312,095)	-108.48%	Lower loan provision requirements during the period
Compensation and fringe benefits	92,596	8.30%	Increase is mainly due to salary adjustments and higher contributions
Insurance	18,527	10.08%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	23,368	17.17%	Higher mainly from repairs & maintenance and electricity costs, partially offset by lower rent expense
Management and professional fees	(63,743)	-38.33%	Decrease is primarily due to lower professional fees
Security, clerical, messengerial and janitorial services	24,800	23.55%	Higher security and janitorial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	3,710	4.74%	Higher expenses incurred in 2023
Communications	(7,634)	-13.36%	Decrease in commercial leased lines
Miscellaneous	34,208	8.79%	Increase is primarily due to higher employee and travel expense reimbursements, IT relate expenses, and brokerage fees
Share In Net Income Of An Associate	1,315	420.13%	Net income from PBCOM Finance
Provision For Income Tax	117,859	22.43%	Increase mainly due to higher final taxes on interest income on peso government securities and onshore income and lower DTA recognized, partly offset by lower taxable income as of Dec23

Statement of Income and Expenses: Jan-Dec 2022 vs Jan-Dec 2021 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	485,232	11.81%	Higher interest income from growth in average volume (from impact of new loan availments, mainly from corporate loans), partially offset by drop in yields
Investment securities	405,262	85.72%	Higher interest income due to higher yields (mainly from HTC & FVOCI, and from higher average volume, mainly HTC)
Interbank loans receivable and securities purchased under resale agreements	(7,073)	-11.77%	Lower interest income from lower volume
Financial Assets at Fair Value through Profit or Loss	(11,469)	-28.43%	Decrease from lower volume, partially offset by higher yields
Deposits with other banks	(26,052)	-46.78%	Lower interest income mainly from decrease in average volume mainly in ODF
INTEREST AND FINANCE CHARGES			

Deposit liabilities	164,444	37.81%	Increase is primarily from higher cost of funds and from higher CASA volume
Bills payable, borrowings and others	129,886	219.78%	Increase is mainly from higher cost and average volume due to new repos during the year
OTHER INCOME			
Rent income	(85,234)	-16.87%	Lower mainly due to downward impact of pre-terminations and re-negotiated contracts of tenants as a result of the COVID-19 crisis
Trading and securities gain (loss) – net	(124,729)	51.63%	Higher net trading loss, mostly realized
Service charges, fees and commissions	58,381	17.60%	Increase is mainly from higher penalty on corporate loans
Profit (loss) from assets sold	47,476	349.94%	Higher gain on sale of foreclosed ROPA assets
Foreign exchange gain - net	40,821	71.83%	Higher foreign exchange gain, mostly realized
Income from trust operations	2,525	8.64%	Increase is mainly due to impact of higher ADB of assets under management
Gain (loss) on assets exchange – net	(10,936)	-146.60%	Net loss on asset exchange compared to net gain in prior year
Miscellaneous	(16,275)	-11.85%	Decrease primarily due to lower recovery on charged-off asset
OPERATING EXPENSE			
Provision for credit and impairment losses - net	(34,615)	-10.74%	Lower loan provision requirements during the period
Compensation and fringe benefits	98,909	9.73%	Higher manpower costs for the period due to higher headcount and salary adjustments
Insurance	20,984	12.89%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	17,614	14.86%	Higher mainly from increase in electricity costs
Management and professional fees	66,772	67.08%	Increase is primarily due to higher professional fees
Security, clerical, messengerial and janitorial services	16,445	18.51%	Higher security and janitorial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	(42,151)	-35.02%	Lower expenses incurred in 2022
Communications	7,463	15.02%	Increase in commercial leased lines
Miscellaneous	(22,172)	-5.39%	Decrease is primarily due to lower ROPA related expenses
Share In Net Income Of An Associate	26	9.06%	Net income from PBCOM Finance
Provision For Income Tax	269,020	104.83%	Increase is mainly due to lower DTA recognized, from higher final taxes, and due to higher taxable income for the period

Interest income on non-discounted loans is recognized based on the accrual method of accounting, while unearned discounts are amortized to income over the terms of the loans. As such, there are no seasonal aspects that materially impact the Bank's interest revenues.

3. Discussion and Analysis of Material Event/s and Uncertainties

- The Bank does not anticipate any cash flow or liquidity problems in the next 12 months after year-end 2024.

- The Bank does not foresee any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- There are no material commitments for capital expenditures.
- The Bank remain cautious in expanding its loan portfolio given the on-going effect of the pandemic on the economy while the Executive Committee (EXCOM) stays vigilant with its loan approvals.
- There are no significant elements of the Bank's income in 2024 that did not arise from continuing operations.
- There are no seasonal aspects that have a material effect on the financial condition or results of operations.

UNDERTAKING

The Bank will post and make available for download the full version of this SEC Form 20-IS (Definitive Information Statement), together with its annexes including the Bank's 2024 consolidated Audited Financial Statements and its Interim Unaudited Financial Statements for the first quarter of 2025 or SEC Form 17-Q in the Bank's website at www.pbcom.com.ph/ upon its approval by the Securities and Exchange Commission.

Upon the written request of a stockholder, the Bank will provide, without charge, hard copies of the Bank's SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A (Annual Report) and SEC Form 17-Q (Unaudited Financial Statements for the first quarter of 2025) duly filed with the Securities and Exchange Commission. The stockholder may be charged a reasonable cost for photocopying the exhibits.

All requests may be sent to the following address:

PHILIPPINE BANK OF COMMUNICATIONS
5th Floor PBCOM Tower
6795 Ayala Avenue cor. V.A. Rufino St.
Makati City, 1226

Attention: **MA. THERESA G. DELA ROSA**
Corporate Secretary

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on May 16, 2025.

PHILIPPINE BANK OF COMMUNICATIONS
Issuer

By:

MA. THERESA G. DELA ROSA
Corporate Secretary

ANNEX "A"

PHILIPPINE BANK OF COMMUNICATIONS
("PBCOM")

2025 ANNUAL STOCKHOLDERS' MEETING ("ASM")

REQUIREMENTS AND PROCEDURES
FOR VOTING ELECTRONICALLY IN ABSENTIA AND
PARTICIPATION THROUGH REMOTE COMMUNICATION

A. Electronic Voting or Voting in Absentia

1. Stockholders as of 11 April 2025 may register and vote through PBCOM's website at https://www.pbcom.com.ph/ until 5:00 p.m. Philippine Time of 4 June 2025. To access the voting portal at PBCOM's website, stockholders are required to provide their: (i) complete name, (ii) stock certificate number, (iii) valid e-mail address, and (iv) contact number to the Office of the Corporate Secretary via e-mail at CorporateSecretary@pbcom.com.ph, subject to verification and validation procedures. Stockholders who registered and voted before the cut-off time will be counted for purposes of quorum.

2. An e-mail will be sent by the Office of the Corporate Secretary to the stockholder containing his/her username and default password in order to login in the voting portal. Once inside the portal, the system will prompt the stockholder to change his/her password. After the password has been changed, the system will require the stockholder to upload a scanned copy of a valid ID to confirm his/her identity. It is strongly recommended that stockholders do not share their username and password with any other person and take utmost care to keep their username and password confidential.

3. Stockholders may register at the voting portal by providing the following requirements:

a. For Individual Stockholders

i. Valid email address and active contact number (landline or cellphone);
ii. One (1) valid identification card (ID)[1]; and
iii. Any stock certificate issued by PBCOM in the name of the individual stockholder.

b. For Stockholders with Joint Accounts

i. An authorization letter signed by one of stockholders indicating the name of the person authorized to cast the votes;
ii. Valid email address and active contact number for the authorized stockholder;
iii. One (1) valid identification card (ID) of the authorized stockholder; and
iv. Any valid stock certificate issued by PBCOM in the name of joint stockholders.

[1] Acceptable Valid IDs: Driver's License, Passport, Unified Multi-Purpose ID (UMID), GSIS ID, company ID, PRC ID, IBP ID, iDOLE Card, OWWA ID, Comelec Voter's ID, Senior Citizen's ID, or Alien Certificate of Registration / Immigrant Certificate of Registration.

c. For Stockholder under PCD Nominee or "Scripless Shares"

i. Stockholders should coordinate with their broker/s and request for the full account name and reference number or account number they provided to PBCOM;
ii. Valid email address and active contact number; and
iii. Any stock certificate issued by PBCOM in the name of the stockholder.

d. For Corporate Stockholders

i. Secretary's Certificate attesting to the authority of the representative to vote the shares on behalf of the corporate stockholder;
ii. Valid email address and active contact number for the authorized representative;
iii. One (1) valid identification card (ID) of the authorized representative; and
iv. Any valid stock certificate in the name of the corporate stockholder.

4. The online voting portal contains the agenda items for approval as set out in the Notice for the 2025 ASM.

(a) For items other than the election of Directors, stockholders have the option to vote: In Favor of, Against, or Abstain.

(b) For election of Directors, stockholders have the option to vote his shares for all nominees, not vote for any nominees, or vote for one or some nominees only, in such number of shares as the stockholder prefers; provided that the total number of votes cast shall not exceed the number of shares owned, multiplied by the number of directors to be elected. The system will automatically compute the total number of votes the stockholder is allowed to cast, based on the number of shares he owns.

(c) Once the stockholder completes his votes, he can proceed to submit the accomplished form by clicking the "Submit" button.

(d) After the ballot has been submitted, the stockholder may no longer change his/her vote.

5. Thereafter, the Office of the Corporate Secretary will send a confirmation email to the stockholder once his/her account has been verified and his/her vote has been recorded. If the account of a stockholder cannot be verified, then the votes cast by the non-verified stockholder shall not be recorded.

6. The Office of the Corporate Secretary shall tabulate all valid and confirmed votes cast through electronic voting, together with the votes cast through proxies. If a stockholder cast his or her vote electronically *in absentia* and also executed a proxy form, the latest vote received by the Office of the Corporate Secretary will be counted.

7. Note that the online voting portal is open until 5:00 p.m. Philippine Time of 4 June 2025. The voting function in the voting portal will be disabled after this time to give the Office of the Corporate Secretary time to collate and validate votes received through the portal. Stockholders will not be able to cast votes during the livestream of the 2025 ASM.

B. Attendance by Remote Communication

1. Stockholders who intend to participate in the 2025 ASM remotely may register using the link to be provided in PBCOM's website at https://www.pbcom.com.ph/ (Annual Stockholders' Meeting) until 5:00 p.m. Philippine Time of 4 June 2025.

2. To register, stockholders will need the requirements under Item A.3 above, depending on the type of ownership. Stockholders will also need to upload a valid ID as proof of identity.

3. Upon successful registration, the stockholder will receive an email confirmation and a unique link which will be used to log in and view the 2025 ASM livestream.

4. Please note that due to the limitations of available technology, voting will not be possible during the 18 June 2025 ASM livestream, but participants may send questions or remarks via the livestream portal. Stockholders may also send questions and/or remarks in advance or during the meeting to the Corporate Secretary at CorporateSecretary@pbcom.com.ph.

5. Stockholders shall be responsible for their internet connectivity during the ASM.

The proceedings during the 2025 ASM will be recorded in video and audio format. For any questions and concerns, stockholders may visit PBCOM's website at https://www.pbcom.com.ph/ or contact the Office of the Corporate Secretary via e-mail at CorporateSecretary@pbcom.com.ph or at telephone no. (+632) 8830-7062.

ANNEX "B"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PAOLO BENIGNO A. AQUINO IV** Filipino, of legal age, and a resident of No. 51 Queensville, White Plains, Quezon City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of the **Philippine Bank of Communications** ("PBCOM") a universal banking institution duly organized and existing under the Philippine laws with principal office at PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City, and have been its independent director since February 1, 2024.

2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Kaya Natin! Movement for Good Governance and Ethical Leadership, Inc.	Chairperson	2019 to present
Pasajob Inc.	Director	2020 to present
At1ndahan Inc.	Director	2021 to present
MEE Games Inc.	Director	2023 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PBCOM as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of PBCOM and its subsidiaries and affiliates as provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.

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

6. I am not an officer nor an employee of any government agency or government owned or controlled corporation.

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

8. I shall inform the Corporate Secretary of PBCOM of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 30th day of April 2025 at Makati City.

PAOLO BENIGNO A. AQUINO IV
Affiant

SUBSCRIBED AND SWORN to before me this MAY 07 2025 at CITY OF MAKATI, affiant exhibited to me his TIN 202-971-439-000.

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Book No. XXXII
Series of 2025.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 5, 2025
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

ANNEX "C"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **STEPHEN ANTHONY T. CUUNJIENG,** Filipino, of legal age, and a resident of No. 1362 Palm Avenue, Dasmariñas Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of the **Philippine Bank of Communications** ("PBCOM") a universal banking institution duly organized and existing under the Philippine laws with principal office at PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City, and have been its independent director since July 1, 2022:

2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
First Philippine Holdings Corporation	Independent Director	2018 to present
Century Properties Group	Independent Director	2015 to present
Century Pacific Food Inc.	Independent Director	2023 to present
Greenergy Holdings Inc.	Independent Director	2023 to present
Pasay Harbor City Corp.	Independent Director	2024 to present
Cebuana Lhuillier Services	Independent Director	2024 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PBCOM as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other issuances.

4. I am not related to any director/officer/substantial shareholder of PBCOM and its subsidiaries and affiliates as provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.

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

6. I am not an officer nor an employee of any government agency or government owned or controlled corporation.

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

8. I shall inform the Corporate Secretary of PBCOM of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 30th day of April, 2025 at Makati City.

STEPHEN ANTHONY T. CUUNJIENG
Affiant

SUBSCRIBED AND SWORN to before me this APR 30 2025 at CITY OF MAKATI _____, affiant exhibited to me his TIN 123-371-417-000.

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Page No. 56
Book No. XXX
Series of 2025.

ATTY GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

ANNEX "D"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CONRADO A. GLORIA, JR.** Filipino, of legal age, and a resident of No. 90 East Drive, Marikina Heights, Marikina City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of the **Philippine Bank of Communications** ("PBCOM") a universal banking institution duly organized and existing under the Philippine laws with principal office at PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City, and have been its independent director since June 4, 2019.

2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
GIV Capital Holdings Corporation	President & CEO	2017 to present
Miguel & Maria Group of Companies	Director	5-30-2019 to present
Scheirman Construction Consolidated Inc.	Independent Director	2022 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PBCOM as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director/officer/substantial shareholder of PBCOM and its subsidiaries and affiliates as provided under Rule 38.2.3 of the Implementing Rules and Regulations of the Securities Regulation Code.

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

6. I am not an officer nor an employee of any government agency or government owned or controlled corporation.

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

8. I shall inform the Corporate Secretary of PBCOM of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 30th day of April 2025 at Makati City.

CONRADO A. GLORIA, JR.
Affiant

SUBSCRIBED AND SWORN to before me this MAY 07 2025 at CITY OF MAKATI, affiant exhibited to me his TIN 120-117-327-000.

Doc. No. 103
Page No. 14
Book No. XXXII
Series of 2025.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 5, 2025
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

ANNEX "E"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **TERESITA J. HERBOSA,** Filipino, of legal age, and a resident of No. 8 Abelardo Street, San Lorenzo Village, Makati City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of the **Philippine Bank of Communications** ("PBCOM") a universal banking institution duly organized and existing under the Philippine laws with principal office at PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City, and have been its independent director since November 2, 2022.

2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Telecommunications Connectivity, Inc.	Director	2019 to present
Sun Life of Canada Prosperity Bond Fund, Inc.	Independent Director	2021 to present
Sun Life Prosperity Peso Starter Fund, Inc.	Independent Director	2021 to present
Sun Life Prosperity Dollar Starter Fund, Inc.	Independent Director	2022 to present
Sun Life Prosperity Achiever Fund 2028, Inc.	Independent Director	2022 to present
Sun Life Prosperity Achiever Fund 2038, Inc.	Independent Director	2022 to present
Sun Life Prosperity Peso Voyager Feeder Fund, Inc.	Independent Director	2022 to present
Sun Life Prosperity World Income Fund Inc.	Independent Director	2022 to present
Sunlife Prosperity Achiever Fund 2048, Inc.	Independent Director	2024 to present
Grepalife Balanced Fund Corporation	Independent Director	2021 to present
Grepalife Dollar Bond Fund Corporation	Independent Director	2021 to present
Grepalife Fixed Income Fund Corporation	Independent Director	2021 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PBCOM as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other issuances.

4. I am not related to any director/officer/substantial shareholder of PBCOM and its subsidiaries and affiliates as provided under Rule 38.2.C of the Implementing Rules and Regulations of the Securities Regulation Code.

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

6. I am not an officer nor an employee of any government agency or government owned or controlled corporation.

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

8. I shall inform the Corporate Secretary of PBCOM of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 30th day of April 2025 at Makati City.

TERESITA J. HERBOSA
Affiant

SUBSCRIBED AND SWORN to before me this APR 30 2025 at CITY OF MAKATI, Affiant exhibited to me her TIN 125-673-135-000.

Doc. No. 276
Page No. 57
Book No. XXX
Series of 2025.

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05728-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

ANNEX "F"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GILDA E. PICO** Filipino, of legal age, and a resident of No. 23 Winchester St., Hillsborough Subdivision, Alabang Muntinlupa City, after having been duly sworn to in accordance with law, do hereby declare that:

1. I am a nominee for Independent Director of the **Philippine Bank of Communications** ("PBCOM") a universal banking institution duly organized and existing under the Philippine laws with principal office at PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City, and have been its independent director since February 22, 2017.

2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
Producers Savings Bank Corp.	Chairman of the Board	2017 to present
Maya Philippines	Independent Director	2017 to present
Marinor Development Corporation	Director/Treasurer	1980 to present
Gilart Holdings Corporation	Director/President	2006 to present
Pagasa Finance Corporation	Independent Director	2024 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of PBCOM as provided for in Section 38 of the Securities Regulation Code, its implementing Rules and Regulations and other issuances.

4. I am not related to any director/officer/substantial shareholder of PBCOM and its subsidiaries and affiliates as provided under Rule 38.2.C of the Implementing Rules and Regulations of the Securities Regulation Code.

5. I am not an officer nor an employee of any government agency or government owned or controlled corporation.

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

7. I shall inform the Corporate Secretary of PBCOM of any changes in the abovementioned information within five (5) days from its occurrence.

Done this 30^{tth} day of April 2025 at Makati City.

Gilda E. Pico

GILDA E. PICO
Affiant

SUBSCRIBED AND SWORN to before me this APR 3 0 2025 at CITY OF MAKATI affiant exhibited to me her TIN 112-411-729-000.

Doc. No. 274
Page No. 56
Book No. XXX
Series of 2025.

ATTY GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466505 Jan. 2, 2025/Makati
Makati City Roll No. 30091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

ANNEX "G"

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

SECRETARY'S CERTIFICATE

I, **MA. THERESA G. DELA ROSA,** of legal age, Filipino and with office address at PBCom Tower, 6795 Ayala Avenue corner V.A. Rufino Street, Makati City, after having been duly sworn in accordance with law, hereby certify that:

1. I am the Corporate Secretary of the **PHILIPPINE BANK OF COMMUNICATIONS** (the "**Bank**"), a universal banking corporation organized under Philippine laws, with office address at 6795 Ayala Avenue corner V.A. Rufino Street, Makati City, Metro Manila.

2. That the following nominated directors and officers of the Bank are not presently connected with any government agency or government-owned or controlled corporation:

Directors:

Eric O. Recto
Leonardo B. Dayao
Patricia May T. Siy
Lucio L. Co
Susan P. Co
Bunsit Carlos G. Chung
Jack Ekian T. Huang
Levi B. Labra
Hans B. Sicat
Gregorio T. Yu
Paolo Benigno A. Aquino IV
Stephen Anthony T. CuUnjieng
Conrado A. Gloria, Jr.
Teresita J. Herbosa
Gilda E. Pico

Officers:

John Howard D. Medina
Alan E. Atienza
Victor O. Martinez
Erico C. Indita
Jane K. Gocuan
Arlene M. Datu
Expedito G. Garcia, Jr.
Jane Lim-Laragan
Mina F. Martinez
Greg L. Romero
Dreda Theresa D. Mendoza
Jo-Anne R. Legaspi

Ronald Paul D. San Diego
Mailene V. Mungcal
Lav E. Tambuyat
Angelita U. Egalin
Ma. Theresa G. Dela Rosa

IN WITNESS WHEREOF, I have hereunto affixed my signature this 30rd day of April 2025 at Makati City, Philippines.

MA. THERESA G. DELA ROSA
Corporate Secretary

SUBSCRIBED AND SWORN TO before me this APR 30 2025, affiant exhibiting to me her Philippines Passport No. P7862192B issued by the Department of Foreign Affairs, Manila on October 14, 2021 and valid until October 13, 2031.

Doc. No. 177
Page No. 37
Book No. XXX
Series of 2025.

ATTY GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

DRAFT

MINUTES OF THE ANNUAL MEETING OF THE STOCKHOLDERS OF THE PHILIPPINE BANK OF COMMUNICATIONS*

PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City
June 11, 2024 at 9:00 a.m.
(Via Video Conferencing)

ATTENDANCE:

STOCKHOLDERS PRESENT/REPRESENTED*	NO. OF SHARES	PERCENTAGE (%)
PROXIES	52,153,745	10.85
VIA REMOTE COMMUNICATION	372,896,622	77.58
TOTAL ATTENDANCE	**425,050,367**	**88.43%**

**-list of attendees attached as Annex "A"

*** - These minutes will be approved by the stockholders at the next Annual Stockholders' Meeting**

PROCEEDINGS

I. CALL TO ORDER

The Chairman of the Board, Mr. Eric O. Recto, called the meeting to order and presided over the same. He then proceeded to introduce the members of the Board present during the meeting:

Leonardo B. Dayao
Lucio L. Co
Patricia May T. Siy
Bunsit Carlos G. Chung
Susan P. Co
Jack Ekian T. Huang
Levi B. Labra
Hans Brinker M. Sicat
Gregorio T. Yu
Paolo Benigno A. Aquino IV – Independent Director
Stephen Anthony T. CuUnjieng – Independent Director
Conrado A. Gloria, Jr. – Independent Director
Teresita J. Herbosa – Independent Director
Gilda E. Pico – Independent Director

Henry Y. Uy – Board Adviser
Emmanuel Y. Mendoza – Board Adviser

The Corporate Secretary, Atty. Michael Stephen H. Lao, recorded the minutes of the meeting.

II. CERTIFICATION OF NOTICE AND QUORUM

The Secretary certified the fact that following the SEC's guidelines on alternative modes of distributing copies of the notices, the Bank has caused the publication of the said notice in two (2) newspapers of general circulation for two (2) consecutive days in both print as well as online format.

In compliance with *SEC Memorandum Circular No. 6, Series of 2020*, the annual meeting was conducted via video/teleconference. The Secretary gave a roll call, after which the attending members of the Board of Directors and the stockholders present each stated, for the record, their full names and locations. All the members of the Board and the stockholders present confirmed that they could completely and clearly see and/or hear one another and that they received the agenda and all the materials for the meeting. The aforementioned also disclosed their location and the specific type of device, which they were using for said video/teleconference.

The Secretary then proceeded to certify the existence of a quorum there being present, via video/audio conferencing, stockholders owning a total of **425,050,367 shares** representing at least **88.43%** of the **480,645,163** outstanding shares of the Bank.

At the request of the Chairman, the Corporate Secretary presented the rules of conduct and procedures that govern the Annual Stockholders' Meeting as follows:

Rules of Conduct and Procedures of Meeting

- For purposes of the meeting, only stockholders of record as of 12 April 2024 are entitled to notice of, and to vote at, the Annual Meeting of Stockholders.
- PBCOM will be holding a virtual Annual Meeting. The conduct of the Annual Meeting will be streamed live, and stockholders may attend, participate and vote only through proxy, remote communication or *in absentia*. The requirements and procedures for voting *in absentia* and participation through remote communication are set forth in the Information Sheet.
- Stockholders who choose to vote by proxy must submit and address their signed proxy to the attention of the Corporate Secretary at 5/F PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino Street, Makati City, or via e-mail at CorporateSecretary@pbcom.com.ph not later than 5:00p.m. on or before 28 May 2024.
- Participants may send questions or remarks via the livestream portal. Stockholders may also send questions and/or remarks in advance or during the meeting to the Corporate Secretary at CorporateSecretry@pbcom.com.ph.
- The proceedings during the 2024 ASM will be recorded in video and audio format.

Voting Procedures:

A. Vote Requirement
   1. In the election of directors, in accordance with Section 23 of the Revised Corporation Code, the fifteen (15) nominees with the greatest number of votes will be elected directors.
   2. For other matters submitted to a vote, a majority vote of the stockholders present either in person, through remote communication, or in absentia, or by proxy is necessary for the approval of such matter.

B. Methods by which Votes will be Counted
   1. Every stockholder is entitled to one vote. However, with respect to the election of directors, the stockholders may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Corporation multiplied by the number of directors to be elected.
   2. Shareholders who are unable to attend the meeting may choose to execute a proxy form or vote electronically *in absentia* using the Bank's online web address at https://www.pbcom.com.ph/. A stockholder who votes *in absentia* shall be deemed present for purposes of quorum. The requirements and procedures for voting in absentia and participation through remote communication are set forth in the Information Statement.

3. Proxies must be submitted to the Corporate Secretary not later than 5:00 p.m. on or before 28 May 2024.
4. The method of counting the votes of the shareholders shall be in accordance with the general provisions of the Revised Corporation Code of the Philippines. Counting will be done by tabulation of the votes by the Corporate Secretary with the assistance of his staff and the Bank's Stock and Transfer Agent as third-party validator.

III. REVIEW AND APPROVAL OF MINUTES OF PREVIOUS MEETINGS HELD ON JUNE 13, 2023

The Chairman directed the Corporate Secretary to read the previous minutes of the annual meeting held on June 13, 2023.

Upon motion made and duly seconded, the reading of said minutes was dispensed with. Thereafter, the Chairman submitted the minutes for approval and upon motion made and duly seconded, said minutes was unanimously approved, confirmed and ratified.

Resolution No. 2024 - 1

"RESOLVED, that the Stockholders of the Philippine Bank of Communications ("PBCOM") approve, as they hereby approve, the Minutes of the Annual Stockholders Meeting of PBCOM held on June 13, 2023."

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item:

Vote	Number of Votes (One Share – One Vote)	Percentage of Shares Represented
Yes	425,050,367	100%
No	-	-
Abstain	-	-
Total	**425,050,367**	**100.00%**

The Chairman then proceeded to the next item on the agenda.

IV. ANNUAL REPORT OF MANAGEMENT AND APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR 2023

The Chairman turned over the floor to Ms. Patricia May T. Siy, President & CEO to render Management's Report for 2023.

The President's Report:

"Good morning dear stockholders, directors, PBCOM employees and guests. We are happy to share with you the highlights of our performance for 2023.

Despite market scenario, our continued focus on core business growth, cost discipline, increased productivity and efficiency delivered a strong results for 2023.

Net Income was at P1.89B, an increase of 16.3% from prior year and a compound annual growth from 2021 of 9.8%. Healthy return on average assets and return on average equity were registered at 1.39% and 11.42%, respectively.

The Bank's assets grew by P147.5B. This 18.09% expansion is lead by loans portfolio growth which ended at P91.8B. Funding largely came from deposits of P116.7B, low cost deposits of P54.7B contributed to 46.9% of total deposits.

Capital expansion was sustained through organic growth. The Bank's more than adequate capital adequacy and CET1 ratios will allow continued expansion in terms of assets.

As we reach 85 years this year, we started to impart strategic initiatives that will ensure more exciting years ahead for the Bank.

PBCOM strategic success is possible through the concerted efforts of all stakeholders. We are grateful for your continued support and we trust that you will be there to share future successes with us.

Thank you."

After the President's presentation, upon motion made and duly seconded, the Management Report and the Bank's Audited Financial Statements for the year ended December 31, 2023 previously distributed to the stockholders were unanimously approved.

Resolution No. 2024 - 2

"RESOLVED, that the Stockholders of the Philippine Bank of Communications approve, as they hereby approve, the Annual Report of Management and the Audited Financial Statements as of December 31, 2023."

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item:

Vote	Number of Votes (One Share – One Vote)	Percentage of Shares Represented
Yes	425,050,367	100%
No	-	-
Abstain	-	-
Total	**425,050,367**	**100.00%**

The Chairman then proceeded to the next item on the agenda.

V. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE LAST ANNUAL MEETING OF STOCKHOLDERS

The next item in the agenda was the ratification of the acts and proceedings of the Board of Directors and Management since the last annual meeting of the stockholders as they appear in the minutes of the Board meetings and in the disclosures and reports made to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange, Inc. (PSE).

Upon motion made and duly seconded, all the stockholders present and represented in the meeting approved and ratified the acts of the Board of Directors and Management since the last annual meeting of the stockholders.

Resolution No. 2024 - 3

"RESOLVED, that the Stockholders of the Philippine Bank of Communications ("Bank") approve, as they hereby approve, ratify, and confirm, as they hereby approve, ratify, and confirm, all contracts, investments, and resolutions issued, and all other acts and proceedings made by the Board, its Committees, and the management of the Bank in the exercise of their duties for the year 2023."

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item:

Vote	Number of Votes (One Share – One Vote)	Percentage of Shares Represented
Yes	425,050,367	100%
No	-	-
Abstain	-	-
Total	**425,050,367**	**100.00%**

The Chairman then proceeded to the next item on the agenda

VI. ELECTION OF DIRECTORS

The Corporate Secretary advised the body of the nominations he received for the Board of Directors as endorsed by the Nominations Committee. The Corporate Secretary then announced the nominations to the Board of Directors, as follows:

1. Eric O. Recto
2. Leonardo B. Dayao
3. Lucio L. Co
4. Patricia May T. Siy
5. Bunsit Carlos G. Chung
6. Susan P. Co
7. Jack Ekian T. Huang
8. Levi B. Labra
9. Hans Brinker M. Sicat
10. Gregorio T. Yu
11. Paolo Beningo A. Aquino IV – Independent Director
12. Stephen Anthony T. CuUnjieng– Independent Director
13. Conrado A. Gloria, Jr. – Independent Director
14. Teresita J. Herbosa– Independent Director
15. Gilda E. Pico – Independent Director

There being no other nominees, and since there were only fifteen (15) nominees for the fifteen (15) seats, on motion made and duly seconded, the Corporate Secretary was directed by the Chairman to cast the votes of all those present and represented at the meeting equally among the above-named individuals who were thereby unanimously elected as members of the Board of Directors for a term of one (1) year or until their successors have been elected and qualified.

The Corporate Secretary confirmed that all votes cast and received by the office of the Corporate Secretary, and validated by the Stock Transfer Agent have been applied. He presented the results of the votes cast, as shown below:

Board of Directors	Vote	No. of Votes Cast	Percentage of the Total Votes Cast
1. Eric O. Recto	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
2. Leonardo B. Dayao	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
3. Lucio L. Co	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
4. Patricia May T. Siy	Yes	425,050,367	100.00%
	No	-	0.00%

	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
5. Susan P. Co	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
6. Bunsit Carlos G. Chung	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
7. Jack Ekian T. Huang	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
8. Levi B. Labra	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
9. Gregorio T. Yu	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
10. Hans Brinker M.Sicat	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
11. Conrado A. Gloria, Jr.	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
12. Gilda E. Pico	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
13. Stephen Anthony T. CuUnjieng	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
14. Teresita J. Herbosa	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**
15. Paolo Benigno A. Aquino IV	Yes	425,050,367	100.00%
	No	-	0.00%
	Abstain	-	0.00%
	Total	**425,050,367**	**100.00%**

**Rounded-off to the nearest two (2) decimal points*

VII. APPOINTMENT OF EXTERNAL AUDITOR

Upon motion made and duly seconded, the stockholders approved the appointment of SGV and Co., as the External Auditor of the Bank for the fiscal year ending December 31, 2024.

Resolution No. 2024 - 4

"RESOLVED, that the Stockholders of the Philippine Bank of Communications ("PBCOM") approve, as they hereby approve, the appointment of Sycip Gorres Velayo & Co. ("SGV") as the external auditor of PBCOM for year 2024."

At the Chairman's request, the Corporate Secretary recorded the following votes cast for this agenda item:

Vote	Number of Votes (One Share – One Vote)	Percentage of Shares Represented
Yes	425,050,367	100%
No	-	-
Abstain	-	-
Total	**425,050,367**	**100.00%**

VIII. OTHER MATTERS / OPEN FORUM

The Chairman opened the floor for discussion with the stockholders present, and asked the Secretary of the meeting if there were questions submitted. The Secretary informed the Chairman that no questions have been submitted by the stockholders, and that participating stockholders were given the opportunity to submit questions or remarks via the livestream portal by using the 'Q&A' button found at the bottom of their screens. Alternatively, stockholders may also send via email their questions and/or remarks relative to the agenda items to the Corporate Secretary at CorporateSecretary@pbcom.com.ph

IX. ADJOURNMENT

There being no other matters to be discussed, the meeting was adjourned at 9:12 o'clock in the morning.

MICHAEL STEPHEN H. LAO
Corporate Secretary

ASM2024 ATTENDANCE

ANNEX "A"

TOTAL RUNNING TIME: 12MINS

1	ERIC RECTO	BOD	ATTENDED
2	LEONARDO DAYAO	BOD	ATTENDED
3	LUCIO CO	BOD	ATTENDED
4	PATRICIA MAY SIY	BOD	ATTENDED
5	BUNSIT CARLOS CHUNG	BOD	ATTENDED
6	SUSAN CO	BOD	ATTENDED
7	JACK EKIAN HUANG	BOD	ATTENDED
8	LEVI LABRA	BOD	ATTENDED
9	HANS BRINKER SICAT	BOD	ATTENDED
10	GREGORIO YU	BOD	ATTENDED
11	PAOLO BINIGNO AQUINO	BOD	ATTENDED
12	STEPHEN ANTHONY CUUNJIENG	BOD	ATTENDED
13	CONRADO GLORIA	BOD	ATTENDED
14	TERESITA HERBOSA	BOD	ATTENDED
15	GILDA PICO	BOD	ATTENDED
16	HENRY UY	BOD	ATTENDED
17	EMMANUEL MENDOZA	BOD	ATTENDED
18	MICHAEL STEPHEN LAO	BOD	ATTENDED
19	JOHN HOWARD MEDINA	SMT	ATTENDED
20	ALAN ATIENZA	SMT	ATTENDED
21	ERICO INDITA	SMT	ATTENDED
22	JANE GOCUAN	SMT	ATTENDED
23	VICTOR MARTINEZ	SMT	ATTENDED
24	ARLENE DATU	SMT	ATTENDED
25	EXPEDITO GARCIA	SMT	ATTENDED
26	GREG ROMERO	SMT	ATTENDED
27	JANE LARAGAN	SMT	ATTENDED
28	MINA MARTINEZ	SMT	ATTENDED
29	JO-ANNE LEGASPI	SMT	ATTENDED
30	MAILENE MUNGCAL	SMT	
31	RONALD PAUL SAN DIEGO	SMT	ATTENDED
32	ANGELITA EGALIN	SMT	ATTENDED
33	JOAN IRIS LEON	SMT	ATTENDED
34	LAV TAMBUYAT	SMT	ATTENDED
35	BELLE JUSTINIANI	SMT	ATTENDED
36	MARICHELLE ALMARIO	SMT	ATTENDED
37	EMMANUEL CACDAC	SMT	
38	DINA VILLAFLOR	CORSEC	ATTENDED
39	EMMALYN ANG	EXECUTIVE OFFICE	ATTENDED
40	JOCELYN CABAUATAN	CORSEC	ATTENDED
41	JULIET CHARCOS	EXECUTIVE OFFICE	ATTENDED
42	JUSTIN ROBERT LADABAN	INVESTOR RELATIONS	ATTENDED
43	TREENA REYES	EXECUTIVE OFFICE	ATTENDED
44	VICKY SALAS	SGV	ATTENDED
45	CHRISTIAN LAURON	SGV	
46	RAY FRANCISCO BALAGTAS	SGV	
47	VON ZIERWIN VILLANUEVA	SGV	
48	KIM DAVID SIMBAJON	SGV	ATTENDED

ANNEX "I"

2024 PERFORMANCE EVALUATION OF THE BOARD/BOARD COMMITTEES

Score	Board En Banc	Director's Self Evaluation	Executive Committee	Governance Committee	Audit Committee	Risk Oversight Committee	RPT Committee	Trust Committee
Director's points on Qualitative Performance	346.93	77.87	185.40	189.20	245.00	194.40	193.00	195.00
Attendance (perfect score 40)	37.90	38.29	34.17	36.00	40.00	36.00	38.50	36.00
Total Director's Score	384.84	116.15	219.57	225.20	285.00	230.40	231.50	231.00
Total Perfect Score	400	120	230	230	290	240	240	240
2024 Performance Rating	**96.21%**	**96.79%**	**95.46%**	**97.91%**	**98.28%**	**96.00%**	**96.46%**	**96.25%**

ANNEX "J"

PHILIPPINE BANK OF COMMUNICATIONS

DIRECTORS' ATTENDANCE

2024 ANNUAL STOCKHOLDERS' MEETING

Name		**Position**
Eric O. Recto	-	Chairman
Leonardo B. Dayao	-	Vice Chairman
Lucio L. Co	-	Executive Committee Chairman & Director
Patricia May T. Siy	-	Director & President & CEO
Bunsit Carlos G. Chung	-	Director
Susan P. Co	-	Director
Jack Ekian T. Huang	-	Director
Levi B. Labra	-	Director
Hans Brinker M. Sciat	-	Director
Gregorio T. Yu	-	Director
Paolo Benigno A. Aquino IV	-	Independent Director
Stephen Anthony T. CuUnjieng	-	Independent Director
Conrado A. Gloria, Jr.	-	Independent Director
Teresita J. Herbosa	-	Independent Director
Gilda E. Pico	-	Independent Director

2024 BOARD AND OTHER COMMITTEES' MEETINGS

BOARD

NAME OF DIRECTOR	Total No. of Meetings Attended (Total No. of Meetings – 14)
1. Eric O. Recto (Chairman)	13/14
2. Leonardo B. Dayao (Vice Chairman)	14/14
3. Lucio L. Co	13/14
4. Patricia May T. Siy	14/14
5. Bunsit Carlos G. Chung	14/14
6. Susan P. Co	13/14
7. Jack Ekian T. Huang	14/14
8. Levi B. Labra	13/14
9. Hans Brinker M. Sicat	11/14
10. Gregorio T. Yu	14/14
11. Stephen Anthony T. Cuunjieng	12/14
12. Conrado A. Gloria, Jr.	14/14
13. Teresita J. Herbosa	14/14
14. Gilda E. Pico	14/14
15. Paolo Benigno A. Aquino IV*	13/13

*Director effective February 1, 2024

EXECUTIVE COMMITTEE

NAME OF DIRECTOR	Total No. of Meetings Attended (Total No. of Meetings – 48)
1. Lucio L. Co (Chairman)	48/48
2 Leonardo B. Dayao (Vice Chairman)	47/48
3. Eric O. Recto (Vice Chairman)	21/48
4. Patricia May T. Siy	44/48
5. Bunsit Carlos G. Chung	45/48

AUDIT COMMITTEE

NAME OF DIRECTOR	Total No. of Meetings Attended (Total No. of Meetings – 13)
1. Teresita J. Herbosa (Chairperson)	13/13
2. Gilda E. Pico	13/13
3. Paolo Benigno A. Aquino IV*	12/12

*Director effective February 1, 2024

GOVERNANCE COMMITTEE

NAME OF DIRECTOR	Total No. of Meetings Attended (Total No. of Meetings – 12)
1. Gilda E. Pico (Chairperson)	12/12
2. Eric O. Recto	8/12
3. Leonardo B. Dayao	12/12
4. Conrado A. Gloria, Jr.	12/12
5. Stephen Anthony T. CuUnjieng	10/12

RELATED PARTY TRANSACTIONS COMMITTEE

NAME OF DIRECTOR	Total No. of Meetings Attended (Total No. of Meetings – 16)
1. Stephen Anthony T. CuUnjieng (Chairman)	16/16
2. Conrado A. Gloria, Jr.	16/15
3. Gilda E. Pico	16/16
4. Levi B. Labra	14/16
5. Hans Brinker M. Sicat	15/16

RISK OVERSIGHT COMMITTEE

NAME OF DIRECTOR	Total No. of Meetings Attended (Total No. of Meetings – 12)
1. Conrado A. Gloria, Jr. (Chairman)	12/12
2. Teresita J. Herbosa	12/12
3. Stephen Anthony T. CuUnjieng	8/12
4. Levi B. Labra	11/12
5. Patricia May T. Siy	11/12

TRUST COMMITTEE

NAME OF DIRECTOR	Total No. of Meetings Attended (Total No. of Meetings – 4)
1. Eric O. Recto (Chairman)	4/4
2. Patricia May T. Siy	4/4
3. Jack Ekian T. Huang	4/4
4. Hans Brinker M. Sciat	2/4
5. Dreda Teresa D. Mendoza (Trust Officer)	4/4

PHILIPPINE BANK OF COMMUNICATIONS
BRANCHES' SITES - OWNED AND LEASED
AS OF DECEMBER 31, 2024

ANNEX "K"

No.	BRANCH	BRANCH ADDRESS	OWNED / LEASED	LEASE TERMS	
				MONTHLY RENTAL (OFFICE + PARKING + OTHER CHARGES)	EXPIRY DATE
A. BANK-OWNED PROPERTIES UTILIZED AS BRANCHES					
1	Binondo Banking Center	214-216 Juan Luna Street, Binondo, Manila	owned		
2	Cagayan de Oro	2/F PBCOM Bldg. Hayes St. cor. Tiano Bros. St. Cagayan	owned		
		3/F PBCOM Bldg. Hayes St. cor. Tiano Bros. St. Cagayan	owned		
3	Cebu-Magallanes	Magallanes near corner Manalili Street, Cebu City	owned		
4	Cebu-Mandaue	National Highway corner L. Jayme Street, Mandaue, Ceb	owned		
5	Cebu-Mango	General Maxillom Mango Avenue, Cebu City	owned		
6	Davao-Monteverde	42 Monteverde Avenue, Davao City	owned		
7	Davao-Quirino	111 E. Quirino Avenue, Davao City Davao Del Sur	owned		
8	General Santos	Santiago Boulevard, General Santos City	owned		
9	Iloilo	Ledesma corner Valeria Street, Iloilo City	owned		
10	Koronadal	General Santos Drive, Koronadal, South Cotabato	owned		
11	Makati Banking Center	PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino St	owned		
12	Marikina	36 J.P. Rizal Street, Calumpang, Marikina City	owned		
13	Meralco Avenue	C-1 Horizon Condominium, Meralco Avenue, Pasig City	owned		
14	Tagum	Pioneer Avenue, Tagum, Davao Del Norte	owned		
15	U.N. Avenue	G/F, Unit 101 & 102, Don Alfonso Sycip Condominium, 1	owned		
B. LEASED PROPERTIES UTILIZED AS BRANCHES					
1	Angeles	G/F MLT Centre Building, Lot 28 Block 2, McArthur Hig	leased	111,695.63	15-Aug-25
2	Annapolis	Unit 101 Victoria Plaza Condominium, 41 Annapolis Stre	leased	289,917.07	15-Apr-27
3	Ayala-Alabang	Unit 101-A Coherco Financial Tower (formerly ALP-P II E	leased	279,482.82	31-Jan-26
4	Bacolod	Units A-E, Sorrento Building, Lacson Street, Bacolod City	leased	177,446.53	28-Feb-29
5	Baguio	GF Unit 105, 106 & 106-B Baguio Holiday Villas, 10 Legar	leased	212,334.25	30-Nov-25
6	Baliuag	NE Super Bodega, Dona Remedios Trinidad Highway, Ba	leased	46,391.69	22-Sep-27
7	Banawe	G/F 2 Benby Building, Banawe Street, Quezon City	leased	125,077.21	22-Nov-24
8	Batangas	Diego Silang Street, Batangas City, Batangas	leased	100,000.00	31-Jan-25
9	BMA	64 Web-Jet Building. Quezon Avenue BMA Street, Brgy.	leased	109,689.37	30-Nov-28
10	Cabanatuan	G/F SAM Building, Along Maharlika Highway, Cabanatuan	leased	63,000.00	31-Jan-29
11	Cainta	LG/F 04 & LG/F 05, CK Square Building, Ortigas Avenue E	leased	85,440.79	17-Oct-26
12	Calamba	G/F Walter Mart, National Highway corner Real Street, C	leased	79,027.20	31-Dec-27
13	Caloocan Br	298 Rizal Avenue Extension, Between 5th and 6th Aven	leased	201,600.00	9-Sep-28
14	Cauayan	Mateo-Patricia Building, along Rizal Avenue Extension, C	leased	82,687.56	31-May-25
15	Cebu Business Park	Unit 1, G/F, Creativo 2 Building, Mindanao Avenue, Cebu	leased	146,714.10	20-Jun-26
16	Cebu Lapu-Lapu	G/F Unit 11 Alpha Arcade Bldg., M.L. Quezon Ave. Matic	leased	31,599.29	31-Jul-25
17	Congressional	LC & Sons Building 10 Congressional Avenue, Barangay E	leased	113,118.22	30-Apr-28
18	Corinthian Gardens	Sanso St., Corinthian Gardens, Quezon City	leased	Leasehold Rights of P12 Million	30-Sep-31
19	Cubao	2/F, The SPARK Place, P. Tuazon corner 10th Avenue, C	leased	168,817.37	31-Aug-25
20	Dagupan	Balingit Building, M.H. Del Pilar Street, Dagupan City, P	leased	108,882.77	15-May-27
21	Dasmariñas	EVY Building, Molino-Paliparan Road Salawag, Dasmarin	leased	106,592.64	31-Oct-25
22	Davao-Buhangin	G/F, RAQ Building, J.P. Laurel Avenue Bajada, Davao Cit	leased	64,680.00	30-Apr-26
23	Divisoria Mall	3/F Divisoria Mall, Tondo, Manila	leased	134,865.55	2-Jul-26
24	Elcano	SHC Tower, 613 Elcano Street, San Nicolas, Manila	leased	191,809.24	28-Feb-27
25	Menarco Tower (formerly	G/F, F1 Hotel Building Lane A cor. Lane Q, Bonifacio Glo	leased	275,302.22	29-Feb-28
26	Greenhills	Quadstar Building, Ortigas Avenue, Greenhills San Juan	leased	259,440.74	31-Mar-26
27	Iligan	G/F M. Commercial Building, Zone 3, National Highway	leased	102,090.44	18-Jul-29
28	Imus	P. Nueño Street, corner Gaerlan Street, Imus, Cavite	leased	94,080.00	30-Jun-26
29	Inoza Tower	G/F Inoza Tower, 40th Street, North Bonifacio Global C t	leased	368,757.46	6-Jul-27
30	Intramuros	Casa Villablanca, Cabildo Street corner Beatirio Street,	leased	115,192.00	31-Mar-26
31	J.P. Rizal	G/F, Santini Corporation Bldg., No. 519 J.P. Rizal Ave, Br	leased	181,226.38	31-Aug-25
32	La Union	G/F, CJ Arch Building, Quezon Avenue, San Fernando Cit	leased	94,080.00	31-Jan-25
33	Las Piñas	2012 Marcos Alvarez Avenue, Talon Singko, Las Pinas C	leased	61,016.40	7-Jan-27
34	Legaspi Village	G/F, Vernida 1 Condominium, 120 Amorsolo St., Legaspi	leased	88,266.34	31-Jul-26
35	Legazpi City	G/F Delos Santos Commercial Building, Landco Business	leased	188,835.83	9-Aug-27
36	Lipa	G/F, ATDRMAM Laguna Corporation Building, Ayala Hig	leased	123,825.43	31-Jan-26
37	Lucena	G/F, VCII Building, Merchan Street, Lucena City, Quezon	leased	113,136.90	15-Nov-28
38	M. De Santos	G/F LCCK Bldg., M. De Santos St., cor. Tabora St., Div sc	leased	307,310.74	31-Mar-25
39	Makati Place	G/F Unit C-15, Alphaland Makati Place, Ayala Avenue co	leased	167,346.58	30-Nov-25
40	Malabon	Building L, No.34 Governor Pascual Avenue Corner Dam	leased	101,722.82	24-Jun-29
41	Malolos	Malolos Shopping Arcade, Paseo Del Congreso, Barang	leased	126,416.31	15-Aug-26
42	Masangkay	1004-1006 G. Masangkay Street, Binondo, Manila	leased	180,000.00	30-Sep-27
43	Meycauayan	Mancon Building, McArthur Highway, Barrio Calvario, M	leased	97,362.89	15-Apr-26

A. BANK-OWNED PROPERTIES UTILIZED AS BRANCHES

1	Binondo Banking Center	214-216 Juan Luna Street, Binondo, Manila	owned		
44	Naga	G/F Rodriguez Building, 956 Panganiban Street, Come E	leased	97,362.89	28-Feb-26
45	Olongapo	GF, YBC Centre Mall, Rizal Avenue Extension, Olongapo	leased	157,347.12	30-Sep-25
46	Ongpin	729 Ongpin Street corner S. Padilla Street, Sta. Cruz, Ma	leased	169,078.65	31-Dec-26
47	Ormoc	Unit 105, G/F L&R Building, Bonifacio Street, District 1,	leased	83,907.60	25-Jul-28
48	Padre Rada	G/F, 951 Juan Luna Street, Tondo, Manila	leased	142,191.20	14-Jul-25
49	Parañaque	Stall Nos. 3 & 4 Kingsland Building, Dr. A. Santos Avenue	leased	161,401.23	31-May-27
50	Pasay	2492 Taft Avenue Extension, Pasay City	leased	136,122.00	31-Oct-26
51	Ploneer	G/F, RFM Corp. Center, Ploneer corner Sheridan Street	leased	215,422.28	13-May-26
52	Quezon Avenue	APC Bldg., 1186 Quezon Ave., Quezon City	leased	285,862.08	30-Sep-26
53	S&R Commonwealth	Unit 4 G/F S&R Membership Shopping, Inc., Commonwe	leased	145,069.93	15-Dec-26
54	S&R Dau	G/F Unit 2, S&R Membership Shopping Dau, NLEX Acces	leased	108,632.53	15-Mar-25
55	S&R Libis	Unit 1, S&R Membership Shopping – Libis Branch, E. Ro	leased	100,413.50	5-Sep-25
56	San Fernando	Pampanga - McArthur Highway, Dolores, San Fernando	leased	170,032.85	31-Mar-27
57	San Miguel Ave	G/F, 101 One Magnificent Mile (OMM) Citra Condominiu	leased	191,798.87	31-Jul-25
58	San Pablo	65 Rizal Aveue, Poblacion, San Pablo, Laguna	leased	55,594.90	30-Apr-26
59	Puregold San Pedro	Puregold San Pedro, National Highway corner Magsaysa	leased	55,932.69	31-Jan-25
60	Sen. Gil J. Puyat Avenue	G/F, Oppen Building, 349 Sen. Gil Puyat Avenue, Makat	leased	275,693.59	14-Jul-25
61	Shaw Blvd.	146 Shaw Blvd. cor. San Roque St., Pasig City	leased	83,641.95	15-Nov-27
62	Soler	G/F, R and S Tower, 943 Soler Street, Binondo, Manila	leased	120,960.00	31-May-25
63	Southgate Mall	3/F, Alphaland Southgate Mall 2258 Chino Roces Street	leased	185,473.69	18-Dec-25
64	Sta. Mesa	440-A G. Araneta Avenue corner Bayani Street, Sta. Mes	leased	99,031.57	31-Jul-35
65	Sta. Rosa	Unit No. 2, Paseo 5, Phase 2 Paseo de Sta. Rosa Greenfi	leased	230,637.65	31-Mar-26
66	Sto. Cristo	565-567 Sto. Cristo Street, Binondo, Manila	leased	99,225.00	14-Sep-26
67	T. Alonzo	G/F, Tan Kiang Building, 665 T. Alonzo Street, Sta. Cruz, I	leased	332,805.62	10-Sep-25
68	Tacloban	Imelda Veteranos Street, Barangay 23, Tacloban City	leased	84,680.27	5-Mar-25
69	Tagbilaran	G/F LTS Building, No. 20 Carlos P. Garcia Avenue, Tagbila	leased	67,200.00	31-Jul-25
70	Timog	G/F, Gil-Preciosa Building 2, No. 75 Timog Avenue, Quez	leased	178,161.51	15-Jul-29
71	Tutuban	Unit No. PL-LS07 & PL-LS08 Tutuban Center Prime Block	leased	Leasehold Rights of P9.92	22-Aug-39
72	Valenzuela	246 McArthur Highway, Karuhatan, Valenzuela City	leased	56,448.00	16-Apr-27
73	Wilson	G/F Unit 1B 186 Wilson Street, San Juan City	leased	84,720.10	14-Oct-25
74	Zamboanga-Valderosa	G/F, Interco Building, N. S. Valderrosa Street, Zamboang	leased	143,219.05	30-Apr-25
75	Zamboanga-Veterans	BSC Tower (formerly Zamsulu Bldg.), G/F, Door 5-7, Vete	leased	130,016.08	30-Sep-29

LIST OF BRANCHES LITES/ POP-UPS

1	POP-UP PG Paso De Blas	2/F VFC Mall, Puregold Paso de Blas, Paso de Blas cor G	leased	34,282.00	19-Jun-26
2	POP-UP PG Tagulg	G/F Puregold Tagulg, Gen. A. Luna St. cor. Col. P. Cruz, E	leased	41,065.71	31-Oct-27
3	POP-UP PG Valenzuela	G/F Puregold Valenzuela, 419 Manila North Road (Mc A	leased	22,400.00	31-Oct-25
4	POP-UP NE Pacific Mall	2/F VFC MalG/F NE Pacific Mall, Km.11, Maharlika Hi-	leased	60,876.69	22-Jan-26

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

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Company Information

SEC Registration No.: PW00000686
Company Name: Philippine Bank of Communications
Industry Classification: K642
Company Type: Stock Corporation

Document Information

Document ID: OST10415202583176323
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Document Code: SEC_Form_17-A
Period Covered: December 31, 2024
Submission Type: Original Filing
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Acceptance of this document is subject to review of forms and contents

SEC Number **PW-686**
Company TIN **000-263-340**

PHILIPPINE BANK OF COMMUNICATIONS
(Company's Full Name)

PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino Street, Makati City
(Company's Address: No. Street City/Town/Province)

8830-7000
(Company's Telephone Number)

December 31
(Fiscal Year Ending)
(Month & Day)

3rd Tuesday of June
Annual Meeting

SEC Form 17-A
(Annual Report Pursuant to Section 17 of the Securities Regulation Code
And Section 141 of the Corporation Code)
(FORM TYPE)

N/A
Amendment Designation (If Applicable)

None
(Secondary License Type, if any)

Atty. Ma. Theresa G. Dela Rosa	164-735-305	03/08/1968
(Company Representative)	(TIN)	(Birth Date)

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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 THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended . December 31, 2024 .

2. SEC Identification Number. PW-686 . 3. BIR Tax Identification No. 000-263-340

4. Exact name of issuer as specified in its charter. Philippine Bank of Communications .

5. Philippines
Province, country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City 1226 .
7. Address of principal office Postal Code

. (632) 8830-7000 .
8. Issuer's telephone number, including area code

. N/A .
9. Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
. Common	480,645,163 shares .

.

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

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

. Philippine Stock Exchange . . Common Stock .

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

        Yes [/] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

        Yes [/] No [ ]

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

Non-affiliated shares	-	152,916,124
Closing price as of March 25, 2025	-	₱16.98
Aggregate market value of voting stock	-	₱ 2,596,515,785

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. The Company

Philippine Bank of Communications ("PBCOM" or the "Bank") was incorporated on August 23, 1939, as one of the earliest non-American foreign banks in the Philippines. It received its commercial banking license from the Bureau of Banking under the Department of Finance of the Philippine Commonwealth and commenced operations on September 4, 1939, with an initial capitalization of ₱2 million.

The Bank's operations were temporarily interrupted during World War II, but through the infusion of fresh capital, it resumed its banking activities in 1945. Throughout its early years, PBCOM played a vital role in the country's banking sector, helping businesses and individuals manage their finances through traditional banking services.

In 1974, PBCOM transitioned to full Filipino ownership when a group of industrialists led by Ralph Nubla Sr. acquired a majority stake in the Bank. This acquisition paved the way for the Bank's continued expansion and its focus on catering to both corporate and retail banking clients.

Banking Licenses & Regulatory Approvals

PBCOM has continuously evolved its banking services in response to regulatory developments and market opportunities:

- August 24, 1961 – The Bank was granted a Trust License, enabling it to provide fiduciary and investment services.
- December 14, 1981 – It became a registered government securities dealer, allowing it to participate in the trading of government bonds and other related securities.
- December 24, 1993 – PBCOM obtained a license from the Bangko Sentral ng Pilipinas (BSP) to operate as an expanded commercial bank, broadening its range of financial services, including foreign currency deposit units and investment banking.
- March 31, 2000 – To realign its business strategy and focus on its core strengths, the Bank applied for and received approval from the Monetary Board of the BSP to convert its expanded commercial banking license into a regular commercial banking license.
- December 1, 2022 – After fulfilling all regulatory requirements, PBCOM received its Certificate of Authority from BSP to operate as a Universal Bank, allowing it to engage in a wider range of financial activities, including investment banking and expanded corporate lending.

Capital Structure Changes & Ownership Transitions

Over the years, PBCOM underwent multiple capital restructuring initiatives and ownership transitions to strengthen its financial position and support its growth strategy:

- December 2011 – The ISM Communications Group acquired a controlling interest in the Bank through a ₱2.8 billion investment by the Chung and Nubla Groups. This transaction facilitated further capital infusion and expansion plans.
- March 8, 2013 – The Securities and Exchange Commission (SEC) approved PBCOM's quasi-reorganization and capital stock increase, which included:
    - The reclassification of 120 million preferred shares to common shares.
    - A reduction in par value from ₱100 to ₱25 per share.
    - An increase in authorized capital stock to ₱19 billion, divided into 760 million common shares.
- March 26, 2014 – The Bank successfully exited the 10-year Financial Assistance Agreement with the Philippine Deposit Insurance Corporation (PDIC) by fully settling a ₱7.6 billion loan.

- September 23, 2014 – BSP approved P.G. Holdings Inc. (PGH)'s ₱5.98 billion investment in newly issued PBCOM shares.
- October 1, 2014 – VFC Land Resources Inc. (VFC) acquired 59.24 million shares from ISM Group, increasing its stake in the Bank.
- 2015-2024 – PGH and VFC continued acquiring additional shares, leading to the Co Family's total stake in PBCOM reaching 57.24% as of December 31, 2024.

Strategic Transactions & Business Expansion

To streamline operations and focus on its core banking activities, PBCOM has undertaken several strategic initiatives:

- July 29, 2019 – The Bank divested its stake in PBCOM Rural Bank, Inc., consolidating its resources at the parent level to enhance operational efficiency.
- January 20, 2022 – BSP approved PBCOM's application to upgrade to a Universal Bank, allowing it to offer a broader range of financial services.
- March 15, 2022 – The Board of Directors approved amendments to the Articles of Incorporation to:
    - Change PBCOM's primary purpose from Commercial Bank to Universal Bank.
    - Extend its corporate term from 50 years to perpetual.
- May 3, 2024 – PBCOM completed the dissolution and liquidation of PBCOM Insurance Services Agency, Inc. (PISAI). The subsidiary settled all its liabilities and liquidated its remaining assets, ceasing its operations and consolidation in the Bank's financial statements.
- November 4, 2024 – PBCOM raised ₱7.7 billion from its maiden issuance of Peso Fixed Rate Bond listed in the Philippine Dealing & Exchange Corp. (PDEx). The series A bond which have a tenor of one-and-a-half years and a fixed interest rate of 6.0796% represents the first tranche under PBCom's ₱15 Billion Peso Bond Program.

Business of Registrant

PBCOM offers a wide range of products and services to clients. These includes basic universal banking services such as deposit products, credit and loan facilities, trade-related services, treasury and foreign exchange trading, cash management services and Trust and Investment Management services.

Deposit products and services include peso, dollar and third currency savings, checking and time deposit accounts, ATM accounts, foreign and domestic remittance services, cash management services namely deposit pick-up and cash delivery, payroll and check-writing services. Ancillary services such as safety deposit boxes and manager's checks, demand drafts, acceptance of tax and SSS payments are also available, these products and services are offered to both individuals and corporate clients.

Credit and loan facilities include working capital financing, post-dated check discounting, specialized lending programs such as contract-to-sell financing, and Micro-Finance. Other credit-related products include home, auto, and personal loans, as well as trade financing,

Trade-related services include import LCs, standby LCs, credit bank guaranty, and shipside bond, export LC advising, export packing credits & export bills negotiation and collections, trade financing of receivables and payables, domestic LCs, and trust receipt financing. These services are financing facilities offered to importers and exporters.

Treasury products include dealerships and brokering of government securities and commercial papers, both domestic and international, deposit substitutes like promissory notes and repurchase agreements, foreign exchange proprietary trading, and commercial client servicing.

Trust services include investment management services, personal trust funds, escrow agency services,

employee benefit trust services, and estate planning.

Contribution to Operating Income
As of December 31, 2024, the contribution to Operating Income is broken down as follows: (1) 75.08% is derived from net interest income, which includes interest income from lending, investment securities, and others receivables less interest expense and finance charges (2) 24.92% is from non-interest income consisting of trading gains, service charges, fees and commissions, income from trust operations, profit/loss from asset sold, foreign exchange gain/loss, rental income and miscellaneous income.

The Bank does not maintain any branch or sales office abroad. Hence, all revenues are generated domestically.

Distribution Methods of Products and Services
As of December 31, 2024, the Parent Bank's liability and ancillary products and services are distributed primarily through its 95 branches, 4 of which are in Pop-Up formats situated in selected Puregold stores.

PBCOM clients may also conduct their transaction in various channels such as the 171 automated teller machines deployed in strategic branch sites and in 76 off-site locations. In addition, the Bank has also deployed 102 Cash Deposit Machines across various sites to help service the deposit transactions of its clients.

The Bank has likewise expanded its digital presence through its Digital-Only Bank which BSP approved last December 11, 2019, this will complement the existing Internet and Mobile Banking facilities of the bank launched last June 21, 2017 and September 28, 2018, respectively.

Competition
As of end of 2024, the Philippine commercial banking industry is composed of 44 Universal and Commercial Banks) of which 15 are Private Domestic Banks, 3 are Government Banks and 26 are Foreign Banks with either established subsidiaries or foreign branch licenses.

Patents, Trademarks, Licenses, Franchises, Concessions, and Royalty
PBCOM have registered the trademarks of the following: PBCOM, Philippine Bank of Communications, PBCOM Together we Grow, PBCOM Pop-up Branch, PBCOMobile and PBCOM eRegalo.

Customers
PBCOM has multi-segment client base with growth seen across Individuals, Commercial and Corporate accounts. This result stems from the bank's focus on expanding its market through the ecosystem of its principals.

Subsidiaries and Affiliates
PBCOM Insurance Services Agency, Inc. (PISAI)
On May 9, 2014, the SEC approved the incorporation of PBCOM's wholly-owned subsidiary, PBCOM Insurance Services Agency, Inc. (PISAI), which was primarily engaged in soliciting and promoting insurance products. In the same year, PISAI, PBCOM, and Pru Life UK executed a five-year general agency agreement to market and distribute life, health, and protection products. However, the agreement was terminated by all parties effective August 31, 2017, rendering PISAI inactive.

On January 11, 2021, the BOD approved PISAI's dissolution and liquidation. Subsequently, on March 4, 2021, PISAI's Board of Directors resolved to shorten the company's corporate term to June 30, 2021. Due to several regulatory requirements for business termination, the effectivity of PISAI's corporate term was extended until April 2024. PISAI submitted its application for amending its Articles of Incorporation on November 15, 2023, and the SEC approved this amendment on April 3, 2024, extending the corporate term until April 30, 2024.

On May 3, 2024, PISAI completed the settlement of its liabilities and liquidated its remaining assets for distribution to its stockholders. As a result, the Parent Company received the release of PISAI's remaining assets and derecognized its investment, thereby ceasing the consolidation of PISAI's financial statements.

PBCOM Finance Corporation

The Bank's lone affiliate, PBCOM Finance Corporation, was incorporated and registered with the SEC on January 9, 1980 to provide, grant, and/or extend credit facilities to any person, business, judicial or otherwise. It is 40% owned by the Bank while the remaining 60% is owned by various individual shareholders. Its principal place of business is located at PBCOM Building, 214-216 Juan Luna Street Binondo, Manila.

Transaction with and/or Dependence on Related Parties

The Bank's related parties include key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members, associates and post-employment benefits for the benefit of the Bank's employee.

As required by BSP, the Bank discloses loan transactions with its associates, affiliates and with certain directors, officers, stockholders and related interests (DOSRI). As of December 31, 2024 the Bank is compliant with DOSRI rules and regulations.

The Bank's related party transactions are presented and discussed in Note 31 of the Audited Financial Statements.

Effect of Existing or Probable Government Regulations

Bangko Sentral ng Pilipinas

The Bank fully complies with the required capitalization for universal banks with expanded FCDU license as prescribed by the BSP. The Bank's consolidated qualifying capital as of end-December 31, 2024, stood at ₱21.06 Billion. As reported to BSP, its capital-to-risk assets ratio under the BASEL III reporting standards covering credit, market, and operational risks remained well above the 10% regulatory threshold, standing at 15.72%.

Bureau of Internal Revenue

Republic Act No. 9337, which amended the National Internal Revenue Code, stipulates that:

- The regular corporate income tax (RCIT) rate is 30%.
- The interest expense deduction is capped at 33% of interest income subject to final tax.
- A Minimum Corporate Income Tax (MCIT) of 2% on modified gross income applies and is compared with the RCIT. Any excess MCIT over RCIT is carried forward for three years as a tax credit.
- Net Operating Loss Carry-Over (NOLCO) is deductible from taxable income for up to three years from the year of loss.
- FCDU offshore income (income from non-residents) remains tax-exempt, whereas onshore income (interest income from loans to residents) is taxed at 10%.
- Other FCDU transactions are subject to either the 30% RCIT or 2% MCIT, whichever is applicable.

Tax Reform for Acceleration and Inclusion (TRAIN) Law (RA 10963)

Effective January 1, 2018, the TRAIN Law introduced several changes to the tax regime, including:

- 100% increase in Documentary Stamp Tax (DST) rates, except for debt instruments, which saw a 50% increase.
- Fringe Benefits Tax rate increase from 32% to 35%.
- Excise tax increases on petroleum products, reaching up to ₱8 per liter/kilo.
- Final Withholding Tax on interest income from deposits under the expanded foreign currency deposit system increased from 7.5% to 15%.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

Signed into law on March 26, 2021, the CREATE Act introduced tax adjustments, including:

- Reduction of the corporate income tax rate from 30% to 25%.
- Deductible interest expense limit reduced to 20% of interest income subject to final tax.
- Temporary reduction of the MCIT rate to 1% until June 30, 2023.

Recent Tax Updates (2024)

- Revenue Memorandum Circular No. 36-2024, issued on March 11, 2024, clarified that for corporations with a calendar year ending December 31, 2023, the applicable MCIT rate is 1.5%.
- No changes have been made regarding the taxation of FCDUs.

Research and Development Activities

The Bank offers basic commercial banking products and services that require no significant amount to be spent on product research & development.

Employees

As of December 31, 2024, the Parent Bank has 1,130 employees with 919 officers and 211 rank-and-file. All of the Parent Company's rank-and-file employees are covered by a CBA covering the period 2023 to 2025. There had been neither dispute nor occurrence of employee strikes for the past years.

Risk Management

PBCOM's Enterprise Risk Management (ERM) Framework serves as the cornerstone of the Bank's approach to identifying, assessing, and managing risks across the organization. It outlines the Bank's commitment to effective and efficient risk management, grounded in the principles of good corporate governance — namely fairness, accountability, and transparency — as demonstrated through its robust risk governance structure.

The Framework illustrates how risk management is deeply embedded into PBCOM's organizational culture, systems, and operations. It sets out the guiding philosophies, core principles, governance structures, key elements, policies, and processes that empower employees at all levels to proactively manage risk. This integration ensures that risk considerations are incorporated into everyday business activities and strategic decision-making.

Risk management at PBCOM is applied enterprise-wide — encompassing the Board of Directors, Senior Management, Business Groups, Business Centers, support units, subsidiaries, affiliates, and individual employees. It is also integrated into specific functions, programs, projects, and initiatives. The implementation of this framework enhances management practices, supports sound decision-making, promotes efficient resource allocation, and ultimately drives sustainable value creation. At the same time, it safeguards the interests of clients, upholds public trust, and ensures regulatory compliance.

ERM Vision, Mission, Philosophy and Objectives

Vision Statement
To protect and optimize PBCOM's enterprise value through effective risk management.

Mission Statement
To develop risk awareness and a risk/return consciousness in the Bank in order to protect deposits, preserve capital, and ensure adequate return on capital.

Philosophy
PBCOM recognizes that enterprise risk management is fundamental for its safe and sound operation and sustainable growth. It ensures business success through balanced risk and reward, operational excellence, and conformance to the highest ethical standards and regulatory requirements.

Enterprise Risk Management in PBCOM is aligned with its business objectives and strategies. It operates at all levels and in all units of PBCOM that continually manage risk in an environment fostered by an appropriate governance structure, a strong "control culture," and a proactive process of identification, understanding, assessment, and mitigation of all its material risks.

Objectives
- To identify, measure, manage, and control risks inherent in PBCOM's activities or embedded in its portfolio;
- Define and disseminate risk management philosophy and policies;
- Assist risk-taking business and operating units in understanding and measuring risk/return profiles;
- Develop a risk management infrastructure that includes policies and procedures, organization, limits and approval authorities, MIS and reporting, systems and risk models and;
- Promote a risk awareness and strong "control culture" in PBCOM.

PBCOM Enterprise Risk Governance
The **Board of Directors (BOD)** is responsible for establishing and maintaining a sound risk management system and is ultimately accountable for identifying and controlling risks; Nevertheless, separate independent bodies are responsible for managing and monitoring risks.

The **Risk Oversight Committee (ROC)** has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. Its primary responsibilities are to:

1. *Oversee the risk management framework.* The committee shall oversee the enterprise risk management framework and ensure that there is periodic review of the effectiveness of the risk management systems and recovery plans. It shall ensure that corrective actions are promptly implemented to address risk management concerns.

2. *Oversee the adherence to risk appetite.* The committee shall ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limits structure, policies and procedures relating to risk management and control, and performance of management, among others.

3. *Oversee the risk management function.* The committee shall be responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function has adequate resources and effectively oversees the risk taking activities of the Bank.

The **Enterprise Risk Management Group (ERMG)** is the ROC's implementing arm in carrying out its functions. It assists the Bank's Board of Directors and Management in accomplishing its objectives by bringing a systematic and disciplined approach to promoting risk management practices consistent with the type and complexity of operation of the Bank and its subsidiaries. It assists in the management of risk that is a direct responsibility of the business and support units.

Capital Management

PBCOM's capital management framework is designed to deliver optimal returns to shareholders while ensuring that the Bank's capital base remains strong enough to safeguard the interests of all stakeholders. This framework involves continuous monitoring of both capital requirements and available capital resources to ensure that:

- Qualifying capital consistently remains above the minimum regulatory requirement of ten percent (10%) of risk-weighted assets;
- The composition and quality of capital align with the risks the Bank faces or intends to undertake to support growth and returns; and
- A prudent balance is maintained between strategic growth objectives and the ongoing institutional strength of the Bank.

PBCOM consistently maintains a capital adequacy ratio well above the 10% regulatory minimum set by Philippine banking regulations.

As part of its strategic planning, the Bank undertakes an Internal Capital Adequacy Assessment Process (ICAAP). This process enables the Bank to:

- Define its risk appetite alongside growth and return objectives;
- Identify business lines, products, and services that support these goals;
- Assess the risks associated with each initiative;
- Develop strategies to mitigate and manage identified risks;
- Determine the quantity and quality of capital needed to remain resilient through adverse scenarios;
- Conduct stress testing to uncover potential vulnerabilities and pressure points; and
- Formulate capital build-up strategies and contingency plans.

The ICAAP is a collaborative effort between Senior Management and the Board of Directors. PBCOM submits the results and supporting documentation of its ICAAP to the Bangko Sentral ng Pilipinas for supervisory review and evaluation.

The Bank's regulatory qualifying capital is composed of Common Equity Tier 1 and Additional Tier 1 capital, which include paid-up common stock, retained earnings (including current year's profit), and surplus reserves, net of regulatory deductions such as unsecured DOSRI (Directors, Officers, Stockholders, and Related Interests) exposures and goodwill. Tier 2 (Gone-Concern) Capital comprises appraisal increment reserves (as approved by the Monetary Board) and general loan loss provisions.

For Pillar 1 risks—Credit, Market, and Operational—PBCOM calculates capital charges using the standardized approach, adhering to the 10% requirement of risk-weighted assets as stipulated by the Manual of Regulations for Banks (MORB). The Bank also evaluates these figures against internally assessed capital requirements using internal models to determine if additional capital charges are warranted.

Market, Liquidity and Interest Rate Risk Management

Market risk refers to the potential losses arising from unfavorable movements in the market value of financial instruments, whether on- or off-balance sheet. To measure this risk, PBCOM utilizes a Value-at-

Risk (VaR) model at a 99% confidence level. The reliability and accuracy of the VaR model are validated through back-testing, employing both hypothetical and actual historical approaches. To capture the potential impact of extreme but plausible market events beyond the scope of VaR, the Bank also conducts stress testing.

Market risk is actively managed through a comprehensive system of risk limits aligned with the Bank's capital adequacy, return expectations, and overall risk appetite. These limits include the VaR limit, Nominal Position limit, Off-Market Tolerance limit, Management Action Triggers, and Stop-Loss thresholds. Additionally, the Bank uses a Market Risk Assessment Matrix to evaluate and monitor its overall market risk profile.

Liquidity risk arises from the possibility that the Bank may be unable to meet its financial obligations when they fall due, in any currency. To manage this risk, the Bank maintains rigorous daily monitoring of key regulatory liquidity ratios, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Beyond regulatory compliance, the Bank employs internal limits such as liquidity indicators, funding concentration metrics, and the Maximum Cumulative Outflow (MCO) to monitor and manage liquidity risk exposures. Liquidity stress testing is conducted to assess the potential impact of adverse scenarios on the Bank's MCO profile. The Bank also uses a Liquidity Risk Assessment Matrix to determine its overall liquidity risk posture. As an added safeguard, PBCOM holds a substantial portfolio of High-Quality Liquid Assets (HQLA) that can be quickly converted to cash to meet unexpected funding needs.

Interest rate risk stems from the potential impact of interest rate fluctuations on future cash flows or the fair value of financial assets and liabilities. PBCOM assesses this risk using two key measures: Earnings-at-Risk (EaR) and Economic Value of Equity (EVE), both derived from the Bank's interest rate repricing gap profile. These metrics help quantify the potential effects of interest rate changes on the Bank's net interest income and capital base under both normal and stressed conditions.

To manage this risk, the Bank operates within clearly defined risk limits and applies a prudent asset-liability management strategy. This approach ensures that interest rate exposures remain within tolerable levels, thereby preserving financial stability and supporting sustainable earnings.

Credit Risk Management

Credit risk is the most significant financial risk in the banking industry and is inherent in all revenue-generating activities. It refers to the possibility that a counterparty to a financial instrument will default on its contractual obligation, resulting in a financial loss to the Bank. This risk materializes when funds are extended, committed, invested, or otherwise exposed through actual or implied agreements. Historically, capital erosion due to loan losses has been a primary cause of institutional failures. At PBCOM, credit risk predominantly stems from lending activities, securities trading, and foreign exchange operations.

Recognizing that accurate identification and assessment are fundamental to effective credit risk management, the Bank has established a comprehensive set of credit policies and underwriting standards, duly approved by the Board of Directors. These guidelines ensure that all credit exposures undergo thorough due diligence and objective evaluation. The Bank conducts regular assessments of both potential and existing borrowers' capacity to meet interest and principal repayments. Lending limits are revised as necessary to reflect evolving creditworthiness.

Credit proposals are reviewed through a multi-tiered approval structure—beginning with designated individual authorities and escalating, where warranted, to the Executive Committee (EXCOM) and the Board of Directors. This structured approval process upholds independence and rigor in credit decision-making.

To further enhance its credit risk management capabilities, the Bank implements an Internal Credit Risk Rating System (ICRRS) aligned with international standards, compliant with Basel II requirements, and

tailored to the Bank's size, complexity, and business model. The resulting credit scores, supplemented by expert judgment, are used as a foundation for proactively determining loan loss provisions in accordance with Philippine Financial Reporting Standards (PFRS) 9.

Credit Exposure Limits
To effectively manage and control credit risk, the Bank establishes exposure limits that define the maximum level of risk it is willing to assume for individual borrowers, borrower groups, and specific industry or economic sectors. These include thresholds for large exposures, sectoral concentration (such as real estate loan ceilings), and tolerances for past due and non-performing loan ratios across different product types.

These risk limits are subject to regular monitoring and undergo annual reviews—or more frequent assessments when warranted by changes in market conditions or borrower risk profiles. All tolerance limits are reviewed and approved by the Board of Directors to ensure alignment with the Bank's overall risk appetite.

Furthermore, credit exposure to any single borrower is controlled through detailed sub-limits that apply to both on- and off-balance sheet exposures. Actual exposures are closely tracked and measured against approved limits on a regular basis to ensure compliance and enable timely corrective actions when necessary.

Other Credit Enhancements
The Bank further mitigates credit risk by securing appropriate collateral, guarantees, or suretyships. The type and amount of security required are based on the assessed credit risk profile of each borrower or counterparty. When signs of credit deterioration or impairment emerge, the Bank may require additional collateral to safeguard its exposure and minimize potential credit losses.

To ensure consistent and effective credit risk mitigation, the Bank has established clear guidelines on the acceptability and valuation of various collateral types. The main forms of collateral typically obtained include:

- Cash or securities for securities lending and reverse repurchase agreements;
- Mortgages on commercial real estate, machinery, inventories, and trade receivables for commercial loans; and
- Mortgages on residential properties and vehicles for retail lending.

In cases of default, it is the Bank's policy to dispose of repossessed assets in an orderly and timely manner. The proceeds from these sales are applied to reduce or fully settle the outstanding obligations. Generally, the Bank does not retain repossessed properties for business use.

To ensure the continued health and quality of the loan portfolio, the Bank implements an independent post-credit review process. This ongoing review allows for the timely identification and evaluation of risks associated with existing credit exposures and enables the Bank to implement corrective measures as needed.

The management of the credit portfolio is governed by both internal policies and regulatory limits, designed to control credit risk exposures and maintain portfolio integrity. The Enterprise Risk Management Group (ERMG) plays a key role in monitoring large exposures and concentrations in line with Bangko Sentral ng Pilipinas (BSP) requirements.

Operational Risk Management
Operational risk refers to the potential for loss arising from inadequate or failed internal processes, systems, human factors, or external events. It includes legal risk but excludes strategic and reputational risks. As it is

embedded in all products, services, and activities across the Bank—including its subsidiaries and affiliates—operational risk spans multiple business lines and functions.

The cornerstone of operational risk control at PBCOM is a robust internal control system, approved by the Board of Directors and executed with full participation from every employee. The Operational Risk Management (ORM) Framework provides comprehensive guidance on managing these risks effectively. This framework is subject to regular review by the Board to ensure that ORM policies, processes, and systems remain relevant and effective across all levels of decision-making.

To monitor and manage operational risks, the Bank employs several key tools:

- Risk Control Self-Assessment (RCSA)
- Key Risk Indicators (KRI)
- Internal Operational Loss Database

These tools enable proactive risk identification and mitigation, with results regularly reported by the ORM Team to the Risk Oversight Committee (ROC). Complementary reports—including the Profile of Complaints, Legal Case Updates, Bank Security Assessments, and Vendor Performance Evaluations—are provided by respective line units to ensure broad-based operational risk coverage. The Bank also has systems for reporting operational crimes, loss events, and policies governing whistle-blowing and administrative case handling.
To further mitigate risk, the Bank employs both preventive and detective controls embedded in its policies, operating procedures, approval limits, and delegated authorities. Risk is also transferred through adequate insurance coverage, self-insurance reserves, and allowances for probable losses.

Promoting a strong risk culture, the Bank—through its Enterprise Risk Management Group (ERMG), Compliance Management Group (CMG), and other subject-matter experts (e.g., the Chief Information Security Officer and Data Privacy Officer)—conducts regular training programs. These include onboarding orientation for new hires and computer-based training (CBT) for all employees, emphasizing operational risk awareness and regulatory compliance. These groups also lead the development and enhancement of risk and compliance policies and engage business units through interactive sessions to address risk issues and improve processes.

PBCOM's Technology Risk Management Framework supports the effective governance of risks associated with technology-enabled products, services, and operations. It aligns with Bangko Sentral ng Pilipinas (BSP) regulations and incorporates periodic reviews of strategic, operational, compliance, and reputational risks. Comprehensive risk assessment and profiling methodologies are applied across IT functions and application systems. Technology risk management is integrated throughout the project lifecycle—from initiation to implementation—ensuring risk identification, control validation, and timely corrective action planning. These efforts are closely monitored and reported to maintain effective risk mitigation.

The Risk Management Team also contributes actively to the development of risk management policies, supports the launch of new technology initiatives, and fosters a risk-aware culture through focused seminars and training sessions.

To ensure resilience and continuity of operations, the Bank has established a Business Continuity Management (BCM) Framework that includes robust planning, risk assessments, and crisis response strategies. Key components include:

- Business Continuity Plan (BCP)
- Crisis Management and Emergency Preparedness Plan
- Pandemic Plan

- Cyber Resiliency Plan

These plans outline detailed procedures to guide the Bank's response to disruptions, aiming to protect lives, property, and the environment while ensuring uninterrupted delivery of critical services. The Bank regularly conducts business impact analyses, updates continuity plans, and performs BCP tests and evaluations to assess readiness.

Legal risk involves the potential for financial loss due to incomplete, inaccurate, or unenforceable legal documentation, which could compromise the Bank's rights under contracts and obligations. It also encompasses conduct that could undermine the Bank's institutional value and is closely associated with fiduciary and reputational risks.

To address these risks, PBCOM's Legal Services Group (LSG) leads the implementation of a structured Legal Risk Management process. This includes:

- Maintaining and regularly updating the Legal Risk Management Manual, which applies bank-wide;
- Periodic reviews of ongoing legal cases and assessment of potential outcomes;
- Regular reporting to the Risk Oversight Committee (ROC); and
- Ensuring compliance with legal obligations to avoid litigation, sanctions, and reputational harm.

Trust Risk Management
The Trust and Wealth Management Group (TWMG) of PBCOM is exposed to fiduciary risks arising from the management of funds and assets placed under its care and custody. Fiduciary risk refers to the potential for financial loss, legal liability, or reputational damage resulting from the failure to meet obligations to trustors or principals. These risks may adversely affect the Bank's financial standing and public trust.

TWMG's fiduciary activities are subject to multiple risk dimensions, including market, credit, liquidity, operational, legal, compliance, strategic, and reputation risks. These exposures exist across both discretionary and non-discretionary trust arrangements, and across the Group's core functions: account management, portfolio and trading, trust credit evaluation, and operations.

Risk oversight is jointly performed by the Trust Committee (TCOM) and the Risk Oversight Committee (ROC):

- The Trust Committee oversees the operations of TWMG, ensuring that fiduciary services—including wealth and trust management—are delivered with integrity and within a robust internal control framework. It ensures compliance with fiduciary obligations and the proper implementation of risk management policies.

- The Risk Oversight Committee (ROC) holds overarching responsibility for the development and execution of the Bank's risk strategy, framework, policies, and exposure limits, including those applicable to the trust and wealth management business.

The ERMG leads the effective implementation of fiduciary risk controls through the deployment of several key tools and methodologies:

- **Regular Reporting**: Monthly reports to the ROC and quarterly updates to the Trust Committee provide transparency into risk exposures and performance.

- **Stress Testing**: Periodic stress testing of the TWMG portfolio assesses resilience against adverse market conditions.

- **Risk Control Self-Assessments (RCSA)**: These assessments help identify and address control gaps within TWMG's processes.

- **Fiduciary Risk Policies**: The Bank maintains a comprehensive set of trust risk management policies that guide fiduciary operations and reinforce the Group's accountability to clients and stakeholders.

In addition to the Enterprise Risk Management Group (ERMG), the Bank has an **Information Security Office** headed by the Chief Information Security Officer that handles Information and Security Cyber Management.

Information and Cyber Security Management
Information security is a critical pillar of PBCOM's commitment to operational resilience and business continuity. As the Bank continues to grow and adapt to an increasingly complex threat environment, it has adopted a risk-centric approach to cybersecurity—ensuring that proactive measures are in place to protect its digital assets, systems, and data.
To maintain a strong security posture, PBCOM emphasizes the following strategic pillars:

- **Continuous Education and Awareness**
  The Bank recognizes that its people serve as the first line of defense. Through regular training and awareness programs, employees are empowered to act as a "human firewall," helping to detect and prevent potential threats early.

- **Security Governance and Compliance**
  Robust internal security processes have been established, forming the foundation of the Bank's information security framework. These processes ensure that cybersecurity efforts are aligned with regulatory requirements and industry best practices.

- **Proactive Security Measures**
  PBCOM implements a defense-in-depth strategy, utilizing multiple layers of security controls to safeguard its information assets. These measures enhance visibility across the IT environment and improve transparency in detecting, analyzing, and responding to cyber threats through mature security monitoring and advanced toolsets.

PBCOM is committed to maintaining a cyber-resilient environment, where structured protection of information and system resources is continuously delivered. To support this, the Bank has adopted a four-pillar model for cyber readiness and resiliency:

1. **Manage and Protect**
   Focuses on identifying, assessing, and managing risks through the implementation of technologies, processes, and controls designed to protect systems, networks, and data from cyberattacks.

2. **Identify and Detect**
   Ensures the Bank's ability to swiftly detect anomalies and potential cybersecurity incidents before they escalate. This is achieved through continuous security monitoring and real-time threat detection mechanisms.

3. **Respond and Recover**
   Enhances the Bank's capability to respond to incidents, mitigate the impact of attacks, remove threats, and resume normal operations quickly and efficiently. PBCOM places a strong emphasis on agility in incident response and recovery planning.

4. **Govern and Assure**
   Aligns all information security initiatives with the Bank's strategic objectives. Oversight is driven from the top levels of the organization, with cybersecurity governance embedded into daily operations and long-term planning.

Through these efforts, PBCOM upholds the protection of both the Bank's and its customers' information as a top priority, reinforcing trust and enabling secure business operations in an ever-evolving digital landscape.

Item 2. Properties

PBCOM's Head Office is located at PBCOM Tower, 6795 Ayala Avenue, corner V.A. Rufino Street, Makati City. The Bank owns 50% of PBCOM Tower, which was constructed under a Joint Development Agreement with Filinvest Asia Corporation. The Bank has 95 branches and 4 branch-lites as of December 31, 2024. Most of these are located in the metropolitan areas of Luzon, Visayas, and Mindanao.

PBCOM's branches are owned and/or leased. The list of branches is attached herewith marked as Annex "A". All properties owned by the bank are unencumbered. To date, the Bank has not identified properties to acquire in the next 12 months.

Item 3. Legal Proceedings

PBCOM has pending cases, covering credit-related suits and claims and also non-credit-related cases, that remain unsettled. It is not practicable to estimate the potential financial statement impact of these contingencies. However, in the opinion of management, the suits and claims, if decided adversely, will not involve sums that would have a material effect on the financial statements.

The Bank is a defendant in legal actions arising from its normal business activities, including the management of the PBCOM Tower. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the Bank's financial position.

On 27 December 2024, PBCOM, through its legal counsels, received the decision dated 20 December 2023 from the Philippine Competition Commission (PCC) for alleged violation of the compulsory notification requirement for mergers related to the sale of PBCOM Rural Bank, Inc. The Bank filed a Motion for Reconsideration on 11 January 2025. The motion for reconsideration is submitted for resolution. At present, it is not practicable to estimate the potential financial impact. However, management believes that the outcome will not materially affect the Bank's financial position.

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

Nothing was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information
Common shares of the Bank are traded in the Philippine Stock Exchange.

Stock prices:

	2024		2023		2022	
	High	Low	High	Low	High	Low
First Quarter	17.88	14.04	16.20	13.60	18.98	17.40
Second Quarter	17.38	14.40	19.20	14.90	18.70	15.84
Third Quarter	17.88	14.54	16.00	14.50	17.96	13.02
Fourth Quarter	17.58	15.02	14.30	14.10	15.90	12.72

As of March 25, 2025 , the closing price of the Bank's common share was ₱16.98.

Holders
As of December 31, 2024, there were 407 shareholders of the Bank's 480,645,163 issued and outstanding common shares.

The top 20 registered stockholders of the Bank as of December 31, 2024 are as follows:

	Name of Shareholder	Nationality	No. of Shares	%
1	P.G. Holdings, Inc.	Filipino	186,241,408	38.75%
2	VFC Land Resources, Inc.	Filipino	88,883,602	18.49%
3	PCD Nominee Corporation:		51,186,025	10.65%
		Filipino	49,191,524	
		Non-Filipino	1,994,501	
4	Eric O. Recto	Filipino	49,835,776	10.37%
5	Ralph C. Nubla, Jr.	Filipino	46,519,036	9.68%
6	Telengtan Brothers & Sons, Inc.	Filipino	31,859,844	6.63%
7	La Suerte Workmen's Compensation Fund	Filipino	7,687,833	1.60%
8	TTC Development Corporation	Filipino	4,181,665	0.87%
9	Roxas-Chua, Ray Anthony Go	Filipino	3,070,724	0.64%
10	Cham, Edison Siy	Filipino	1,790,853	0.37%
11	KLG International, Inc.	Filipino	1,790,853	0.37%
12	Yu, Gregorio T.	Filipino	1,432,692	0.30%
13	Chungunco, Raymond N.	Filipino	604,011	0.13%
14	TFC Holdings, Inc.	Filipino	562,588	0.12%
15	Chung, Bunsit G. (a.k.a. Carlos G. Chung)	Filipino	550,716	0.11%
16	Chung, Patricia Regine K.	Filipino	261,294	0.05%
17	Chung, Philippe Ryan K.	Filipino	261,294	0.05%
18	Ching, Winnifred	Filipino	187,798	0.04%
19	Ching, Jeffrey	Filipino	175,505	0.04%
20	Chung, Dexter Noel	Filipino	174,196	0.04%

Chung, Sidney T.	Filipino	174,196	0.04%
Chung, Zachary	Filipino	174,196	0.04%

Dividends History:

There were no dividends declared for the years ended December 31, 2024, 2023, and 2022.

The Bank strictly complies with the BSP regulatory requirements under Section 124 of the Manual of Regulations for Banks, which states that before any declaration of dividends, banks shall have complied with the following:

a. Clearing account with the Bangko Sentral is not overdrawn;
b. Liquidity floor requirement for government funds;
c. Minimum capitalization requirement and risk-based capital ratio;
d. The combined requirement for capital conservation buffer and countercyclical capital buffer;
e. Higher loss absorbency requirement for UB/KBs and their subsidiary banks and QBs that are identified as Domestic Systemically Important Banks; and
f. Has not committed any unsafe or unsound banking as defined under existing regulations.

Recent Sale of Unregistered Securities

There were no sales of unregistered securities within the calendar year covered by this report.

The Bank has no registered debt securities. There are no existing or planned stock options. There are no registered securities subject to redemption or call. There are no existing or planned stock warrant offerings.

Item 6. Management's Discussion and Analysis or Plan of Operation

(1) Management's Discussion & Analysis

Financial Condition & Results of Operations: 2024 (Consolidated)

The Group registered a net income of ₱2.2 Billion for 2024. This is ₱312.7 Million or 16.5% improvement from 2023's net income of ₱1.9 Billion. This is mainly attributable to ₱1.3 Billion (22.3%) higher operating income mainly from ₱807.0 Billion improvement in net interest income and ₱323.6 Million better trading performance. This is partially offset by higher operating expenses by ₱946.1 Million.

Interest income expanded by 22.1% or ₱1.8 Billion due to asset growth and higher yields in both loan and securities portfolios. Higher deposit volume and bonds payable issuance this year funded this growth. The increase in volume and higher cost of funds due to current high interest rates environment caused the interest expense to increase by ₱946.2 Million. Higher trading income is mostly composed of realized gains from the trading activities of the Bank. Total operating expenses went up by ₱946.1 Million mainly because of higher provision for impairment losses, higher volume-driven costs - GRT, DST and PDIC insurance, higher manpower costs, higher depreciation and amortization, and higher occupancy and other equipment-related costs. Income taxes also increased by ₱72.3 Million mainly from higher net taxable income, higher final taxes on interest income on peso government securities and onshore income, partially offset by higher DTA recognized.

Total Assets of the Group increased by ₱9.4 Billion (6.4%) from ₱147.5 Billion as of December 2023 to ₱156.9 Billion at the end of December 2024. This is primarily due to growth in loans and other receivables volume by ₱9.6 Billion, increases in inventories of debt securities carried at FVOCI and HTC by ₱2.8 Billion and ₱1.1 Billion, respectively, and increase in foreclosed properties by ₱1.2 Billion, partially offset by decline in statutory reserve requirements & investment in overnight deposit facility (ODF) with the BSP by ₱4.9 Billion.

The Group's gross NPL ratio for the year ended at 2.66%, 0.26 % points higher than the 2.40% ratio at the end of 2023. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱7.8 Billion, 6.0% higher than last year's end level of ₱129.8 Billion. This resulted mostly from ₱7.6 Billion increase from corporate bond issuance in 2024, ₱6.7 Billion higher bills payable, and ₱625.8 Million higher low-cost deposits, partially offset by ₱3.8 Billion lower time deposits and ₱2.9 Billion decline from the maturity of LTNCD. Total Capital is now at ₱19.2 Billion from ₱17.7 Billion last December 2023. This 8.9% increase in Capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 15.72% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

Financial Condition & Results of Operations: 2023 (Consolidated)

The Group registered a net income of ₱1.90 Billion for 2023. This is ₱265.88 Million or 16.3% improvement from 2022's net income of ₱1.63 Billion. This is mainly attributable to ₱400.86 Million (7.2%) higher operating income largely from ₱495.1 Million better trading performance.

Interest income expanded by 41.6% or ₱2.3 Billion due to higher asset yields and growth in both loan and securities portfolios. Interest expense, however, also increased on the account of higher cost of funds due to current high interest rates environment and caused ₱2.4 Billion decline in net interest income. Total operating expenses slightly went up by ₱18.4 Million (0.54%) primarily because of volume-driven costs such as GRT, DST and PDIC insurance, and higher manpower costs, offset by lower provision for impairment losses, management and professional fees, and depreciation and amortization. Income taxes also increased by ₱117.9 Million, mainly from higher final taxes on interest income on peso government securities and onshore income and lower DTA recognized.

Total Assets of the Group increased by ₱22.6 Billion (18.1%) from ₱124.9 Billion as of December 2022 to ₱147.5 Billion at the end of December 2023. This is primarily due to growth in loan volume by ₱14.9 Billion (19.3%), increases in inventories of debt securities carried at HTC and FVOCI by ₱6.1 Billion and ₱3.4 Billion, respectively, offset by decline in interbank receivables and SPURA by ₱ 2.1 Billion.

The Group's gross NPL ratio for the year ended at 2.40%, 0.83 % points lower than the 3.23% ratio at the end of 2022. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱20.5 Billion, 18.8% higher than last year's end level of ₱109.3 Billion. This resulted mostly from ₱17.3 Billion increase in deposit liabilities, mainly from higher time deposits partially offset by lower demand deposits, and ₱2.1 Billion increase in bills payable. Total Capital is now at ₱17.7 Billion from ₱15.6 Billion last December 2022. This 13.4% increase in Capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 16.55% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

Financial Condition & Results of Operations: 2022 (Consolidated)

The Group registered a net income of ₱1.63 Billion for 2022. This is ₱58.62 Million or 3.7% improvement from 2021's net income of ₱1.57 Billion. This is mainly attributable to ₱477.75 Million (9.4%) higher operating income largely due to ₱565.72 Million or 13.3% growth in net interest income, ₱58.38 Million higher fees & commission mainly from penalty fees in corporate loans, ₱40.82 higher foreign exchange gains, mostly realized, and ₱47.48 Million higher net gains from ROPA sales. These increases were partially offset by ₱124.73 Million higher net trading losses, reflecting the adverse effects of a rising interest rate environment on the Bank's Peso and USD bond portfolios, and ₱85.23 Million reduction in rental income due to pre-terminations & re-negotiated contracts of tenants as a result of the COVID-19 crisis. ₱269.02 Million higher income taxes and ₱150.19 Million higher operating expenses further offset the increase in operating income.

Growth in net interest income is attributable to ₱485.29 Million increase in interest income from loans due to higher average loan volume, mainly from the growth in corporate loan portfolio, ₱393.74 Million increase in interest income from investments due to higher yields and higher average volume, partially offset by from ₱294.33 Million increase in interest expense mainly due to rise in cost of funds and higher average volume of Time Deposits & Repos. Income taxes increased by
₱269.02 Million or 104.8% as a result of lower deferred tax assets recognized, higher final taxes, and higher taxable income from growth in interest income from loans during the current year. Total operating expenses went up by ₱150.19 Million or 4.6%, mainly because of higher manpower costs, higher accruals for professional fees and higher taxes & licenses from rise in GRT and DST, partly offset by ₱34.61 Million lower provision requirements for credit and impairment losses in the current period.

Total Assets of the Group grew by ₱15.65 Billion (14.3%) from ₱109.24 Billion as of December 2021 to ₱124.89 Billion as of the end of December 2022. This is primarily due to ₱13.43 Billion increase in Loans and Other Receivables, mostly from expansion of corporate loans, and ₱6.14 Billion increase in Held to Collect Securities, partially offset by ₱1.60 Billion lower Interbank loans receivable and ₱1.48 Billion decline in Financial assets at Fair Value through Other Comprehensive Income.

The Group's gross NPL ratio is at 3.23%, 1.06 % points lower than the 4.89% ratio at the end of 2021. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱14.26 Billion, 15.0% higher from last year's end level of ₱95.06 Billion. This resulted mostly from ₱12.50 Billion increase in deposit liabilities mainly from ₱6.85 Billion & ₱4.33 Billion growths in time and demand deposit volume, respectively.

Total Capital is now at ₱15.57 Billion from ₱14.18 Billion last December 2021. This 9.8% improvement in capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 17.07% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

(2) Discussion of various key indicators:

A. Key Performance Indicators

Ratio	December 2024 (Consolidated)	December 2023 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	30.30%	31.82%	Decrease by 1.52% pts mainly due higher provision for impairment losses, compensation & benefits and higher volume-driven costs. This is offset by higher net interest income, higher net trading gain, and higher gain from ROPA foreclosure and sold.
Return on Average Asset *(Net income divided by Average assets)*	1.45%	1.39%	Increased by 6 bps as the impact of growth in net returns exceeded the increase in volume of average assets.
Return on Average Equity *Net income divided by Average equity)*	11.98%	11.42%	Return on average equity increased by 56 bps from higher interest income from higher average volume and higher yields, higher net trading gain, and higher gain from ROPA foreclosure and sold.
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	15.72%	16.55%	The capital ratio decreased by 83 bps mainly due to higher total risk-weighted assets, offset by higher total qualifying capital.
Basic Earnings per share *Net income divided by average no. of common shares)*	4.60	3.95	Increase in basic earnings per share by ₱0.65 from higher net income from the current period.

Ratio	December 2023 (Consolidated)	December 2022 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	31.82%	29.33%	Increased by 2.49 % pts due to impact of net trading gains (net trading loss in 2022) and lower provision for impairment losses, reduced by impact of higher interest expenses this year due to higher cost of funds
Return on Average Asset *(Net income divided by Average assets)*	1.39%	1.39%	Ratio maintained at a consistent level as the impact of higher volume-driven expenses and employee compensation & benefits was offset by lower provision for impairment
Return on Average Equity *Net income divided by Average equity)*	11.42%	10.97%	Return on average equity increased by 45 bps from higher net income driven by net trading gains and lower provision for impairment losses.
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	16.55%	17.07%	The capital ratio decreased by 52 bps due to higher total credit risk-weighted assets offset by higher total qualifying capital
Basic Earnings per share *Net income divided by average no. of common shares)*	3.95	3.39	Increase in basic earnings per share by ₱0.55 from higher net income for the current period

Ratio	December 2022 (Consolidated)	December 2021 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	29.33%	30.94%	Net profit margin decreased by 1.6 % pts mainly due to higher provision for income tax from lower recognition of DTA, higher final taxes, and higher taxable income in 2022
Return on Average Asset *(Net income divided by Average assets)*	1.39%	1.49%	Decreased by 10 bps as the impact of increase in average assets exceeded the impact of growth in net income

Return on Average Equity *Net income divided by Average equity)*	10.97%	11.78%	Return on average equity decreased by 81 bps from higher provision for income taxes and total operating expense from the results of the current operations
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	17.07%	18.18%	The capital ratio decreased by 1.11% due to higher total credit risk-weighted assets
Basic Earnings per share *Net income divided by average no. of common shares)*	3.39	3.27	Increase in basic earnings per share by ₱0.12 from higher net income during the current period

B. Financial Soundness

Ratio	December 2024 (Consolidated)	December 2023 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	18.27%	19.69%	Ratio decreased by 1.41 % pts mainly due to lower level in liquid assets (lower Due from BSP, cash and other cash items and lower interbank loans & SPURA), offset by decrease in time deposits and maturity of LTNCD.
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	87.74%	88.03%	Decreased by 29 bps as the increase in total assets (higher financial assets, ave. receivables from customers, increase in ROPA mainly due to dacion in 2024, and higher Due from other Banks) exceeded the increase in total liabilities (issuance of Corporate bond and higher bills payable & low-cost deposits).
Asset to Equity Ratio (Total Asset to Total Equity	8.16	8.35	Ratio is lower by 0.20 mainly as result of increase in equity in relation to growth in assets.
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	170%	179%	Bank's interest rate coverage decreased due to impact of increase in interest expense from rising cost of funds.
Net Interest Margin Net interest income over Average Earning assets	4.05%	3.96%	Ratio is slightly higher as increase in average asset yields outweighed the average COF rates.

Ratio	December 2023 (Consolidated)	December 2022 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	19.69%	21.41%	Ratio decreased by 1.72 % pts as the increase in total deposits, mainly time deposits, has outweighed the increase in liquid assets (from higher financial assets, particularly FVOCI offset by lower Interbank loans)
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	88.03%	87.54%	Increased by 49 bps due to increase in total liabilities, mainly in deposit liabilities and bills payable, to fund the increase in loans and receivables and investment securities at amortized cost and FVOCI.
Asset to Equity Ratio (Total Asset to Total Equity	8.35	8.02	Ratio is higher by 0.33 mainly as result of higher growth in assets in relation to the increase in equity
Interest Rate Coverage Ratio (Earnings before interest & taxes to	179%	374%	Bank's interest rate coverage decreased by 194.8 % pts. due to impact of increase in

Interest Expense)			interest expense from rising cost of funds
Net Interest Margin Net interest income over Average Earning assets	3.96%	4.80%	Ratio is slightly lower as increase in average COF rates outweighed the increase in average asset yields

Ratio	December 2022 (Consolidated)	December 2021 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	21.41%	28.96%	Ratio decreased by 7.55 % pts due to lower liquid assets (from lower Interbank loans & financial assets, particularly FVOCI) in relation to higher total deposits, mainly time and demand deposits
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	87.54%	87.02%	Increased by 52 bps as the increase in total assets slightly exceeded the increase in total liabilities. Increase in assets is mostly from investment securities at amortized cost and loans and other receivables, mostly from corporate loans
Asset to Equity Ratio (Total Asset to Total Equity	8.02	7.71	Ratio is higher by 31 bps mainly as result of higher growth in assets in relation to the increase in equity
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	374%	470%	Bank's interest rate coverage decreased by 96.72 % pts. due to impact of increase in interest expense from rising cost of funds & higher time deposit volume, partially offset by impact of higher earnings before interest & taxes
Net Interest Margin Net interest income over Average Earning assets	4.80%	4.83%	Ratio is slightly lower as the impact of increase in average total yields is offset by increase in average COF rates

Statement of Condition: December 2024 vs. December 2023 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Explanation
Cash and Other Cash Items	-512,810	-32.81%	Decrease mainly due to lower cash on hand and cash in ATMs
Due from Bangko Sentral ng Pilipinas	-4,907,500	-40.21%	Lower mainly due to decline in statutory reserve requirements in Nov24
Due from Other Banks	-55,427	-11.42%	Lower funds mainly with foreign banks
Interbank Loans Receivable	-88,151	-17.90%	Lower mainly from interbank call loans with foreign banks
Financial Assets at Fair Value through Profit or Loss	-	-	
Financial Assets at Fair Value through Other Comprehensive Income	2,837,402	33.72%	Purchase of investments in FVOCI and mark-to-market movements
Investment Securities at Amortized Cost	1,144,271	4.12%	Purchase of securities at amortized cost
Loans and Receivables	9,546,222	10.40%	Increase in outstanding receivables mainly in commercial loans and import bills
Property and Equipment	8,555	1.05%	Increase mainly from PBCOM Tower improvements, offset by depreciation recognized for the period
Investment Properties			
Condominium Units for Lease	-46,509	-2.90%	Decline due to depreciation recognized for the period

Foreclosed properties	1,154,699	118.34%	Increase from higher ROPA foreclosures/ dacion de pago than ROPA sale, offset by depreciation recognized for the period
Office units for lease	-351	-17.66%	Decline due to depreciation recognized for the period
Deferred Tax Assets	81,899	20.26%	Higher DTA movement for the period
Other Assets	272,213	64.13%	Increase mainly due cash margin and by higher DST on hand
Deposit Liabilities			
Demand	243,024	0.59%	Higher volume of demand deposits
Savings	382,770	2.87%	Higher volume of savings deposits
Time	-3,841,685	-6.50%	Lower volume of time deposits
Bills Payable	6,699,761	69.16%	Increase in FCDU bills payable and interbank call loans
Bonds Payable	7,623,300	100.00%	Corporate bond issuance in Nov24
Outstanding Acceptances	-23,740	-22.52%	Decrease due to lower bills exchange accepted by the Bank
Manager's Checks	-413,422	-65.41%	Lower un-negotiated MC's as of the period
Accrued Interest, Taxes and Other Expenses	-107,976	-6.97%	Decrease mainly due to lower Deposits & Bills payable interest accrual as of the period, offset by corporate bond interest accrual as of the period
Income Tax Payable	36,116	35.91%	Higher income tax payable for the period
Other Liabilities	142,890	13.64%	Increase mainly due to higher accounts payable - loans, higher finance lease payable, and higher rental deposits from Tower
Surplus reserves	3,857	0.85%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement
Retained Earnings	2,206,416	70.81%	Increase is from net income for the period partially offset by RE appropriation to cover deficiency on 1% minimum GLLP requirement
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	-621,368	-1628.54%	Higher net mark-to-market losses mainly from FCDU debt investments in FVOCI
Cumulative translation adjustment	4,242	3.95%	Increase from lower downward CTA adjustment mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	-15,857	-33.62%	Higher actuarial loss recognized on retirement fund

Statement of Condition: December 2023 vs. December 2022 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Explanation
Cash and Other Cash Items	158,533	11.29%	Higher cash on hand, higher cash on atm, & higher cash on cash center
Due from Bangko Sentral ng Pilipinas	868,509	7.66%	Higher mainly from regular deposits under statutory reserve requirements
Due from Other Banks	(603,660)	-55.42%	Lower funds mainly with foreign banks
Interbank Loans Receivable	(2,108,226)	-81.07%	Lower mainly from lower GS Repo offset by higher interbank call loans

Financial Assets at Fair Value through Profit or Loss	-	-	
Financial Assets at Fair Value through Other Comprehensive Income	3,406,963	68.02%	Purchase of Peso debt investments in FVOCI
Investment Securities at Amortized Cost	6,114,566	28.23%	Purchase of securities at amortized cost
Loans and Receivables	14,850,435	19.31%	Increase in outstanding receivables, mainly in corporate loans and import bills
Property and Equipment	10,652	1.33%	Increase due to reclassification of Investment Property to Bank Premises, higher leasehold rights and improvements, and additional right of use assets for the period, offset by depreciation recognized for the period
Investment Properties			
Condominium Units for Lease	(88,564)	-5.23%	Decrease due to reclassification of Investment Property to Bank Premises and depreciation recognized for the period
Foreclosed properties	13,756	1.42%	Higher ROPA foreclosures offset by ROPA sales and depreciation recognized for the period
Office units for lease	(350)	-14.97%	Decline due to depreciation recognized for the period
Deferred Tax Assets	13,756	3.52%	Increase mainly due to higher RBU loan allowance and ROPA accumulated depreciation, offset by lower lease liability, advance rental, right of use assets & Unamortized past service cost
Other Assets	(38,312)	-8.28%	Decline mainly due to lower retirement assets, lower prepaid expenses, lower DST, and lower tax credits, and offset by higher prepaid taxes on deposits
Deposit Liabilities			
Demand	(4,103,734)	-9.02%	Lower volume of demand deposits
Savings	646,800	5.11%	Higher volume of savings deposits
Time	20,706,830	53.95%	Higher volume of time deposits
Bills Payable	2,092,736	27.56%	Increase in bills payable - REPO
Outstanding Acceptances	55,192	109.90%	Increase due to higher bills of exchange accepted by the Bank
Manager's Checks	410,523	185.31%	Higher un-negotiated MC's as of report date
Accrued Interest, Taxes and Other Expenses	684,739	79.22%	Increase mainly due to Deposits & Bills payable interest accrual, other operating expense and GRT accruals
Income Tax Payable	(18,229)	-15.34%	Lower income tax payable for the period
Other Liabilities	28,510	2.80%	Higher due to increase in payables to Bancnet bills payment & IBFT, offset by decrease in advance rentals, and finance lease payables
Surplus reserves	241,445	113.44%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement
Retained Earnings	1,656,126	113.46%	Increase is from net income for the period partially offset by RE appropriation to cover deficiency on 1% minimum GLLP requirement

Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	276,431	87.87%	Lower net MTM losses from FCDU debt investments in FVOCI
Cumulative translation adjustment	1,419	1.34%	Higher downward CTA mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	(82,878)	-232.06%	Higher actuarial loss recognized on retirement fund

Statement of Condition: December 2022 vs. December 2021 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Explanation
Cash and Other Cash Items	(111,700)	-7.37%	Lower cash on hand
Due from Bangko Sentral ng Pilipinas	1,064,985	10.37%	Higher mainly from ODF
Due from Other Banks	430,597	65.38%	Higher funds with foreign banks
Interbank Loans Receivable	(1,595,267)	-38.02%	Lower GS Repo and foreign interbank loans
Financial Assets at Fair Value through Profit or Loss	(886,291)	-100.00%	Sale of investments in FVTPL
Financial Assets at Fair Value through Other Comprehensive Income	(1,480,691)	-22.82%	Sale of investments in FVOCI
Investment Securities at Amortized Cost	6,141,545	39.57%	Increase due to purchase of securities at amortized cost
Loans and Receivables	12,138,486	18.74%	Increase in outstanding receivables, mainly in corporate loans
Property and Equipment	(78,380)	-8.88%	Decline due to depreciation recognized for the period
Investment Properties			
Foreclosed properties	127,809	15.32%	Higher ROPA foreclosures, offset by depreciation recognized for the period
Office units for lease	(351)	-13.05%	Decline due to depreciation recognized for the period
Deferred Tax Assets	64,953	19.95%	Increase mainly due to set-up of tax assets on additional provision for credit losses
Other Assets	(116,652)	-20.17%	Lower largely due to decline in tax credits and CWT carry-over
Deposit Liabilities			
Demand	4,333,580	10.53%	Higher volume of demand deposits
Savings	1,308,795	11.52%	Higher volume of savings deposits
Time	6,851,167	21.73%	Higher volume of time deposits
Bills Payable	1,583,031	26.34%	Increase in bills payable - REPO
Outstanding Acceptances	(21,391)	-29.87%	Decrease due to lower bills of exchange accepted by the Bank
Manager's Checks	49,288	28.61%	Higher un-negotiated MC's as of report date
Accrued Interest, Taxes and Other Expenses	183,666	26.98%	Increase in expense and interest payable accruals as of the period
Income Tax Payable	51,990	77.80%	Higher income tax payable for the period
Other Liabilities	(85,957)	-7.79%	Lower mainly from lower advance rentals and rental security deposit
Surplus reserves	105,916	99.06%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement

Retained Earnings	1,525,772	-2309.62%	Increase mostly from net income for the period
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	(368,094)	-687.91%	Higher net MTM losses
Cumulative translation adjustment	131,663	55.40%	Lower downward CTA mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	(5,027)	-12.34%	Cumulative amount of actuarial loss in 2022

Statement of Income and Expenses: Jan-Dec 2024 vs Jan-Dec 2023 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	1,332,563	21.78%	Higher interest income due to higher average volume and higher yields mainly from corporate loans
Investment securities	478,297	29.00%	Higher interest income due to higher yields mainly from HTC, and higher average volume mainly from FVOCI and FVTPL
Interbank loans receivable and securities purchased under resale agreements	-59,956	-46.18%	Lower interest income due to lower average volume mainly from SPURA, offset by higher yields
Deposits with other banks	2,199	7.62%	Higher interest income due to higher yields mainly from ODF with BSP
INTEREST AND FINANCE CHARGES			
Deposit liabilities	777,292	30.90%	Higher interest expense due to higher average volume mainly from TDs and higher cost of funds
Bills payable, borrowings and others	168,858	23.87%	Higher interest expense due to higher average volume mainly from corporate bond issuance and higher cost of funds mainly from Repos
OTHER INCOME			
Rent income	-20,351	-5.14%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants
Trading and securities gain (loss) – net	323,645	251.32%	Higher realized trading gains and unrealized mark-to-market gains
Service charges, fees and commissions	55,059	12.88%	Higher primarily due to higher commitment fees, TFR fees, and Instapay fees
Profit (loss) from assets sold	80,582	362.00%	Higher gain on ROPA sold
Foreign exchange gain - net	-1,911	-1.89%	Lower realized foreign exchange gains, offset by higher unrealized foreign exchange gains
Income from trust operations	3,965	10.62%	Increase is mainly due to higher ADB of assets under management
Gain (loss) on assets exchange – net	63,185	534.38%	Higher net gain on ROPA foreclosure
Miscellaneous	21,027	15.40%	Increase mainly due to higher recovery on written-off accounts, gain from sale of bank-owned property, higher GRT portion shouldered by the clients, and gain on derecognition of investment in PISAI
OPERATING EXPENSE			
Provision for credit and impairment losses - net	465,051	1905.24%	Higher loan provision requirements during the period
Compensation and fringe benefits	188,208	15.58%	Higher manpower costs for the period due to higher ave. headcount and salary adjustments

Taxes and licenses	136,713	18.27%	Increase mainly due to higher GRT costs and higher DST costs from deposits
Depreciation and amortization	51,814	15.13%	Increase mainly due to higher ROPA and ROU asset depreciation, offset by fully amortized software cost, and fully-depreciated office equipment & computer
Insurance	30,405	15.03%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	28,343	17.77%	Increase mainly from increase in electricity & water costs, and higher repairs and maintenance, offset by lower rent expense
Management and professional fees	-17,208	-16.78%	Decrease is primarily due to lower professional fees
Security, clerical, messengerial and janitorial services	5,018	3.86%	Higher janitorial and messengerial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	18,747	22.88%	Higher expenses incurred in 2024
Communications	3,718	7.51%	Increase in commercial leased lines
Miscellaneous	35,326	8.34%	Increase mainly due to higher legal fees, brokerage & PDEX fees from higher volume of transactions, contractual services, and IT costs
Share In Net Income Of An Associate	-1,009	-61.98%	Lower net income share from PBCOM Finance and impact of gain from last year's sale of ROPA
Provision For Income Tax	72,308	11.24%	Increase mainly due to higher net taxable income, higher final taxes on interest income on peso government securities and onshore income, offset by higher DTA recognized on loan allowance

Statement of Income and Expenses: Jan-Dec 2023 vs Jan-Dec 2022 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	1,521,905	33.12%	Higher interest income is primarily derived from increased yields and the growth in average volume, driven by new loan availments, mainly from corporate loans
Investment securities	742,543	81.87%	Higher interest income is attributed to increased yields, primarily from HTC and FVOCI, as well as from a higher average volume, primarily in HTC
Interbank loans receivable and securities purchased under resale agreements	62,697	93.38%	Higher interest income from higher yields
Deposits with other banks	(785)	-2.65%	Lower interest income is primarily attributed to a decrease in average volume, mainly in ODF with BSP, offset by higher yields
INTEREST AND FINANCE CHARGES			
Deposit liabilities	1,916,276	319.73%	The increase is primarily due to a higher cost of funds and an increase in the volume of high-cost deposits
Bills payable, borrowings and others	518,340	274.28%	The increase is mainly attributed to higher cost of funds and average volume, driven by new repos during the year
OTHER INCOME			
Rent income	(24,239)	-5.77%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants

Trading and securities gain (loss) – net	495,103	135.15%	Higher net trading gain, mostly realized, compared to the net trading loss in the same period last year
Service charges, fees and commissions	37,368	9.58%	Higher primarily due to higher trade finance receivables charges, insurance fees income, and loan booking fees (mainly from corporate loans and home loans). This increase is partially offset by lower corporate loan penalty fees and processing fees.
Profit (loss) from assets sold	(38,783)	-63.53%	Lower ROPA gain on sale in 2023
Foreign exchange gain - net	3,322	3.40%	Higher realized foreign exchange gains were partially offset by unrealized foreign exchange losses
Income from trust operations	5,593	17.61%	Increase is mainly due to impact of higher ADB of assets under management
Gain (loss) on assets exchange – net	15,300	440.16%	Net gain on asset exchange compared to net loss in prior year
Miscellaneous	15,453	12.76%	Higher mainly from other income from loans and higher recovery on written-off accounts, partially offset by the impact of income from the forfeiture of security deposits of lessees resulting from the pre-termination of lease contracts in the prior year
OPERATING EXPENSE			
Provision for credit and impairment losses - net	(312,095)	-108.48%	Lower loan provision requirements during the period
Compensation and fringe benefits	92,596	8.30%	Increase is mainly due to salary adjustments and higher contributions
Insurance	18,527	10.08%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	23,368	17.17%	Higher mainly from repairs & maintenance and electricity costs, partially offset by lower rent expense
Management and professional fees	(63,743)	-38.33%	Decrease is primarily due to lower professional fees
Security, clerical, messengerial and janitorial services	24,800	23.55%	Higher security and janitorial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	3,710	4.74%	Higher expenses incurred in 2023
Communications	(7,634)	-13.36%	Decrease in commercial leased lines
Miscellaneous	34,208	8.79%	Increase is primarily due to higher employee and travel expense reimbursements, IT relate expenses, and brokerage fees
Share In Net Income Of An Associate	1,315	420.13%	Net income from PBCOM Finance
Provision For Income Tax	117,859	22.43%	Increase mainly due to higher final taxes on interest income on peso government securities and onshore income and lower DTA recognized, partly offset by lower taxable income as of Dec23

Statement of Income and Expenses: Jan-Dec 2022 vs Jan-Dec 2021 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	485,232	11.81%	Higher interest income from growth in average volume (from impact of new loan availments, mainly from corporate loans), partially offset by drop in yields

Investment securities	405,262	85.72%	Higher interest income due to higher yields (mainly from HTC & FVOCI, and from higher average volume, mainly HTC)
Interbank loans receivable and securities purchased under resale agreements	(7,073)	-11.77%	Lower interest income from lower volume
Financial Assets at Fair Value through Profit or Loss	(11,469)	-28.43%	Decrease from lower volume, partially offset by higher yields
Deposits with other banks	(26,052)	-46.78%	Lower interest income mainly from decrease in average volume mainly in ODF
INTEREST AND FINANCE CHARGES			
Deposit liabilities	164,444	37.81%	Increase is primarily from higher cost of funds and from higher CASA volume
Bills payable, borrowings and others	129,886	219.78%	Increase is mainly from higher cost and average volume due to new repos during the year
OTHER INCOME			
Rent income	(85,234)	-16.87%	Lower mainly due to downward impact of pre-terminations and re-negotiated contracts of tenants as a result of the COVID-19 crisis
Trading and securities gain (loss) – net	(124,729)	51.63%	Higher net trading loss, mostly realized
Service charges, fees and commissions	58,381	17.60%	Increase is mainly from higher penalty on corporate loans
Profit (loss) from assets sold	47,476	349.94%	Higher gain on sale of foreclosed ROPA assets
Foreign exchange gain - net	40,821	71.83%	Higher foreign exchange gain, mostly realized
Income from trust operations	2,525	8.64%	Increase is mainly due to impact of higher ADB of assets under management
Gain (loss) on assets exchange – net	(10,936)	-146.60%	Net loss on asset exchange compared to net gain in prior year
Miscellaneous	(16,275)	-11.85%	Decrease primarily due to lower recovery on charged-off asset
OPERATING EXPENSE			
Provision for credit and impairment losses - net	(34,615)	-10.74%	Lower loan provision requirements during the period
Compensation and fringe benefits	98,909	9.73%	Higher manpower costs for the period due to higher headcount and salary adjustments
Insurance	20,984	12.89%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	17,614	14.86%	Higher mainly from increase in electricity costs
Management and professional fees	66,772	67.08%	Increase is primarily due to higher professional fees
Security, clerical, messengerial and janitorial services	16,445	18.51%	Higher security and janitorial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	(42,151)	-35.02%	Lower expenses incurred in 2022
Communications	7,463	15.02%	Increase in commercial leased lines
Miscellaneous	(22,172)	-5.39%	Decrease is primarily due to lower ROPA related expenses
Share In Net Income Of An Associate	26	9.06%	Net income from PBCOM Finance
Provision For Income Tax	269,020	104.83%	Increase is mainly due to lower DTA recognized, from higher final taxes, and due to higher taxable income for the period

Interest income on non-discounted loans is recognized based on the accrual method of accounting, while unearned discounts are amortized to income over the terms of the loans. As such, there are no seasonal aspects that materially impact the Bank's interest revenues.

(3) Other material events and/or uncertainties:

- The Bank does not anticipate any cash flow or liquidity problems in the next 12 months after year-end 2024.
- The Bank does not foresee any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period**.**
- There are no material commitments for capital expenditures.
- The Bank remain cautious in expanding its loan portfolio given the on-going effect of the pandemic on the economy while the Executive Committee (EXCOM) stays vigilant with its loan approvals.
- There are no significant elements of the Bank's income in 2024 that did not arise from continuing operations.
- There are no seasonal aspects that have a material effect on the financial condition or results of operations.

Item 7. Financial Statements

Attached hereto are the audited financial statements for the year ended December 31, 2024.

The accounting firm of Sycip, Gorres, Velayo and Co. ("SGV"), with address at SGV Building, 6760 Ayala Avenue, Makati City, has been the Bank's independent public accountants for the past years. The same accounting firm will likely be recommended for re-election at the scheduled annual meeting this year. Mr. Ray Francis C. Balagtas was assigned partner starting in 2019 in compliance with SRC 68(3)(b)(ix).

SGV is expected to be represented in the coming Annual Stockholders' Meeting with an opportunity to make statements, if they so desire, and will be available to respond to appropriate questions.

There is no disagreement with the Bank's accountants on matters of accounting and financial disclosure.
The aggregate external audit fees billed for each of the last three (3) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditors are as follows:

Fiscal Year	Audit Fees	All other fees
2024	₱4,730	3,183
2023	₱4,503	-
2022	₱5,256	-

The above audit fees are inclusive of the following: (a) Other assurance related services by the External Auditor that are reasonably related to the performance of the audit or review of the Bank's financial statements and (b) All Other Fees. Fees paid to professional partnerships like SGV are not subject to withholding tax.

The Audit Committee is directly responsible for approving the appointment of the independent public accountants. Annually, the Committee recommends that the Board request shareholder ratification of the

appointment of the independent public accountants. The Committee is also responsible for approving the fee of the independent public accountants and periodically reviews the fees charged for all permitted audit-related expenses and other services. It is also their responsibility to evaluate and, when appropriate, to remove the independent public accountants.

As of December 2024, the Audit Committee consists of Teresita J. Herbosa as Chairperson, with Gilda E. Pico and Paolo Benigno A. Aquino IV as members. All members of the Committee are Independent Directors.

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

There were no changes or disagreements with accountants on matters of accounting and financial disclosure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(1) Directors and Executive Officers

NAME	OFFICE	AGE	CITIZENSHIP	YEAR OF ASSUMPTION OF OFFICE
Eric O. Recto	Chairman of the Board/Director	61	Filipino	2011
Leonardo B. Dayao	Vice Chairman / Director	81	Filipino	2014
Lucio L. Co	Director/Chairman of the Executive Committee	70	Filipino	2014
Patricia May T. Siy	President & CEO / Director	64	Filipino	2015
Bunsit Carlos G. Chung	Director	74	Filipino	1997
Susan P. Co	Director	67	Filipino	2014
Levi B. Labra	Director	66	Filipino	2014/2017*
Hans Brinker M. Sicat	Director	64	Filipino	2023
Gregorio T. Yu	Director	66	Filipino	2011
Jack Ekian T. Huang	Director	70	Filipino	2019
Stephen Anthony T. CuUnjieng	Independent Director	65		2022
Conrado A. Gloria, Jr.	Independent Director	65	Filipino	2019
Teresita J. Herbosa	Independent Director	74	Filipino	2022
Paolo Benigno A. Aquino IV	Independent Director	47	Filipino	2024
Gilda E. Pico	Independent Director	78	Filipino	2017
John Howard D. Medina	Executive Vice President-COO	54	Filipino	2017
Alan E. Atienza	Executive Vice President-Treasurer	53	Filipino	2015
Victor O. Martinez	Executive Vice President – Corporate and Commercial Banking Group Head	59	Filipino	2020
Erico C. Indita	Executive Vice President – Branch	56	Filipino	2020

	Banking Group			
Arlene M. Datu	Senior Vice President – Comptroller	66	Filipino	2013
Expedito G. Garcia	Senior Vice President – Transaction Banking Group	57	Filipino	2015
Jane Lim-Laragan	Senior Vice President – General Services Group	57	Filipino	2016
Mina F. Martinez	Senior Vice President – Human Resources Group Head	62	Filipino	2015
Greg L. Romero	Senior Vice President –Information Technology Group	56	Filipino	2023
Dreda Teresa D. Mendoza	First Vice President – Trust and Wealth Management Group	52	Filipino	2021
Mailene V. Mungcal	First Vice President and Chief Audit Executive	44	Filipino	2024
Ronald Paul D. San Diego	First Vice President and Chief Risk Officer	38	Filipino	2023
Jo-Anne R. Legaspi	First Vice President - Legal Services Group	45	Filipino	2020
Angelita U. Egalin	Vice President and Chief Compliance Officer	59	Filipino	1988
Jane K. Gocuan	Executive Vice President Chief Strategy and Implementation Officer	53	Filipino	2024

* As an independent director in 2014 and as a director in 2017

Board of Directors

ERIC O. RECTO, *Chairman of the Board and Director*
Mr. Recto, Filipino, 61 years old, was elected Director and Vice Chairman of the Board on July 26, 2011, appointed Co-Chairman of the Board on January 18, 2012 and Chairman of the Board on May 23, 2012.

He is presently Chairman and President of Bedfordbury Development Corporation; Chairman of the Board and Chief Executive Officer of Alphaland Corporation; Chairman of the Board and Chief Executive Officer of Atok-Big Wedge Co., Inc.; He is Vice Chairman and Lead Independent Director of Aboitiz Power Corporation; Independent Director of Manila Water Company, Inc.; and holds board positions in a few other publicly-listed companies. He was appointed Senior Advisor of Stonepeak Infrastructure Partners in the US and Director of Miescor Infrastructure Development Corporation.

Prior to his current roles, he was President of Petron Corporation, the largest oil refining and marketing company in the Philippines. He also previously served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005.
Eric has an undergraduate degree in Industrial Engineering from the University of the Philippines and has an MBA from Cornell University's Johnson Graduate School of Management

LEONARDO B. DAYAO, *Vice Chairman and Director*

Mr. Dayao, Filipino, 81 years old, was elected Director on September 29, 2014 and Co-Vice Chairman on

October 24, 2014. Mr. Dayao currently holds the following positions in publicly listed companies: *President* of Cosco Capital, Inc. and *Director* of Puregold Price Club, Inc.

He also holds various positions in the following privately-owned companies: *Chairman and President* of Fertuna Holdings Corp., *Chairman* of Catuiran Hydropower Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Karayan Hydropower Corporation, League One Finance and Leasing Corporation, Pamana Water Corporation, PSMT Philippines, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc.; *Vice-Chairman* of Ayagold Retailers, Inc.; *President* of Alcorn Petroleum Minerals Corporation, K4 Water Resources Corporation, Matuno River Dev. Corp., NE Pacific Shopping Centers Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., San Jose City I Power Corp., Southern Utility Management Services, Incorporated (SUMSI), Union Energy Corporation; Vice-President of Alerce Holdings Corp., Bellagio Holdings, Inc., KMC Realty Corporation, Puregold Properties, Inc., Union Equities, Inc.; and Director of Canaria Holdings Corporation, Entenso Equities Incorporated, Kareila Management Corporation, and Puregold Realty Leasing & Management, Inc. Mr. Dayao is also *Vice President* of Puregold Duty Free, Inc.

Mr. Dayao received a Bachelor of Science Degree in Commerce from Far Eastern University. He is a Certified Public Accountant and has completed Basic Management Program at Asian Institute of Management and earned units in MBA from University of the Philippines-Cebu.

LUCIO L. CO, *Chairman of the Executive Committee and Director*

Mr. Co, Filipino, 70 years old was elected Director on September 29, 2014.

Mr. Co currently holds the following positions in other publicly listed companies: *Director and Chairman* of Puregold Price Club, Inc., Cosco Capital, Inc. and The Keepers Holdings, Inc. (formally Da Vinci Capital Holdings, Inc.).

He is also the *Chairman* of the following privately-owned companies: Alcorn Petroleum & Minerals Corporation, Entenso Equities Incorporated, Makabayan Holdings Incorporated, Matuno River Dev. Inc., NE Pacific Shopping Centers Corporation, Pajusco Holdings Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., Puregold Realty Leasing & Management, Inc., San Jose City I Power Corp., Union Energy Corporation and *Chairman and President* of Bellagio Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Invescap Incorporated, P.G. Holdings, Inc., Puregold Duty Free, Inc., Puregold Properties, Inc., Union Equities, Inc.. Mr. Co is also a *Director* of the following privately-owned companies: Bacolod Real Estate Development Corp., Catuiran Hydropower Corporation, Cleangreen Energy Corporation, Forbes Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Illido Management Corp., Karayan Hydropower Corporation, Kareila Management Corp., LCCK & Sons Realty Corporation, League One Finance and Leasing Corporation, Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., Negros Water Company Inc., Pamana Water Corporation, PPCI Subic Inc., Patagonia Holdings Corp., Premier Wine & Spirits, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., Technowater Corp., Tower 6789 Corporation and VS Gripal Power Corp. Mr. Co is a member of the Board of Trustees of Adamson University and Luis Co Chi Kiat Foundation, Inc.

Mr. Co has been an entrepreneur for the past 50 years.

PATRICIA MAY T. SIY, *President & CEO and Director*

Ms. Siy, Filipino, 64 years old, was elected Director, President and Chief Executive Officer on June 1, 2015.

She is also a Director of PBCOM Finance Corporation.

Immediately before joining PBCOM, she served as Chief Corporate Planning Officer of Travellers International Hotel Group from 2012 and as Chief Finance Officer of Rustan's Supercenter Inc. from 2011 to 2012. Her banking experience spanned 38 years. She was with Security Bank Corporation where she held various positions from 2000 to 2011 in Middle Market Lending and Corporate Lending leading to the Executive Vice President post for the Commercial and Retail Banking Segment. She held senior positions in Standard Chartered Bank from 1994 to 2000 in the fields of Regional and Philippine Consumer Credit, Group Special Asset Management, and Corporate Banking in Cebu and Head Office. Her first Bank was Private Development Corporation of the Philippines where she stayed from 1983 to 1994 as Project Analyst, Cebu Lending Head, Visayas Lending Head, and then Branch Lending Head.

Ms. Siy graduated from De La Salle University with a Bachelor of Science degree in Industrial Management Engineering minor in Chemical Engineering.

She is a member of the Filipina CEO Circle (FCC), Makati Business Club and Management Association of the Philippines.

BUNSIT CARLOS G. CHUNG, *Director*

Mr. Chung, Filipino, 74 years old, was elected Director on June 17, 1997.

He is concurrently Chairman & President of Supima Holdings, Inc., Chairman of Tosen Foods Corporation, Director of La Suerte Cigar & Cigarette Factory, Century Container Corporation, Bicutan Container Corporation, PBCOM Finance Corporation, State Investment Trust, Inc. and State Properties, Inc. He is also an Advisory member of the Board of Trustees of Xavier School Inc., and a member of the Board of Trustees of Immaculate Conception Academy (Greenhills) Scholarship Foundation, Seng Guan Buddhist Temple, Angelo King Foundation Inc. and Kim Siu Ching Family Association and Chairman and President Phil Tiong Se Academy.

Mr. Chung has a degree in AB (Economics) & Business Administration from De La Salle University as well as an MBA from the University of Southern California.

SUSAN P. CO, *Director*

Mrs. Co, Filipino, 67 years old, was elected Director on September 29, 2014. She currently holds the positions of *Chairman* of Puregold Price Club, Inc. and *Vice-Chairman* of Cosco Capital, Inc., both publicly listed companies.

Mrs. Co is the *Chairman and President* of Cosco Price, Inc., *Chairman* of Tower 6789 Corporation, Kareila Management Corporation and President of Makabayan Holdings Incorporated. She is also a *Director* of the following privately-owned companies: Bellagio Holdings, Inc., Blue Ocean Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Illido Management Corp., KMC Realty Corp., League One, Inc., Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., NE Pacific Shopping Center Corporation, P.G. Holdings, Inc., Patagonia Holdings Corp., PPCI Subic Inc., Premier Wines and Spirits, Inc., Puregold Duty Free (Subic), Inc., Puregold Duty Free, Inc., Puregold Finance, Inc., Puregold Properties, Inc., Puregold Realty Leasing & Management, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., San Jose City I Power Corp., Union Energy Corporation and Union Equities, Inc. and *Director and Treasurer* of Forbes Corporation. Mrs. Co is also a member of the Board of Trustees of Luis Co Kiat Foundation, Inc.

Mrs. Co received a Bachelor of Science Degree in Commerce from the University of Santo Tomas.

JACK EKIAN T. HUANG, *Director*

Mr. Huang, Filipino, 70 years old, was elected Director on June 4, 2019. He currently holds the positions of Director of Puregold Price Club Inc. and Cebu Business Continuous Forms, Vice President of Abacus Securities Corporation and Director and Treasurer of Richmedia Network Inc.

In the past, he was Assistant Vice President of the Bank of the Philippine Islands, Branch Manager of Ayala Investment & Development Corporation, Director and President of First Abacus Financial Holdings Corporation, Director of Abacus Securities Corporation and a member of the Board of Trustees and Member of the Finance Committee of Sacred Heart School (Ateneo de Cebu).

Mr. Huang obtained his Bachelor of Arts in Economics at the Ateneo de Manila University

LEVI B. LABRA, *Director*

Mr. Labra, Filipino, 66 years old, served as an Independent Director from October 24, 2014 until his election as a regular member of the Board of Directors on February 22, 2017.

Mr. Labra is also a *Director* of Cosco Capital, Inc., a publicly listed company and a *Board Adviser* at Puregold Price Club, Inc.

He obtained his Bachelor of Science in Business Administration (Cum Laude) at the University of San Carlos, Cebu City.

HANS BRINKER M. SICAT, *Director*

Mr. Sicat, Filipino, 64 years old, was elected Director on June 13, 2024.

Hans is the country head of Ares Management Corporation in the Philippines. Ares is a leading global alternative investment manager. He has been involved in the global capital market for over 3 decades. Prior to the current role, he was CEO of ING Bank Philippines, Chairman & CEO of the Philippine Stock Exchange, Managing Director & country board member of Citi Philippines. He was an investment banker with Citi and its predecessor firms (Salomon Brothers & Citicorp Securities) in various roles in New York, Hong Kong & the Philippines.

Hans is an independent director in a number of firms*, and has been on industry association boards like the Bankers Association of the Philippines (BAP) and the Investment House Association of the Philippines (IHAP) which he presided over at one time. He also did a committee role at the World Federation of Exchanges (WFE). Through the years, he has been active with the Young Presidents' Organization (YPO & YPO Gold), a global leadership community of CEOs; he was on the Southeast Asia Regional board and is still on the Philippines Executive Committee, which he previously chaired.

Hans finished his coursework for Ph.D. Economics program at the Univ. of Pennsylvania in Philadelphia; he has a Master of Arts in Economics and a Bachelor of Science in Mathematics from the University of the Philippines. He was conferred an Honorary Doctorate in Business Administration by the Western University in Thailand.

*Note: Current firm affiliations are Arthaland Corporation; Escada de Oro Holdings, Inc. (and related companies); Philippine Bank of Communications; ProJuris Business Services; Transnational Diversified Group

Previous firms affiliations: Fintonia Group; ING Bank Philippines Foundation, Inc.; LegisPro Corporation; List Sotheby's Philippines, Philippine Dealing System (PDS) Group; PSE Foundation, Inc.; Serica Fund and Serica Balanced Fund; Skycable Corporation; served as Emerging Markets Committee Head, World Federation of Exchanges.

Involved with: Endeavor Organization, Philippine Map Collectors Society

GREGORIO T. YU, *Director*

Mr. Yu, Filipino, 66 years old, was elected Director on July 26, 2011. He is presently the Chairman of Nexus Technologies, Inc. Mr. Yu also sits as Director in various companies, among which are Apo Agua Infrastructura, Inc., Glacier Megafridge, Inc., Inchcape Philippines, Glyph Studios, Inc., Jupiter Systems Corporation, Philequity Management Inc., Prople BPO Inc., and WSI Corporation.

He is concurrently the Lead Independent Director of AIA Philippines Life and General Insurance Company, Inc., Independent Director of Alphaland Corporation, Filipino Fund, Inc., House of Investments, Inc., Philippine Airlines, Inc., Vantage Financial Corporation (formerly E-business Services, Inc.), Unistar Credit and Finance and Vantage Equities Inc. He also serves as Board Member of the Manila Symphony Orchestra since 2009.

He received his MBA from the Wharton School of the University of Pennsylvania in 1983 and his Bachelor of Arts in Economics (Honors Program) Summa Cum Laude from De La Salle University in 1978**.**

PAOLO BENIGNO A. AQUINO IV, *Independent Director*

Mr. Paolo Benigno "Bam" A. Aquino IV, Filipino, 47 years old, was elected Independent Director of the Bank on January 31, 2024.

Currently, he holds core positions in various private institutions like Kaya Natin! Movement for Good Governance and Ethical Leadership, Inc. as Chairperson, Pasajob Inc. as Director, At1ndahan Inc. as Director and Mee Games Inc. as Director. Prior to his current roles, Bam served as Senator of the Republic of the Philippines from 2013 to 2019. He also served as Chairperson and Commissioner-at-Large of the National Youth Commission from 2003 to 2006 and 2001 to 2003, respectively. He was also President of other private institutions like Microventures Inc. and Megamobile Inc., Director of Ryt BrainTech Solutions Inc. and was a Special Project Manager of ABS-CBN Foundation.

Bam earned his Bachelor of Science in Management Engineering degree from the Ateneo de Manila University in 1999 and attended Executive Education Program on Public Policy and Leadership at the Kennedy School of Government, Harvard University.

STEPHEN ANTHONY T. CUUNJIENG, *Independent Director*

Mr. CuUnjieng, Filipino, 65 years old, was elected Independent Director on July 1, 2022.

He concurrently serves as an Independent Director of First Philippine Holdings Corporation since 2018. He is also an Independent Director of Century Properties Group, Century Pacific Food Inc. and Greenergy Holdings Inc. Mr. Cuunjieng is part of the Executive Advisory Board for Asia of the Wharton School of Business and the International Advisory Board of the New York Philharmonic.

In the past, he was a Senior Managing Director at Evercore and Chairman at Evercore Asia Limited from 2009 to 2022. He was previously an Independent Director of Aboitiz Equity Ventures (2010 to 2018), an Adviser to the Board of SM Investments Corporation (2008-2017) and Director of Manila North Tollways Corporation (2008-2013). He was also Vice Chairman, ASEAN of Macquarie (Hong Kong) Limited from 2007 to 2009.

Mr. CuUnjieng holds a degree in Bachelor of Arts (1980) and also has a Bachelor's Degree in Law (with honors) (1984) from the Ateneo de Manila University and the Ateneo Law School. He also has a Master's Degree in Business Administration (Finance) from Wharton School of Business (1986).

CONRADO A. GLORIA, JR., *Independent Director*

Mr. Gloria, Filipino, 65 years old, was elected Independent Director on June 4, 2019.

He currently holds the positions of President & CEO of GIV Capital Holdings Corporation and Director of Miguel and Maria Group of Restaurants, Inc. Mr. Gloria is also an Independent Director of Scheirman Construction Consolidated Inc.

In the past, he served as President & COO of Investment & Capital Corporation of the Philippines, Executive Vice President and Managing Director of SB Capital Investment Corporation, President of SB Equities, Inc., Senior Vice President of Southeast Asia Cement Holdings Inc. and Senior Finance Officer of International Finance Corporation.

Mr. Gloria obtained his Bachelor of Arts in Economics at the University of the Philippines and his Master's in Business Administration at the Asian Institute of Management.

TERESITA J. HERBOSA, *Independent Director*

Ms. Herbosa, Filipino, 74 years old, was elected as Independent Director on November 2, 2022.

She currently serves as a Director of the Board of Telecommunications Connectivity, Inc., and also sits as an Independent Director of mutual fund companies under the Sunlife Group and Grepalife Group: Sunlife of Canada Prosperity Bond Fund, Inc., Sunlife Prosperity Peso Starter Fund, Inc., Sunlife Prosperity Dollar Starter Fund, Inc., Sunlife Prosperity Peso Voyager Feeder Fund Inc., Sunlife Prosperity World Income Fund, Inc., Sunlife Prosperity Achiever Fund 2028, Inc., Sunlife Prosperity Achiever Fund 2038, Inc., Sunlife Prosperity Achiever Fund 2048, Inc. Grepalife Balanced Fund Corp., Grepalife Dollar Bond Fund Corp. and Grepalife Fixed Income Fund Corp.

Ms. Herbosa is the former Chairperson of the Philippine Securities and Exchange Commission or SEC from April 2011 up to June 2018.

Prior to government service, Ms. Herbosa was with Angara Abello Concepcion Regala & Cruz Law Offices ("ACCRALAW") where she headed its prestigious Litigation and Dispute Resolution Department for more than 10 years during which it was consistently recognized as the best in that area of practice. She retired from ACCRALAW in 2011 as a Senior Partner/Co-Managing Partner. Ms. Herbosa was also a law professor at the DLSU College of Law (Rufino Campus) and Lyceum Makati.

Ms. Herbosa finished AB Political Science cum laude at the University of the Philippines (UP) Diliman, and Bachelor of Laws cum laude and class salutatorian from the UP College of Law. She has a master's degree from the University of Michigan.

GILDA E. PICO, *Independent Director*

Ms. Pico, Filipino, 78 years old, was elected Independent Director on February 22, 2017.

She is currently Chairman of the Board of Producers Savings Bank Corporation. Ms. Pico is also connected with Marinor Development Corporation as Director/Treasurer, Gilart Holdings Corporation as President, Maya Philippines, Inc. and Pagasa Finance Corp. as Independent Director.

In the past, Ms. Pico was President and CEO of Land Bank of the Philippines from November 2006 to July 2016. She was Land Bank's Acting President from July 2005 to November 2006 and Trustee of Land Bank Countryside Development Fund from 2005 to 2015. She also served as Chairman/Director in various government and private institutions engaged in leasing, realty, insurance, guarantees, microfinancing, rural and development banking from 1985 to 2016 such as LBP Insurance Brokerage, Inc., LBP Leasing and Finance Corporation, Landbank Realty Corp., Masaganang Sakahan, Inc., National Livelihood Development Corporation, Peoples Credit and Finance Corporation, Philippine Crop Insurance Corporation, among others.

Ms. Pico obtained her Bachelor of Science Degree in Commerce in 1966 from the College of the Holy Spirit where she graduated Magna Cum Laude and earned units in Masters in Business Administration from the University of the East. Ms. Pico is a Certified Public Accountant.

MA. THERESA G. DELA ROSA, *Corporate Secretary*

Ms. Dela Rosa, Filipino, 57 years old, was appointed as Corporate Secretary on January 30, 2025.

At present, she is also the *Corporate Secretary* of the following companies: Cavite United Rural Bank, Corp., Asia United Leasing and Finance Corp., Asia United Fleet Management Services Inc., Seainsure Insurance Broker Inc., Shopeepay Philippines, Inc., Shopee Philippines Inc., Garena Philippines Inc., FasttrackSolutions Inc., FasttrackERP Solutions Inc., Scommerce Philippines Inc., Andaman Medical Philippines Corporation, Clinactis Inc., and TMDPH Inc.

Ms. Dela Rosa also serves as *Director* at May.Exports Phil. Inc., *Director and Corporate Secretary* at Qima Philippines Inc., Trumpf Philippines Inc., GlobalService Transport Corp. and Delfingen PH-Cavite Inc. and an *Independent Director* at Hitpay Payment Solutions, Inc.

She is currently a Partner at Gruba Caganda Advincula Melo & de la Fuente Law Offices.

She finished her Bachelor of Arts, Major in Behavioral Science at the University of Sto. Tomas and her Bachelor of Laws at San Beda College of Law in 1993 and was admitted to the Philippine Bar in 1994.

Executive Officers

JOHN HOWARD D. MEDINA, *Executive Vice President and Chief Operations Officer*

Mr. Medina, Filipino, 54 years old, joined PBCOM in 2017 and has over 26 years of experience in the banking industry as a senior executive in the Philippines and as an adviser to large banks in the United States. Mr. Medina obtained his Bachelor of Science in Industrial Engineering degree from the University of the Philippines, Diliman and Master of Business Administration degree from the Shidler College of Business at the University of Hawai'i at Manoa. He was also awarded Graduate Certificates in Leadership from The East–West Center, International Management from the Pacific Asian Management Institute, and European Management from the European Summer School for Advanced Management held in Marseilles, France.

ALAN E. ATIENZA, *Executive Vice President – Treasurer*

Mr. Atienza, Filipino, 53 years old, joined PBCOM in 2015 and has over 26 years of banking experience in Trading and Treasury Operations. He has been a recipient of numerous industry awards for Fixed Income Trading and has been a board member of Money Market Association of the Philippines (MART). Mr. Atienza obtained his Bachelor of Arts in Economics and holds a Master of Business Administration degree, both from San Sebastian College.

VICTOR O. MARTINEZ, *Executive Vice President – Corporate and Commercial Banking Group Head*

Mr. Martinez, Filipino, 59 years old, joined PBCOM in 2020 and has 31 years of experience in Corporate Lending, Loan Syndication and Project Finance across major industries gained from local and foreign banks. Mr. Martinez obtained his Bachelor of Science in Commerce major in Management of Financial Institutions from De La Salle University and holds a Master of Management degree from Willamette University, Salem Oregon.

ARLENE M. DATU, *Senior Vice President and Comptroller*

Ms. Datu, Filipino, 66 years old, joined PBCOM in 2013 and has over 43 years of banking experience gained from Local and Foreign Banks as well as a Credit Card Company. She has extensive exposure on Financial Accounting, Management Profitability Reporting and Analysis, Regulatory Compliance, Operations, Risk and Audit. Ms. Datu obtained her Bachelor of Science major in Accounting from Polytechnic University of the Philippines.

ERICO C. INDITA, *Senior Vice President – Branch Banking Group*

Mr. Indita, Filipino, 56 years old, joined PBCOM in 2020 and has over 30 years of extensive management and banking experience in Branch and Retail Banking. Mr. Indita, obtained his Bachelor of Science Degree in Commerce major in Management from San Beda College and holds a Master in Business Administration Degree from Ateneo De Manila University Graduate School of Business. He also has a Diploma in Strategic Negotiations from Asian Institute of Management.

EXPEDITO G. GARCIA, *Senior Vice President – Transaction Banking Group*

SVP Mr. Garcia, Filipino, 57 years old, joined PBCOM in 2015 with over 33 years of extensive Management and Banking experience, with the last 19 years spent in a senior supervisory role. He has strong background in Corporate Cash Management and Managing and Developing Electronic Banking Channels with exposure to both Corporate and Retail Markets. Mr. Garcia obtained both his Bachelor of Science in Industrial Management Engineering minor in Mechanical Engineering and Master's Degree in Business Administration from De La Salle University. He also holds a Certificate in International Cash Management from the Association of Corporate Treasurers, United Kingdom.

JANE LIM-LARAGAN, *Senior Vice President – General Services Group*

Atty. Laragan, Filipino, 57 years old, joined PBCOM in 2016 and has 21 years of experience in various departments: Legal, Human Resources, General Services, Compliance and Risk. Atty. Laragan obtained both her Bachelors Degree in Commerce Major in Economics, and Bachelors Degree in Law from the University of Santo Tomas.

MINA F. MARTINEZ, *Senior Vice President – Human Resources Group Head*

Ms. Martinez, Filipino, 62 years old, joined PBCOM in 2015 with 40 years of Human Resource Management

experience gained from the Construction, Manufacturing, Banking and Retail industries. She specializes in Policy Development and Documentation, Employee and Labor Relations, Workforce Planning, Performance Management, Training and Development. Ms. Martinez obtained her Bachelor of Arts in Mass Communications from Far Eastern University and completed all academic units for her Master of Business Administration from Colegio de San Juan de Letran, Manila.

GREG L. ROMERO, *Senior Vice President - Information Technology Group*

Mr. Romero, Filipino, 56 years old, joined PBCOM in 2023 and has over 37 years of Information and Communications Technology experience gained from Banking, Telecommunications, and Credit Card industries. He obtained his Bachelor of Science Degree in Mathematics major in Computer Science from Ateneo De Manila University.

DREDA TERESA D. MENDOZA*, First Vice President - Trust and Wealth Management Group*

Ms. Mendoza, Filipino, 52 years old, joined PBCOM in February, 2021. She brings with her 29 years of experience in Trust banking in the areas of operations, portfolio management and sales and marketing gained from her stints in both local and foreign owned Trust institutions. She is currently serving as Director in the Trust Officers Association of the Philippines (TOAP) and as Board of Trustee in the Trust Institute Foundation of the Philippines (TIFP). Ms. Mendoza obtained her Bachelor of Science in Business Administration major in Accounting, Cum Laude, at the Mindanao State University, Marawi City.

MAILENE V. MUNGCAL, *First Vice President* and Chief Audit Executive

Ms. Mungcal, Filipino, 44 years old, joined the Bank on the first working day of 2024, with more than 22 years of banking experience in auditing/internal audit. She obtained her Bachelor of Science in Accountancy from the University of Santo Tomas. She is a Certified Public Accountant.

RONALD PAUL D. SAN DIEGO, *First Vice President and Chief Risk Officer*

Mr. San Diego, Filipino, 38 years old, joined PBCOM in July of 2023 and has 12 years of experience in Credit and Operational Risk Management. Mr. San Diego obtained his Bachelor of Science in Statistics minor in Sociology from the University of the Philippines, Los Banos, Laguna. He has MBA Units from SMC-Ateneo Leadership and Management Development Program. He is also a a Certified Risk Analyst (CRA).

JO-ANNE R. LEGASPI*, First Vice President - Legal Services Group*

Atty. Legaspi, Filipino, 45 years old, joined PBCOM in 2020 and has over 19 years of Legal experience in Banking, Retail, Service, Real Estate, and Manufacturing industries. Atty. Legaspi obtained her Bachelor of Arts Degree in Political Science from the Ateneo de Manila University, and Juris Doctor Degree from the Ateneo de Manila University School of Law.

ANGELITA U. EGALIN, *Vice President and Chief Compliance Officer*

Ms. Egalin, Filipino, 59 years old, joined PBCOM in 1988 with over 31 years' experience in banking. Fields of specialization include Compliance, Governance, AML, Branch Banking and Loan Operations. Ms. Egalin obtained her Bachelor of Science in Business Administration major in Accounting from the University of East. She is also a Certified Public Accountant (CPA).

JANE K GOCUAN, *Executive Vice President Chief Strategy and Implementation Officer*

Ms. Gocuan, Filipino, 53 years old, joined PBCOM in February 2024. Jane has over 31 years of broad experience in the banking industry covering branch and retail banking, priority banking and investments,

treasury, lending and brand recognition building honed by holding various roles in foreign, government and private local banks. Ms. Gocuan obtained her Masters and Bachelor's Degree (Magna Cum Laude) from the University of the Philippines Cebu. She also holds an International Investment Advice Certificate from the Securities Institute of London.

The directors of the bank are elected at the annual stockholder's meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Directorship in Other Reporting Companies

- Mr. Eric O. Recto is also a Director of Atok-Big Wedge Co. Inc., Aboitiz Power Corporation, Manila Water Company, Inc., PH Resorts Group Holdings, Inc. and DITO CME Holdings Corp.
- Mr. Leonardo B. Dayao is also a Director of Puregold Price Club, Inc. and Cosco Capital, Inc.
- Mr. Lucio L. Co is also a Director of Puregold Price Club, Inc., Cosco Capital, Inc., and The Keepers Holdings, Inc. (formerly Da Vinci Capital Holdings, Inc)
- Ms. Susan P. Co is also a Director of Puregold Price Club, Inc. and Cosco Capital, Inc.
- Mr. Levi B. Labra is also a Director of Cosco Capital, Inc.
- Mr. Gregorio T. Yu is also a Director of Vantage Equities, Inc.
- Mr. Jack Ekian T. Huang is also a Director of Puregold Price Club, Inc.
- Mr. Stephen Anthony T. CuUnjieng is also a Director of First Philippine Holdings Corporation, Century Properties Group, Century Pacific Food Inc., and Greenergy Holdings Inc.
- Mr. Hans Brinker M. Sicat is also a Director of Arthaland Corporation

Shares of Atok-Big Wedge Co., Inc. (AB), Aboitiz Power Corporation (AP), Manila Water Company (MWC), Puregold Price Club, Inc. (PGOLD), Cosco Capital, Inc. (COSCO), Keepers Holdings, Inc. (KEEPR) (formerly Da Vinci Capital Holdings, Inc.), Vantage Equities, Inc. (V), First Philippine Holdings Corporation (FPH), Century Properties Group (CPG), Century Pacific Food Inc. (CNPF) and Greenenergy Holdings, Inc..(Green) are all listed in the Philippine Stock Exchange, Inc.

(2) Significant Employees

There is none to disclose. The Bank currently does not employ any person who is not an executive officer but makes a significant contribution to the business.

(3) Family Relationships

Mr. Lucio L. Co and Ms. Susan P. Co are husband and wife. Ms. Katrina Marie Co-Go, Assistant to the Excom Chairman, is the daughter of Mr. and Mrs. Lucio Co. Other than the foregoing, the persons nominated or chosen by the Bank to become directors or executive officers are not related to each other up to the fourth civil degree either by consanguinity or affinity.

(4) Involvement in Legal Proceedings

To the best of the knowledge of management, the Bank is not aware of:

- any bankruptcy petition filed by or against any business of which they are incumbent directors or senior officers was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or executive officers;
- 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 the involvement of the incumbent directors or executive officers in any type of business, securities, commodities or banking activities; and

- any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization that any of the incumbent directors or executive officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated, which may have a material effect in the operations and deter, bar or impede the fulfillment of his/ her duties as a director or executive officer of the Bank.

Item 10. Executive Compensation

Compensation of Directors and Executive Officers

Since the Bank obtained an exemption from the SEC to disclose the required detailed compensation information, disclosure of aggregate compensation paid or accrued during the last three fiscal years 2022 to 2024 of the Bank's Chief Executive Officer and four other most highly compensated executive officers are as follows:

	2024	2023	2022
CEO and four most highly compensated Executive officers	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Executive Vice President	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Executive Vice President	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Senior Vice President
Salary	₱66,955	₱66,475	₱64,465
Bonus	22,318	22,158	21,488
Other Annual Compensation			
TOTAL	₱89,273	₱88,633	₱85,953

All officers and directors as Group Unnamed			
Salary	₱814,548	₱758,496	₱648,154
Bonus	271,516	252,832	216,051
Other Annual Compensation	-	-	-
TOTAL	₱1,086,064	₱1,011,328	₱864,205

The following is the estimated annual compensation for year 2025:

	Salary	Bonus	Other Annual Compensation	Total
Total of CEO and Four most highly compensated Executive Officers	₱70,303	23,434	none	₱93,737

All officers as a group unnamed	₱866,647	285,092	none	₱1,151,739

The director's per diem paid amounted to ₱12.85 Million, ₱12.26 Million, and ₱12.91 Million, as of December 31, 2024, 2023, and 2022, respectively.

The five (5) Independent and four (4) other regular Directors are entitled to a Director's fee for attending Board meetings. The remaining six (6) Directors have waived their right to receive Director's fees. As stipulated in the By-laws, Directors are also entitled to share in the net profits to be distributed in such manner as the Board may provide but not exceeding four (4) percent.

There are no other terms and conditions with regard to the employment contract between PBCOM and named Executive Officers or any other more compensatory plans or arrangements except those disclosed above.

There are no Outstanding Warrants or Options held by the Directors and Officers as of December 31, 2024.

The Bank has no record of adjusting or amending the exercise price of stock warrants previously awarded to any of the officers and directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. Security Ownership of Certain Record and Beneficial Owners of more than 5 percent of the Bank's capital stock as of December 31, 2024:

Title of Class	Name and Address of Record Owner and relationship with Issuer	Name of Beneficial Ownership and relationship with Record Owner	Citizenship	No. of Shares	% Held
Common	P.G. Holdings, Inc. 900 Romualdez St., Paco, Manila Stockholder	Lucio L. Co-Chairman Susan P. Co-Director	Filipino	186,241,408	38.75%
Common	VFC Land Resources, Inc. 1379 San Gregorio St., Paco, Manila Stockholder	Various stockholders Lucio L. Co – Authorized to vote the shares	Filipino	88,883,602	18.49%
Common	Ralph C. Nubla, Jr. 2 Sanso Street, Corinthian Gardens, Quezon City Stockholder	Ralph C. Nubla, Jr. – same as record owner	Filipino	51,779,374*	10.77%
Common	PCD Nominee Corporation 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders	Filipino Non-Filipino	49,191,524 1,994,501 51,186,025	10.65%
Common	Eric O. Recto 5/F PBCOM Tower 6795 Ayala Ave. cor. V.A. Rufino St., Makati City Stockholder	Eric O. Recto – same as record owner	Filipino	50,159,424**	10.44%
Common	Telengtan Brothers & Sons, Inc. Km. 14, South Superhighway, Paranaque City Stockholder	Various stockholders Authorized to vote the shares-any one the ff: Bunsit Carlos G. Chung/Felix Chung/Ching Tiong Keng	Filipino	31,859,844	6.63%

**5,260,338 shares of the 51,779,374 shares of Ralph C. Nubla, Jr. are under PCD Nominee Corporation*
***323,648 shares of the 50,159,424 shares of Eric O. Recto are under PCD Nominee Corporation*

B. Security Ownership of Management as of December 31, 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent
Common	*Eric O. Recto*	*Direct*	*50,159,424*	*Filipino*	*10.44%*
Common	*Leonardo B. Dayao*	*Direct*	*11,001*	*Filipino*	*0.00%*
Common	*Patricia May T. Siy*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Bunsit Carlos G. Chung*	*Direct*	*550,716*	*Filipino*	*0.11%*
		Indirect	*449,294*		*0.09%*
Common	*Lucio L. Co*	*Direct*	*1*	*Filipino*	*0.00%*
		Indirect	*93,120,704*		*19.37%*
Common	*Susan P. Co*	*Direct*	*1*	*Filipino*	*0.00%*
		Indirect	*93,027,584*		*19.35%*
Common	*Levi B. Labra*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Gregorio T. Yu*	*Direct*	*1,432,692*	*Filipino*	*0.30%*
Common	*Jack E. Huang*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Stephen Anthony T. CuUnjieng*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Conrado A. Gloria, Jr.*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Teresita J. Herbosa*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Paolo Benigno A. Aquino IV*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Gilda E. Pico*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Hans Brinker M. Sicat*	*Direct*	*100*	*Filipino*	*0.00%*

C. Voting Trust Holders of 5% or more

There are no voting trust agreements or any other agreements/arrangements that may result in a change in control of the Company.

Item 12. Certain Relationships and Related 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. The Bank's transactions with related parties include key management personnel, affiliates (i.e. entities which are controlled), significantly influenced by or for which significant voting power is held by the Bank or key management personnel or their close family members and retirement plan for the benefit of the Bank's employee). These transactions are made in the ordinary course of business and on substantially same terms as that of other parties.

The Bank's related party transactions below are also presented and discussed in detail in the Audited Financial Statements.

Related Party	Transaction with the Bank
Post-retirement Plan	The Bank's Retirement Board approves the investment made in the retirement plan. Trust fee income from such service and total deposits maintained with the Bank in 2024 amounted to ₱2.76 Million and ₱46.76 Million, respectively, while interest expenses paid by the Bank to the deposits was ₱1.12 Million.
Provident Fund	Outstanding deposit and interest paid by the Bank as of year-end were ₱ 29.24 Million and ₱1.01 Million, respectively, while trust fees earned from such service amounted to ₱2.19 Million.
Key Management Personnel	Senior Management Team constitutes key management personnel for purposes of PAS 24. Short-term benefits and post-employment benefits

	given to SMT in 2024 amounted to ₱178.87 Million and ₱10.42 Million, respectively. The year-end balance of deposits and interest expenses paid by the Bank amounted to ₱51.65 Million and ₱2.25 Million, respectively.
Affiliate	The year-end balance of deposits and interest expenses incurred by the Bank amounted to ₱8.90 Million and ₱1.22 Million, respectively. Rental income earned for the year is ₱0.21 Million.
Significant Investors	The year-end balance of deposits and interest expenses incurred by the Bank amounted to ₱7.63 Billion and ₱205.89 Million, respectively. Rent and interest expense were ₱24.88 Million and ₱2.90 Million, respectively. Outstanding balance on loans and receivables is ₱467.94 Million.

As required by BSP, the Bank discloses loans transactions with certain directors, officers, shareholders and their related interests ("DOSRI") in the ordinary course of business, under commercial terms and on an arm's length basis observing at all times the legal limits prescribed under current BSP regulations on DOSRI loans. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of their respective deposits and book value of their respective investments in the Bank. In the aggregate, loans to DOSRI generally should not exceed the lower of the Bank's total unimpaired capital or 15% of the total loan portfolio. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations. As of December 31, 2024 the Bank is in compliance with such regulations.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

PBCOM Board of Directors and Management, employees and shareholders, believe that Corporate Governance is a necessary component of what constitutes sound strategic business management. Thus, the Bank has undertaken every effort necessary to create awareness for this within the organization. All Directors and Senior Management are required to attend its annual continuing education program on Corporate Governance and Risk Awareness. The Board, Senior Management and all employees conduct themselves with utmost honesty and integrity in the discharge of their duties, functions and responsibilities, thus nurturing the continuing success of the Bank and securing its competitiveness in the best interest of the Bank, its shareholders and other stakeholders. Bank Officers promote the good governance practices within the Bank by ensuring that policies on governance are consistently adopted across the organization, with measurable standards, initiatives and specific responsibilities and accountabilities for each personnel.

Consistent with the global practices of good Corporate Governance, the Bank's overriding commitment to a culture of good governance is seen through the following underlying principles:

1. It is the Bank's objective to enhance shareholders' value by making the most efficient use of resources. Its human capital strategy is one of its vital focus areas, as it is a principal indicator for the company's success.
2. The Board of Directors constitutes Board Committee namely Governance, Audit, Risk Oversight and Related Party Transactions Committees which are all chaired by Independent Directors and composed of majority of Independent Directors, all of whom have a good understanding of the business.
3. The Governance Committee is responsible for ensuring the Board's effectiveness and due observance of Corporate Governance principles and guidelines. They assist the Board of Directors in fulfilling its corporate governance responsibilities.
4. The Governance Committee, through its Nominations Sub-Committee, ensures the quality of its leadership, consistent with its "fit and proper" rule when selecting its Directors and Senior Management Team, while the Performance Evaluation Sub-Committee, recommends and oversees the implementation of a Performance Management Process for Senior Management and

the Members of the Board, review performance vis-a-vis agreed upon objectives, evaluate progress made with respect to Senior Management Directors Development plans, monitor changes in professional affiliations, personal status even health, which could have qualifications, resignation and succession implications.

5. Transparency in its Annual Reports is ensured and reflects true and fair accounting information prepared in accordance with applicable standards; disclose and discuss all material risks; and disclose and explain the rationale for all material estimates. Disclosures are all completed in a timely manner.
6. To ensure that all act in the best interest of the Bank, full disclosure by its Directors, Officers and Employees on any actual or expected conflict of interest is required
7. The Bank's Corporate Governance Manual, Code of Ethics and Code of Conduct clearly states Management's philosophy and compliance standards.

Annually, the Bank through the Governance Committee reviews the Corporate Governance Manual and recommends changes/amendments/revisions for the approval of the Board of Directors when and where necessary.

In addition, to promote a strong governance culture and transparency, the Bank's compliance with the Code of Corporate Governance are disclosed in the Integrated Annual Corporate Governance Report.

PART V - EXHIBITS AND SCHEDULES

Item14. Exhibits and Reports on SEC Form 17-C

1. Exhibits – None

2. Reports on SEC Form 17 – C (2024)

Date	Particulars
November 05, 2024	Bonds Listing
October 18, 2024	Shortened Offer Period for Maiden Peso Bond Issue)
October 14, 2024	Bond Offer
June 11, 2024	Results of 2024 Annual and Organizational Meetings
April 12, 2024	List of Stockholders
March 20, 2024	Notice of Annual Stockholders' Meeting
March 20, 2024	Establishment of 2024 Bank Bond Program
January 31, 2024	Appointment of Mr. Paolo Benigno A. Aquino IV as Director and Member of the Audit Committee; Designation of Dir. Herbosa as Chairperson of the Audit Committee; and Appointment of Ms. Jane Gocuan as Chief Strategy and Implementation Officer
January 03, 2024	Directors' Attendance to Board Meetings for Year 2023

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 City of Makati on _____.

By:

PATRICIA MAY T. SIY
President and Chief Executive Officer
(Principal Executive Officer)

ARLENE M. DATU
SVP and Comptroller
(Comptroller & Principal Accounting Officer)

ALAN E. ATIENZA
EVP and Treasurer

MA. THERESA G. DELA ROSA
Corporate Secretary

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

SUBSCRIBED AND SWORN to before me this APR 1 1 2025, affiants exhibiting to me their SSS and Passport Number, as follows:

Name	
Patricia May T. Siy	SSS # 03-7309995-5
Alan E. Atienza	SSS # 33-3597567-4
Arlene M. Datu	SSS # 03-5663345-1
Ma. Theresa G. Dela Rosa	Passport No. P7862192B

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Doc No. 224
Page No. 46
Book No. XXVI
Series of 2025

PHILIPPINE BANK OF COMMUNICATIONS
BRANCHES' SITES - OWNED AND LEASED
AS OF DECEMBER 31, 2024

ANNEX A

No.	BRANCH	BRANCH ADDRESS		LEASE TERMS	
			OWNED / LEASED	MONTHLY RENTAL (OFFICE + PARKING + OTHER CHARGES)	EXPIRY DATE
A. BANK-OWNED PROPERTIES UTILIZED AS BRANCHES					
1	Binondo Banking Center	214-216 Juan Luna Street, Binondo, Manila	owned		
2	Cagayan de Oro	2/F PBCOM Bldg. Hayes St. cor. Tiano Bros. St. Cagayan	owned		
		3/F PBCOM Bldg. Hayes St. cor. Tiano Bros. St. Cagayan	owned		
3	Cebu-Magallanes	Magallanes near corner Manalili Street, Cebu City	owned		
4	Cebu-Mandaue	National Highway corner L. Jayme Street, Mandaue, Ceb	owned		
5	Cebu-Mango	General Maxillom Mango Avenue, Cebu City	owned		
6	Davao-Monteverde	42 Monteverde Avenue, Davao City	owned		
7	Davao-Quirino	111 E. Quirino Avenue, Davao City Davao Del Sur	owned		
8	General Santos	Santiago Boulevard, General Santos City	owned		
9	Iloilo	Ledesma corner Valeria Street, Iloilo City	owned		
10	Koronadal	General Santos Drive, Koronadal, South Cotabato	owned		
11	Makati Banking Center	PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino St	owned		
12	Marikina	36 J.P. Rizal Street, Calumpang, Marikina City	owned		
13	Meralco Avenue	C-1 Horizon Condominium, Meralco Avenue, Pasig City	owned		
14	Tagum	Pioneer Avenue, Tagum, Davao Del Norte	owned		
15	U.N. Avenue	G/F, Unit 101 & 102, Don Alfonso Sycip Condominium, 1	owned		
B. LEASED PROPERTIES UTILIZED AS BRANCHES					
1	Angeles	G/F MLT Centre Building, Lot 28 Block 2, McArthur Highv	leased	111,695.63	15-Aug-25
2	Annapolis	Unit 101 Victoria Plaza Condominium, 41 Annapolis Stre	leased	289,917.07	15-Apr-27
3	Ayala-Alabang	Unit 101-A Coherco Financial Tower (formerly ALPAP II E	leased	279,482.82	31-Jan-26
4	Bacolod	Units A-E, Sorrento Building, Lacson Street, Bacolod City	leased	177,446.53	28-Feb-29
5	Baguio	GF Unit 105, 106 & 106-B Baguio Holiday Villas, 10 Legar	leased	212,334.25	30-Nov-25
6	Baliuag	NE Super Bodega, Dona Remedios Trinidad Highway, Ba	leased	46,391.69	22-Sep-27
7	Banawe	G/F 2 Benby Building, Banawe Street, Quezon City	leased	125,077.21	22-Nov-24
8	Batangas	Diego Silang Street, Batangas City, Batangas	leased	100,000.00	31-Jan-25
9	BMA	64 Web-Jet Building. Quezon Avenue BMA Street, Brgy.	leased	109,689.37	30-Nov-28
10	Cabanatuan	G/F SAM Building, Along Maharlika Highway, Cabanatua	leased	63,000.00	31-Jan-29
11	Cainta	LG/F 04 & LG/F 05, CK Square Building, Ortigas Avenue E	leased	85,440.79	17-Oct-26
12	Calamba	G/F Walter Mart, National Highway corner Real Street, C	leased	79,027.20	31-Dec-27
13	Caloocan Br	298 Rizal Avenue Extension, Between 5th and 6th Avenu	leased	201,600.00	9-Sep-28
14	Cauayan	Mateo-Patricia Building, along Rizal Avenue Extension, C	leased	82,687.56	31-May-25
15	Cebu Business Park	Unit 1, G/F, Creativo 2 Building, Mindanao Avenue, Cebu	leased	146,714.10	20-Jun-26
16	Cebu Lapu-Lapu	G/F Unit 11 Alpha Arcade Bldg., M.L. Quezon Ave. Natio	leased	31,599.29	31-Jul-25
17	Congressional	LC & Sons Building 10 Congressional Avenue, Barangay E	leased	113,118.22	30-Apr-28
18	Corinthian Gardens	Sanso St., Corinthian Gardens, Quezon City	leased	Leasehold Rights of P12 Million	30-Sep-31
19	Cubao	2/F, The SPARK Place, P. Tuazon corner 10th Avenue, Cu	leased	168,817.37	31-Aug-25
20	Dagupan	Balingit Building, M.H. Del Pilar Street, Dagupan City, Pa	leased	108,882.77	15-May-27
21	Dasmariñas	EVY Building, Molino-Paliparan Road Salawag, Dasmariñ	leased	106,592.64	31-Oct-25
22	Davao-Buhangin	G/F, RAQ Building, J.P. Laurel Avenue Bajada, Davao City	leased	64,680.00	30-Apr-26
23	Divisoria Mall	3/F Divisoria Mall, Tondo, Manila	leased	134,865.55	2-Jul-26
24	Elcano	SHC Tower, 613 Elcano Street, San Nicolas, Manila	leased	191,809.24	28-Feb-27
25	Menarco Tower (formerly	G/F, F1 Hotel Building Lane A cor. Lane Q, Bonifacio Glob	leased	275,302.22	29-Feb-28
26	Greenhills	Quadstar Building, Ortigas Avenue, Greenhills San Juan (	leased	259,440.74	31-Mar-26
27	Iligan	G/F M. Commercial Building, Zone 3, National Highway,	leased	102,090.44	18-Jul-29
28	Imus	P. Nueño Street, corner Gaerlan Street, Imus, Cavite	leased	94,080.00	30-Jun-26
29	Inoza Tower	G/F Inoza Tower, 40th Street, North Bonifacio Global Cit	leased	368,757.46	6-Jul-27
30	Intramuros	Casa Villablanca, Cabildo Street corner Beatirio Street, In	leased	115,192.00	31-Mar-26
31	J.P. Rizal	G/F, Santini Corporation Bldg., No. 519 J.P. Rizal Ave., Br	leased	181,226.38	31-Aug-25
32	La Union	G/F, CJ Arch Building, Quezon Avenue, San Fernando Cit	leased	94,080.00	31-Jan-25
33	Las Piñas	2012 Marcos Alvarez Avenue, Talon Singko, Las Pinas Cit	leased	61,016.40	7-Jan-27
34	Legaspi Village	G/F, Vernida 1 Condominium, 120 Amorsolo St., Legaspi	leased	88,266.34	31-Jul-26
35	Legazpi City	G/F Delos Santos Commercial Building, Landco Business	leased	188,835.83	9-Aug-27
36	Lipa	G/F, ATDRMAM Laguna Corporation Building, Ayala High	leased	123,825.43	31-Jan-26
37	Lucena	G/F, VCII Building, Merchan Street, Lucena City, Quezon	leased	113,136.90	15-Nov-28
38	M. De Santos	G/F LCCK Bldg., M. De Santos St., cor. Tabora St., Divisor	leased	307,310.74	31-Mar-25
39	Makati Place	G/F Unit C-15, Alphaland Makati Place, Ayala Avenue co	leased	167,346.58	30-Nov-25
40	Malabon	Building L, No.34 Governor Pascual Avenue Corner Ibarr	leased	101,722.82	24-Jun-29
41	Malolos	Malolos Shopping Arcade, Paseo Del Congreso, Baranga	leased	126,416.31	15-Aug-26
42	Masangkay	1004-1006 G. Masangkay Street, Binondo, Manila	leased	180,000.00	30-Sep-27
43	Meycauayan	Mancon Building, McArthur Highway, Barrio Calvario, M	leased	97,362.89	15-Apr-26

A. BANK-OWNED PROPERTIES UTILIZED AS BRANCHES					
1	Binondo Banking Center	214-216 Juan Luna Street, Binondo, Manila	owned		
44	Naga	G/F Rodriguez Building, 956 Panganiban Street, Corner B	leased	97,362.89	28-Feb-26
45	Olongapo	GF, YBC Centre Mall, Rizal Avenue Extension, Olongapo (	leased	157,347.12	30-Sep-25
46	Ongpin	729 Ongpin Street corner S. Padilla Street, Sta. Cruz, Ma	leased	169,078.65	31-Dec-26
47	Ormoc	Unit 105, G/F L&R Building, Bonifacio Street, District 18,	leased	83,907.60	25-Jul-28
48	Padre Rada	G/F, 951 Juan Luna Street, Tondo, Manila	leased	142,191.20	14-Jul-25
49	Parañaque	Stall Nos. 3 & 4 Kingsland Building, Dr. A. Santos Avenue	leased	161,401.23	31-May-27
50	Pasay	2492 Taft Avenue Extension, Pasay City	leased	136,122.00	31-Oct-26
51	Pioneer	G/F, RFM Corp. Center, Pioneer corner Sheridan Street,	leased	215,422.28	13-May-26
52	Quezon Avenue	APC Bldg., 1186 Quezon Ave., Quezon City	leased	285,862.08	30-Sep-26
53	S&R Commonwealth	Unit 4 G/F S&R Membership Shopping, Inc., Commonwe	leased	145,069.93	15-Dec-26
54	S&R Dau	G/F Unit 2, S&R Membership Shopping Dau, NLEX Acces	leased	108,632.53	15-Mar-25
55	S&R Libis	Unit 1, S&R Membership Shopping – Libis Branch, E. Roc	leased	100,413.50	5-Sep-25
56	San Fernando	Pampanga - McArthur Highway, Dolores, San Fernando (	leased	170,032.85	31-Mar-27
57	San Miguel Ave	G/F, 101 One Magnificent Mile (OMM) Citra Condominiu	leased	191,798.87	31-Jul-25
58	San Pablo	65 Rizal Aveue, Poblacion, San Pablo, Laguna	leased	55,594.90	30-Apr-26
59	Puregold San Pedro	Puregold San Pedro, National Highway corner Magsaysa	leased	55,932.69	31-Jan-25
60	Sen. Gil J. Puyat Avenue	G/F, Oppen Building, 349 Sen. Gil Puyat Avenue, Makati	leased	275,693.59	14-Jul-25
61	Shaw Blvd.	146 Shaw Blvd. cor. San Roque St., Pasig City	leased	83,641.95	15-Nov-27
62	Soler	G/F, R and S Tower, 943 Soler Street, Binondo, Manila	leased	120,960.00	31-May-25
63	Southgate Mall	3/F, Alphaland Southgate Mall 2258 Chino Roces Street	leased	185,473.69	18-Dec-25
64	Sta. Mesa	440-A G. Araneta Avenue corner Bayani Street, Sta. Mes	leased	99,031.57	31-Jul-35
65	Sta. Rosa	Unit No. 2, Paseo 5, Phase 2 Paseo de Sta. Rosa Greenfie	leased	230,637.65	31-Mar-26
66	Sto. Cristo	565-567 Sto. Cristo Street, Binondo, Manila	leased	99,225.00	14-Sep-26
67	T. Alonzo	G/F, Tan Kiang Building, 665 T. Alonzo Street, Sta. Cruz, I	leased	332,805.62	10-Sep-25
68	Tacloban	Imelda Veteranos Street, Barangay 23, Tacloban City	leased	84,680.27	5-Mar-25
69	Tagbilaran	G/F LTS Building, No. 20 Carlos P. Garcia Avenue, Tagbila	leased	67,200.00	31-Jul-25
70	Timog	G/F, Gil-Preciosa Building 2, No. 75 Timog Avenue, Quez	leased	178,161.51	15-Jul-29
71	Tutuban	Unit No. PL-LS07 & PL-LS08 Tutuban Center Prime Block	leased	Leasehold Rights of P9.92	22-Aug-39
72	Valenzuela	246 McArthur Highway, Karuhatan, Valenzuela City	leased	56,448.00	16-Apr-27
73	Wilson	G/F Unit 1B 186 Wilson Street, San Juan City	leased	84,720.10	14-Oct-25
74	Zamboanga-Valderosa	G/F, Interco Building, N. S. Valderrosa Street, Zamboang	leased	143,219.05	30-Apr-25
75	Zamboanga-Veterans	BSC Tower (formerly Zamsulu Bldg.), G/F, Door 5-7, Vete	leased	130,016.08	30-Sep-29
LIST OF BRANCHES LITES/ POP-UPS					
1	POP-UP PG Paso De Blas	2/F VFC Mall, Puregold Paso de Blas, Paso de Blas cor. G	leased	34,282.00	19-Jun-26
2	POP-UP PG Taguig	G/F Puregold Taguig, Gen. A. Luna St. cor. Col. P. Cruz., E	leased	41,065.71	31-Oct-27
3	POP-UP PG Valenzuela	G/F Puregold Valenzuela, 419 Manila North Road (Mc A	leased	22,400.00	31-Oct-25
4	POP-UP NE Pacific Mall	2/F VFC MalG/F NE Pacific Mall, Km.11, Maharlika Hi-	leased	60,876.69	22-Jan-26

SECURITIES AND EXCHANGE COMMISSION
THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City
1209 Trunk Line No:02-5322-7696 Email Us:www.sec.gov.ph/imessagemo@sec.gov.ph

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Company Information

SEC Registration No.: PW00000686
Company Name: Philippine Bank of Communications
Industry Classification: K642
Company Type: Stock Corporation

Document Information

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Acceptance of this document is subject to review of forms and contents

SEC Number **PW-686**
Company TIN **000-263-340**

PHILIPPINE BANK OF COMMUNICATIONS
(Company's Full Name)

PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino Street, Makati City
(Company's Address: No. Street City/Town/Province)

8830-7000
(Company's Telephone Number)

December 31
(Fiscal Year Ending)
(Month & Day)

3rd Tuesday of June
Annual Meeting

SEC Form 17-A
(Annual Report Pursuant to Section 17 of the Securities Regulation Code
And Section 141 of the Corporation Code)
(FORM TYPE)

N/A
Amendment Designation (If Applicable)

None
(Secondary License Type, if any)

Atty. Ma. Theresa G. Dela Rosa	164-735-305	03/08/1968
(Company Representative)	(TIN)	(Birth Date)

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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 THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended . December 31, 2024 .

2. SEC Identification Number. PW-686 . 3. BIR Tax Identification No. 000-263-340

4. Exact name of issuer as specified in its charter. Philippine Bank of Communications .

5. Philippines
Province, country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

PBCOM Tower, 6795 Ayala Avenue cor. V.A. Rufino Street, Makati City 1226 .
7. Address of principal office Postal Code

. (632) 8830-7000 .
8. Issuer's telephone number, including area code

. N/A .
9. Former name, former address and former fiscal year, if changed since last report

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
. Common	480,645,163 shares .

.

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

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

. Philippine Stock Exchange . . Common Stock .

12. Check whether the issuer:

    (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

        Yes [/] No [ ]

    (b) has been subject to such filing requirements for the past ninety (90) days.

        Yes [/] No [ ]

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

Non-affiliated shares	-	152,916,124
Closing price as of March 25, 2025	-	₱16.98
Aggregate market value of voting stock	-	₱ 2,596,515,785

PART I - BUSINESS AND GENERAL INFORMATION

Item 1. The Company

Philippine Bank of Communications ("PBCOM" or the "Bank") was incorporated on August 23, 1939, as one of the earliest non-American foreign banks in the Philippines. It received its commercial banking license from the Bureau of Banking under the Department of Finance of the Philippine Commonwealth and commenced operations on September 4, 1939, with an initial capitalization of ₱2 million.

The Bank's operations were temporarily interrupted during World War II, but through the infusion of fresh capital, it resumed its banking activities in 1945. Throughout its early years, PBCOM played a vital role in the country's banking sector, helping businesses and individuals manage their finances through traditional banking services.

In 1974, PBCOM transitioned to full Filipino ownership when a group of industrialists led by Ralph Nubla Sr. acquired a majority stake in the Bank. This acquisition paved the way for the Bank's continued expansion and its focus on catering to both corporate and retail banking clients.

Banking Licenses & Regulatory Approvals

PBCOM has continuously evolved its banking services in response to regulatory developments and market opportunities:

- August 24, 1961 – The Bank was granted a Trust License, enabling it to provide fiduciary and investment services.
- December 14, 1981 – It became a registered government securities dealer, allowing it to participate in the trading of government bonds and other related securities.
- December 24, 1993 – PBCOM obtained a license from the Bangko Sentral ng Pilipinas (BSP) to operate as an expanded commercial bank, broadening its range of financial services, including foreign currency deposit units and investment banking.
- March 31, 2000 – To realign its business strategy and focus on its core strengths, the Bank applied for and received approval from the Monetary Board of the BSP to convert its expanded commercial banking license into a regular commercial banking license.
- December 1, 2022 – After fulfilling all regulatory requirements, PBCOM received its Certificate of Authority from BSP to operate as a Universal Bank, allowing it to engage in a wider range of financial activities, including investment banking and expanded corporate lending.

Capital Structure Changes & Ownership Transitions

Over the years, PBCOM underwent multiple capital restructuring initiatives and ownership transitions to strengthen its financial position and support its growth strategy:

- December 2011 – The ISM Communications Group acquired a controlling interest in the Bank through a ₱2.8 billion investment by the Chung and Nubla Groups. This transaction facilitated further capital infusion and expansion plans.
- March 8, 2013 – The Securities and Exchange Commission (SEC) approved PBCOM's quasi-reorganization and capital stock increase, which included:
    - The reclassification of 120 million preferred shares to common shares.
    - A reduction in par value from ₱100 to ₱25 per share.
    - An increase in authorized capital stock to ₱19 billion, divided into 760 million common shares.
- March 26, 2014 – The Bank successfully exited the 10-year Financial Assistance Agreement with the Philippine Deposit Insurance Corporation (PDIC) by fully settling a ₱7.6 billion loan.

- September 23, 2014 – BSP approved P.G. Holdings Inc. (PGH)'s ₱5.98 billion investment in newly issued PBCOM shares.
- October 1, 2014 – VFC Land Resources Inc. (VFC) acquired 59.24 million shares from ISM Group, increasing its stake in the Bank.
- 2015-2024 – PGH and VFC continued acquiring additional shares, leading to the Co Family's total stake in PBCOM reaching 57.24% as of December 31, 2024.

Strategic Transactions & Business Expansion

To streamline operations and focus on its core banking activities, PBCOM has undertaken several strategic initiatives:

- July 29, 2019 – The Bank divested its stake in PBCOM Rural Bank, Inc., consolidating its resources at the parent level to enhance operational efficiency.
- January 20, 2022 – BSP approved PBCOM's application to upgrade to a Universal Bank, allowing it to offer a broader range of financial services.
- March 15, 2022 – The Board of Directors approved amendments to the Articles of Incorporation to:
    - Change PBCOM's primary purpose from Commercial Bank to Universal Bank.
    - Extend its corporate term from 50 years to perpetual.
- May 3, 2024 – PBCOM completed the dissolution and liquidation of PBCOM Insurance Services Agency, Inc. (PISAI). The subsidiary settled all its liabilities and liquidated its remaining assets, ceasing its operations and consolidation in the Bank's financial statements.
- November 4, 2024 – PBCOM raised ₱7.7 billion from its maiden issuance of Peso Fixed Rate Bond listed in the Philippine Dealing & Exchange Corp. (PDEx). The series A bond which have a tenor of one-and-a-half years and a fixed interest rate of 6.0796% represents the first tranche under PBCom's ₱15 Billion Peso Bond Program.

Business of Registrant

PBCOM offers a wide range of products and services to clients. These includes basic universal banking services such as deposit products, credit and loan facilities, trade-related services, treasury and foreign exchange trading, cash management services and Trust and Investment Management services.

Deposit products and services include peso, dollar and third currency savings, checking and time deposit accounts, ATM accounts, foreign and domestic remittance services, cash management services namely deposit pick-up and cash delivery, payroll and check-writing services. Ancillary services such as safety deposit boxes and manager's checks, demand drafts, acceptance of tax and SSS payments are also available, these products and services are offered to both individuals and corporate clients.

Credit and loan facilities include working capital financing, post-dated check discounting, specialized lending programs such as contract-to-sell financing, and Micro-Finance. Other credit-related products include home, auto, and personal loans, as well as trade financing,

Trade-related services include import LCs, standby LCs, credit bank guaranty, and shipside bond, export LC advising, export packing credits & export bills negotiation and collections, trade financing of receivables and payables, domestic LCs, and trust receipt financing. These services are financing facilities offered to importers and exporters.

Treasury products include dealerships and brokering of government securities and commercial papers, both domestic and international, deposit substitutes like promissory notes and repurchase agreements, foreign exchange proprietary trading, and commercial client servicing.

Trust services include investment management services, personal trust funds, escrow agency services,

employee benefit trust services, and estate planning.

Contribution to Operating Income
As of December 31, 2024, the contribution to Operating Income is broken down as follows: (1) 75.08% is derived from net interest income, which includes interest income from lending, investment securities, and others receivables less interest expense and finance charges (2) 24.92% is from non-interest income consisting of trading gains, service charges, fees and commissions, income from trust operations, profit/loss from asset sold, foreign exchange gain/loss, rental income and miscellaneous income.

The Bank does not maintain any branch or sales office abroad. Hence, all revenues are generated domestically.

Distribution Methods of Products and Services
As of December 31, 2024, the Parent Bank's liability and ancillary products and services are distributed primarily through its 95 branches, 4 of which are in Pop-Up formats situated in selected Puregold stores.

PBCOM clients may also conduct their transaction in various channels such as the 171 automated teller machines deployed in strategic branch sites and in 76 off-site locations. In addition, the Bank has also deployed 102 Cash Deposit Machines across various sites to help service the deposit transactions of its clients.

The Bank has likewise expanded its digital presence through its Digital-Only Bank which BSP approved last December 11, 2019, this will complement the existing Internet and Mobile Banking facilities of the bank launched last June 21, 2017 and September 28, 2018, respectively.

Competition
As of end of 2024, the Philippine commercial banking industry is composed of 44 Universal and Commercial Banks) of which 15 are Private Domestic Banks, 3 are Government Banks and 26 are Foreign Banks with either established subsidiaries or foreign branch licenses.

Patents, Trademarks, Licenses, Franchises, Concessions, and Royalty
PBCOM have registered the trademarks of the following: PBCOM, Philippine Bank of Communications, PBCOM Together we Grow, PBCOM Pop-up Branch, PBCOMobile and PBCOM eRegalo.

Customers
PBCOM has multi-segment client base with growth seen across Individuals, Commercial and Corporate accounts. This result stems from the bank's focus on expanding its market through the ecosystem of its principals.

Subsidiaries and Affiliates
PBCOM Insurance Services Agency, Inc. (PISAI)
On May 9, 2014, the SEC approved the incorporation of PBCOM's wholly-owned subsidiary, PBCOM Insurance Services Agency, Inc. (PISAI), which was primarily engaged in soliciting and promoting insurance products. In the same year, PISAI, PBCOM, and Pru Life UK executed a five-year general agency agreement to market and distribute life, health, and protection products. However, the agreement was terminated by all parties effective August 31, 2017, rendering PISAI inactive.

On January 11, 2021, the BOD approved PISAI's dissolution and liquidation. Subsequently, on March 4, 2021, PISAI's Board of Directors resolved to shorten the company's corporate term to June 30, 2021. Due to several regulatory requirements for business termination, the effectivity of PISAI's corporate term was extended until April 2024. PISAI submitted its application for amending its Articles of Incorporation on November 15, 2023, and the SEC approved this amendment on April 3, 2024, extending the corporate term until April 30, 2024.

On May 3, 2024, PISAI completed the settlement of its liabilities and liquidated its remaining assets for distribution to its stockholders. As a result, the Parent Company received the release of PISAI's remaining assets and derecognized its investment, thereby ceasing the consolidation of PISAI's financial statements.

PBCOM Finance Corporation

The Bank's lone affiliate, PBCOM Finance Corporation, was incorporated and registered with the SEC on January 9, 1980 to provide, grant, and/or extend credit facilities to any person, business, judicial or otherwise. It is 40% owned by the Bank while the remaining 60% is owned by various individual shareholders. Its principal place of business is located at PBCOM Building, 214-216 Juan Luna Street Binondo, Manila.

Transaction with and/or Dependence on Related Parties

The Bank's related parties include key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members, associates and post-employment benefits for the benefit of the Bank's employee.

As required by BSP, the Bank discloses loan transactions with its associates, affiliates and with certain directors, officers, stockholders and related interests (DOSRI). As of December 31, 2024 the Bank is compliant with DOSRI rules and regulations.

The Bank's related party transactions are presented and discussed in Note 31 of the Audited Financial Statements.

Effect of Existing or Probable Government Regulations

Bangko Sentral ng Pilipinas

The Bank fully complies with the required capitalization for universal banks with expanded FCDU license as prescribed by the BSP. The Bank's consolidated qualifying capital as of end-December 31, 2024, stood at ₱21.06 Billion. As reported to BSP, its capital-to-risk assets ratio under the BASEL III reporting standards covering credit, market, and operational risks remained well above the 10% regulatory threshold, standing at 15.72%.

Bureau of Internal Revenue

Republic Act No. 9337, which amended the National Internal Revenue Code, stipulates that:

- The regular corporate income tax (RCIT) rate is 30%.
- The interest expense deduction is capped at 33% of interest income subject to final tax.
- A Minimum Corporate Income Tax (MCIT) of 2% on modified gross income applies and is compared with the RCIT. Any excess MCIT over RCIT is carried forward for three years as a tax credit.
- Net Operating Loss Carry-Over (NOLCO) is deductible from taxable income for up to three years from the year of loss.
- FCDU offshore income (income from non-residents) remains tax-exempt, whereas onshore income (interest income from loans to residents) is taxed at 10%.
- Other FCDU transactions are subject to either the 30% RCIT or 2% MCIT, whichever is applicable.

Tax Reform for Acceleration and Inclusion (TRAIN) Law (RA 10963)

Effective January 1, 2018, the TRAIN Law introduced several changes to the tax regime, including:

- 100% increase in Documentary Stamp Tax (DST) rates, except for debt instruments, which saw a 50% increase.
- Fringe Benefits Tax rate increase from 32% to 35%.
- Excise tax increases on petroleum products, reaching up to ₱8 per liter/kilo.
- Final Withholding Tax on interest income from deposits under the expanded foreign currency deposit system increased from 7.5% to 15%.

Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act

Signed into law on March 26, 2021, the CREATE Act introduced tax adjustments, including:

- Reduction of the corporate income tax rate from 30% to 25%.
- Deductible interest expense limit reduced to 20% of interest income subject to final tax.
- Temporary reduction of the MCIT rate to 1% until June 30, 2023.

Recent Tax Updates (2024)

- Revenue Memorandum Circular No. 36-2024, issued on March 11, 2024, clarified that for corporations with a calendar year ending December 31, 2023, the applicable MCIT rate is 1.5%.
- No changes have been made regarding the taxation of FCDUs.

Research and Development Activities

The Bank offers basic commercial banking products and services that require no significant amount to be spent on product research & development.

Employees

As of December 31, 2024, the Parent Bank has 1,130 employees with 919 officers and 211 rank-and-file. All of the Parent Company's rank-and-file employees are covered by a CBA covering the period 2023 to 2025. There had been neither dispute nor occurrence of employee strikes for the past years.

Risk Management

PBCOM's Enterprise Risk Management (ERM) Framework serves as the cornerstone of the Bank's approach to identifying, assessing, and managing risks across the organization. It outlines the Bank's commitment to effective and efficient risk management, grounded in the principles of good corporate governance — namely fairness, accountability, and transparency — as demonstrated through its robust risk governance structure.

The Framework illustrates how risk management is deeply embedded into PBCOM's organizational culture, systems, and operations. It sets out the guiding philosophies, core principles, governance structures, key elements, policies, and processes that empower employees at all levels to proactively manage risk. This integration ensures that risk considerations are incorporated into everyday business activities and strategic decision-making.

Risk management at PBCOM is applied enterprise-wide — encompassing the Board of Directors, Senior Management, Business Groups, Business Centers, support units, subsidiaries, affiliates, and individual employees. It is also integrated into specific functions, programs, projects, and initiatives. The implementation of this framework enhances management practices, supports sound decision-making, promotes efficient resource allocation, and ultimately drives sustainable value creation. At the same time, it safeguards the interests of clients, upholds public trust, and ensures regulatory compliance.

ERM Vision, Mission, Philosophy and Objectives

Vision Statement
To protect and optimize PBCOM's enterprise value through effective risk management.

Mission Statement
To develop risk awareness and a risk/return consciousness in the Bank in order to protect deposits, preserve capital, and ensure adequate return on capital.

Philosophy
PBCOM recognizes that enterprise risk management is fundamental for its safe and sound operation and sustainable growth. It ensures business success through balanced risk and reward, operational excellence, and conformance to the highest ethical standards and regulatory requirements.

Enterprise Risk Management in PBCOM is aligned with its business objectives and strategies. It operates at all levels and in all units of PBCOM that continually manage risk in an environment fostered by an appropriate governance structure, a strong "control culture," and a proactive process of identification, understanding, assessment, and mitigation of all its material risks.

Objectives
- To identify, measure, manage, and control risks inherent in PBCOM's activities or embedded in its portfolio;
- Define and disseminate risk management philosophy and policies;
- Assist risk-taking business and operating units in understanding and measuring risk/return profiles;
- Develop a risk management infrastructure that includes policies and procedures, organization, limits and approval authorities, MIS and reporting, systems and risk models and;
- Promote a risk awareness and strong "control culture" in PBCOM.

PBCOM Enterprise Risk Governance
The **Board of Directors (BOD)** is responsible for establishing and maintaining a sound risk management system and is ultimately accountable for identifying and controlling risks; Nevertheless, separate independent bodies are responsible for managing and monitoring risks.

The **Risk Oversight Committee (ROC)** has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. Its primary responsibilities are to:

1. *Oversee the risk management framework.* The committee shall oversee the enterprise risk management framework and ensure that there is periodic review of the effectiveness of the risk management systems and recovery plans. It shall ensure that corrective actions are promptly implemented to address risk management concerns.

2. *Oversee the adherence to risk appetite.* The committee shall ensure that the current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limits structure, policies and procedures relating to risk management and control, and performance of management, among others.

3. *Oversee the risk management function.* The committee shall be responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function has adequate resources and effectively oversees the risk taking activities of the Bank.

The **Enterprise Risk Management Group (ERMG)** is the ROC's implementing arm in carrying out its functions. It assists the Bank's Board of Directors and Management in accomplishing its objectives by bringing a systematic and disciplined approach to promoting risk management practices consistent with the type and complexity of operation of the Bank and its subsidiaries. It assists in the management of risk that is a direct responsibility of the business and support units.

Capital Management

PBCOM's capital management framework is designed to deliver optimal returns to shareholders while ensuring that the Bank's capital base remains strong enough to safeguard the interests of all stakeholders. This framework involves continuous monitoring of both capital requirements and available capital resources to ensure that:

- Qualifying capital consistently remains above the minimum regulatory requirement of ten percent (10%) of risk-weighted assets;
- The composition and quality of capital align with the risks the Bank faces or intends to undertake to support growth and returns; and
- A prudent balance is maintained between strategic growth objectives and the ongoing institutional strength of the Bank.

PBCOM consistently maintains a capital adequacy ratio well above the 10% regulatory minimum set by Philippine banking regulations.

As part of its strategic planning, the Bank undertakes an Internal Capital Adequacy Assessment Process (ICAAP). This process enables the Bank to:

- Define its risk appetite alongside growth and return objectives;
- Identify business lines, products, and services that support these goals;
- Assess the risks associated with each initiative;
- Develop strategies to mitigate and manage identified risks;
- Determine the quantity and quality of capital needed to remain resilient through adverse scenarios;
- Conduct stress testing to uncover potential vulnerabilities and pressure points; and
- Formulate capital build-up strategies and contingency plans.

The ICAAP is a collaborative effort between Senior Management and the Board of Directors. PBCOM submits the results and supporting documentation of its ICAAP to the Bangko Sentral ng Pilipinas for supervisory review and evaluation.

The Bank's regulatory qualifying capital is composed of Common Equity Tier 1 and Additional Tier 1 capital, which include paid-up common stock, retained earnings (including current year's profit), and surplus reserves, net of regulatory deductions such as unsecured DOSRI (Directors, Officers, Stockholders, and Related Interests) exposures and goodwill. Tier 2 (Gone-Concern) Capital comprises appraisal increment reserves (as approved by the Monetary Board) and general loan loss provisions.

For Pillar 1 risks—Credit, Market, and Operational—PBCOM calculates capital charges using the standardized approach, adhering to the 10% requirement of risk-weighted assets as stipulated by the Manual of Regulations for Banks (MORB). The Bank also evaluates these figures against internally assessed capital requirements using internal models to determine if additional capital charges are warranted.

Market, Liquidity and Interest Rate Risk Management

Market risk refers to the potential losses arising from unfavorable movements in the market value of financial instruments, whether on- or off-balance sheet. To measure this risk, PBCOM utilizes a Value-at-

Risk (VaR) model at a 99% confidence level. The reliability and accuracy of the VaR model are validated through back-testing, employing both hypothetical and actual historical approaches. To capture the potential impact of extreme but plausible market events beyond the scope of VaR, the Bank also conducts stress testing.

Market risk is actively managed through a comprehensive system of risk limits aligned with the Bank's capital adequacy, return expectations, and overall risk appetite. These limits include the VaR limit, Nominal Position limit, Off-Market Tolerance limit, Management Action Triggers, and Stop-Loss thresholds. Additionally, the Bank uses a Market Risk Assessment Matrix to evaluate and monitor its overall market risk profile.

Liquidity risk arises from the possibility that the Bank may be unable to meet its financial obligations when they fall due, in any currency. To manage this risk, the Bank maintains rigorous daily monitoring of key regulatory liquidity ratios, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR).

Beyond regulatory compliance, the Bank employs internal limits such as liquidity indicators, funding concentration metrics, and the Maximum Cumulative Outflow (MCO) to monitor and manage liquidity risk exposures. Liquidity stress testing is conducted to assess the potential impact of adverse scenarios on the Bank's MCO profile. The Bank also uses a Liquidity Risk Assessment Matrix to determine its overall liquidity risk posture. As an added safeguard, PBCOM holds a substantial portfolio of High-Quality Liquid Assets (HQLA) that can be quickly converted to cash to meet unexpected funding needs.

Interest rate risk stems from the potential impact of interest rate fluctuations on future cash flows or the fair value of financial assets and liabilities. PBCOM assesses this risk using two key measures: Earnings-at-Risk (EaR) and Economic Value of Equity (EVE), both derived from the Bank's interest rate repricing gap profile. These metrics help quantify the potential effects of interest rate changes on the Bank's net interest income and capital base under both normal and stressed conditions.

To manage this risk, the Bank operates within clearly defined risk limits and applies a prudent asset-liability management strategy. This approach ensures that interest rate exposures remain within tolerable levels, thereby preserving financial stability and supporting sustainable earnings.

Credit Risk Management

Credit risk is the most significant financial risk in the banking industry and is inherent in all revenue-generating activities. It refers to the possibility that a counterparty to a financial instrument will default on its contractual obligation, resulting in a financial loss to the Bank. This risk materializes when funds are extended, committed, invested, or otherwise exposed through actual or implied agreements. Historically, capital erosion due to loan losses has been a primary cause of institutional failures. At PBCOM, credit risk predominantly stems from lending activities, securities trading, and foreign exchange operations.

Recognizing that accurate identification and assessment are fundamental to effective credit risk management, the Bank has established a comprehensive set of credit policies and underwriting standards, duly approved by the Board of Directors. These guidelines ensure that all credit exposures undergo thorough due diligence and objective evaluation. The Bank conducts regular assessments of both potential and existing borrowers' capacity to meet interest and principal repayments. Lending limits are revised as necessary to reflect evolving creditworthiness.

Credit proposals are reviewed through a multi-tiered approval structure—beginning with designated individual authorities and escalating, where warranted, to the Executive Committee (EXCOM) and the Board of Directors. This structured approval process upholds independence and rigor in credit decision-making.

To further enhance its credit risk management capabilities, the Bank implements an Internal Credit Risk Rating System (ICRRS) aligned with international standards, compliant with Basel II requirements, and

tailored to the Bank's size, complexity, and business model. The resulting credit scores, supplemented by expert judgment, are used as a foundation for proactively determining loan loss provisions in accordance with Philippine Financial Reporting Standards (PFRS) 9.

Credit Exposure Limits
To effectively manage and control credit risk, the Bank establishes exposure limits that define the maximum level of risk it is willing to assume for individual borrowers, borrower groups, and specific industry or economic sectors. These include thresholds for large exposures, sectoral concentration (such as real estate loan ceilings), and tolerances for past due and non-performing loan ratios across different product types.

These risk limits are subject to regular monitoring and undergo annual reviews—or more frequent assessments when warranted by changes in market conditions or borrower risk profiles. All tolerance limits are reviewed and approved by the Board of Directors to ensure alignment with the Bank's overall risk appetite.

Furthermore, credit exposure to any single borrower is controlled through detailed sub-limits that apply to both on- and off-balance sheet exposures. Actual exposures are closely tracked and measured against approved limits on a regular basis to ensure compliance and enable timely corrective actions when necessary.

Other Credit Enhancements
The Bank further mitigates credit risk by securing appropriate collateral, guarantees, or suretyships. The type and amount of security required are based on the assessed credit risk profile of each borrower or counterparty. When signs of credit deterioration or impairment emerge, the Bank may require additional collateral to safeguard its exposure and minimize potential credit losses.

To ensure consistent and effective credit risk mitigation, the Bank has established clear guidelines on the acceptability and valuation of various collateral types. The main forms of collateral typically obtained include:

- Cash or securities for securities lending and reverse repurchase agreements;
- Mortgages on commercial real estate, machinery, inventories, and trade receivables for commercial loans; and
- Mortgages on residential properties and vehicles for retail lending.

In cases of default, it is the Bank's policy to dispose of repossessed assets in an orderly and timely manner. The proceeds from these sales are applied to reduce or fully settle the outstanding obligations. Generally, the Bank does not retain repossessed properties for business use.

To ensure the continued health and quality of the loan portfolio, the Bank implements an independent post-credit review process. This ongoing review allows for the timely identification and evaluation of risks associated with existing credit exposures and enables the Bank to implement corrective measures as needed.

The management of the credit portfolio is governed by both internal policies and regulatory limits, designed to control credit risk exposures and maintain portfolio integrity. The Enterprise Risk Management Group (ERMG) plays a key role in monitoring large exposures and concentrations in line with Bangko Sentral ng Pilipinas (BSP) requirements.

Operational Risk Management
Operational risk refers to the potential for loss arising from inadequate or failed internal processes, systems, human factors, or external events. It includes legal risk but excludes strategic and reputational risks. As it is

embedded in all products, services, and activities across the Bank—including its subsidiaries and affiliates—operational risk spans multiple business lines and functions.

The cornerstone of operational risk control at PBCOM is a robust internal control system, approved by the Board of Directors and executed with full participation from every employee. The Operational Risk Management (ORM) Framework provides comprehensive guidance on managing these risks effectively. This framework is subject to regular review by the Board to ensure that ORM policies, processes, and systems remain relevant and effective across all levels of decision-making.

To monitor and manage operational risks, the Bank employs several key tools:

- Risk Control Self-Assessment (RCSA)
- Key Risk Indicators (KRI)
- Internal Operational Loss Database

These tools enable proactive risk identification and mitigation, with results regularly reported by the ORM Team to the Risk Oversight Committee (ROC). Complementary reports—including the Profile of Complaints, Legal Case Updates, Bank Security Assessments, and Vendor Performance Evaluations—are provided by respective line units to ensure broad-based operational risk coverage. The Bank also has systems for reporting operational crimes, loss events, and policies governing whistle-blowing and administrative case handling.
To further mitigate risk, the Bank employs both preventive and detective controls embedded in its policies, operating procedures, approval limits, and delegated authorities. Risk is also transferred through adequate insurance coverage, self-insurance reserves, and allowances for probable losses.

Promoting a strong risk culture, the Bank—through its Enterprise Risk Management Group (ERMG), Compliance Management Group (CMG), and other subject-matter experts (e.g., the Chief Information Security Officer and Data Privacy Officer)—conducts regular training programs. These include onboarding orientation for new hires and computer-based training (CBT) for all employees, emphasizing operational risk awareness and regulatory compliance. These groups also lead the development and enhancement of risk and compliance policies and engage business units through interactive sessions to address risk issues and improve processes.

PBCOM's Technology Risk Management Framework supports the effective governance of risks associated with technology-enabled products, services, and operations. It aligns with Bangko Sentral ng Pilipinas (BSP) regulations and incorporates periodic reviews of strategic, operational, compliance, and reputational risks. Comprehensive risk assessment and profiling methodologies are applied across IT functions and application systems. Technology risk management is integrated throughout the project lifecycle—from initiation to implementation—ensuring risk identification, control validation, and timely corrective action planning. These efforts are closely monitored and reported to maintain effective risk mitigation.

The Risk Management Team also contributes actively to the development of risk management policies, supports the launch of new technology initiatives, and fosters a risk-aware culture through focused seminars and training sessions.

To ensure resilience and continuity of operations, the Bank has established a Business Continuity Management (BCM) Framework that includes robust planning, risk assessments, and crisis response strategies. Key components include:

- Business Continuity Plan (BCP)
- Crisis Management and Emergency Preparedness Plan
- Pandemic Plan

- Cyber Resiliency Plan

These plans outline detailed procedures to guide the Bank's response to disruptions, aiming to protect lives, property, and the environment while ensuring uninterrupted delivery of critical services. The Bank regularly conducts business impact analyses, updates continuity plans, and performs BCP tests and evaluations to assess readiness.

Legal risk involves the potential for financial loss due to incomplete, inaccurate, or unenforceable legal documentation, which could compromise the Bank's rights under contracts and obligations. It also encompasses conduct that could undermine the Bank's institutional value and is closely associated with fiduciary and reputational risks.

To address these risks, PBCOM's Legal Services Group (LSG) leads the implementation of a structured Legal Risk Management process. This includes:

- Maintaining and regularly updating the Legal Risk Management Manual, which applies bank-wide;
- Periodic reviews of ongoing legal cases and assessment of potential outcomes;
- Regular reporting to the Risk Oversight Committee (ROC); and
- Ensuring compliance with legal obligations to avoid litigation, sanctions, and reputational harm.

Trust Risk Management
The Trust and Wealth Management Group (TWMG) of PBCOM is exposed to fiduciary risks arising from the management of funds and assets placed under its care and custody. Fiduciary risk refers to the potential for financial loss, legal liability, or reputational damage resulting from the failure to meet obligations to trustors or principals. These risks may adversely affect the Bank's financial standing and public trust.

TWMG's fiduciary activities are subject to multiple risk dimensions, including market, credit, liquidity, operational, legal, compliance, strategic, and reputation risks. These exposures exist across both discretionary and non-discretionary trust arrangements, and across the Group's core functions: account management, portfolio and trading, trust credit evaluation, and operations.

Risk oversight is jointly performed by the Trust Committee (TCOM) and the Risk Oversight Committee (ROC):

- The Trust Committee oversees the operations of TWMG, ensuring that fiduciary services—including wealth and trust management—are delivered with integrity and within a robust internal control framework. It ensures compliance with fiduciary obligations and the proper implementation of risk management policies.

- The Risk Oversight Committee (ROC) holds overarching responsibility for the development and execution of the Bank's risk strategy, framework, policies, and exposure limits, including those applicable to the trust and wealth management business.

The ERMG leads the effective implementation of fiduciary risk controls through the deployment of several key tools and methodologies:

- **Regular Reporting**: Monthly reports to the ROC and quarterly updates to the Trust Committee provide transparency into risk exposures and performance.

- **Stress Testing**: Periodic stress testing of the TWMG portfolio assesses resilience against adverse market conditions.

- **Risk Control Self-Assessments (RCSA)**: These assessments help identify and address control gaps within TWMG's processes.

- **Fiduciary Risk Policies**: The Bank maintains a comprehensive set of trust risk management policies that guide fiduciary operations and reinforce the Group's accountability to clients and stakeholders.

In addition to the Enterprise Risk Management Group (ERMG), the Bank has an **Information Security Office** headed by the Chief Information Security Officer that handles Information and Security Cyber Management.

Information and Cyber Security Management
Information security is a critical pillar of PBCOM's commitment to operational resilience and business continuity. As the Bank continues to grow and adapt to an increasingly complex threat environment, it has adopted a risk-centric approach to cybersecurity—ensuring that proactive measures are in place to protect its digital assets, systems, and data.
To maintain a strong security posture, PBCOM emphasizes the following strategic pillars:

- **Continuous Education and Awareness**
  The Bank recognizes that its people serve as the first line of defense. Through regular training and awareness programs, employees are empowered to act as a "human firewall," helping to detect and prevent potential threats early.

- **Security Governance and Compliance**
  Robust internal security processes have been established, forming the foundation of the Bank's information security framework. These processes ensure that cybersecurity efforts are aligned with regulatory requirements and industry best practices.

- **Proactive Security Measures**
  PBCOM implements a defense-in-depth strategy, utilizing multiple layers of security controls to safeguard its information assets. These measures enhance visibility across the IT environment and improve transparency in detecting, analyzing, and responding to cyber threats through mature security monitoring and advanced toolsets.

PBCOM is committed to maintaining a cyber-resilient environment, where structured protection of information and system resources is continuously delivered. To support this, the Bank has adopted a four-pillar model for cyber readiness and resiliency:

1. **Manage and Protect**
   Focuses on identifying, assessing, and managing risks through the implementation of technologies, processes, and controls designed to protect systems, networks, and data from cyberattacks.

2. **Identify and Detect**
   Ensures the Bank's ability to swiftly detect anomalies and potential cybersecurity incidents before they escalate. This is achieved through continuous security monitoring and real-time threat detection mechanisms.

3. **Respond and Recover**
   Enhances the Bank's capability to respond to incidents, mitigate the impact of attacks, remove threats, and resume normal operations quickly and efficiently. PBCOM places a strong emphasis on agility in incident response and recovery planning.

4. **Govern and Assure**
   Aligns all information security initiatives with the Bank's strategic objectives. Oversight is driven from the top levels of the organization, with cybersecurity governance embedded into daily operations and long-term planning.

Through these efforts, PBCOM upholds the protection of both the Bank's and its customers' information as a top priority, reinforcing trust and enabling secure business operations in an ever-evolving digital landscape.

Item 2. Properties

PBCOM's Head Office is located at PBCOM Tower, 6795 Ayala Avenue, corner V.A. Rufino Street, Makati City. The Bank owns 50% of PBCOM Tower, which was constructed under a Joint Development Agreement with Filinvest Asia Corporation. The Bank has 95 branches and 4 branch-lites as of December 31, 2024. Most of these are located in the metropolitan areas of Luzon, Visayas, and Mindanao.

PBCOM's branches are owned and/or leased. The list of branches is attached herewith marked as Annex "A". All properties owned by the bank are unencumbered. To date, the Bank has not identified properties to acquire in the next 12 months.

Item 3. Legal Proceedings

PBCOM has pending cases, covering credit-related suits and claims and also non-credit-related cases, that remain unsettled. It is not practicable to estimate the potential financial statement impact of these contingencies. However, in the opinion of management, the suits and claims, if decided adversely, will not involve sums that would have a material effect on the financial statements.

The Bank is a defendant in legal actions arising from its normal business activities, including the management of the PBCOM Tower. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the Bank's financial position.

On 27 December 2024, PBCOM, through its legal counsels, received the decision dated 20 December 2023 from the Philippine Competition Commission (PCC) for alleged violation of the compulsory notification requirement for mergers related to the sale of PBCOM Rural Bank, Inc. The Bank filed a Motion for Reconsideration on 11 January 2025. The motion for reconsideration is submitted for resolution. At present, it is not practicable to estimate the potential financial impact. However, management believes that the outcome will not materially affect the Bank's financial position.

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

Nothing was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information
Common shares of the Bank are traded in the Philippine Stock Exchange.

Stock prices:

	2024		2023		2022	
	High	Low	High	Low	High	Low
First Quarter	17.88	14.04	16.20	13.60	18.98	17.40
Second Quarter	17.38	14.40	19.20	14.90	18.70	15.84
Third Quarter	17.88	14.54	16.00	14.50	17.96	13.02
Fourth Quarter	17.58	15.02	14.30	14.10	15.90	12.72

As of March 25, 2025 , the closing price of the Bank's common share was ₱16.98.

Holders
As of December 31, 2024, there were 407 shareholders of the Bank's 480,645,163 issued and outstanding common shares.

The top 20 registered stockholders of the Bank as of December 31, 2024 are as follows:

	Name of Shareholder	Nationality	No. of Shares	%
1	P.G. Holdings, Inc.	Filipino	186,241,408	38.75%
2	VFC Land Resources, Inc.	Filipino	88,883,602	18.49%
3	PCD Nominee Corporation:		51,186,025	10.65%
		Filipino	49,191,524	
		Non-Filipino	1,994,501	
4	Eric O. Recto	Filipino	49,835,776	10.37%
5	Ralph C. Nubla, Jr.	Filipino	46,519,036	9.68%
6	Telengtan Brothers & Sons, Inc.	Filipino	31,859,844	6.63%
7	La Suerte Workmen's Compensation Fund	Filipino	7,687,833	1.60%
8	TTC Development Corporation	Filipino	4,181,665	0.87%
9	Roxas-Chua, Ray Anthony Go	Filipino	3,070,724	0.64%
10	Cham, Edison Siy	Filipino	1,790,853	0.37%
11	KLG International, Inc.	Filipino	1,790,853	0.37%
12	Yu, Gregorio T.	Filipino	1,432,692	0.30%
13	Chungunco, Raymond N.	Filipino	604,011	0.13%
14	TFC Holdings, Inc.	Filipino	562,588	0.12%
15	Chung, Bunsit G. (a.k.a. Carlos G. Chung)	Filipino	550,716	0.11%
16	Chung, Patricia Regine K.	Filipino	261,294	0.05%
17	Chung, Philippe Ryan K.	Filipino	261,294	0.05%
18	Ching, Winnifred	Filipino	187,798	0.04%
19	Ching, Jeffrey	Filipino	175,505	0.04%
20	Chung, Dexter Noel	Filipino	174,196	0.04%

Chung, Sidney T.	Filipino	174,196	0.04%
Chung, Zachary	Filipino	174,196	0.04%

Dividends History:

There were no dividends declared for the years ended December 31, 2024, 2023, and 2022.

The Bank strictly complies with the BSP regulatory requirements under Section 124 of the Manual of Regulations for Banks, which states that before any declaration of dividends, banks shall have complied with the following:

a. Clearing account with the Bangko Sentral is not overdrawn;
b. Liquidity floor requirement for government funds;
c. Minimum capitalization requirement and risk-based capital ratio;
d. The combined requirement for capital conservation buffer and countercyclical capital buffer;
e. Higher loss absorbency requirement for UB/KBs and their subsidiary banks and QBs that are identified as Domestic Systemically Important Banks; and
f. Has not committed any unsafe or unsound banking as defined under existing regulations.

Recent Sale of Unregistered Securities

There were no sales of unregistered securities within the calendar year covered by this report.

The Bank has no registered debt securities. There are no existing or planned stock options. There are no registered securities subject to redemption or call. There are no existing or planned stock warrant offerings.

Item 6. Management's Discussion and Analysis or Plan of Operation

(1) Management's Discussion & Analysis

Financial Condition & Results of Operations: 2024 (Consolidated)

The Group registered a net income of ₱2.2 Billion for 2024. This is ₱312.7 Million or 16.5% improvement from 2023's net income of ₱1.9 Billion. This is mainly attributable to ₱1.3 Billion (22.3%) higher operating income mainly from ₱807.0 Billion improvement in net interest income and ₱323.6 Million better trading performance. This is partially offset by higher operating expenses by ₱946.1 Million.

Interest income expanded by 22.1% or ₱1.8 Billion due to asset growth and higher yields in both loan and securities portfolios. Higher deposit volume and bonds payable issuance this year funded this growth. The increase in volume and higher cost of funds due to current high interest rates environment caused the interest expense to increase by ₱946.2 Million. Higher trading income is mostly composed of realized gains from the trading activities of the Bank. Total operating expenses went up by ₱946.1 Million mainly because of higher provision for impairment losses, higher volume-driven costs - GRT, DST and PDIC insurance, higher manpower costs, higher depreciation and amortization, and higher occupancy and other equipment-related costs. Income taxes also increased by ₱72.3 Million mainly from higher net taxable income, higher final taxes on interest income on peso government securities and onshore income, partially offset by higher DTA recognized.

Total Assets of the Group increased by ₱9.4 Billion (6.4%) from ₱147.5 Billion as of December 2023 to ₱156.9 Billion at the end of December 2024. This is primarily due to growth in loans and other receivables volume by ₱9.6 Billion, increases in inventories of debt securities carried at FVOCI and HTC by ₱2.8 Billion and ₱1.1 Billion, respectively, and increase in foreclosed properties by ₱1.2 Billion, partially offset by decline in statutory reserve requirements & investment in overnight deposit facility (ODF) with the BSP by ₱4.9 Billion.

The Group's gross NPL ratio for the year ended at 2.66%, 0.26 % points higher than the 2.40% ratio at the end of 2023. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱7.8 Billion, 6.0% higher than last year's end level of ₱129.8 Billion. This resulted mostly from ₱7.6 Billion increase from corporate bond issuance in 2024, ₱6.7 Billion higher bills payable, and ₱625.8 Million higher low-cost deposits, partially offset by ₱3.8 Billion lower time deposits and ₱2.9 Billion decline from the maturity of LTNCD. Total Capital is now at ₱19.2 Billion from ₱17.7 Billion last December 2023. This 8.9% increase in Capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 15.72% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

Financial Condition & Results of Operations: 2023 (Consolidated)

The Group registered a net income of ₱1.90 Billion for 2023. This is ₱265.88 Million or 16.3% improvement from 2022's net income of ₱1.63 Billion. This is mainly attributable to ₱400.86 Million (7.2%) higher operating income largely from ₱495.1 Million better trading performance.

Interest income expanded by 41.6% or ₱2.3 Billion due to higher asset yields and growth in both loan and securities portfolios. Interest expense, however, also increased on the account of higher cost of funds due to current high interest rates environment and caused ₱2.4 Billion decline in net interest income. Total operating expenses slightly went up by ₱18.4 Million (0.54%) primarily because of volume-driven costs such as GRT, DST and PDIC insurance, and higher manpower costs, offset by lower provision for impairment losses, management and professional fees, and depreciation and amortization. Income taxes also increased by ₱117.9 Million, mainly from higher final taxes on interest income on peso government securities and onshore income and lower DTA recognized.

Total Assets of the Group increased by ₱22.6 Billion (18.1%) from ₱124.9 Billion as of December 2022 to ₱147.5 Billion at the end of December 2023. This is primarily due to growth in loan volume by ₱14.9 Billion (19.3%), increases in inventories of debt securities carried at HTC and FVOCI by ₱6.1 Billion and ₱3.4 Billion, respectively, offset by decline in interbank receivables and SPURA by ₱ 2.1 Billion.

The Group's gross NPL ratio for the year ended at 2.40%, 0.83 % points lower than the 3.23% ratio at the end of 2022. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱20.5 Billion, 18.8% higher than last year's end level of ₱109.3 Billion. This resulted mostly from ₱17.3 Billion increase in deposit liabilities, mainly from higher time deposits partially offset by lower demand deposits, and ₱2.1 Billion increase in bills payable. Total Capital is now at ₱17.7 Billion from ₱15.6 Billion last December 2022. This 13.4% increase in Capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 16.55% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

Financial Condition & Results of Operations: 2022 (Consolidated)

The Group registered a net income of ₱1.63 Billion for 2022. This is ₱58.62 Million or 3.7% improvement from 2021's net income of ₱1.57 Billion. This is mainly attributable to ₱477.75 Million (9.4%) higher operating income largely due to ₱565.72 Million or 13.3% growth in net interest income, ₱58.38 Million higher fees & commission mainly from penalty fees in corporate loans, ₱40.82 higher foreign exchange gains, mostly realized, and ₱47.48 Million higher net gains from ROPA sales. These increases were partially offset by ₱124.73 Million higher net trading losses, reflecting the adverse effects of a rising interest rate environment on the Bank's Peso and USD bond portfolios, and ₱85.23 Million reduction in rental income due to pre-terminations & re-negotiated contracts of tenants as a result of the COVID-19 crisis. ₱269.02 Million higher income taxes and ₱150.19 Million higher operating expenses further offset the increase in operating income.

Growth in net interest income is attributable to ₱485.29 Million increase in interest income from loans due to higher average loan volume, mainly from the growth in corporate loan portfolio, ₱393.74 Million increase in interest income from investments due to higher yields and higher average volume, partially offset by from ₱294.33 Million increase in interest expense mainly due to rise in cost of funds and higher average volume of Time Deposits & Repos. Income taxes increased by
₱269.02 Million or 104.8% as a result of lower deferred tax assets recognized, higher final taxes, and higher taxable income from growth in interest income from loans during the current year. Total operating expenses went up by ₱150.19 Million or 4.6%, mainly because of higher manpower costs, higher accruals for professional fees and higher taxes & licenses from rise in GRT and DST, partly offset by ₱34.61 Million lower provision requirements for credit and impairment losses in the current period.

Total Assets of the Group grew by ₱15.65 Billion (14.3%) from ₱109.24 Billion as of December 2021 to ₱124.89 Billion as of the end of December 2022. This is primarily due to ₱13.43 Billion increase in Loans and Other Receivables, mostly from expansion of corporate loans, and ₱6.14 Billion increase in Held to Collect Securities, partially offset by ₱1.60 Billion lower Interbank loans receivable and ₱1.48 Billion decline in Financial assets at Fair Value through Other Comprehensive Income.

The Group's gross NPL ratio is at 3.23%, 1.06 % points lower than the 4.89% ratio at the end of 2021. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱14.26 Billion, 15.0% higher from last year's end level of ₱95.06 Billion. This resulted mostly from ₱12.50 Billion increase in deposit liabilities mainly from ₱6.85 Billion & ₱4.33 Billion growths in time and demand deposit volume, respectively.

Total Capital is now at ₱15.57 Billion from ₱14.18 Billion last December 2021. This 9.8% improvement in capital was mainly contributed by the earnings of the Bank during the year. The Bank's Risk Based Capital Adequacy Ratio of 17.07% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

(2) Discussion of various key indicators:

A. Key Performance Indicators

Ratio	December 2024 (Consolidated)	December 2023 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	30.30%	31.82%	Decrease by 1.52% pts mainly due higher provision for impairment losses, compensation & benefits and higher volume-driven costs. This is offset by higher net interest income, higher net trading gain, and higher gain from ROPA foreclosure and sold.
Return on Average Asset *(Net income divided by Average assets)*	1.45%	1.39%	Increased by 6 bps as the impact of growth in net returns exceeded the increase in volume of average assets.
Return on Average Equity *Net income divided by Average equity)*	11.98%	11.42%	Return on average equity increased by 56 bps from higher interest income from higher average volume and higher yields, higher net trading gain, and higher gain from ROPA foreclosure and sold.
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	15.72%	16.55%	The capital ratio decreased by 83 bps mainly due to higher total risk-weighted assets, offset by higher total qualifying capital.
Basic Earnings per share *Net income divided by average no. of common shares)*	4.60	3.95	Increase in basic earnings per share by ₱0.65 from higher net income from the current period.

Ratio	December 2023 (Consolidated)	December 2022 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	31.82%	29.33%	Increased by 2.49 % pts due to impact of net trading gains (net trading loss in 2022) and lower provision for impairment losses, reduced by impact of higher interest expenses this year due to higher cost of funds
Return on Average Asset *(Net income divided by Average assets)*	1.39%	1.39%	Ratio maintained at a consistent level as the impact of higher volume-driven expenses and employee compensation & benefits was offset by lower provision for impairment
Return on Average Equity *Net income divided by Average equity)*	11.42%	10.97%	Return on average equity increased by 45 bps from higher net income driven by net trading gains and lower provision for impairment losses.
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	16.55%	17.07%	The capital ratio decreased by 52 bps due to higher total credit risk-weighted assets offset by higher total qualifying capital
Basic Earnings per share *Net income divided by average no. of common shares)*	3.95	3.39	Increase in basic earnings per share by ₱0.55 from higher net income for the current period

Ratio	December 2022 (Consolidated)	December 2021 (Consolidated)	Remarks
Profit Margin *(Net income divided by Gross income)*	29.33%	30.94%	Net profit margin decreased by 1.6 % pts mainly due to higher provision for income tax from lower recognition of DTA, higher final taxes, and higher taxable income in 2022
Return on Average Asset *(Net income divided by Average assets)*	1.39%	1.49%	Decreased by 10 bps as the impact of increase in average assets exceeded the impact of growth in net income

Return on Average Equity *Net income divided by Average equity)*	10.97%	11.78%	Return on average equity decreased by 81 bps from higher provision for income taxes and total operating expense from the results of the current operations
Capital Adequacy Ratio *Qualifying capital divided by total of risk-weighted assets that include credit, market and operational risk)*	17.07%	18.18%	The capital ratio decreased by 1.11% due to higher total credit risk-weighted assets
Basic Earnings per share *Net income divided by average no. of common shares)*	3.39	3.27	Increase in basic earnings per share by ₱0.12 from higher net income during the current period

B. Financial Soundness

Ratio	December 2024 (Consolidated)	December 2023 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	18.27%	19.69%	Ratio decreased by 1.41 % pts mainly due to lower level in liquid assets (lower Due from BSP, cash and other cash items and lower interbank loans & SPURA), offset by decrease in time deposits and maturity of LTNCD.
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	87.74%	88.03%	Decreased by 29 bps as the increase in total assets (higher financial assets, ave. receivables from customers, increase in ROPA mainly due to dacion in 2024, and higher Due from other Banks) exceeded the increase in total liabilities (issuance of Corporate bond and higher bills payable & low-cost deposits).
Asset to Equity Ratio (Total Asset to Total Equity	8.16	8.35	Ratio is lower by 0.20 mainly as result of increase in equity in relation to growth in assets.
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	170%	179%	Bank's interest rate coverage decreased due to impact of increase in interest expense from rising cost of funds.
Net Interest Margin Net interest income over Average Earning assets	4.05%	3.96%	Ratio is slightly higher as increase in average asset yields outweighed the average COF rates.

Ratio	December 2023 (Consolidated)	December 2022 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	19.69%	21.41%	Ratio decreased by 1.72 % pts as the increase in total deposits, mainly time deposits, has outweighed the increase in liquid assets (from higher financial assets, particularly FVOCI offset by lower Interbank loans)
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	88.03%	87.54%	Increased by 49 bps due to increase in total liabilities, mainly in deposit liabilities and bills payable, to fund the increase in loans and receivables and investment securities at amortized cost and FVOCI.
Asset to Equity Ratio (Total Asset to Total Equity	8.35	8.02	Ratio is higher by 0.33 mainly as result of higher growth in assets in relation to the increase in equity
Interest Rate Coverage Ratio (Earnings before interest & taxes to	179%	374%	Bank's interest rate coverage decreased by 194.8 % pts. due to impact of increase in

Interest Expense)			interest expense from rising cost of funds
Net Interest Margin Net interest income over Average Earning assets	3.96%	4.80%	Ratio is slightly lower as increase in average COF rates outweighed the increase in average asset yields

Ratio	December 2022 (Consolidated)	December 2021 (Consolidated)	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities. Total deposit refers to the total of peso and foreign currency deposits.*	21.41%	28.96%	Ratio decreased by 7.55 % pts due to lower liquid assets (from lower Interbank loans & financial assets, particularly FVOCI) in relation to higher total deposits, mainly time and demand deposits
Debt Ratio (Total Liability to Total Asset) *Debt refers to the total liabilities while assets is the total assets*	87.54%	87.02%	Increased by 52 bps as the increase in total assets slightly exceeded the increase in total liabilities. Increase in assets is mostly from investment securities at amortized cost and loans and other receivables, mostly from corporate loans
Asset to Equity Ratio (Total Asset to Total Equity	8.02	7.71	Ratio is higher by 31 bps mainly as result of higher growth in assets in relation to the increase in equity
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	374%	470%	Bank's interest rate coverage decreased by 96.72 % pts. due to impact of increase in interest expense from rising cost of funds & higher time deposit volume, partially offset by impact of higher earnings before interest & taxes
Net Interest Margin Net interest income over Average Earning assets	4.80%	4.83%	Ratio is slightly lower as the impact of increase in average total yields is offset by increase in average COF rates

Statement of Condition: December 2024 vs. December 2023 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Explanation
Cash and Other Cash Items	-512,810	-32.81%	Decrease mainly due to lower cash on hand and cash in ATMs
Due from Bangko Sentral ng Pilipinas	-4,907,500	-40.21%	Lower mainly due to decline in statutory reserve requirements in Nov24
Due from Other Banks	-55,427	-11.42%	Lower funds mainly with foreign banks
Interbank Loans Receivable	-88,151	-17.90%	Lower mainly from interbank call loans with foreign banks
Financial Assets at Fair Value through Profit or Loss	-	-	
Financial Assets at Fair Value through Other Comprehensive Income	2,837,402	33.72%	Purchase of investments in FVOCI and mark-to-market movements
Investment Securities at Amortized Cost	1,144,271	4.12%	Purchase of securities at amortized cost
Loans and Receivables	9,546,222	10.40%	Increase in outstanding receivables mainly in commercial loans and import bills
Property and Equipment	8,555	1.05%	Increase mainly from PBCOM Tower improvements, offset by depreciation recognized for the period
Investment Properties			
Condominium Units for Lease	-46,509	-2.90%	Decline due to depreciation recognized for the period

Foreclosed properties	1,154,699	118.34%	Increase from higher ROPA foreclosures/ dacion de pago than ROPA sale, offset by depreciation recognized for the period
Office units for lease	-351	-17.66%	Decline due to depreciation recognized for the period
Deferred Tax Assets	81,899	20.26%	Higher DTA movement for the period
Other Assets	272,213	64.13%	Increase mainly due cash margin and by higher DST on hand
Deposit Liabilities			
Demand	243,024	0.59%	Higher volume of demand deposits
Savings	382,770	2.87%	Higher volume of savings deposits
Time	-3,841,685	-6.50%	Lower volume of time deposits
Bills Payable	6,699,761	69.16%	Increase in FCDU bills payable and interbank call loans
Bonds Payable	7,623,300	100.00%	Corporate bond issuance in Nov24
Outstanding Acceptances	-23,740	-22.52%	Decrease due to lower bills exchange accepted by the Bank
Manager's Checks	-413,422	-65.41%	Lower un-negotiated MC's as of the period
Accrued Interest, Taxes and Other Expenses	-107,976	-6.97%	Decrease mainly due to lower Deposits & Bills payable interest accrual as of the period, offset by corporate bond interest accrual as of the period
Income Tax Payable	36,116	35.91%	Higher income tax payable for the period
Other Liabilities	142,890	13.64%	Increase mainly due to higher accounts payable - loans, higher finance lease payable, and higher rental deposits from Tower
Surplus reserves	3,857	0.85%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement
Retained Earnings	2,206,416	70.81%	Increase is from net income for the period partially offset by RE appropriation to cover deficiency on 1% minimum GLLP requirement
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	-621,368	-1628.54%	Higher net mark-to-market losses mainly from FCDU debt investments in FVOCI
Cumulative translation adjustment	4,242	3.95%	Increase from lower downward CTA adjustment mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	-15,857	-33.62%	Higher actuarial loss recognized on retirement fund

Statement of Condition: December 2023 vs. December 2022 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Explanation
Cash and Other Cash Items	158,533	11.29%	Higher cash on hand, higher cash on atm, & higher cash on cash center
Due from Bangko Sentral ng Pilipinas	868,509	7.66%	Higher mainly from regular deposits under statutory reserve requirements
Due from Other Banks	(603,660)	-55.42%	Lower funds mainly with foreign banks
Interbank Loans Receivable	(2,108,226)	-81.07%	Lower mainly from lower GS Repo offset by higher interbank call loans

Financial Assets at Fair Value through Profit or Loss	-	-	
Financial Assets at Fair Value through Other Comprehensive Income	3,406,963	68.02%	Purchase of Peso debt investments in FVOCI
Investment Securities at Amortized Cost	6,114,566	28.23%	Purchase of securities at amortized cost
Loans and Receivables	14,850,435	19.31%	Increase in outstanding receivables, mainly in corporate loans and import bills
Property and Equipment	10,652	1.33%	Increase due to reclassification of Investment Property to Bank Premises, higher leasehold rights and improvements, and additional right of use assets for the period, offset by depreciation recognized for the period
Investment Properties			
Condominium Units for Lease	(88,564)	-5.23%	Decrease due to reclassification of Investment Property to Bank Premises and depreciation recognized for the period
Foreclosed properties	13,756	1.42%	Higher ROPA foreclosures offset by ROPA sales and depreciation recognized for the period
Office units for lease	(350)	-14.97%	Decline due to depreciation recognized for the period
Deferred Tax Assets	13,756	3.52%	Increase mainly due to higher RBU loan allowance and ROPA accumulated depreciation, offset by lower lease liability, advance rental, right of use assets & Unamortized past service cost
Other Assets	(38,312)	-8.28%	Decline mainly due to lower retirement assets, lower prepaid expenses, lower DST, and lower tax credits, and offset by higher prepaid taxes on deposits
Deposit Liabilities			
Demand	(4,103,734)	-9.02%	Lower volume of demand deposits
Savings	646,800	5.11%	Higher volume of savings deposits
Time	20,706,830	53.95%	Higher volume of time deposits
Bills Payable	2,092,736	27.56%	Increase in bills payable - REPO
Outstanding Acceptances	55,192	109.90%	Increase due to higher bills of exchange accepted by the Bank
Manager's Checks	410,523	185.31%	Higher un-negotiated MC's as of report date
Accrued Interest, Taxes and Other Expenses	684,739	79.22%	Increase mainly due to Deposits & Bills payable interest accrual, other operating expense and GRT accruals
Income Tax Payable	(18,229)	-15.34%	Lower income tax payable for the period
Other Liabilities	28,510	2.80%	Higher due to increase in payables to Bancnet bills payment & IBFT, offset by decrease in advance rentals, and finance lease payables
Surplus reserves	241,445	113.44%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement
Retained Earnings	1,656,126	113.46%	Increase is from net income for the period partially offset by RE appropriation to cover deficiency on 1% minimum GLLP requirement

Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	276,431	87.87%	Lower net MTM losses from FCDU debt investments in FVOCI
Cumulative translation adjustment	1,419	1.34%	Higher downward CTA mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	(82,878)	-232.06%	Higher actuarial loss recognized on retirement fund

Statement of Condition: December 2022 vs. December 2021 (consolidated)

(in thousands)	Increase/(Decrease)	Percentage Change	Explanation
Cash and Other Cash Items	(111,700)	-7.37%	Lower cash on hand
Due from Bangko Sentral ng Pilipinas	1,064,985	10.37%	Higher mainly from ODF
Due from Other Banks	430,597	65.38%	Higher funds with foreign banks
Interbank Loans Receivable	(1,595,267)	-38.02%	Lower GS Repo and foreign interbank loans
Financial Assets at Fair Value through Profit or Loss	(886,291)	-100.00%	Sale of investments in FVTPL
Financial Assets at Fair Value through Other Comprehensive Income	(1,480,691)	-22.82%	Sale of investments in FVOCI
Investment Securities at Amortized Cost	6,141,545	39.57%	Increase due to purchase of securities at amortized cost
Loans and Receivables	12,138,486	18.74%	Increase in outstanding receivables, mainly in corporate loans
Property and Equipment	(78,380)	-8.88%	Decline due to depreciation recognized for the period
Investment Properties			
Foreclosed properties	127,809	15.32%	Higher ROPA foreclosures, offset by depreciation recognized for the period
Office units for lease	(351)	-13.05%	Decline due to depreciation recognized for the period
Deferred Tax Assets	64,953	19.95%	Increase mainly due to set-up of tax assets on additional provision for credit losses
Other Assets	(116,652)	-20.17%	Lower largely due to decline in tax credits and CWT carry-over
Deposit Liabilities			
Demand	4,333,580	10.53%	Higher volume of demand deposits
Savings	1,308,795	11.52%	Higher volume of savings deposits
Time	6,851,167	21.73%	Higher volume of time deposits
Bills Payable	1,583,031	26.34%	Increase in bills payable - REPO
Outstanding Acceptances	(21,391)	-29.87%	Decrease due to lower bills of exchange accepted by the Bank
Manager's Checks	49,288	28.61%	Higher un-negotiated MC's as of report date
Accrued Interest, Taxes and Other Expenses	183,666	26.98%	Increase in expense and interest payable accruals as of the period
Income Tax Payable	51,990	77.80%	Higher income tax payable for the period
Other Liabilities	(85,957)	-7.79%	Lower mainly from lower advance rentals and rental security deposit
Surplus reserves	105,916	99.06%	Increase mainly due to additional RE appropriation to cover deficiency on 1% minimum GLLP requirement

Retained Earnings	1,525,772	-2309.62%	Increase mostly from net income for the period
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	(368,094)	-687.91%	Higher net MTM losses
Cumulative translation adjustment	131,663	55.40%	Lower downward CTA mainly due to exchange rate differential
Remeasurement gains (losses) on retirement liability	(5,027)	-12.34%	Cumulative amount of actuarial loss in 2022

Statement of Income and Expenses: Jan-Dec 2024 vs Jan-Dec 2023 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	1,332,563	21.78%	Higher interest income due to higher average volume and higher yields mainly from corporate loans
Investment securities	478,297	29.00%	Higher interest income due to higher yields mainly from HTC, and higher average volume mainly from FVOCI and FVTPL
Interbank loans receivable and securities purchased under resale agreements	-59,956	-46.18%	Lower interest income due to lower average volume mainly from SPURA, offset by higher yields
Deposits with other banks	2,199	7.62%	Higher interest income due to higher yields mainly from ODF with BSP
INTEREST AND FINANCE CHARGES			
Deposit liabilities	777,292	30.90%	Higher interest expense due to higher average volume mainly from TDs and higher cost of funds
Bills payable, borrowings and others	168,858	23.87%	Higher interest expense due to higher average volume mainly from corporate bond issuance and higher cost of funds mainly from Repos
OTHER INCOME			
Rent income	-20,351	-5.14%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants
Trading and securities gain (loss) – net	323,645	251.32%	Higher realized trading gains and unrealized mark-to-market gains
Service charges, fees and commissions	55,059	12.88%	Higher primarily due to higher commitment fees, TFR fees, and Instapay fees
Profit (loss) from assets sold	80,582	362.00%	Higher gain on ROPA sold
Foreign exchange gain - net	-1,911	-1.89%	Lower realized foreign exchange gains, offset by higher unrealized foreign exchange gains
Income from trust operations	3,965	10.62%	Increase is mainly due to higher ADB of assets under management
Gain (loss) on assets exchange – net	63,185	534.38%	Higher net gain on ROPA foreclosure
Miscellaneous	21,027	15.40%	Increase mainly due to higher recovery on written-off accounts, gain from sale of bank-owned property, higher GRT portion shouldered by the clients, and gain on derecognition of investment in PISAI
OPERATING EXPENSE			
Provision for credit and impairment losses - net	465,051	1905.24%	Higher loan provision requirements during the period
Compensation and fringe benefits	188,208	15.58%	Higher manpower costs for the period due to higher ave. headcount and salary adjustments

Taxes and licenses	136,713	18.27%	Increase mainly due to higher GRT costs and higher DST costs from deposits
Depreciation and amortization	51,814	15.13%	Increase mainly due to higher ROPA and ROU asset depreciation, offset by fully amortized software cost, and fully-depreciated office equipment & computer
Insurance	30,405	15.03%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	28,343	17.77%	Increase mainly from increase in electricity & water costs, and higher repairs and maintenance, offset by lower rent expense
Management and professional fees	-17,208	-16.78%	Decrease is primarily due to lower professional fees
Security, clerical, messengerial and janitorial services	5,018	3.86%	Higher janitorial and messengerial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	18,747	22.88%	Higher expenses incurred in 2024
Communications	3,718	7.51%	Increase in commercial leased lines
Miscellaneous	35,326	8.34%	Increase mainly due to higher legal fees, brokerage & PDEX fees from higher volume of transactions, contractual services, and IT costs
Share In Net Income Of An Associate	-1,009	-61.98%	Lower net income share from PBCOM Finance and impact of gain from last year's sale of ROPA
Provision For Income Tax	72,308	11.24%	Increase mainly due to higher net taxable income, higher final taxes on interest income on peso government securities and onshore income, offset by higher DTA recognized on loan allowance

Statement of Income and Expenses: Jan-Dec 2023 vs Jan-Dec 2022 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	1,521,905	33.12%	Higher interest income is primarily derived from increased yields and the growth in average volume, driven by new loan availments, mainly from corporate loans
Investment securities	742,543	81.87%	Higher interest income is attributed to increased yields, primarily from HTC and FVOCI, as well as from a higher average volume, primarily in HTC
Interbank loans receivable and securities purchased under resale agreements	62,697	93.38%	Higher interest income from higher yields
Deposits with other banks	(785)	-2.65%	Lower interest income is primarily attributed to a decrease in average volume, mainly in ODF with BSP, offset by higher yields
INTEREST AND FINANCE CHARGES			
Deposit liabilities	1,916,276	319.73%	The increase is primarily due to a higher cost of funds and an increase in the volume of high-cost deposits
Bills payable, borrowings and others	518,340	274.28%	The increase is mainly attributed to higher cost of funds and average volume, driven by new repos during the year
OTHER INCOME			
Rent income	(24,239)	-5.77%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants

Trading and securities gain (loss) – net	495,103	135.15%	Higher net trading gain, mostly realized, compared to the net trading loss in the same period last year
Service charges, fees and commissions	37,368	9.58%	Higher primarily due to higher trade finance receivables charges, insurance fees income, and loan booking fees (mainly from corporate loans and home loans). This increase is partially offset by lower corporate loan penalty fees and processing fees.
Profit (loss) from assets sold	(38,783)	-63.53%	Lower ROPA gain on sale in 2023
Foreign exchange gain - net	3,322	3.40%	Higher realized foreign exchange gains were partially offset by unrealized foreign exchange losses
Income from trust operations	5,593	17.61%	Increase is mainly due to impact of higher ADB of assets under management
Gain (loss) on assets exchange – net	15,300	440.16%	Net gain on asset exchange compared to net loss in prior year
Miscellaneous	15,453	12.76%	Higher mainly from other income from loans and higher recovery on written-off accounts, partially offset by the impact of income from the forfeiture of security deposits of lessees resulting from the pre-termination of lease contracts in the prior year
OPERATING EXPENSE			
Provision for credit and impairment losses - net	(312,095)	-108.48%	Lower loan provision requirements during the period
Compensation and fringe benefits	92,596	8.30%	Increase is mainly due to salary adjustments and higher contributions
Insurance	18,527	10.08%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	23,368	17.17%	Higher mainly from repairs & maintenance and electricity costs, partially offset by lower rent expense
Management and professional fees	(63,743)	-38.33%	Decrease is primarily due to lower professional fees
Security, clerical, messengerial and janitorial services	24,800	23.55%	Higher security and janitorial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	3,710	4.74%	Higher expenses incurred in 2023
Communications	(7,634)	-13.36%	Decrease in commercial leased lines
Miscellaneous	34,208	8.79%	Increase is primarily due to higher employee and travel expense reimbursements, IT relate expenses, and brokerage fees
Share In Net Income Of An Associate	1,315	420.13%	Net income from PBCOM Finance
Provision For Income Tax	117,859	22.43%	Increase mainly due to higher final taxes on interest income on peso government securities and onshore income and lower DTA recognized, partly offset by lower taxable income as of Dec23

Statement of Income and Expenses: Jan-Dec 2022 vs Jan-Dec 2021 (consolidated)

(in thousands)	Increase (Decrease)	Percentage	Remarks
INTEREST INCOME			
Loans and receivables	485,232	11.81%	Higher interest income from growth in average volume (from impact of new loan availments, mainly from corporate loans), partially offset by drop in yields

Investment securities	405,262	85.72%	Higher interest income due to higher yields (mainly from HTC & FVOCI, and from higher average volume, mainly HTC)
Interbank loans receivable and securities purchased under resale agreements	(7,073)	-11.77%	Lower interest income from lower volume
Financial Assets at Fair Value through Profit or Loss	(11,469)	-28.43%	Decrease from lower volume, partially offset by higher yields
Deposits with other banks	(26,052)	-46.78%	Lower interest income mainly from decrease in average volume mainly in ODF
INTEREST AND FINANCE CHARGES			
Deposit liabilities	164,444	37.81%	Increase is primarily from higher cost of funds and from higher CASA volume
Bills payable, borrowings and others	129,886	219.78%	Increase is mainly from higher cost and average volume due to new repos during the year
OTHER INCOME			
Rent income	(85,234)	-16.87%	Lower mainly due to downward impact of pre-terminations and re-negotiated contracts of tenants as a result of the COVID-19 crisis
Trading and securities gain (loss) – net	(124,729)	51.63%	Higher net trading loss, mostly realized
Service charges, fees and commissions	58,381	17.60%	Increase is mainly from higher penalty on corporate loans
Profit (loss) from assets sold	47,476	349.94%	Higher gain on sale of foreclosed ROPA assets
Foreign exchange gain - net	40,821	71.83%	Higher foreign exchange gain, mostly realized
Income from trust operations	2,525	8.64%	Increase is mainly due to impact of higher ADB of assets under management
Gain (loss) on assets exchange – net	(10,936)	-146.60%	Net loss on asset exchange compared to net gain in prior year
Miscellaneous	(16,275)	-11.85%	Decrease primarily due to lower recovery on charged-off asset
OPERATING EXPENSE			
Provision for credit and impairment losses - net	(34,615)	-10.74%	Lower loan provision requirements during the period
Compensation and fringe benefits	98,909	9.73%	Higher manpower costs for the period due to higher headcount and salary adjustments
Insurance	20,984	12.89%	Higher PDIC insurance from higher volume of deposits
Occupancy and other equipment-related costs	17,614	14.86%	Higher mainly from increase in electricity costs
Management and professional fees	66,772	67.08%	Increase is primarily due to higher professional fees
Security, clerical, messengerial and janitorial services	16,445	18.51%	Higher security and janitorial costs primarily due to increase in minimum wage
Entertainment, amusement and recreation	(42,151)	-35.02%	Lower expenses incurred in 2022
Communications	7,463	15.02%	Increase in commercial leased lines
Miscellaneous	(22,172)	-5.39%	Decrease is primarily due to lower ROPA related expenses
Share In Net Income Of An Associate	26	9.06%	Net income from PBCOM Finance
Provision For Income Tax	269,020	104.83%	Increase is mainly due to lower DTA recognized, from higher final taxes, and due to higher taxable income for the period

Interest income on non-discounted loans is recognized based on the accrual method of accounting, while unearned discounts are amortized to income over the terms of the loans. As such, there are no seasonal aspects that materially impact the Bank's interest revenues.

(3) Other material events and/or uncertainties:

- The Bank does not anticipate any cash flow or liquidity problems in the next 12 months after year-end 2024.
- The Bank does not foresee any events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period**.**
- There are no material commitments for capital expenditures.
- The Bank remain cautious in expanding its loan portfolio given the on-going effect of the pandemic on the economy while the Executive Committee (EXCOM) stays vigilant with its loan approvals.
- There are no significant elements of the Bank's income in 2024 that did not arise from continuing operations.
- There are no seasonal aspects that have a material effect on the financial condition or results of operations.

Item 7. Financial Statements

Attached hereto are the audited financial statements for the year ended December 31, 2024.

The accounting firm of Sycip, Gorres, Velayo and Co. ("SGV"), with address at SGV Building, 6760 Ayala Avenue, Makati City, has been the Bank's independent public accountants for the past years. The same accounting firm will likely be recommended for re-election at the scheduled annual meeting this year. Mr. Ray Francis C. Balagtas was assigned partner starting in 2019 in compliance with SRC 68(3)(b)(ix).

SGV is expected to be represented in the coming Annual Stockholders' Meeting with an opportunity to make statements, if they so desire, and will be available to respond to appropriate questions.

There is no disagreement with the Bank's accountants on matters of accounting and financial disclosure.
The aggregate external audit fees billed for each of the last three (3) fiscal years for the audit of the registrant's annual financial statements or services that are normally provided by the external auditors are as follows:

Fiscal Year	Audit Fees	All other fees
2024	₱4,730	3,183
2023	₱4,503	-
2022	₱5,256	-

The above audit fees are inclusive of the following: (a) Other assurance related services by the External Auditor that are reasonably related to the performance of the audit or review of the Bank's financial statements and (b) All Other Fees. Fees paid to professional partnerships like SGV are not subject to withholding tax.

The Audit Committee is directly responsible for approving the appointment of the independent public accountants. Annually, the Committee recommends that the Board request shareholder ratification of the

appointment of the independent public accountants. The Committee is also responsible for approving the fee of the independent public accountants and periodically reviews the fees charged for all permitted audit-related expenses and other services. It is also their responsibility to evaluate and, when appropriate, to remove the independent public accountants.

As of December 2024, the Audit Committee consists of Teresita J. Herbosa as Chairperson, with Gilda E. Pico and Paolo Benigno A. Aquino IV as members. All members of the Committee are Independent Directors.

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

There were no changes or disagreements with accountants on matters of accounting and financial disclosure.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

(1) Directors and Executive Officers

NAME	OFFICE	AGE	CITIZENSHIP	YEAR OF ASSUMPTION OF OFFICE
Eric O. Recto	Chairman of the Board/Director	61	Filipino	2011
Leonardo B. Dayao	Vice Chairman / Director	81	Filipino	2014
Lucio L. Co	Director/Chairman of the Executive Committee	70	Filipino	2014
Patricia May T. Siy	President & CEO / Director	64	Filipino	2015
Bunsit Carlos G. Chung	Director	74	Filipino	1997
Susan P. Co	Director	67	Filipino	2014
Levi B. Labra	Director	66	Filipino	2014/2017*
Hans Brinker M. Sicat	Director	64	Filipino	2023
Gregorio T. Yu	Director	66	Filipino	2011
Jack Ekian T. Huang	Director	70	Filipino	2019
Stephen Anthony T. CuUnjieng	Independent Director	65		2022
Conrado A. Gloria, Jr.	Independent Director	65	Filipino	2019
Teresita J. Herbosa	Independent Director	74	Filipino	2022
Paolo Benigno A. Aquino IV	Independent Director	47	Filipino	2024
Gilda E. Pico	Independent Director	78	Filipino	2017
John Howard D. Medina	Executive Vice President-COO	54	Filipino	2017
Alan E. Atienza	Executive Vice President-Treasurer	53	Filipino	2015
Victor O. Martinez	Executive Vice President – Corporate and Commercial Banking Group Head	59	Filipino	2020
Erico C. Indita	Executive Vice President – Branch	56	Filipino	2020

	Banking Group			
Arlene M. Datu	Senior Vice President – Comptroller	66	Filipino	2013
Expedito G. Garcia	Senior Vice President – Transaction Banking Group	57	Filipino	2015
Jane Lim-Laragan	Senior Vice President – General Services Group	57	Filipino	2016
Mina F. Martinez	Senior Vice President – Human Resources Group Head	62	Filipino	2015
Greg L. Romero	Senior Vice President –Information Technology Group	56	Filipino	2023
Dreda Teresa D. Mendoza	First Vice President – Trust and Wealth Management Group	52	Filipino	2021
Mailene V. Mungcal	First Vice President and Chief Audit Executive	44	Filipino	2024
Ronald Paul D. San Diego	First Vice President and Chief Risk Officer	38	Filipino	2023
Jo-Anne R. Legaspi	First Vice President - Legal Services Group	45	Filipino	2020
Angelita U. Egalin	Vice President and Chief Compliance Officer	59	Filipino	1988
Jane K. Gocuan	Executive Vice President Chief Strategy and Implementation Officer	53	Filipino	2024

* As an independent director in 2014 and as a director in 2017

Board of Directors

ERIC O. RECTO, *Chairman of the Board and Director*
Mr. Recto, Filipino, 61 years old, was elected Director and Vice Chairman of the Board on July 26, 2011, appointed Co-Chairman of the Board on January 18, 2012 and Chairman of the Board on May 23, 2012.

He is presently Chairman and President of Bedfordbury Development Corporation; Chairman of the Board and Chief Executive Officer of Alphaland Corporation; Chairman of the Board and Chief Executive Officer of Atok-Big Wedge Co., Inc.; He is Vice Chairman and Lead Independent Director of Aboitiz Power Corporation; Independent Director of Manila Water Company, Inc.; and holds board positions in a few other publicly-listed companies. He was appointed Senior Advisor of Stonepeak Infrastructure Partners in the US and Director of Miescor Infrastructure Development Corporation.

Prior to his current roles, he was President of Petron Corporation, the largest oil refining and marketing company in the Philippines. He also previously served as Undersecretary of Finance of the Republic of the Philippines from 2002 to 2005.
Eric has an undergraduate degree in Industrial Engineering from the University of the Philippines and has an MBA from Cornell University's Johnson Graduate School of Management

LEONARDO B. DAYAO, *Vice Chairman and Director*

Mr. Dayao, Filipino, 81 years old, was elected Director on September 29, 2014 and Co-Vice Chairman on

October 24, 2014. Mr. Dayao currently holds the following positions in publicly listed companies: *President* of Cosco Capital, Inc. and *Director* of Puregold Price Club, Inc.

He also holds various positions in the following privately-owned companies: *Chairman and President* of Fertuna Holdings Corp., *Chairman* of Catuiran Hydropower Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Karayan Hydropower Corporation, League One Finance and Leasing Corporation, Pamana Water Corporation, PSMT Philippines, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc.; *Vice-Chairman* of Ayagold Retailers, Inc.; *President* of Alcorn Petroleum Minerals Corporation, K4 Water Resources Corporation, Matuno River Dev. Corp., NE Pacific Shopping Centers Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., San Jose City I Power Corp., Southern Utility Management Services, Incorporated (SUMSI), Union Energy Corporation; Vice-President of Alerce Holdings Corp., Bellagio Holdings, Inc., KMC Realty Corporation, Puregold Properties, Inc., Union Equities, Inc.; and Director of Canaria Holdings Corporation, Entenso Equities Incorporated, Kareila Management Corporation, and Puregold Realty Leasing & Management, Inc. Mr. Dayao is also *Vice President* of Puregold Duty Free, Inc.

Mr. Dayao received a Bachelor of Science Degree in Commerce from Far Eastern University. He is a Certified Public Accountant and has completed Basic Management Program at Asian Institute of Management and earned units in MBA from University of the Philippines-Cebu.

LUCIO L. CO, *Chairman of the Executive Committee and Director*

Mr. Co, Filipino, 70 years old was elected Director on September 29, 2014.

Mr. Co currently holds the following positions in other publicly listed companies: *Director and Chairman* of Puregold Price Club, Inc., Cosco Capital, Inc. and The Keepers Holdings, Inc. (formally Da Vinci Capital Holdings, Inc.).

He is also the *Chairman* of the following privately-owned companies: Alcorn Petroleum & Minerals Corporation, Entenso Equities Incorporated, Makabayan Holdings Incorporated, Matuno River Dev. Inc., NE Pacific Shopping Centers Corporation, Pajusco Holdings Corporation, Puregold Duty Free (Subic), Inc., Puregold Finance, Inc., Puregold Realty Leasing & Management, Inc., San Jose City I Power Corp., Union Energy Corporation and *Chairman and President* of Bellagio Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Invescap Incorporated, P.G. Holdings, Inc., Puregold Duty Free, Inc., Puregold Properties, Inc., Union Equities, Inc.. Mr. Co is also a *Director* of the following privately-owned companies: Bacolod Real Estate Development Corp., Catuiran Hydropower Corporation, Cleangreen Energy Corporation, Forbes Corporation, Grass Gold Renewable Energy (G2REC) Corporation, Illido Management Corp., Karayan Hydropower Corporation, Kareila Management Corp., LCCK & Sons Realty Corporation, League One Finance and Leasing Corporation, Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., Negros Water Company Inc., Pamana Water Corporation, PPCI Subic Inc., Patagonia Holdings Corp., Premier Wine & Spirits, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., Technowater Corp., Tower 6789 Corporation and VS Gripal Power Corp. Mr. Co is a member of the Board of Trustees of Adamson University and Luis Co Chi Kiat Foundation, Inc.

Mr. Co has been an entrepreneur for the past 50 years.

PATRICIA MAY T. SIY, *President & CEO and Director*

Ms. Siy, Filipino, 64 years old, was elected Director, President and Chief Executive Officer on June 1, 2015.

She is also a Director of PBCOM Finance Corporation.

Immediately before joining PBCOM, she served as Chief Corporate Planning Officer of Travellers International Hotel Group from 2012 and as Chief Finance Officer of Rustan's Supercenter Inc. from 2011 to 2012. Her banking experience spanned 38 years. She was with Security Bank Corporation where she held various positions from 2000 to 2011 in Middle Market Lending and Corporate Lending leading to the Executive Vice President post for the Commercial and Retail Banking Segment. She held senior positions in Standard Chartered Bank from 1994 to 2000 in the fields of Regional and Philippine Consumer Credit, Group Special Asset Management, and Corporate Banking in Cebu and Head Office. Her first Bank was Private Development Corporation of the Philippines where she stayed from 1983 to 1994 as Project Analyst, Cebu Lending Head, Visayas Lending Head, and then Branch Lending Head.

Ms. Siy graduated from De La Salle University with a Bachelor of Science degree in Industrial Management Engineering minor in Chemical Engineering.

She is a member of the Filipina CEO Circle (FCC), Makati Business Club and Management Association of the Philippines.

BUNSIT CARLOS G. CHUNG, *Director*

Mr. Chung, Filipino, 74 years old, was elected Director on June 17, 1997.

He is concurrently Chairman & President of Supima Holdings, Inc., Chairman of Tosen Foods Corporation, Director of La Suerte Cigar & Cigarette Factory, Century Container Corporation, Bicutan Container Corporation, PBCOM Finance Corporation, State Investment Trust, Inc. and State Properties, Inc. He is also an Advisory member of the Board of Trustees of Xavier School Inc., and a member of the Board of Trustees of Immaculate Conception Academy (Greenhills) Scholarship Foundation, Seng Guan Buddhist Temple, Angelo King Foundation Inc. and Kim Siu Ching Family Association and Chairman and President Phil Tiong Se Academy.

Mr. Chung has a degree in AB (Economics) & Business Administration from De La Salle University as well as an MBA from the University of Southern California.

SUSAN P. CO, *Director*

Mrs. Co, Filipino, 67 years old, was elected Director on September 29, 2014. She currently holds the positions of *Chairman* of Puregold Price Club, Inc. and *Vice-Chairman* of Cosco Capital, Inc., both publicly listed companies.

Mrs. Co is the *Chairman and President* of Cosco Price, Inc., *Chairman* of Tower 6789 Corporation, Kareila Management Corporation and President of Makabayan Holdings Incorporated. She is also a *Director* of the following privately-owned companies: Bellagio Holdings, Inc., Blue Ocean Holdings, Inc., Canaria Holdings Corporation, Ellimac Prime Holdings, Inc., Illido Management Corp., KMC Realty Corp., League One, Inc., Meritus Prime Distributions, Inc., Montosco, Inc., Nation Realty, Inc., NE Pacific Shopping Center Corporation, P.G. Holdings, Inc., Patagonia Holdings Corp., PPCI Subic Inc., Premier Wines and Spirits, Inc., Puregold Duty Free (Subic), Inc., Puregold Duty Free, Inc., Puregold Finance, Inc., Puregold Properties, Inc., Puregold Realty Leasing & Management, Inc., S&R Pizza (Harbor Point), Inc., S&R Pizza, Inc., San Jose City I Power Corp., Union Energy Corporation and Union Equities, Inc. and *Director and Treasurer* of Forbes Corporation. Mrs. Co is also a member of the Board of Trustees of Luis Co Kiat Foundation, Inc.

Mrs. Co received a Bachelor of Science Degree in Commerce from the University of Santo Tomas.

JACK EKIAN T. HUANG, *Director*

Mr. Huang, Filipino, 70 years old, was elected Director on June 4, 2019. He currently holds the positions of Director of Puregold Price Club Inc. and Cebu Business Continuous Forms, Vice President of Abacus Securities Corporation and Director and Treasurer of Richmedia Network Inc.

In the past, he was Assistant Vice President of the Bank of the Philippine Islands, Branch Manager of Ayala Investment & Development Corporation, Director and President of First Abacus Financial Holdings Corporation, Director of Abacus Securities Corporation and a member of the Board of Trustees and Member of the Finance Committee of Sacred Heart School (Ateneo de Cebu).

Mr. Huang obtained his Bachelor of Arts in Economics at the Ateneo de Manila University

LEVI B. LABRA, *Director*

Mr. Labra, Filipino, 66 years old, served as an Independent Director from October 24, 2014 until his election as a regular member of the Board of Directors on February 22, 2017.

Mr. Labra is also a *Director* of Cosco Capital, Inc., a publicly listed company and a *Board Adviser* at Puregold Price Club, Inc.

He obtained his Bachelor of Science in Business Administration (Cum Laude) at the University of San Carlos, Cebu City.

HANS BRINKER M. SICAT, *Director*

Mr. Sicat, Filipino, 64 years old, was elected Director on June 13, 2024.

Hans is the country head of Ares Management Corporation in the Philippines. Ares is a leading global alternative investment manager. He has been involved in the global capital market for over 3 decades. Prior to the current role, he was CEO of ING Bank Philippines, Chairman & CEO of the Philippine Stock Exchange, Managing Director & country board member of Citi Philippines. He was an investment banker with Citi and its predecessor firms (Salomon Brothers & Citicorp Securities) in various roles in New York, Hong Kong & the Philippines.

Hans is an independent director in a number of firms*, and has been on industry association boards like the Bankers Association of the Philippines (BAP) and the Investment House Association of the Philippines (IHAP) which he presided over at one time. He also did a committee role at the World Federation of Exchanges (WFE). Through the years, he has been active with the Young Presidents' Organization (YPO & YPO Gold), a global leadership community of CEOs; he was on the Southeast Asia Regional board and is still on the Philippines Executive Committee, which he previously chaired.

Hans finished his coursework for Ph.D. Economics program at the Univ. of Pennsylvania in Philadelphia; he has a Master of Arts in Economics and a Bachelor of Science in Mathematics from the University of the Philippines. He was conferred an Honorary Doctorate in Business Administration by the Western University in Thailand.

*Note: Current firm affiliations are Arthaland Corporation; Escada de Oro Holdings, Inc. (and related companies); Philippine Bank of Communications; ProJuris Business Services; Transnational Diversified Group

Previous firms affiliations: Fintonia Group; ING Bank Philippines Foundation, Inc.; LegisPro Corporation; List Sotheby's Philippines, Philippine Dealing System (PDS) Group; PSE Foundation, Inc.; Serica Fund and Serica Balanced Fund; Skycable Corporation; served as Emerging Markets Committee Head, World Federation of Exchanges.

Involved with: Endeavor Organization, Philippine Map Collectors Society

GREGORIO T. YU, *Director*

Mr. Yu, Filipino, 66 years old, was elected Director on July 26, 2011. He is presently the Chairman of Nexus Technologies, Inc. Mr. Yu also sits as Director in various companies, among which are Apo Agua Infrastructura, Inc., Glacier Megafridge, Inc., Inchcape Philippines, Glyph Studios, Inc., Jupiter Systems Corporation, Philequity Management Inc., Prople BPO Inc., and WSI Corporation.

He is concurrently the Lead Independent Director of AIA Philippines Life and General Insurance Company, Inc., Independent Director of Alphaland Corporation, Filipino Fund, Inc., House of Investments, Inc., Philippine Airlines, Inc., Vantage Financial Corporation (formerly E-business Services, Inc.), Unistar Credit and Finance and Vantage Equities Inc. He also serves as Board Member of the Manila Symphony Orchestra since 2009.

He received his MBA from the Wharton School of the University of Pennsylvania in 1983 and his Bachelor of Arts in Economics (Honors Program) Summa Cum Laude from De La Salle University in 1978**.**

PAOLO BENIGNO A. AQUINO IV, *Independent Director*

Mr. Paolo Benigno "Bam" A. Aquino IV, Filipino, 47 years old, was elected Independent Director of the Bank on January 31, 2024.

Currently, he holds core positions in various private institutions like Kaya Natin! Movement for Good Governance and Ethical Leadership, Inc. as Chairperson, Pasajob Inc. as Director, At1ndahan Inc. as Director and Mee Games Inc. as Director. Prior to his current roles, Bam served as Senator of the Republic of the Philippines from 2013 to 2019. He also served as Chairperson and Commissioner-at-Large of the National Youth Commission from 2003 to 2006 and 2001 to 2003, respectively. He was also President of other private institutions like Microventures Inc. and Megamobile Inc., Director of Ryt BrainTech Solutions Inc. and was a Special Project Manager of ABS-CBN Foundation.

Bam earned his Bachelor of Science in Management Engineering degree from the Ateneo de Manila University in 1999 and attended Executive Education Program on Public Policy and Leadership at the Kennedy School of Government, Harvard University.

STEPHEN ANTHONY T. CUUNJIENG, *Independent Director*

Mr. CuUnjieng, Filipino, 65 years old, was elected Independent Director on July 1, 2022.

He concurrently serves as an Independent Director of First Philippine Holdings Corporation since 2018. He is also an Independent Director of Century Properties Group, Century Pacific Food Inc. and Greenergy Holdings Inc. Mr. Cuunjieng is part of the Executive Advisory Board for Asia of the Wharton School of Business and the International Advisory Board of the New York Philharmonic.

In the past, he was a Senior Managing Director at Evercore and Chairman at Evercore Asia Limited from 2009 to 2022. He was previously an Independent Director of Aboitiz Equity Ventures (2010 to 2018), an Adviser to the Board of SM Investments Corporation (2008-2017) and Director of Manila North Tollways Corporation (2008-2013). He was also Vice Chairman, ASEAN of Macquarie (Hong Kong) Limited from 2007 to 2009.

Mr. CuUnjieng holds a degree in Bachelor of Arts (1980) and also has a Bachelor's Degree in Law (with honors) (1984) from the Ateneo de Manila University and the Ateneo Law School. He also has a Master's Degree in Business Administration (Finance) from Wharton School of Business (1986).

CONRADO A. GLORIA, JR., *Independent Director*

Mr. Gloria, Filipino, 65 years old, was elected Independent Director on June 4, 2019.

He currently holds the positions of President & CEO of GIV Capital Holdings Corporation and Director of Miguel and Maria Group of Restaurants, Inc. Mr. Gloria is also an Independent Director of Scheirman Construction Consolidated Inc.

In the past, he served as President & COO of Investment & Capital Corporation of the Philippines, Executive Vice President and Managing Director of SB Capital Investment Corporation, President of SB Equities, Inc., Senior Vice President of Southeast Asia Cement Holdings Inc. and Senior Finance Officer of International Finance Corporation.

Mr. Gloria obtained his Bachelor of Arts in Economics at the University of the Philippines and his Master's in Business Administration at the Asian Institute of Management.

TERESITA J. HERBOSA, *Independent Director*

Ms. Herbosa, Filipino, 74 years old, was elected as Independent Director on November 2, 2022.

She currently serves as a Director of the Board of Telecommunications Connectivity, Inc., and also sits as an Independent Director of mutual fund companies under the Sunlife Group and Grepalife Group: Sunlife of Canada Prosperity Bond Fund, Inc., Sunlife Prosperity Peso Starter Fund, Inc., Sunlife Prosperity Dollar Starter Fund, Inc., Sunlife Prosperity Peso Voyager Feeder Fund Inc., Sunlife Prosperity World Income Fund, Inc., Sunlife Prosperity Achiever Fund 2028, Inc., Sunlife Prosperity Achiever Fund 2038, Inc., Sunlife Prosperity Achiever Fund 2048, Inc. Grepalife Balanced Fund Corp., Grepalife Dollar Bond Fund Corp. and Grepalife Fixed Income Fund Corp.

Ms. Herbosa is the former Chairperson of the Philippine Securities and Exchange Commission or SEC from April 2011 up to June 2018.

Prior to government service, Ms. Herbosa was with Angara Abello Concepcion Regala & Cruz Law Offices ("ACCRALAW") where she headed its prestigious Litigation and Dispute Resolution Department for more than 10 years during which it was consistently recognized as the best in that area of practice. She retired from ACCRALAW in 2011 as a Senior Partner/Co-Managing Partner. Ms. Herbosa was also a law professor at the DLSU College of Law (Rufino Campus) and Lyceum Makati.

Ms. Herbosa finished AB Political Science cum laude at the University of the Philippines (UP) Diliman, and Bachelor of Laws cum laude and class salutatorian from the UP College of Law. She has a master's degree from the University of Michigan.

GILDA E. PICO, *Independent Director*

Ms. Pico, Filipino, 78 years old, was elected Independent Director on February 22, 2017.

She is currently Chairman of the Board of Producers Savings Bank Corporation. Ms. Pico is also connected with Marinor Development Corporation as Director/Treasurer, Gilart Holdings Corporation as President, Maya Philippines, Inc. and Pagasa Finance Corp. as Independent Director.

In the past, Ms. Pico was President and CEO of Land Bank of the Philippines from November 2006 to July 2016. She was Land Bank's Acting President from July 2005 to November 2006 and Trustee of Land Bank Countryside Development Fund from 2005 to 2015. She also served as Chairman/Director in various government and private institutions engaged in leasing, realty, insurance, guarantees, microfinancing, rural and development banking from 1985 to 2016 such as LBP Insurance Brokerage, Inc., LBP Leasing and Finance Corporation, Landbank Realty Corp., Masaganang Sakahan, Inc., National Livelihood Development Corporation, Peoples Credit and Finance Corporation, Philippine Crop Insurance Corporation, among others.

Ms. Pico obtained her Bachelor of Science Degree in Commerce in 1966 from the College of the Holy Spirit where she graduated Magna Cum Laude and earned units in Masters in Business Administration from the University of the East. Ms. Pico is a Certified Public Accountant.

MA. THERESA G. DELA ROSA, *Corporate Secretary*

Ms. Dela Rosa, Filipino, 57 years old, was appointed as Corporate Secretary on January 30, 2025.

At present, she is also the *Corporate Secretary* of the following companies: Cavite United Rural Bank, Corp., Asia United Leasing and Finance Corp., Asia United Fleet Management Services Inc., Seainsure Insurance Broker Inc., Shopeepay Philippines, Inc., Shopee Philippines Inc., Garena Philippines Inc., FasttrackSolutions Inc., FasttrackERP Solutions Inc., Scommerce Philippines Inc., Andaman Medical Philippines Corporation, Clinactis Inc., and TMDPH Inc.

Ms. Dela Rosa also serves as *Director* at May.Exports Phil. Inc., *Director and Corporate Secretary* at Qima Philippines Inc., Trumpf Philippines Inc., GlobalService Transport Corp. and Delfingen PH-Cavite Inc. and an *Independent Director* at Hitpay Payment Solutions, Inc.

She is currently a Partner at Gruba Caganda Advincula Melo & de la Fuente Law Offices.

She finished her Bachelor of Arts, Major in Behavioral Science at the University of Sto. Tomas and her Bachelor of Laws at San Beda College of Law in 1993 and was admitted to the Philippine Bar in 1994.

Executive Officers

JOHN HOWARD D. MEDINA, *Executive Vice President and Chief Operations Officer*

Mr. Medina, Filipino, 54 years old, joined PBCOM in 2017 and has over 26 years of experience in the banking industry as a senior executive in the Philippines and as an adviser to large banks in the United States. Mr. Medina obtained his Bachelor of Science in Industrial Engineering degree from the University of the Philippines, Diliman and Master of Business Administration degree from the Shidler College of Business at the University of Hawai'i at Manoa. He was also awarded Graduate Certificates in Leadership from The East–West Center, International Management from the Pacific Asian Management Institute, and European Management from the European Summer School for Advanced Management held in Marseilles, France.

ALAN E. ATIENZA, *Executive Vice President – Treasurer*

Mr. Atienza, Filipino, 53 years old, joined PBCOM in 2015 and has over 26 years of banking experience in Trading and Treasury Operations. He has been a recipient of numerous industry awards for Fixed Income Trading and has been a board member of Money Market Association of the Philippines (MART). Mr. Atienza obtained his Bachelor of Arts in Economics and holds a Master of Business Administration degree, both from San Sebastian College.

VICTOR O. MARTINEZ, *Executive Vice President – Corporate and Commercial Banking Group Head*

Mr. Martinez, Filipino, 59 years old, joined PBCOM in 2020 and has 31 years of experience in Corporate Lending, Loan Syndication and Project Finance across major industries gained from local and foreign banks. Mr. Martinez obtained his Bachelor of Science in Commerce major in Management of Financial Institutions from De La Salle University and holds a Master of Management degree from Willamette University, Salem Oregon.

ARLENE M. DATU, *Senior Vice President and Comptroller*

Ms. Datu, Filipino, 66 years old, joined PBCOM in 2013 and has over 43 years of banking experience gained from Local and Foreign Banks as well as a Credit Card Company. She has extensive exposure on Financial Accounting, Management Profitability Reporting and Analysis, Regulatory Compliance, Operations, Risk and Audit. Ms. Datu obtained her Bachelor of Science major in Accounting from Polytechnic University of the Philippines.

ERICO C. INDITA, *Senior Vice President – Branch Banking Group*

Mr. Indita, Filipino, 56 years old, joined PBCOM in 2020 and has over 30 years of extensive management and banking experience in Branch and Retail Banking. Mr. Indita, obtained his Bachelor of Science Degree in Commerce major in Management from San Beda College and holds a Master in Business Administration Degree from Ateneo De Manila University Graduate School of Business. He also has a Diploma in Strategic Negotiations from Asian Institute of Management.

EXPEDITO G. GARCIA, *Senior Vice President – Transaction Banking Group*

SVP Mr. Garcia, Filipino, 57 years old, joined PBCOM in 2015 with over 33 years of extensive Management and Banking experience, with the last 19 years spent in a senior supervisory role. He has strong background in Corporate Cash Management and Managing and Developing Electronic Banking Channels with exposure to both Corporate and Retail Markets. Mr. Garcia obtained both his Bachelor of Science in Industrial Management Engineering minor in Mechanical Engineering and Master's Degree in Business Administration from De La Salle University. He also holds a Certificate in International Cash Management from the Association of Corporate Treasurers, United Kingdom.

JANE LIM-LARAGAN, *Senior Vice President – General Services Group*

Atty. Laragan, Filipino, 57 years old, joined PBCOM in 2016 and has 21 years of experience in various departments: Legal, Human Resources, General Services, Compliance and Risk. Atty. Laragan obtained both her Bachelors Degree in Commerce Major in Economics, and Bachelors Degree in Law from the University of Santo Tomas.

MINA F. MARTINEZ, *Senior Vice President – Human Resources Group Head*

Ms. Martinez, Filipino, 62 years old, joined PBCOM in 2015 with 40 years of Human Resource Management

experience gained from the Construction, Manufacturing, Banking and Retail industries. She specializes in Policy Development and Documentation, Employee and Labor Relations, Workforce Planning, Performance Management, Training and Development. Ms. Martinez obtained her Bachelor of Arts in Mass Communications from Far Eastern University and completed all academic units for her Master of Business Administration from Colegio de San Juan de Letran, Manila.

GREG L. ROMERO, *Senior Vice President - Information Technology Group*

Mr. Romero, Filipino, 56 years old, joined PBCOM in 2023 and has over 37 years of Information and Communications Technology experience gained from Banking, Telecommunications, and Credit Card industries. He obtained his Bachelor of Science Degree in Mathematics major in Computer Science from Ateneo De Manila University.

DREDA TERESA D. MENDOZA*, First Vice President - Trust and Wealth Management Group*

Ms. Mendoza, Filipino, 52 years old, joined PBCOM in February, 2021. She brings with her 29 years of experience in Trust banking in the areas of operations, portfolio management and sales and marketing gained from her stints in both local and foreign owned Trust institutions. She is currently serving as Director in the Trust Officers Association of the Philippines (TOAP) and as Board of Trustee in the Trust Institute Foundation of the Philippines (TIFP). Ms. Mendoza obtained her Bachelor of Science in Business Administration major in Accounting, Cum Laude, at the Mindanao State University, Marawi City.

MAILENE V. MUNGCAL, *First Vice President* and Chief Audit Executive

Ms. Mungcal, Filipino, 44 years old, joined the Bank on the first working day of 2024, with more than 22 years of banking experience in auditing/internal audit. She obtained her Bachelor of Science in Accountancy from the University of Santo Tomas. She is a Certified Public Accountant.

RONALD PAUL D. SAN DIEGO, *First Vice President and Chief Risk Officer*

Mr. San Diego, Filipino, 38 years old, joined PBCOM in July of 2023 and has 12 years of experience in Credit and Operational Risk Management. Mr. San Diego obtained his Bachelor of Science in Statistics minor in Sociology from the University of the Philippines, Los Banos, Laguna. He has MBA Units from SMC-Ateneo Leadership and Management Development Program. He is also a a Certified Risk Analyst (CRA).

JO-ANNE R. LEGASPI*, First Vice President - Legal Services Group*

Atty. Legaspi, Filipino, 45 years old, joined PBCOM in 2020 and has over 19 years of Legal experience in Banking, Retail, Service, Real Estate, and Manufacturing industries. Atty. Legaspi obtained her Bachelor of Arts Degree in Political Science from the Ateneo de Manila University, and Juris Doctor Degree from the Ateneo de Manila University School of Law.

ANGELITA U. EGALIN, *Vice President and Chief Compliance Officer*

Ms. Egalin, Filipino, 59 years old, joined PBCOM in 1988 with over 31 years' experience in banking. Fields of specialization include Compliance, Governance, AML, Branch Banking and Loan Operations. Ms. Egalin obtained her Bachelor of Science in Business Administration major in Accounting from the University of East. She is also a Certified Public Accountant (CPA).

JANE K GOCUAN, *Executive Vice President Chief Strategy and Implementation Officer*

Ms. Gocuan, Filipino, 53 years old, joined PBCOM in February 2024. Jane has over 31 years of broad experience in the banking industry covering branch and retail banking, priority banking and investments,

treasury, lending and brand recognition building honed by holding various roles in foreign, government and private local banks. Ms. Gocuan obtained her Masters and Bachelor's Degree (Magna Cum Laude) from the University of the Philippines Cebu. She also holds an International Investment Advice Certificate from the Securities Institute of London.

The directors of the bank are elected at the annual stockholder's meeting to hold office until the next succeeding annual meeting and until their respective successors have been elected and qualified.

Directorship in Other Reporting Companies

- Mr. Eric O. Recto is also a Director of Atok-Big Wedge Co. Inc., Aboitiz Power Corporation, Manila Water Company, Inc., PH Resorts Group Holdings, Inc. and DITO CME Holdings Corp.
- Mr. Leonardo B. Dayao is also a Director of Puregold Price Club, Inc. and Cosco Capital, Inc.
- Mr. Lucio L. Co is also a Director of Puregold Price Club, Inc., Cosco Capital, Inc., and The Keepers Holdings, Inc. (formerly Da Vinci Capital Holdings, Inc)
- Ms. Susan P. Co is also a Director of Puregold Price Club, Inc. and Cosco Capital, Inc.
- Mr. Levi B. Labra is also a Director of Cosco Capital, Inc.
- Mr. Gregorio T. Yu is also a Director of Vantage Equities, Inc.
- Mr. Jack Ekian T. Huang is also a Director of Puregold Price Club, Inc.
- Mr. Stephen Anthony T. CuUnjieng is also a Director of First Philippine Holdings Corporation, Century Properties Group, Century Pacific Food Inc., and Greenergy Holdings Inc.
- Mr. Hans Brinker M. Sicat is also a Director of Arthaland Corporation

Shares of Atok-Big Wedge Co., Inc. (AB), Aboitiz Power Corporation (AP), Manila Water Company (MWC), Puregold Price Club, Inc. (PGOLD), Cosco Capital, Inc. (COSCO), Keepers Holdings, Inc. (KEEPR) (formerly Da Vinci Capital Holdings, Inc.), Vantage Equities, Inc. (V), First Philippine Holdings Corporation (FPH), Century Properties Group (CPG), Century Pacific Food Inc. (CNPF) and Greenenergy Holdings, Inc..(Green) are all listed in the Philippine Stock Exchange, Inc.

(2) Significant Employees

There is none to disclose. The Bank currently does not employ any person who is not an executive officer but makes a significant contribution to the business.

(3) Family Relationships

Mr. Lucio L. Co and Ms. Susan P. Co are husband and wife. Ms. Katrina Marie Co-Go, Assistant to the Excom Chairman, is the daughter of Mr. and Mrs. Lucio Co. Other than the foregoing, the persons nominated or chosen by the Bank to become directors or executive officers are not related to each other up to the fourth civil degree either by consanguinity or affinity.

(4) Involvement in Legal Proceedings

To the best of the knowledge of management, the Bank is not aware of:

- any bankruptcy petition filed by or against any business of which they are incumbent directors or senior officers was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction by final judgment in a criminal proceeding, domestic or foreign, pending against any of the incumbent directors or executive officers;
- 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 the involvement of the incumbent directors or executive officers in any type of business, securities, commodities or banking activities; and

- any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or said regulatory organization that any of the incumbent directors or executive officers has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated, which may have a material effect in the operations and deter, bar or impede the fulfillment of his/ her duties as a director or executive officer of the Bank.

Item 10. Executive Compensation

Compensation of Directors and Executive Officers

Since the Bank obtained an exemption from the SEC to disclose the required detailed compensation information, disclosure of aggregate compensation paid or accrued during the last three fiscal years 2022 to 2024 of the Bank's Chief Executive Officer and four other most highly compensated executive officers are as follows:

	2024	2023	2022
CEO and four most highly compensated Executive officers	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Executive Vice President	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Executive Vice President	Patricia May T. Siy President & CEO John Howard D. Medina Executive Vice President Alan E. Atienza Executive Vice President Victor O. Martinez Executive Vice President Erico C. Indita Senior Vice President
Salary	₱66,955	₱66,475	₱64,465
Bonus	22,318	22,158	21,488
Other Annual Compensation			
TOTAL	₱89,273	₱88,633	₱85,953

All officers and directors as Group Unnamed			
Salary	₱814,548	₱758,496	₱648,154
Bonus	271,516	252,832	216,051
Other Annual Compensation	-	-	-
TOTAL	₱1,086,064	₱1,011,328	₱864,205

The following is the estimated annual compensation for year 2025:

	Salary	Bonus	Other Annual Compensation	Total
Total of CEO and Four most highly compensated Executive Officers	₱70,303	23,434	none	₱93,737

All officers as a group unnamed	₱866,647	285,092	none	₱1,151,739

The director's per diem paid amounted to ₱12.85 Million, ₱12.26 Million, and ₱12.91 Million, as of December 31, 2024, 2023, and 2022, respectively.

The five (5) Independent and four (4) other regular Directors are entitled to a Director's fee for attending Board meetings. The remaining six (6) Directors have waived their right to receive Director's fees. As stipulated in the By-laws, Directors are also entitled to share in the net profits to be distributed in such manner as the Board may provide but not exceeding four (4) percent.

There are no other terms and conditions with regard to the employment contract between PBCOM and named Executive Officers or any other more compensatory plans or arrangements except those disclosed above.

There are no Outstanding Warrants or Options held by the Directors and Officers as of December 31, 2024.

The Bank has no record of adjusting or amending the exercise price of stock warrants previously awarded to any of the officers and directors.

Item 11. Security Ownership of Certain Beneficial Owners and Management

A. Security Ownership of Certain Record and Beneficial Owners of more than 5 percent of the Bank's capital stock as of December 31, 2024:

Title of Class	Name and Address of Record Owner and relationship with Issuer	Name of Beneficial Ownership and relationship with Record Owner	Citizenship	No. of Shares	% Held
Common	P.G. Holdings, Inc. 900 Romualdez St., Paco, Manila Stockholder	Lucio L. Co-Chairman Susan P. Co-Director	Filipino	186,241,408	38.75%
Common	VFC Land Resources, Inc. 1379 San Gregorio St., Paco, Manila Stockholder	Various stockholders Lucio L. Co – Authorized to vote the shares	Filipino	88,883,602	18.49%
Common	Ralph C. Nubla, Jr. 2 Sanso Street, Corinthian Gardens, Quezon City Stockholder	Ralph C. Nubla, Jr. – same as record owner	Filipino	51,779,374*	10.77%
Common	PCD Nominee Corporation 29th Floor, BDO Equitable Tower, 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders	Filipino Non-Filipino	49,191,524 1,994,501 51,186,025	10.65%
Common	Eric O. Recto 5/F PBCOM Tower 6795 Ayala Ave. cor. V.A. Rufino St., Makati City Stockholder	Eric O. Recto – same as record owner	Filipino	50,159,424**	10.44%
Common	Telengtan Brothers & Sons, Inc. Km. 14, South Superhighway, Paranaque City Stockholder	Various stockholders Authorized to vote the shares-any one the ff: Bunsit Carlos G. Chung/Felix Chung/Ching Tiong Keng	Filipino	31,859,844	6.63%

**5,260,338 shares of the 51,779,374 shares of Ralph C. Nubla, Jr. are under PCD Nominee Corporation*
***323,648 shares of the 50,159,424 shares of Eric O. Recto are under PCD Nominee Corporation*

B. Security Ownership of Management as of December 31, 2024:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent
Common	*Eric O. Recto*	*Direct*	*50,159,424*	*Filipino*	*10.44%*
Common	*Leonardo B. Dayao*	*Direct*	*11,001*	*Filipino*	*0.00%*
Common	*Patricia May T. Siy*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Bunsit Carlos G. Chung*	*Direct*	*550,716*	*Filipino*	*0.11%*
		Indirect	*449,294*		*0.09%*
Common	*Lucio L. Co*	*Direct*	*1*	*Filipino*	*0.00%*
		Indirect	*93,120,704*		*19.37%*
Common	*Susan P. Co*	*Direct*	*1*	*Filipino*	*0.00%*
		Indirect	*93,027,584*		*19.35%*
Common	*Levi B. Labra*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Gregorio T. Yu*	*Direct*	*1,432,692*	*Filipino*	*0.30%*
Common	*Jack E. Huang*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Stephen Anthony T. CuUnjieng*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Conrado A. Gloria, Jr.*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Teresita J. Herbosa*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Paolo Benigno A. Aquino IV*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Gilda E. Pico*	*Direct*	*100*	*Filipino*	*0.00%*
Common	*Hans Brinker M. Sicat*	*Direct*	*100*	*Filipino*	*0.00%*

C. Voting Trust Holders of 5% or more

There are no voting trust agreements or any other agreements/arrangements that may result in a change in control of the Company.

Item 12. Certain Relationships and Related 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. The Bank's transactions with related parties include key management personnel, affiliates (i.e. entities which are controlled), significantly influenced by or for which significant voting power is held by the Bank or key management personnel or their close family members and retirement plan for the benefit of the Bank's employee). These transactions are made in the ordinary course of business and on substantially same terms as that of other parties.

The Bank's related party transactions below are also presented and discussed in detail in the Audited Financial Statements.

Related Party	Transaction with the Bank
Post-retirement Plan	The Bank's Retirement Board approves the investment made in the retirement plan. Trust fee income from such service and total deposits maintained with the Bank in 2024 amounted to ₱2.76 Million and ₱46.76 Million, respectively, while interest expenses paid by the Bank to the deposits was ₱1.12 Million.
Provident Fund	Outstanding deposit and interest paid by the Bank as of year-end were ₱ 29.24 Million and ₱1.01 Million, respectively, while trust fees earned from such service amounted to ₱2.19 Million.
Key Management Personnel	Senior Management Team constitutes key management personnel for purposes of PAS 24. Short-term benefits and post-employment benefits

	given to SMT in 2024 amounted to ₱178.87 Million and ₱10.42 Million, respectively. The year-end balance of deposits and interest expenses paid by the Bank amounted to ₱51.65 Million and ₱2.25 Million, respectively.
Affiliate	The year-end balance of deposits and interest expenses incurred by the Bank amounted to ₱8.90 Million and ₱1.22 Million, respectively. Rental income earned for the year is ₱0.21 Million.
Significant Investors	The year-end balance of deposits and interest expenses incurred by the Bank amounted to ₱7.63 Billion and ₱205.89 Million, respectively. Rent and interest expense were ₱24.88 Million and ₱2.90 Million, respectively. Outstanding balance on loans and receivables is ₱467.94 Million.

As required by BSP, the Bank discloses loans transactions with certain directors, officers, shareholders and their related interests ("DOSRI") in the ordinary course of business, under commercial terms and on an arm's length basis observing at all times the legal limits prescribed under current BSP regulations on DOSRI loans. The amount of individual loans to DOSRI, of which 70% must be secured, should not exceed the amount of their respective deposits and book value of their respective investments in the Bank. In the aggregate, loans to DOSRI generally should not exceed the lower of the Bank's total unimpaired capital or 15% of the total loan portfolio. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations. As of December 31, 2024 the Bank is in compliance with such regulations.

PART IV - CORPORATE GOVERNANCE

Item 13. Corporate Governance

PBCOM Board of Directors and Management, employees and shareholders, believe that Corporate Governance is a necessary component of what constitutes sound strategic business management. Thus, the Bank has undertaken every effort necessary to create awareness for this within the organization. All Directors and Senior Management are required to attend its annual continuing education program on Corporate Governance and Risk Awareness. The Board, Senior Management and all employees conduct themselves with utmost honesty and integrity in the discharge of their duties, functions and responsibilities, thus nurturing the continuing success of the Bank and securing its competitiveness in the best interest of the Bank, its shareholders and other stakeholders. Bank Officers promote the good governance practices within the Bank by ensuring that policies on governance are consistently adopted across the organization, with measurable standards, initiatives and specific responsibilities and accountabilities for each personnel.

Consistent with the global practices of good Corporate Governance, the Bank's overriding commitment to a culture of good governance is seen through the following underlying principles:

1. It is the Bank's objective to enhance shareholders' value by making the most efficient use of resources. Its human capital strategy is one of its vital focus areas, as it is a principal indicator for the company's success.
2. The Board of Directors constitutes Board Committee namely Governance, Audit, Risk Oversight and Related Party Transactions Committees which are all chaired by Independent Directors and composed of majority of Independent Directors, all of whom have a good understanding of the business.
3. The Governance Committee is responsible for ensuring the Board's effectiveness and due observance of Corporate Governance principles and guidelines. They assist the Board of Directors in fulfilling its corporate governance responsibilities.
4. The Governance Committee, through its Nominations Sub-Committee, ensures the quality of its leadership, consistent with its "fit and proper" rule when selecting its Directors and Senior Management Team, while the Performance Evaluation Sub-Committee, recommends and oversees the implementation of a Performance Management Process for Senior Management and

the Members of the Board, review performance vis-a-vis agreed upon objectives, evaluate progress made with respect to Senior Management Directors Development plans, monitor changes in professional affiliations, personal status even health, which could have qualifications, resignation and succession implications.

5. Transparency in its Annual Reports is ensured and reflects true and fair accounting information prepared in accordance with applicable standards; disclose and discuss all material risks; and disclose and explain the rationale for all material estimates. Disclosures are all completed in a timely manner.
6. To ensure that all act in the best interest of the Bank, full disclosure by its Directors, Officers and Employees on any actual or expected conflict of interest is required
7. The Bank's Corporate Governance Manual, Code of Ethics and Code of Conduct clearly states Management's philosophy and compliance standards.

Annually, the Bank through the Governance Committee reviews the Corporate Governance Manual and recommends changes/amendments/revisions for the approval of the Board of Directors when and where necessary.

In addition, to promote a strong governance culture and transparency, the Bank's compliance with the Code of Corporate Governance are disclosed in the Integrated Annual Corporate Governance Report.

PART V - EXHIBITS AND SCHEDULES

Item14. Exhibits and Reports on SEC Form 17-C

1. Exhibits – None

2. Reports on SEC Form 17 – C (2024)

Date	Particulars
November 05, 2024	Bonds Listing
October 18, 2024	Shortened Offer Period for Maiden Peso Bond Issue)
October 14, 2024	Bond Offer
June 11, 2024	Results of 2024 Annual and Organizational Meetings
April 12, 2024	List of Stockholders
March 20, 2024	Notice of Annual Stockholders' Meeting
March 20, 2024	Establishment of 2024 Bank Bond Program
January 31, 2024	Appointment of Mr. Paolo Benigno A. Aquino IV as Director and Member of the Audit Committee; Designation of Dir. Herbosa as Chairperson of the Audit Committee; and Appointment of Ms. Jane Gocuan as Chief Strategy and Implementation Officer
January 03, 2024	Directors' Attendance to Board Meetings for Year 2023

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 City of Makati on _____.

By:

PATRICIA MAY T. SIY
President and Chief Executive Officer
(Principal Executive Officer)

ARLENE M. DATU
SVP and Comptroller
(Comptroller & Principal Accounting Officer)

ALAN E. ATIENZA
EVP and Treasurer

MA. THERESA G. DELA ROSA
Corporate Secretary

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

SUBSCRIBED AND SWORN to before me this APR 1 1 2025, affiants exhibiting to me their SSS and Passport Number, as follows:

Name	
Patricia May T. Siy	SSS # 03-7309995-5
Alan E. Atienza	SSS # 33-3597567-4
Arlene M. Datu	SSS # 03-5663345-1
Ma. Theresa G. Dela Rosa	Passport No. P7862192B

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Doc No. 224
Page No. 46
Book No. XXVI
Series of 2025

PHILIPPINE BANK OF COMMUNICATIONS
BRANCHES' SITES - OWNED AND LEASED
AS OF DECEMBER 31, 2024

ANNEX A

No.	BRANCH	BRANCH ADDRESS		LEASE TERMS	
			OWNED / LEASED	MONTHLY RENTAL (OFFICE + PARKING + OTHER CHARGES)	EXPIRY DATE
A. BANK-OWNED PROPERTIES UTILIZED AS BRANCHES					
1	Binondo Banking Center	214-216 Juan Luna Street, Binondo, Manila	owned		
2	Cagayan de Oro	2/F PBCOM Bldg. Hayes St. cor. Tiano Bros. St. Cagayan	owned		
		3/F PBCOM Bldg. Hayes St. cor. Tiano Bros. St. Cagayan	owned		
3	Cebu-Magallanes	Magallanes near corner Manalili Street, Cebu City	owned		
4	Cebu-Mandaue	National Highway corner L. Jayme Street, Mandaue, Ceb	owned		
5	Cebu-Mango	General Maxillom Mango Avenue, Cebu City	owned		
6	Davao-Monteverde	42 Monteverde Avenue, Davao City	owned		
7	Davao-Quirino	111 E. Quirino Avenue, Davao City Davao Del Sur	owned		
8	General Santos	Santiago Boulevard, General Santos City	owned		
9	Iloilo	Ledesma corner Valeria Street, Iloilo City	owned		
10	Koronadal	General Santos Drive, Koronadal, South Cotabato	owned		
11	Makati Banking Center	PBCOM Tower, 6795 Ayala Avenue corner V.A. Rufino St	owned		
12	Marikina	36 J.P. Rizal Street, Calumpang, Marikina City	owned		
13	Meralco Avenue	C-1 Horizon Condominium, Meralco Avenue, Pasig City	owned		
14	Tagum	Pioneer Avenue, Tagum, Davao Del Norte	owned		
15	U.N. Avenue	G/F, Unit 101 & 102, Don Alfonso Sycip Condominium, 1	owned		
B. LEASED PROPERTIES UTILIZED AS BRANCHES					
1	Angeles	G/F MLT Centre Building, Lot 28 Block 2, McArthur Highv	leased	111,695.63	15-Aug-25
2	Annapolis	Unit 101 Victoria Plaza Condominium, 41 Annapolis Stre	leased	289,917.07	15-Apr-27
3	Ayala-Alabang	Unit 101-A Coherco Financial Tower (formerly ALPAP II E	leased	279,482.82	31-Jan-26
4	Bacolod	Units A-E, Sorrento Building, Lacson Street, Bacolod City	leased	177,446.53	28-Feb-29
5	Baguio	GF Unit 105, 106 & 106-B Baguio Holiday Villas, 10 Legar	leased	212,334.25	30-Nov-25
6	Baliuag	NE Super Bodega, Dona Remedios Trinidad Highway, Ba	leased	46,391.69	22-Sep-27
7	Banawe	G/F 2 Benby Building, Banawe Street, Quezon City	leased	125,077.21	22-Nov-24
8	Batangas	Diego Silang Street, Batangas City, Batangas	leased	100,000.00	31-Jan-25
9	BMA	64 Web-Jet Building. Quezon Avenue BMA Street, Brgy.	leased	109,689.37	30-Nov-28
10	Cabanatuan	G/F SAM Building, Along Maharlika Highway, Cabanatua	leased	63,000.00	31-Jan-29
11	Cainta	LG/F 04 & LG/F 05, CK Square Building, Ortigas Avenue E	leased	85,440.79	17-Oct-26
12	Calamba	G/F Walter Mart, National Highway corner Real Street, C	leased	79,027.20	31-Dec-27
13	Caloocan Br	298 Rizal Avenue Extension, Between 5th and 6th Avenu	leased	201,600.00	9-Sep-28
14	Cauayan	Mateo-Patricia Building, along Rizal Avenue Extension, C	leased	82,687.56	31-May-25
15	Cebu Business Park	Unit 1, G/F, Creativo 2 Building, Mindanao Avenue, Cebu	leased	146,714.10	20-Jun-26
16	Cebu Lapu-Lapu	G/F Unit 11 Alpha Arcade Bldg., M.L. Quezon Ave. Natio	leased	31,599.29	31-Jul-25
17	Congressional	LC & Sons Building 10 Congressional Avenue, Barangay E	leased	113,118.22	30-Apr-28
18	Corinthian Gardens	Sanso St., Corinthian Gardens, Quezon City	leased	Leasehold Rights of P12 Million	30-Sep-31
19	Cubao	2/F, The SPARK Place, P. Tuazon corner 10th Avenue, Cu	leased	168,817.37	31-Aug-25
20	Dagupan	Balingit Building, M.H. Del Pilar Street, Dagupan City, Pa	leased	108,882.77	15-May-27
21	Dasmariñas	EVY Building, Molino-Paliparan Road Salawag, Dasmariñ	leased	106,592.64	31-Oct-25
22	Davao-Buhangin	G/F, RAQ Building, J.P. Laurel Avenue Bajada, Davao City	leased	64,680.00	30-Apr-26
23	Divisoria Mall	3/F Divisoria Mall, Tondo, Manila	leased	134,865.55	2-Jul-26
24	Elcano	SHC Tower, 613 Elcano Street, San Nicolas, Manila	leased	191,809.24	28-Feb-27
25	Menarco Tower (formerly	G/F, F1 Hotel Building Lane A cor. Lane Q, Bonifacio Glob	leased	275,302.22	29-Feb-28
26	Greenhills	Quadstar Building, Ortigas Avenue, Greenhills San Juan (	leased	259,440.74	31-Mar-26
27	Iligan	G/F M. Commercial Building, Zone 3, National Highway,	leased	102,090.44	18-Jul-29
28	Imus	P. Nueño Street, corner Gaerlan Street, Imus, Cavite	leased	94,080.00	30-Jun-26
29	Inoza Tower	G/F Inoza Tower, 40th Street, North Bonifacio Global Cit	leased	368,757.46	6-Jul-27
30	Intramuros	Casa Villablanca, Cabildo Street corner Beatirio Street, In	leased	115,192.00	31-Mar-26
31	J.P. Rizal	G/F, Santini Corporation Bldg., No. 519 J.P. Rizal Ave., Br	leased	181,226.38	31-Aug-25
32	La Union	G/F, CJ Arch Building, Quezon Avenue, San Fernando Cit	leased	94,080.00	31-Jan-25
33	Las Piñas	2012 Marcos Alvarez Avenue, Talon Singko, Las Pinas Cit	leased	61,016.40	7-Jan-27
34	Legaspi Village	G/F, Vernida 1 Condominium, 120 Amorsolo St., Legaspi	leased	88,266.34	31-Jul-26
35	Legazpi City	G/F Delos Santos Commercial Building, Landco Business	leased	188,835.83	9-Aug-27
36	Lipa	G/F, ATDRMAM Laguna Corporation Building, Ayala High	leased	123,825.43	31-Jan-26
37	Lucena	G/F, VCII Building, Merchan Street, Lucena City, Quezon	leased	113,136.90	15-Nov-28
38	M. De Santos	G/F LCCK Bldg., M. De Santos St., cor. Tabora St., Divisor	leased	307,310.74	31-Mar-25
39	Makati Place	G/F Unit C-15, Alphaland Makati Place, Ayala Avenue co	leased	167,346.58	30-Nov-25
40	Malabon	Building L, No.34 Governor Pascual Avenue Corner Ibarr	leased	101,722.82	24-Jun-29
41	Malolos	Malolos Shopping Arcade, Paseo Del Congreso, Baranga	leased	126,416.31	15-Aug-26
42	Masangkay	1004-1006 G. Masangkay Street, Binondo, Manila	leased	180,000.00	30-Sep-27
43	Meycauayan	Mancon Building, McArthur Highway, Barrio Calvario, M	leased	97,362.89	15-Apr-26

A. BANK-OWNED PROPERTIES UTILIZED AS BRANCHES					
1	Binondo Banking Center	214-216 Juan Luna Street, Binondo, Manila	owned		
44	Naga	G/F Rodriguez Building, 956 Panganiban Street, Corner B	leased	97,362.89	28-Feb-26
45	Olongapo	GF, YBC Centre Mall, Rizal Avenue Extension, Olongapo (	leased	157,347.12	30-Sep-25
46	Ongpin	729 Ongpin Street corner S. Padilla Street, Sta. Cruz, Ma	leased	169,078.65	31-Dec-26
47	Ormoc	Unit 105, G/F L&R Building, Bonifacio Street, District 18,	leased	83,907.60	25-Jul-28
48	Padre Rada	G/F, 951 Juan Luna Street, Tondo, Manila	leased	142,191.20	14-Jul-25
49	Parañaque	Stall Nos. 3 & 4 Kingsland Building, Dr. A. Santos Avenue	leased	161,401.23	31-May-27
50	Pasay	2492 Taft Avenue Extension, Pasay City	leased	136,122.00	31-Oct-26
51	Pioneer	G/F, RFM Corp. Center, Pioneer corner Sheridan Street,	leased	215,422.28	13-May-26
52	Quezon Avenue	APC Bldg., 1186 Quezon Ave., Quezon City	leased	285,862.08	30-Sep-26
53	S&R Commonwealth	Unit 4 G/F S&R Membership Shopping, Inc., Commonwe	leased	145,069.93	15-Dec-26
54	S&R Dau	G/F Unit 2, S&R Membership Shopping Dau, NLEX Acces	leased	108,632.53	15-Mar-25
55	S&R Libis	Unit 1, S&R Membership Shopping – Libis Branch, E. Roc	leased	100,413.50	5-Sep-25
56	San Fernando	Pampanga - McArthur Highway, Dolores, San Fernando (	leased	170,032.85	31-Mar-27
57	San Miguel Ave	G/F, 101 One Magnificent Mile (OMM) Citra Condominiu	leased	191,798.87	31-Jul-25
58	San Pablo	65 Rizal Aveue, Poblacion, San Pablo, Laguna	leased	55,594.90	30-Apr-26
59	Puregold San Pedro	Puregold San Pedro, National Highway corner Magsaysa	leased	55,932.69	31-Jan-25
60	Sen. Gil J. Puyat Avenue	G/F, Oppen Building, 349 Sen. Gil Puyat Avenue, Makati	leased	275,693.59	14-Jul-25
61	Shaw Blvd.	146 Shaw Blvd. cor. San Roque St., Pasig City	leased	83,641.95	15-Nov-27
62	Soler	G/F, R and S Tower, 943 Soler Street, Binondo, Manila	leased	120,960.00	31-May-25
63	Southgate Mall	3/F, Alphaland Southgate Mall 2258 Chino Roces Street	leased	185,473.69	18-Dec-25
64	Sta. Mesa	440-A G. Araneta Avenue corner Bayani Street, Sta. Mes	leased	99,031.57	31-Jul-35
65	Sta. Rosa	Unit No. 2, Paseo 5, Phase 2 Paseo de Sta. Rosa Greenfie	leased	230,637.65	31-Mar-26
66	Sto. Cristo	565-567 Sto. Cristo Street, Binondo, Manila	leased	99,225.00	14-Sep-26
67	T. Alonzo	G/F, Tan Kiang Building, 665 T. Alonzo Street, Sta. Cruz, I	leased	332,805.62	10-Sep-25
68	Tacloban	Imelda Veteranos Street, Barangay 23, Tacloban City	leased	84,680.27	5-Mar-25
69	Tagbilaran	G/F LTS Building, No. 20 Carlos P. Garcia Avenue, Tagbila	leased	67,200.00	31-Jul-25
70	Timog	G/F, Gil-Preciosa Building 2, No. 75 Timog Avenue, Quez	leased	178,161.51	15-Jul-29
71	Tutuban	Unit No. PL-LS07 & PL-LS08 Tutuban Center Prime Block	leased	Leasehold Rights of P9.92	22-Aug-39
72	Valenzuela	246 McArthur Highway, Karuhatan, Valenzuela City	leased	56,448.00	16-Apr-27
73	Wilson	G/F Unit 1B 186 Wilson Street, San Juan City	leased	84,720.10	14-Oct-25
74	Zamboanga-Valderosa	G/F, Interco Building, N. S. Valderrosa Street, Zamboang	leased	143,219.05	30-Apr-25
75	Zamboanga-Veterans	BSC Tower (formerly Zamsulu Bldg.), G/F, Door 5-7, Vete	leased	130,016.08	30-Sep-29
LIST OF BRANCHES LITES/ POP-UPS					
1	POP-UP PG Paso De Blas	2/F VFC Mall, Puregold Paso de Blas, Paso de Blas cor. G	leased	34,282.00	19-Jun-26
2	POP-UP PG Taguig	G/F Puregold Taguig, Gen. A. Luna St. cor. Col. P. Cruz., E	leased	41,065.71	31-Oct-27
3	POP-UP PG Valenzuela	G/F Puregold Valenzuela, 419 Manila North Road (Mc A	leased	22,400.00	31-Oct-25
4	POP-UP NE Pacific Mall	2/F VFC MalG/F NE Pacific Mall, Km.11, Maharlika Hi-	leased	60,876.69	22-Jan-26

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Philippine Bank of Communications (the Group) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with 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 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 Company or to cease operations, or has no realistic alternative but to do so.

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

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

Sycip, Gorres, Velayo and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the 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.

ERIC O. RECTO
Chairman of the Board

PATRICIA MAY T. SIY
President and Chief Executive Officer

ALAN E. ATIENZA
Treasurer

ARLENE M. DATU
Comptroller

April 15, 2025

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

SUBSCRIBED AND SWORN TO before me this APR 14 2025 at CITY OF MAKATI, affiants, Eric O. Recto, Patricia May T. Siy, Alan E. Atienza and Arlene M. Datu, exhibiting to me their TIN 108-730-891, SSS#0373099955, SSS# 3335975674 and SSS # 0356633451, respectively.

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Book No. XXVIII
Series of 2025

ATTY GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2026
IBP No. 05729-Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-007 (2025-2026)
PTR No. 10466005 Jan. 2, 2025/Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

Ariola, Alexie H.

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Company TIN: **000-263-340**

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COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	-	0	0	0	0	6	8	6	

COMPANY NAME

P	H	I	L	I	P	P	I	N	E		B	A	N	K		O	F		C	O	M	M	U	N	I	C	A	T	I
O	N	S																												

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

P	B	C	o	m		T	o	w	e	r	,		6	7	9	5		A	y	a	l	a		A	v	e	n	u	e
	c	o	r	n	e	r		V	.		A	.		R	u	f	i	n	o		S	t	r	e	e	t	,		M	
a	k	a	t	i		C	i	t	y																						

Form Type	Department requiring the report	Secondary License Type, If Applicable
A A F S		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
customercare@pbcom.com.ph	(02)8777-2266	n/a

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
397	7/14	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Atty. Ma. Theresa G. Dela Rosa	tgdelarosa@grubalaw.com	(02) 8830-7000	n/a

CONTACT PERSON's ADDRESS

5th Floor, PBCOM Tower, 6795 Ayala Ave., Cor. V.A. Rufino St., Makati City

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

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

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Philippine Bank of Communications
PBCom Tower, 6795 Ayala Avenue
Corner V. A. Rufino Street, Makati City

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of Philippine Bank of Communications and its Subsidiary (the Group) and the parent company financial statements of Philippine Bank of Communications (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2024 and 2023, 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, 2024, and notes to the consolidated and parent company financial statements, including a summary of material accounting policy information.

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, 2024 and 2023, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2024, in accordance with Philippine Financial Reporting Standards (PFRSs) Accounting Standards.

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 (the 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 Matter

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

Recognition of expected credit losses (ECL) on loans and receivables

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; 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 for loans and receivables as of December 31, 2024 for the Group and the Parent Company amounted to ₱3.28 billion. Provision for credit losses of the Group and the Parent Company in 2024 amounted to ₱436.74 million.

Refer to Notes 3 and 16 of the financial statements for 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; (c) tested the Group's and the Parent Company's application of internal credit risk rating system 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) evaluated the forward-looking information used for overlay through corroboration of publicly available information and our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge; and (h) tested the effective interest rate used in discounting the expected loss.

Further, we compared 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 also assessed the assumptions used where there are missing or insufficient data.

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

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, 2024, 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, 2024 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 do not and 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 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 audit, 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 Accounting Standards, 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

Reports on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) 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 Section 174 of MORB in Note 37 and Revenue Regulations No. 15-2010 in Note 38 to the financial statements is presented for purposes of filing with the Bangko Sentral ng Pilipinas 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 Philippine Bank of Communications. 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 Ray Francis C. Balagtas.

SYCIP GORRES VELAYO & CO.

Ray Francis C. Balagtas

Ray Francis C. Balagtas
Partner
CPA Certificate No. 108795
Tax Identification No. 216-950-288
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10465263, January 2, 2025, Makati City

April 15, 2025

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION

	Consolidated		Parent Company	
	December 31			
	2024	2023	**2024**	2023
	(Amounts in Thousands)			
ASSETS				
Cash and Other Cash Items	**₱1,049,937**	₱1,562,747	**₱1,049,937**	₱1,562,747
Due from Bangko Sentral ng Pilipinas (Notes 17 and 18)	**7,297,480**	12,204,980	**7,297,480**	12,204,980
Due from Other Banks	**430,103**	448,986	**430,103**	448,986
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	**404,202**	492,353	**404,202**	492,353
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	**11,252,961**	8,415,559	**11,252,961**	8,415,559
Investment Securities at Amortized Cost (Note 10)	**28,920,662**	27,776,391	**28,920,662**	27,776,391
Loans and Receivables (Note 11)	**101,320,536**	91,774,314	**101,320,536**	91,777,147
Investments in Subsidiary and an Associate (Note 7)	**10,062**	16,343	**10,062**	22,416
Property and Equipment (Note 12)	**823,045**	814,490	**823,045**	814,490
Investment Properties (Note 13)				
Condominium units for lease	**1,556,722**	1,603,231	**1,556,722**	1,603,231
Foreclosed properties	**2,130,458**	975,759	**2,130,458**	975,759
Office units for lease	**1,637**	1,988	**1,637**	1,988
Intangible Assets (Note 14)	**515,298**	525,218	**515,298**	525,218
Deferred Tax Assets - Net (Note 30)	**486,222**	404,323	**486,222**	404,323
Other Assets (Note 15)	**696,677**	461,008	**696,677**	459,702
TOTAL ASSETS	**₱156,896,002**	₱147,477,690	**₱156,896,002**	₱147,485,290
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 17 and 31)				
Demand	**₱41,638,978**	₱41,395,954	**₱41,638,978**	₱41,404,856
Savings	**13,697,477**	13,314,707	**13,697,477**	13,314,707
Time	**55,247,882**	59,089,567	**55,247,882**	59,089,567
Long-term negotiable certificates of deposits	**-**	2,900,016	**-**	2,900,016
	110,584,337	116,700,244	**110,584,337**	116,709,146
Bills Payable (Note 18)	**16,386,516**	9,686,755	**16,386,516**	9,686,755
Bonds Payable (Note 19)	**7,623,300**	**-**	**7,623,300**	**-**
Outstanding Acceptances	**81,670**	105,410	**81,670**	105,410
Manager's Checks	**218,636**	632,058	**218,636**	632,058
Accrued Interest, Taxes and Other Expenses (Note 20)	**1,441,163**	1,549,139	**1,441,163**	1,549,053
Income Tax Payable	**136,700**	100,584	**136,700**	100,584
Other Liabilities (Note 21)	**1,190,639**	1,047,749	**1,190,639**	1,046,533
TOTAL LIABILITIES	**137,662,961**	129,821,939	**137,662,961**	129,829,539
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Common stock (Note 23)	**12,016,129**	12,016,129	**12,016,129**	12,016,129
Additional paid-in capital	**2,262,246**	2,262,246	**2,262,246**	2,262,246
Surplus reserves (Note 23)	**458,140**	454,283	**458,140**	454,283
Surplus (Notes 2 and 23)	**5,322,252**	3,115,836	**5,322,252**	3,115,836
Unrealized losses on financial assets carried at fair value through other comprehensive income (Note 9)	**(659,523)**	(38,155)	**(659,523)**	(38,155)
Cumulative translation adjustment	**(103,182)**	(107,424)	**(103,182)**	(107,424)
Remeasurement gains (losses) on retirement liability (Note 27)	**(63,021)**	(47,164)	**(63,021)**	(47,164)
TOTAL EQUITY	**19,233,041**	17,655,751	**19,233,041**	17,655,751
TOTAL LIABILITIES AND EQUITY	**₱156,896,002**	₱147,477,690	**₱156,896,002**	₱147,485,290

See accompanying Notes to Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
STATEMENTS OF INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
	(Amounts in Thousands, Except Earnings per Share)					
INTEREST INCOME						
Loans and receivables (Note 11)	**₱7,449,583**	₱6,117,020	₱4,595,114	**₱7,449,583**	₱6,117,020	₱4,595,114
Investment securities (Note 26)	**2,042,581**	1,608,524	878,058	**2,042,581**	1,608,524	878,058
Interbank loans receivable and securities purchased under resale agreements (Note 8)	**69,883**	129,839	67,142	**69,883**	129,839	67,142
Financial assets at fair value through profit or loss (Note 26)	**85,193**	40,953	28,876	**85,193**	40,953	28,876
Deposits with other banks	**31,048**	28,849	29,634	**31,048**	28,849	29,634
	9,678,288	7,925,185	5,598,824	**9,678,288**	7,925,185	5,598,824
INTEREST AND FINANCE CHARGES						
Deposit liabilities (Notes 17 and 31)	**3,292,911**	2,515,619	599,343	**3,292,911**	2,515,619	599,343
Bills payable, borrowings and others (Notes 18 and 19)	**876,183**	707,325	188,985	**876,183**	707,325	188,985
	4,169,094	3,222,944	788,328	**4,169,094**	3,222,944	788,328
NET INTEREST INCOME	**5,509,194**	4,702,241	4,810,496	**5,509,194**	4,702,241	4,810,496
Rent income (Notes 13 and 28)	**375,417**	395,768	420,007	**375,417**	395,768	420,007
Service charges, fees and commissions	**482,537**	427,478	390,110	**482,537**	427,478	390,110
Trading and securities gain (loss) – net (Note 26)	**452,421**	128,776	(366,327)	**452,421**	128,776	(366,327)
Profit from assets sold (Notes 12, 13 and 15)	**108,317**	22,260	61,043	**102,842**	22,260	61,043
Foreign exchange gain – net	**99,063**	100,974	97,652	**99,063**	100,974	97,652
Gain (loss) on assets exchange – net (Note 13)	**75,009**	11,824	(3,476)	**75,009**	11,824	(3,476)
Income from trust operations (Note 25)	**41,314**	37,349	31,756	**41,314**	37,349	31,756
Miscellaneous (Note 29)	**152,076**	136,524	121,071	**157,551**	136,524	121,071
TOTAL OPERATING INCOME	**₱7,295,348**	₱5,963,194	₱5,562,332	**₱7,295,348**	₱5,963,194	₱5,562,332

(Forward)

	Consolidated			Parent Company		
	Years Ended December 31					
	(Amounts in Thousands, Except Earnings per Share)					
OPERATING EXPENSES						
Compensation and fringe benefits (Notes 27 and 31)	**₱1,396,272**	₱1,208,064	₱1,115,468	**₱1,396,272**	₱1,208,064	₱1,115,468
Taxes and licenses (Notes 15 and 30)	**884,885**	748,172	499,414	**884,885**	748,172	499,414
Provision for (reversal of) credit and impairment losses – net (Note 16)	**440,642**	(24,409)	287,686	**440,642**	(24,409)	287,686
Depreciation and amortization (Notes 12, 14 and 15)	**394,279**	342,465	386,526	**394,279**	342,465	386,526
Insurance	**232,736**	202,331	183,804	**232,736**	202,331	183,804
Occupancy and other equipment-related costs (Notes 13, 28 and 31)	**187,844**	159,501	136,133	**187,844**	159,501	136,133
Security, clerical, messengerial and janitorial services	**135,113**	130,095	105,295	**135,113**	130,095	105,295
Entertainment, amusement and recreation	**100,681**	81,934	78,224	**100,681**	81,934	78,224
Management and professional fees	**85,362**	102,570	166,313	**85,362**	102,570	166,313
Communications	**53,231**	49,513	57,147	**53,231**	49,513	57,147
Miscellaneous (Notes 13 and 29)	**458,836**	423,510	389,302	**458,836**	423,510	389,302
TOTAL OPERATING EXPENSES	**4,369,881**	3,423,746	3,405,312	**4,369,881**	3,423,746	3,405,312
INCOME BEFORE SHARE IN NET INCOME OF SUBSIDIARY AND AN ASSOCIATE	**2,925,467**	2,539,448	2,157,020	**2,925,467**	2,539,448	2,157,020
SHARE IN NET INCOME OF AN ASSOCIATE (Note 7)	**619**	1,628	313	**619**	1,628	313
INCOME BEFORE INCOME TAX	**2,926,086**	2,541,076	2,157,333	**2,926,086**	2,541,076	2,157,333
PROVISION FOR INCOME TAX (Note 30)	**715,813**	643,505	525,646	**715,813**	643,505	525,646
NET INCOME	**₱2,210,273**	₱1,897,571	₱1,631,687	**₱2,210,273**	₱1,897,571	₱1,631,687
Attributable to:						
Equity holders of the Parent Company	**2,210,273**	1,897,571	₱1,631,687	–	–	–
Non-controlling interests	**-**	-	–	–	–	–
	₱2,210,273	₱1,897,571	₱1,631,687	–	–	–
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 32)	**₱4.60**	₱3.95	₱3.39	–	–	–

See accompanying Notes to Financial Statements

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
	(Amounts in Thousands)					
NET INCOME FOR THE YEAR	**₱2,210,273**	₱1,897,571	₱1,631,687	**₱2,210,273**	₱1,897,571	₱1,631,687
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX						
Items that may be reclassified to profit or loss in subsequent periods:						
Net unrealized gains (losses) on debt securities at fair value through other comprehensive income (Note 9)	**(644,829)**	242,678	(388,577)	**(644,829)**	242,678	(388,577)
Net movement in cumulative translation adjustment	**4,242**	(1,419)	131,663	**4,242**	(1,419)	131,663
	(640,587)	241,259	(256,914)	**(640,587)**	241,259	(256,914)
Items that may not be reclassified to profit or loss in subsequent periods:						
Unrealized gains on equity securities carried at fair value through other comprehensive income (Note 9)	**38,011**	37,503	23,308	**38,011**	37,503	23,308
Income tax relating to change in fair value on equity securities	**(14,550)**	(3,751)	(2,825)	**(14,550)**	(3,751)	(2,825)
Change in remeasurement losses on retirement liability (Note 27)	**(21,143)**	(110,504)	(6,702)	**(21,143)**	(110,504)	(6,702)
Income tax relating to change in remeasurement gains/losses on retirement liability	**5,286**	27,626	1,675	**5,286**	27,626	1,675
	7,604	(49,126)	15,456	**7,604**	(49,126)	15,456
	(632,983)	192,133	(241,458)	**(632,983)**	192,133	(241,458)
TOTAL OTHER COMPREHENSIVE INCOME	**₱1,577,290**	₱2,089,704	₱1,390,229	**₱1,577,290**	₱2,089,704	₱1,390,229
Attributable to:						
Equity holders of the Parent Company	**₱1,577,290**	₱2,089,704	₱1,390,229			
Non-controlling interests	–	–	–			
TOTAL COMPREHENSIVE INCOME	**₱1,577,290**	₱2,089,704	₱1,390,229			

See accompanying Notes to Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
STATEMENTS OF CHANGES IN EQUITY

	Consolidated									
	Years Ended December 31, 2024, 2023 and 2022									
	Equity Attributable to Equity Holders of the Parent Company									
	Common Stock (Note 23)	Additional Paid-in Capital	Surplus Reserves (Note 23)	Surplus (Deficit) (Notes 2 and 23)	Unrealized Gains (Losses) on Financial Assets Carried at Fair Value Through Other Comprehensive Income (Note 9)	Cumulative Translation Adjustment	Remeasurement Gains (Losses) on Retirement Liability (Note 27)	Total	Non-Controlling Interests	Total Equity
	(Amounts in Thousands)									
Balances at January 1, 2024	**₱12,016,129**	**₱2,262,246**	**₱454,283**	**₱3,115,836**	**(₱38,155)**	**(₱107,424)**	**(₱47,164)**	**₱17,655,751**	**-**	**₱17,655,751**
Transfer to surplus reserves	**–**	**–**	**442**	**(442)**	**–**	**–**	**–**	**–**	**–**	**–**
Appropriation during the year	**–**	**–**	**3,415**	**(3,415)**	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income (loss) for the year	**–**	**–**	**-**	**2,210,273**	**(621,368)**	**4,242**	**(15,857)**	**1,577,290**	**–**	**1,577,290**
Balances at December 31, 2024	**₱12,016,129**	**₱2,262,246**	**₱458,140**	**₱5,322,252**	**(₱659,523)**	**(₱103,182)**	**(₱63,021)**	**₱19,233,041**	**-**	**₱19,233,041**
Balances at January 1, 2023	₱12,016,129	₱2,262,246	₱212,838	₱1,459,710	(₱314,585)	(₱106,005)	₱35,714	₱15,566,047	₱–	₱15,566,047
Transfer to surplus reserves	–	–	280	(280)	-	-	-	-	–	-
Appropriation during the year	–	–	241,165	(241,165)				-	–	-
Total comprehensive income (loss) for the year	–	–	-	1,897,571	276,430	(1,419)	(82,878)	2,089,704	–	2,089,704
Balances at December 31, 2023	₱12,016,129	₱2,262,246	₱454,283	₱3,115,836	(₱38,155)	(₱107,424)	(₱47,164)	₱17,655,751	₱–	₱17,655,751
Balances at January 1, 2022	₱12,016,129	₱2,262,246	₱106,922	(₱66,061)	₱53,509	(₱237,668)	₱40,741	₱14,175,818	₱–	₱14,175,818
Transfer to surplus reserves	–	–	193	(193)	–	–	–	–	–	–
Appropriation during the year	–	–	105,723	(105,723)	–	–	–	–	–	–
Total comprehensive income (loss) for the year	–	–	–	1,631,687	(368,094)	131,663	(5,027)	1,390,229	–	1,390,229
Balances at December 31, 2022	₱12,016,129	₱2,262,246	₱212,838	₱1,459,710	(₱314,585)	(₱106,005)	₱35,714	₱15,566,047	₱–	₱15,566,047

Parent Company

Years Ended December 31, 2024, 2023 and 2022

	Common Stock (Note 23)	Additional Paid-in Capital	Surplus Reserves (Note 23)	Surplus (Deficit) (Notes 2 and 23)	Unrealized Gains (Losses) on Financial Assets Carried at Fair Value Through Other Comprehensive Income (Note 10)	Cumulative Translation Adjustment	Remeasurement Gains (Losses) on Retirement Liability (Note 27)	Total Equity
				(Amounts in Thousands)				
Balances at January 1, 2024	**₱12,016,129**	**₱2,262,246**	**₱454,283**	**₱3,115,836**	**(₱38,155)**	**(₱107,424)**	**(₱47,164)**	**₱17,655,751**
Transfer to surplus reserves	–	–	**442**	**(442)**	–	–	–	–
Appropriation during the year	–	–	**3,415**	**(3,415)**	–	–	–	–
Total comprehensive income (loss) for the year	–	–	–	**2,210,273**	**(621,368)**	**4,242**	**(15,857)**	**1,577,290**
Balances at December 31, 2024	**₱12,016,129**	**₱2,262,246**	**₱458,140**	**₱5,322,252**	**(₱659,523)**	**(₱103,182)**	**(₱63,021)**	**₱19,233,041**
Balances at January 1, 2023	₱12,016,129	₱2,262,246	₱212,838	₱1,459,710	(₱314,585)	(₱106,005)	₱35,714	₱15,566,047
Transfer to surplus reserves	–	–	280	(280)	-	-	-	-
Appropriation during the year	–	–	241,165	(241,165)	–	–	–	–
Total comprehensive income (loss) for the year	–	–	–	1,897,571	276,430	(1,419)	(82,878)	2,089,704
Balances at December 31, 2023	₱12,016,129	₱2,262,246	₱454,283	₱3,115,836	(₱38,155)	(₱107,424)	(₱47,164)	₱17,655,751
Balances at January 1, 2022	₱12,016,129	₱2,262,246	₱106,922	(₱66,061)	₱53,509	(₱237,668)	₱40,741	₱14,175,818
Transfer to surplus reserves	–	–	193	(193)	–	–	–	–
Appropriation during the year	–	–	105,723	(105,723)	–	–	–	–
Total comprehensive income (loss) for the year	–	–	–	1,631,687	(368,094)	131,663	(5,027)	1,390,229
Balances at December 31, 2022	₱12,016,129	₱2,262,246	₱212,838	₱1,459,710	(₱314,585)	(₱106,005)	₱35,714	₱15,566,047

See accompanying Notes to Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
STATEMENTS OF CASH FLOWS

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
	(Amounts in Thousands)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	**₱2,926,086**	₱2,541,076	₱2,157,333	**₱2,926,086**	₱2,541,076	₱2,157,333
Adjustments to reconcile income before income tax to net cash generated from (used for) operations:						
Depreciation and amortization (Note 12)	**394,279**	342,465	386,526	**394,279**	342,465	386,526
Provision for credit and impairment losses (Note 16)	**440,642**	(24,409)	287,686	**440,642**	(24,409)	287,686
Trading loss (gain) on financial assets at FVOCI (Note 26)	**(289,091)**	(39,068)	440,279	**(289,091)**	(39,068)	440,279
Profit from assets sold (Notes 12, 13 and 15)	**(108,317)**	(22,260)	(61,043)	**(108,317)**	(22,260)	(61,043)
Amortization of bond issuance costs (Note 19)	**7,664**	–	–	**7,664**	–	–
Accretion of interest on unquoted debt securities (Note 11)	**(17,713)**	(40,325)	(57,928)	**(17,713)**	(40,325)	(57,928)
Amortization of premium (discount) on investment securities	**293,119**	337,540	262,715	**293,119**	337,540	262,715
Unrealized foreign exchange losses (gains) on investment securities, bills and acceptables payable	**(405,392)**	25,076	(343,517)	**(405,392)**	25,076	(343,517)
Accretion of interest on lease liability (Note 21)	**13,781**	12,458	12,256	**13,781**	12,458	12,256
Loss (gain) on assets exchange (Note 13)	**(75,009)**	(11,824)	3,476	**(75,009)**	(11,824)	3,476
Share in net income of subsidiary and an associate (Note 7)	**(619)**	(1,628)	(313)	**(619)**	(1,628)	(313)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Loans and receivables	**(11,309,994)**	(14,872,267)	(12,639,333)	**(11,307,161)**	(14,872,267)	(12,639,333)
Financial assets at fair value through profit or loss	–	–	886,291	–	–	886,291
Other assets	**(257,843)**	(94,727)	102,102	**(259,150)**	(104,961)	102,158
Increase (decrease) in the amounts of:						
Deposit liabilities	**(6,115,907)**	17,256,016	12,498,323	**(6,124,809)**	17,256,015	12,498,267
Manager's checks	**(413,422)**	410,523	49,288	**(413,422)**	410,523	49,288
Accrued interest, taxes and other expenses	**(107,976)**	684,739	183,666	**(107,890)**	684,739	183,666
Other liabilities	**104,308**	16,177	(47,651)	**35,025**	16,178	(47,651)
Net cash provided by (used in) operations	**(14,921,404)**	6,519,562	4,120,156	**(14,997,977)**	6,509,328	4,120,156
Income taxes paid	**(770,861)**	(651,614)	(539,759)	**(770,861)**	(641,380)	(539,759)
Net cash provided by (used in) operating activities	**(15,692,265)**	5,867,948	3,580,397	**(15,768,838)**	5,867,948	3,580,397
CASH FLOWS FROM INVESTING ACTIVITIES						
Decrease in interbank loans receivable	–	2,565,680	905,209	–	2,565,680	905,209
Acquisitions of:						
Financial assets at FVTOCI	**(199,478,866)**	(85,997,169)	(38,846,620)	**(199,478,866)**	(85,997,169)	(38,846,620)
Investment securities at amortized cost	**(6,739,957)**	(6,633,315)	(5,636,058)	**(6,739,957)**	(6,633,315)	(5,636,058)
Property and equipment (Note 12)	**(69,486)**	(72,283)	(52,149)	**(69,486)**	(72,283)	(52,149)
Software costs (Note 14)	**(21,717)**	(39,012)	(80,152)	**(21,717)**	(39,012)	(80,152)

(Forward)

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
	(Amounts in Thousands)					
Proceeds from disposals of:						
Financial assets at FVTOCI	**₱196,337,320**	₱78,698,766	₱39,309,597	**₱196,337,320**	₱78,698,766	₱39,309,597
Investment properties (Note 13)	**221,585**	41,234	124,324	**221,585**	41,234	124,324
Property and equipment (Note 12)	**11,458**	6,264	4,182	**11,458**	6,264	4,182
Chattel mortgage (Note 13)	**2,455**	11,813	22,544	**2,455**	11,813	22,544
Dividends Received	**6,900**			**6,900**		
Proceeds from derecognition of equity investment	–	–	–	**6,073**	–	–
Proceeds from maturity of investment securities	**5,917,000**	4,470,812	75,000	**5,917,000**	4,470,812	75,000
Net cash used in investing activities	**(3,813,308)**	(6,947,210)	(4,174,123)	**(3,807,235)**	(6,947,210)	(4,174,123)
CASH FLOWS FROM FINANCING ACTIVITIES						
Availments of:						
Bonds payable (Note 19)	**7,693,800**	–	–	**7,693,800**	–	–
Bonds issuance cost	**(78,164)**			**(78,164)**		
Bills payable	**318,282,366**	326,755,150	242,380,414	**318,282,366**	326,755,150	242,380,414
Outstanding acceptances	**1,473,778**	2,644,361	1,096,307	**1,473,778**	2,644,361	1,096,307
Marginal deposits	**43,898**	9,855	60,687	**43,898**	9,855	60,687
Settlements of:						
Bills payable	**(311,760,575)**	(324,771,977)	(241,070,236)	**(311,760,575)**	(324,771,977)	(241,070,236)
Outstanding acceptances	**(1,511,205)**	(2,583,597)	(1,132,364)	**(1,511,205)**	(2,583,597)	(1,132,364)
Marginal deposits	**(50,310)**	–	(60,687)	**(50,310)**	–	(60,687)
Lease liabilities (Note 21)	**(119,601)**	(128,819)	(118,234)	**(119,601)**	(128,819)	(118,234)
Net cash used in financing activities	**13,973,987**	1,924,973	1,155,887	**13,973,987**	1,924,973	1,155,887
EFFECT OF FOREIGN CURRENCY TRANSLATION ADJUSTMENT	**4,242**	(1,419)	131,663	**4,242**	(1,419)	131,663
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,527,344)**	844,292	693,824	**(5,597,844)**	844,292	693,824
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	**1,562,747**	1,404,214	1,515,914	**1,562,747**	1,404,214	1,515,914
Due from Bangko Sentral ng Pilipinas	**12,204,980**	11,336,471	10,271,486	**12,204,980**	11,336,471	10,271,486
Due from other banks	**448,986**	1,089,190	658,593	**448,986**	1,089,190	658,593
Interbank loans receivable (Note 33)	**492,353**	34,899	724,957	**492,353**	34,899	724,957
	14,709,066	13,864,774	13,170,950	**14,709,066**	13,864,774	13,170,950
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	**1,049,937**	1,562,747	1,404,214	**1,049,937**	1,562,747	1,404,214
Due from Bangko Sentral ng Pilipinas	**7,297,480**	12,204,980	11,336,471	**7,297,480**	12,204,980	11,336,471
Due from other banks	**430,103**	448,986	1,089,190	**430,103**	448,986	1,089,190
Interbank loans receivable (Note 33)	**404,202**	492,353	34,899	**404,202**	492,353	34,899
	₱9,181,722	₱14,709,066	₱13,864,774	**₱9,181,722**	₱14,709,066	₱13,864,774

OPERATIONAL CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	Years Ended December 31					
	2024	2023	2022	**2024**	2023	2022
	(Amounts in Thousands)					
Interest paid	**₱4,298,085**	₱2,654,298	₱654,329	**₱4,298,085**	₱2,654,298	₱700,480
Interest received	**9,681,846**	7,673,706	5,455,107	**9,681,846**	7,673,706	5,455,107

See accompanying Notes to Financial Statements.

1. Corporate Information

Philippine Bank of Communications (the Parent Company) is a publicly listed domestic universal bank organized in the Philippines, primarily to engage in commercial banking services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange and trust services.

The Parent Company's principal place of business is at the PBCOM Tower, 6795 Ayala Avenue corner V. A. Rufino Street, Makati City. It has a network of 90 regular branches and 4 branch-lite units as at December 31, 2024 and 91 regular branches and 4 branch-lite units as at December 31, 2023, respectively, to serve its customers.

The Parent Company's original Certificate of Incorporation was issued by the Securities and Exchange Commission (SEC) on August 23, 1939.

The Parent Company acquired a license to operate as an expanded commercial bank from the Bangko Sentral ng Pilipinas (BSP) on December 24, 1993. On March 31, 2000, the BSP's Monetary Board approved the amendment of the Parent Company's license to a regular commercial banking.

The Monetary Board, in its Resolution No. 96 dated 20 January 2022, approved the grant of a universal banking license to Parent Company, subject to compliance with certain regulatory requirements including the amendment of the Bank's charter documents. On March 15, 2022, the Bank held a special stockholders' meeting to approve the changes to the Bank's Articles of Incorporation to reflect the upgrade of its banking license.

On December 1, 2022, the BSP issued the Bank with its Certificate of Authority to operate as a universal bank, after all regulatory conditions were complied with. The Bank capitalized the cost of its universal bank license amounting to ₱25.00 million as intangible asset (Note 14).

The Parent Company's subsidiary and associate (collectively referred to as the Group) are engaged in the following businesses:

	Effective Percentage of Ownership		Principal Place of Business and Country	
Entity	**2024**	2023	of Incorporation	Line of Business
Subsidiary				
PBCom Insurance Services Agency, Inc. (PISAI)	–	100.00%	Philippines	Insurance Agent
Associate				
PBCom Finance Corporation (PBCom Finance)	**40.00%**	40.00%	Philippines	Financing Company

Retirement of Business Operations of PISAI
On January 11, 2021, the BOD of the Parent Company approved the dissolution and retirement of business of PISAI which had been inactive since the termination of its general agency agreement with Pru Life UK in September 2017. Subsequently, on March 4, 2021, PISAI's Board of Directors resolved to shorten the company's corporate term to June 30, 2021.

Considering several requirements for the termination of business that had to be complied with, the effectivity of the PISAI's corporate term was extended until April 2024. PISAI submitted its application for amending its Articles of Incorporation on November 15, 2023. The SEC approved this amendment on April 3, 2024, extending the corporate term until April 30, 2024.

On May 3, 2024, PISAI completed the settlement of its liabilities and liquidated its remaining assets for distribution to its stockholders. Following this, the Parent Company received the release of PISAI's remaining assets and derecognized its investment in PISAI.

Bond Offering Transaction
On March 20, 2024, PBCOM's Board of Directors approved a ₱15.00 billion peso-denominated bond program to be issued in multiple tranches. The Bonds will have a minimum tenor of 1.5 years and with interest rates to be determined based on prevailing market rates. Proceeds from the bond issuance will be utilized for general corporate purposes, including refinancing of debt obligations, diversifying funding sources, and supporting loan growth. In the same meeting, the Board of directors likewise approved the 1st tranche issuance from the Bond program a target amount of at least ₱2.00 Billion with an oversubscription option.

The Series A bonds which have a tenor of one-and-a-half years and a fixed interest rate of 6.0796% per annum represent the first tranche under PBCom's ₱15.00 Billion Peso Bond Program. The Bank successfully concluded its maiden peso bond offering ahead of schedule, closing more than a week early on October 17 due to robust demand. Initially set to run from October 14 to October 28, the offering attracted strong interest from both retail clients and a diverse mix of institutional investors resulting in an oversubscription of 3.85 times the initial amount.

PBCOM raised ₱7.7 Billion from its maiden issuance of Peso Fixed Rate Bonds listed on the Philippine Dealing & Exchange Corp. (PDEx) on November 5, 2024. PBCOM holds a "PRS Aa minus (corp)" issuer credit rating with a "stable" outlook from the Philippine Rating Services Corporation.

2. Material Accounting Policy Information

Basis of Presentation
The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI) and derivatives that are measured at fair value. The financial statements are presented in Philippine peso (PHP or ₱) and all values are rounded to the nearest thousand, unless otherwise stated.

The financial statements of the Parent Company include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of the RBU and the FCDU is the PHP 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, which is the Parent Company's presentation currency (see accounting policy

on Foreign Currency Translation). The financial statements individually prepared for these units are combined after eliminating inter-unit accounts and transactions.

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 functional currency of the Parent Company's subsidiary is the PHP.

Statement of Compliance
The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Presentation of Financial Statements
The Group and the Parent Company present its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the statement of financial position date (current) and more than 12 months after the statement of financial position date (non-current) is presented in Note 22.

Basis of Consolidation
The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiary. The consolidated financial statements of the Group are prepared for the same reporting year as the Parent Company using consistent accounting policies. The subsidiary is consolidated from the date on which control is transferred to the Parent Company. The Parent Company controls an investee if, and only if, the Parent Company has:

- Power over the investee (that is, existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Parent Company has less than a majority of the voting or similar rights of an investee, the Parent Company 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 agreements; and
- The Parent Company's voting rights and potential voting rights.

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income, expenses and other comprehensive income (OCI) of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiary to align their accounting policies with the Parent Company's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the Group are eliminated in full on consolidation.



New Standards, Interpretations and Amendments

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2024. 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 financial statements of the Group.

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*
  The amendments clarify:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

- Amendments to PFRS 16*, Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

- Amendments to PAS 7 and PFRS 7*, Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

Foreign Currency Translation

RBU

As of the statement of financial position date, foreign currency-denominated monetary assets and monetary liabilities of the RBU are translated into PHP 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, based on the spot rate at date of transactions. Foreign exchange differences arising from the restatement of foreign currency-denominated monetary assets and liabilities in the RBU are credited to or charged against the statement of income 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 of 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

As of the statement of financial position date, the FCDU's assets and liabilities are translated into PHP, the Parent Company's presentation currency, at the BAP closing rate prevailing at the statement of financial position date, and income and expenses are translated at BAP weighted average rate. Exchange differences arising on translation are taken directly to the statement of comprehensive income as 'Cumulative translation adjustment'. 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

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. 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 by 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.

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.

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.

External and internal valuers are involved for the valuation of investment properties. Selection criteria include market knowledge, reputation, independence, relevant accreditation, 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 and liability, and fair value hierarchy as explained above.

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 securities purchased under resale agreements (SPURA) with original maturities of three months or less from dates of placements and that are subject to insignificant risks of changes in value. Due from BSP includes the statutory reserves required by the BSP which the Group considers as cash equivalents since withdrawals can be made to meet the Group's cash requirements as allowed by the BSP. The



components of cash and cash equivalents are shown in the statement of cash flows. Cash and cash equivalents are carried at amortized cost in the statement of financial position.

SPURA
The Group enters into short-term purchases of securities under resale agreements of identical securities with the BSP. Resale agreements are contracts under which a party purchases securities and resells such securities to the same selling party at a specified future date at a fixed price. The amounts advanced under resale agreements are carried as SPURA in the statement of financial position. SPURA are carried at cost. Interest earned on resale agreements is reported as 'Interest income' in the statement of income.

Financial Instruments - Date of Recognition
The Group recognizes financial instruments when, and only when, it becomes a party to the contractual terms of the instrument. 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. Settlement date accounting refers to:

a. The recognition of an asset on the day it is received by the Group; and
b. The derecognition of an asset and recognition of any gain or loss on disposal on the day that such asset is delivered by the Group.

Any change in fair value of unrecognized financial asset is recognized in the statement of income or in equity, depending on the classification of the financial asset. Loans and receivables are recognized when cash is advanced to the borrowers while financial liabilities are recognized when cash is received by the Group.

Classification, Measurement and Reclassification of Financial Assets
Classification and measurement of financial assets
For purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' for the issuer (under PAS 32, *Financial Instruments: Presentation*). All other non-derivative financial instruments are 'debt instruments'.

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, FVTOCI, and FVTPL. The classification depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or FVTOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Business model test
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 and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Group's key management personnel



- The risks that affect the performance of the business model and the financial assets held within that business model and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or stress case' scenarios into account. 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.

SPPI test
As a second step of its classification process, the Group assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test 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/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

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 on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

a. Financial Assets at Amortized Cost
   Financial assets are measured at amortized cost if both of the following conditions are met:
   - The asset is held within a business model with the objective to hold assets in order to collect contractual cash flows; and
   - The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

   Financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for credit losses, with the interest calculated recognized as 'Interest income' in the statement of income. Gains and losses are recognized in the statement of income when the financial assets are derecognized and impaired, as well as through the amortization process. The expected credit losses (ECL) are recognized in the statement of income under Provision for impairment and credit losses - net. The effects of revaluation of foreign currency denominated investments are recognized in statement of income. Gains or losses arising from disposals of these instruments are included in Gain on sale of financial assets at amortized cost in the statement of income.

The Group classified 'Cash and other cash items', 'Due from BSP', 'Due from other banks', 'Interbank loans receivable and SPURA', 'Loans and receivables', 'Investment securities at amortized cost' and certain financial assets under 'Other assets' as financial assets at amortized cost.

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortized cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortized cost. As of December 31, 2024 and 2023, the Group has not made such designation.

b. Financial Assets at FVTOCI
Financial assets at FVTOCI include debt and equity securities.

Debt Instruments at FVTOCI
The Group applies the category of debt instruments measured at FVTOCI when both the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset meet the SPPI test.

The initial measurement of these financial instruments includes transaction costs. Subsequently, these are measured at fair value with gains or losses arising due to changes in fair value recognized in OCI under 'Unrealized gain on financial assets carried at FVTOCI'. Interest income and foreign exchange gains and losses are recognized in the statement of income in the same manner as for financial assets measured at amortized cost. When the Group holds more than one investment in the same security, these are deemed to be disposed of on a first-in, first-out basis. On derecognition, cumulative gains or losses recognized in OCI are reclassified from OCI to the statement of income.

Equity Instruments at FVTOCI
At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity instruments at FVTOCI. Designation at FVTOCI is not permitted if the investment in equity instrument is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, these are measured at fair value, with no deduction for sale or disposal costs. Gains and losses arising from changes in fair value are recognized in OCI and accumulated in 'Unrealized gain on financial assets carried at FVTOCI' in the statement of financial position. When the asset is disposed of, the cumulative gain or loss previously recognized in 'Unrealized gain on financial assets carried at fair value through other comprehensive income' is not reclassified to the statement of income, but is reclassified to 'Surplus (Deficit)'.

Dividends earned on these investments in equity instruments are recognized in the statement of income when the Group's right to receive the dividends is established in accordance with PFRS 9, unless the dividends clearly represent recovery of a part of the cost of the investment. Dividends earned are recognized in the statement of income, under 'Miscellaneous income'.

c. Financial Assets at FVTPL
Debt instruments that do not meet the amortized cost or FVTOCI criteria, or that meet the criteria but the Group has chosen to designate as at FVTPL at initial recognition, are measured at FVTPL.

Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity instrument that is not held for trading as at FVTOCI at initial recognition.

The Group's financial assets at FVTPL include government securities held for trading purposes.

As of December 31, 2024 and 2023, the Group has not designated any debt instrument that meets the amortized cost or FVTOCI criteria as at FVTPL.

Financial assets at FVTPL are carried at fair value, with net changes in fair value recognized as 'Trading and securities gain (loss) - net' in the statement of income. Interest earned on these investments is reported as 'Interest income' in the statement of income.

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the BAP closing rate prevailing at the statement of financial position date. The foreign exchange component forms part of its fair value gain or loss.

d. Derivative Instruments
Derivative instruments are initially recorded at fair value and carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

Any gains or losses arising from changes in fair value of derivative instruments that do not qualify for hedge accounting are taken directly to the statement of income.

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument. The Group assesses the existence of an embedded derivative on the date it first becomes a party to the contract, and performs re-assessment only when there is a change to the contract that significantly modifies the contractual cash flows.

Reclassification of financial assets
The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify as follows:

- From amortized cost or FVTOCI to FVTPL, if the objective of the business model changes so that the amortized cost or FVTOCI criteria are no longer met;
- From FVTPL to amortized cost or FVTOCI, if the objective of the business model changes so that the amortized cost or FVTOCI criteria start to be met and the characteristics of the instrument's contractual cash flows are SPPI; and
- From amortized cost to FVTOCI if the business model changes so that the objective becomes both to collect contractual cash flows and to sell or from FVTOCI to amortized cost if the business model becomes solely for the collection of contractual cash flows.

Reclassification of financial assets designated as at FVTPL or equity financial assets at FVTOCI at initial recognition is not permitted.

A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

Impairment of Financial Assets

ECL represent 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 the time value of money. The objective is to record lifetime losses on all financial instruments which have experienced a significant increase in credit risk (SICR) since their initial recognition. As a result, ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a SICR since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the next 12 months after the reporting date. Lifetime ECLs are credit losses that result from all possible default events over the expected life of a financial instrument.

Both the 12-month ECL and lifetime ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the instrument. Based on this process, the Group categorizes its credit exposures into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When loans are first recognized, the Group recognizes an allowance based on the 12-month ECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a SICR since origination, the Group records an allowance for lifetime ECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Loans considered as credit-impaired or non-performing. The Group records an allowance for lifetime ECL.

The major portfolios of financial assets identified upon initial analysis of the Group's credit exposures are loan receivables and treasury accounts. Loan receivables are availed by corporations or specific individuals. Hence, this portfolio is further segmented to corporate and consumer portfolios.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery.

Classification and Measurement of Financial Liabilities

Financial liabilities are classified, at initial recognition, either as financial liabilities at FVTPL or other financial liabilities at amortized cost.

Financial liabilities at amortized cost

These liabilities are classified as such when 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.

These financial liabilities are measured initially at fair value, net of directly attributable transaction costs. After initial measurement, these liabilities are subsequently measured at amortized cost using the effective interest 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.

This accounting policy relates to the statement of financial position captions 'Deposit liabilities', 'Bills payable', 'Bonds payable', 'Outstanding acceptances', 'Manager's checks', and certain financial liabilities under 'Accrued interest, taxes and other expenses' and 'Other liabilities' which are not designated at FVTPL.

Financial Guarantees, Letters of Credit and Undrawn Loan Commitments
The Group issues financial guarantees, letters of credit and loan commitments.

Financial guarantees are initially recognized in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the statement of income, and an ECL provision.

The premium received is recognized in the statement of income in 'Service charges, fees and commissions' on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits 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. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the statement of financial position.

Derecognition of Financial Assets and Financial Liabilities

Derecognition due to substantial modification of terms and conditions
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.

When assessing whether or not to derecognize a loan to a customer, amongst others, the Group considers the following factors:
- Change in the currency of the loan;
- Introduction of an equity feature;
- Change in counterparty; or
- If the modification is such that the instrument would no longer meet the SPPI criterion.



The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new ' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired (POCI).

Derecognition other than substantial modification

Financial Asset
A financial asset (or, when applicable, a part of a financial asset or part of a group of financial assets) is derecognized (that is, removed from the statement of financial position) when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either the Group:
    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, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to pay.

Financial Liability
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. When 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 the derecognition of the original liability and the recognition of

a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in the statement of income.

Exchange or modification of financial liabilities
The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

When 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. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

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 a loan to the Group, reflecting the economic substance of such transaction.

Offsetting of Financial Instruments
Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Investments in Subsidiary and an Associate in the Parent Company Financial Statements
Subsidiary
A subsidiary is an entity in which the Parent Company holds more than half of the issued share capital or controls more than 50% of the voting power, or exercises control over the operations and management of the subsidiary.



Associate
An associate is an entity in which the Parent Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but does not have control or joint control over those policies.

The Parent Company's investments in its subsidiary and an associate and the Group's investment in an associate are accounted for using the equity method. Under the equity method, the investments in subsidiary and an associate are initially recognized at cost. The carrying amount of the investments in subsidiary and an associate are adjusted to recognize changes in the Parent Company's share in the net assets of the subsidiary and an associate since the acquisition date. Goodwill relating to the subsidiary and an associate are included in the carrying value of the investments and is not amortized.

The statement of income reflects the Group's and the Parent Company's share of the results of operations of the subsidiary and an associate. Any change in OCI of the investee is presented as part of the Group's and the Parent Company's OCI. In addition, when there has been a change recognized directly in the equity of the subsidiary or associate, the Group and the Parent Company recognize their share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the subsidiaries and associate are eliminated to the extent of the interest in the subsidiaries and associate. The aggregate of the Group's share in net income (loss) of subsidiary and associate is shown in the statement of income and represents profit or loss after tax and non-controlling interests in the subsidiary and associate.

If the Parent Company's share of losses in a subsidiary or an associate equals or exceeds its interest in the subsidiary or associate, the Parent Company discontinues recognizing its share in further losses.

The financial statements of the subsidiary and an associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Dividends received are treated as a reduction to the carrying amount of the investments.

Post-acquisition changes in the share of net assets of the subsidiaries include the share in the:
a. Income or losses; and
b. Remeasurement losses or gains on retirement liability.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value, except land, which is carried at cost less impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance, are charged against the statement of income in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation on property and equipment is computed using the straight-line method based on the estimated useful life (EUL) of the depreciable assets.

	EUL
Condominium properties	50 years
Buildings and improvements	25 years
Furniture, fixtures and equipment	5
Leasehold improvements	Shorter of 10 years or related lease terms

The residual values, EULs and methods of depreciation and amortization of property and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

Fully depreciated property and equipment are retained in the accounts until these are no longer used and no further depreciation and amortization is charged to the statement of income.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Upon derecognition, the cost and the related accumulated depreciation and amortization and any impairment in value of the asset are removed from the accounts, and any resulting gain or loss (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is reflected as income or loss in the statement of income.

Investment Properties

Investment properties include condominium and office units for lease and foreclosed properties in settlement of loan receivables.

Condominium and office units for lease

Condominium and office units for lease are carried at cost, less accumulated depreciation and impairment in value. All costs that are directly attributable to the acquisition and development of property are capitalized, including borrowing costs incurred to finance the property development. Depreciation is computed on a straight-line basis over 25 to 50 years.

Foreclosed properties

Foreclosed properties consist of land, building and improvements.

Land is carried at cost less impairment in value. Building and improvements are carried at cost, which is the fair value at acquisition date, less accumulated depreciation and accumulated impairment losses. Transaction costs, which include nonrefundable capital gains tax and documentary stamp tax, incurred in connection with foreclosure are capitalized as part of the carrying values of the foreclosed properties.

Foreclosed properties are recorded as '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).

The Group applies the cost model in accounting for foreclosed properties. Depreciation is computed on a straight-line basis over the EUL of 10 years for buildings and improvements.

The EUL of investment properties and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of investment properties.

The carrying values of the investment properties are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the investment property or cash-generating units (CGUs) it is related to are written down to their recoverable amounts.

Transfers are made to investment property 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 property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell.

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

Intangible Assets

Intangible assets consist of branch and bank licenses and software costs.

Branch and bank licenses

The cost of branch and bank licenses acquired in a business combination is its fair value at the date of acquisition.

Following initial recognition, branch and bank licenses are measured at cost less any accumulated impairment losses.

Branch and bank licenses have an indefinite useful life as there is no foreseeable limit to the period over which these assets are expected to generate net cash inflows. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Software costs

Software costs, which are purchased by the Group separately for use in its operations, are measured on initial recognition at cost. Following initial recognition, software costs are carried at cost less accumulated amortization and any accumulated impairment losses.

Software costs are amortized over the economic useful life of 2 to 5 years. The amortization period and method for software costs are reviewed at least at each statement of financial position date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in this asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on software costs is recognized in the statement of income.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of income when the asset is derecognized.

Impairment of Non-financial Assets

Investments in subsidiary and an associate, property and equipment (including right-of-use assets) and software costs

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 the recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell 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 from those other assets or groups of assets, in which case, the recoverable amount is assessed as part of the CGU to which it belongs.

When 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 recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged against the statement of income in the period in which it arises.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation and amortization) had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is credited to the current statement of income.

Branch and bank licenses

Branch and bank licenses are 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 branch and bank licenses by assessing the recoverable amount of the CGU (or group of CGUs) to which the branch and bank licenses relate. When 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 branch and bank licenses have been allocated, an impairment loss is recognized immediately in the statement of income. For branch and bank licenses, a previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of this asset, but not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized for this asset in prior years.

Common Stock and Additional Paid-in Capital

Common stocks are recorded at par. Proceeds in excess of par value are recognized under equity as 'Additional-paid-in capital' in the statement of financial position. Incremental costs incurred which are directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Revenue Recognition
Under PFRS 15, revenue from contracts with customers is recognized when control of the services is transferred 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 exercises judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the five-step model to contracts with customers.

The following specific recognition criteria must be met before revenue is recognized:

Revenue within the scope of PFRS 15

a. Service Charges and Penalties
Service charges and penalties are recognized only upon collection or accrued when there is reasonable degree of certainty as to its collectability.

b. Gains (Loss) on Sale of Assets
Gain (loss) from sale of assets such as properties and property and equipment is recognized when the control over the properties has been transferred to the buyer and collection of proceeds from sale is probable.

Revenue outside the scope of PFRS 15

a. Interest Income
Interest on interest-bearing financial assets at FVTPL are recognized based on contractual rate. Interest on financial instruments measured at amortized cost and debt instruments classified as FVTOCI is recognized based on the EIR method.

The EIR method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3 (as discussed under '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.

b. Trading and Securities Gain (Loss) - Net
Trading and securities gain (loss) - net represents results arising from trading activities, including gains and losses from changes in fair value of financial assets and liabilities at FVTPL. This also represents results arising from sale of debt financial assets at FVOCI.

c. Fees and Commissions
Loan fees that are directly related to the acquisition and origination of loans are included in the initial carrying amount of the loan and are amortized using the effective interest method over the term of the loan. Loan commitment fees are recognized as earned over the term of the credit lines granted to each borrower. Loan syndication fees are recognized upon completion of all syndication activities and where the Group does not have further obligation to perform under the syndication agreement.



d. Dividends
Dividends are recognized when the Group's right to receive the payments is established.

e. Rental
Rental income arising from leased premises is accounted for on a straight-line basis over the lease terms of ongoing leases.

Expense Recognition
Expenses are recognized at the same time as the initial recognition of a liability, or an increase in the carrying amount of a liability, or the derecognition of an asset, or a decrease in the carrying amount of an asset. Expenses are recognized in the statement of income:

- On the basis of a direct association between the costs incurred and the earning of specific items of income;
- On the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or
- Immediately when the expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify or cease to qualify for recognition in the statement of financial position as an asset.

Expenses in the statement of income are presented using the nature of expense method. General and administrative expenses are costs attributable to administrative and other business activities of the Group.

Interest Expense
Interest expense for all interest-bearing financial liabilities is recognized in 'Interest expense' in the statement of income using the EIR of the financial liabilities to which they relate to.

Retirement Benefits
Defined benefit plans
The Parent Company maintains defined benefit plans covering all of their respective officers and regular employees.

The net retirement liability is the aggregate of the present value of defined benefit obligation at the statement of financial position date reduced by the fair value of plan assets and adjusted for any effect of limiting a net retirement asset to the asset ceiling. The defined benefit obligation is calculated annually by an independent actuary. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds that have terms to maturity approximating the terms of the related net retirement. 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.

Retirement costs comprise of service costs and net interest on the net retirement liability.

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.

Net interest on the net retirement liability is the change during the period in the net retirement liability that arises from the passage of time, which is determined by applying the discount rate based on government bonds to the net retirement liability. Net interest on the net retirement liability is recognized as expense or income 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 retirement 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. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The 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 risks 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).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

Defined contribution plans
The Parent Company also contributes to its contributory, defined-contribution type staff provident plan based on a fixed percentage of the employees' salaries as defined in the plan.

Payments to the defined contribution plans are recognized as expenses when employees have rendered service in exchange for these contributions.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
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 assets representing the right to use the underlying assets.

i) Right-of-use assets presented under Property and equipment
The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized adjusted by lease payments made at or before the commencement date and lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the depreciable assets. The depreciation expense is presented under 'Depreciation and Amortization' in the statement of income.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Impairment of Nonfinancial Assets.

ii) 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. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. 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 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, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of ATM sites (i.e., 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 sites that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Income Taxes

Current tax

Current tax assets and current tax liabilities are measured at the amount expected to be recovered from or paid to the tax authority. 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.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all 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 assets are recognized for all deductible temporary differences and carryforward of unused tax credits from the excess of Minimum Corporate Income Tax (MCIT) over the Regular Corporate Income Tax (RCIT), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carryforward of unused tax credits from excess MCIT over RCIT can be utilized. Deferred tax, however, is not recognized on temporary differences that arise 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 income nor taxable income or loss.

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 taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences, with certain exceptions.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are applicable to the period 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 is recognized in OCI and not in the statement of income.

Provisions

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and when it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When 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. When discounting is used, the increase in the provision due to the passage of time is recognized as an 'Interest expense' in the statement of income.

Contingent Assets and Contingent Liabilities

Contingent assets are not recognized but are disclosed in the notes to financial statements when an inflow of economic benefits is probable. 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 assets embodying economic benefits is remote.

Earnings Per Share (EPS)

Basic EPS is computed by dividing the net income for the year 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, if any.

Diluted EPS is calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of any dilutive potential common shares.



Dividends on Common Shares
Dividends on common shares are recognized as a liability and deducted from equity when approved by the BOD of the Parent Company. Dividends for the year that are approved after the statement of financial position date are dealt with as an event after the statement of financial position date.

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. No geographical segment information is presented as all of the Group's operations are in the Philippines.

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 acts in a fiduciary capacity such as nominee, trustee or agent.

Events after the Statement of Financial Position Date
Post year-end events that provide additional information about the Group's financial position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to financial statements when material to the financial statements.

3. Summary of Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS Accounting Standards requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of commitments and contingent liabilities. Future events may occur which will 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 these 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.

Judgments
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Fair value of financial instruments
Where the fair values of financial instruments cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The carrying values and corresponding fair values of financial instruments, as well as the manner in which fair values were determined, are discussed in more detail in Note 4.



Contingencies
The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsels handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on its financial position. It is possible, however, that future financial performance could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (Note 24).

Classification of Condominium units between Property and Equipment and Investment properties
The Group determines the portion of the Condominium units that are used for operations as an office space and are presented under 'Property and equipment' and the portion that are for lease and are presented under 'Investment properties'. The allocation is determined by estimating the usable area that is held for lease and that is used for operations. In 2023, the Bank reclassified certain units of the PBCom Tower from investment property to property and equipment. The reclassification effects the change in use of the certain condominium units from leased out assets to owned used properties (see Note 13).

The carrying values of Condominium units presented under 'Property and equipment' and under 'Investment properties' are disclosed in Notes 12 and 13, respectively.

Estimates and Assumptions
ECLs on loans and other receivables
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 significant accounting judgments and estimates include:
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- The definition of default;
- The Group's internal grading model, which impacts the PDs assigned to the exposures;
- The Group's criteria for assessing if there has been a SICR and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and economic inputs, such as GDP growth rates, inflation rates, unemployment rates, import growth rates, export growth rates, and bank average lending rates, and the effect on PDs;
- Selection of forward-looking macroeconomic scenario variables; and
- Calculation of expected recoveries from defaulted accounts.

On the other hand, for consumer loans, expert judgment was incorporated by the Group to determine the possible deterioration in the flow rates from one bucket to the next (i.e. current to 1-30 days past due, 1-30 days past due to 31-60 days past due, etc. up to more than 90 days past due bucket). Forecasted figures were assessed with the required additional allowance for credit loss.

The Group also revisits weight distribution on Macroeconomic Variables (MEVs) to reflect management's view of the overall business environment.

These exercises and calibrations, considering current and future outlook, resulted to changes in account staging and loan loss provisioning.

The carrying value of loans and receivables and allowance for credit losses on loans and receivables are disclosed in Notes 11 and 16, respectively.

Realizability of deferred tax assets
Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on assumptions that are affected by expected future market or economic conditions and the expected performance of the Group. These assumptions include management's expectations on growth of the Group's loans and deposit portfolios and future operating costs and expenses.

The recognized and unrecognized deferred tax assets are disclosed in Note 30.

Impairment of branch licenses
The Group determines whether branch licenses are impaired at least on an annual basis. Branch licenses are written down for impairment where the net present value of the forecasted future cash flows from the relevant CGU is insufficient to support its carrying value.

The recoverable amount of the CGU has been determined based on a VIU calculation using the CGU's cash flow projections from the five-year plan approved by the Board. Key assumptions in the VIU calculations are most sensitive to the following assumptions:

- Discount rate, which is based on the cost of equity by reference to comparable entities using the capital asset pricing model;
- Loan and deposit portfolios growth rates; and
- Growth rate to project cash flows beyond the budget period.

The carrying values of branch licenses and details of the VIU calculations are disclosed in Note 14.

Present value of defined benefit obligation
The cost of defined benefit plans, as well as the present value of defined benefit obligation, is determined using an actuarial valuation. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, salary increase rates, mortality rates and employee turnover rates. Due to the complexity of the actuarial valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each statement of financial position date.

In determining the appropriate discount rate, the Group considers the interest rates of Philippine government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

Salary increase rates are based on historical annual merit, market and promotional increase and future inflation rates.



Other assumptions, such as mortality rates and employee turnover rates, are based on publicly available mortality tables and the Group's historical experience.

The present value of defined benefit obligation as of December 31, 2024 and 2023 are disclosed in Note 27.

4. Fair Value Measurement

The following tables provide the fair value hierarchy of the Group's and the Parent Company's assets and liabilities measured at fair value and those for which fair values should be disclosed:

	Consolidated and Parent Company				
	2024				
		Fair Value			
	Carrying Value	Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value					
Currency Forwards *	**₱361**	**₱361**	**₱–**	**₱361**	**₱–**
Financial assets at FVTOCI:					
Debt securities:					
Government securities	**6,433,011**	**6,433,011**	**6,433,011**	**-**	**-**
Private bonds	**136,239**	**136,239**	**-**	**136,239**	**-**
Sovereign bonds	**4,458,003**	**4,458,003**	**4,458,003**	**-**	**-**
Equity securities	**225,708**	**225,708**	**-**	**179,192**	**46,516**
	11,253,322	**11,253,322**	**10,891,014**	**315,792**	**46,516**
Assets for which fair values are disclosed					
Investment securities at amortized cost:					
Government securities	**28,323,913**	**26,938,147**	**15,110,802**	**11,827,345**	**-**
Sovereign bonds	**596,749**	**581,662**	**581,662**	**-**	**-**
Loans and receivables:					
Receivables from customers:					
Corporate loans	**95,084,927**	**94,271,111**	**-**	**-**	**94,271,111**
Auto loans	**432,388**	**408,645**	**-**	**-**	**408,645**
Home loans	**2,786,602**	**2,249,371**	**-**	**-**	**2,249,371**
Personal loans	**50,560**	**54,430**	**-**	**-**	**54,430**
Unquoted debt securities	**59,308**	**59,277**	**-**	**-**	**59,277**
	127,334,447	**124,562,643**	**15,692,464**	**11,827,345**	**97,042,834**
Investment properties:					
Condominium units for lease	**1,556,722**	**8,082,521**	**-**	**-**	**8,082,521**
Foreclosed properties	**2,130,458**	**5,188,290**	**-**	**-**	**5,188,290**
Office units for lease	**1,637**	**180,634**	**-**	**-**	**180,634**
	3,688,817	**13,451,445**	**-**	**-**	**13,451,445**
	₱142,276,586	**₱149,267,410**	**₱26,583,478**	**₱12,143,137**	**₱110,540,795**
Liabilities measured at fair value **					
Currency Forwards	**₱3**	**₱3**	**₱-**	**₱3**	**₱-**
Futures	**68**	**68**	**-**	**68**	**-**
	71	**71**	**-**	**71**	**-**
Liabilities for which fair value is disclosed					
Financial liabilities at amortized cost:					
Time deposits	**55,247,882**	**55,233,711**	**-**	**-**	**55,233,711**
Bills payable	**16,386,516**	**16,386,142**	**-**	**-**	**16,386,142**
Bonds payable	**7,623,300**	**7,484,684**			**7,484,684**
	79,257,698	**79,104,537**	**-**	**-**	**79,104,537**
	₱79,257,769	**₱79,104,608**	**₱-**	**₱71**	**79,104,537**

** Included in 'Other assets'*
*** Included in 'Other liabilities'*

	Consolidated and Parent Company				
	2023				
		Fair Value			
	Carrying Value	Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value					
Currency Forwards *	₱125	₱125	₱–	₱125	₱–
Financial assets at FVTOCI:					
Debt securities:					
Government securities	7,298,910	7,298,910	7,298,910	–	–
Private bonds	928,952	928,952	928,952	–	–
Equity securities	187,697	187,697	–	153,667	34,030
	8,415,684	8,415,684	8,227,862	153,792	34,030
Assets for which fair values are disclosed					
Investment securities at amortized cost:					
Government securities	27,205,670	27,212,447	27,212,447	–	–
Sovereign bonds	570,721	595,848	595,848	–	–
Loans and receivables:					
Receivables from customers:					
Corporate loans	85,840,916	84,761,313	–	–	84,761,313
Auto loans	436,850	434,745	–	–	434,745
Home loans	2,788,280	2,262,220	–	–	2,262,220
Personal loans	28,483	39,747	–	–	39,747
Unquoted debt securities	366,737	379,442	–	–	379,442
	117,237,657	115,685,762	27,808,295	–	87,877,467
Investment properties:					
Condominium units for lease	1,603,231	8,064,781	–	–	8,064,781
Foreclosed properties	975,759	4,269,282	–	–	4,269,282
Office units for lease	1,988	29,123	–	–	29,123
	2,580,978	12,363,186	–	–	12,363,186
	₱128,234,319	₱136,464,632	₱36,036,157	₱153,792	₱100,274,683
Liabilities for which fair value is disclosed					
Financial liabilities at amortized cost:					
Time deposits	₱59,089,567	₱59,160,967	₱–	₱–	59,160,967
LTNCD	2,900,016	2,905,860	–	2,905,860	–
Bills payable	9,686,755	9,687,278	–	–	9,687,278
	₱71,676,338	₱71,754,105	₱–	₱2,905,860	₱68,848,245

** Included in 'Other assets'*

Movements in the fair value measurement of 'Financial assets at FVTOCI' categorized within Level 3 pertain only to the changes in fair value of unquoted equity securities. No additions and disposals were made in 2024 and 2023.

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers out of Level 3 fair value measurements in 2024 and 2023.

The methods and assumptions used by the Group in estimating the fair value of its assets and liabilities are as follows:

Investment Securities

Debt securities

Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using consensus prices obtained from Bloomberg.

Equity securities - club shares

Fair values of club shares are based on prices published in GG&A Club Shares and G&W Club Shares. GG&A Club Shares and G&W Club Shares are involved in trading and leasing proprietary and non-proprietary club shares.

Unquoted equity securities
Fair values of unquoted equity securities are estimated using the guideline publicly-traded company method, which utilizes publicly available information from publicly-traded comparable companies that are the same or similar to the unlisted company being valued. Unquoted equity security holdings of the Group are not significant to the financial statements.

Loans and Receivables
Cash and other cash items, amounts due from BSP and other banks, interbank loans receivable and SPURA
Carrying amounts approximate fair values considering that these accounts consist mostly of overnight deposits.

Receivables from customers
Fair values of receivables from customers are estimated using the discounted cash flow methodology that makes use of the Group's current incremental lending rates for similar types of loans and receivables.

Unquoted debt securities
Fair values are estimated based on the discounted cash flow methodology that makes use of interpolated risk-free rates plus spread.

Accrued interest receivable and returned checks and other cash items (RCOCI)
Carrying amounts approximate fair values due to the short-term nature of the accounts, with some items that are due and demandable.

Accounts receivable, sales contracts receivable and refundable security deposits
Quoted market prices are not available for these assets. These are not reported at fair value and are not significant in relation to the Group's total portfolio of financial instruments.

Derivative Assets/Liabilities
Currency forwards under Other Assets/Liabilities
Fair values are calculated by reference to the prevailing interest differential and spot exchange rate as of the statement of financial position date, taking into account the remaining term to maturity of the derivative assets/liabilities.

Financial Liabilities at Amortized Cost
Deposit liabilities (excluding LTNCD)
Fair values of time deposits are estimated based on the discounted cash flow methodology that makes use of the current incremental borrowing rates for similar types of borrowings. The carrying amount of demand and savings deposit liabilities approximate fair value considering that these are due and demandable.

LTNCD
Fair values of LTNCD are determined based on the market yield rate of the Parent Company's LTNCD as provided by the Philippine Dealing and Exchange Corporation (PDEx).

Bills payable and Bonds payable
The fair value is estimated using the discounted cash flow methodology that makes use of the Group's current incremental borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued. Where the instrument has a relatively short maturity, carrying amounts approximate fair values.



Outstanding acceptances, manager's checks, accrued interest payable, accrued other expenses, accounts payable, refundable security deposits and due to the Treasurer of the Philippines
Carrying amounts approximate fair values due to the short-term nature of these accounts, with some items that are due and demandable.

Investment Properties
Fair values of investment properties are determined based on valuations made by professionally qualified appraisers accredited by the BSP and SEC and internal appraisers. The fair values of foreclosed assets were derived based on market sales comparison approach. Under this approach, recent transactions for similar properties in the same areas as the investment properties were considered, taking into account the economic conditions prevailing at the time the valuations were made. Prices of recent transactions are adjusted to account for differences in a property's size, shape, location, marketability and bargaining allowances. For depreciable properties, other inputs considered in the valuations are the age and remaining life of the buildings.

On the other hand, the fair values of the condominium and office units for lease were determined using the income capitalization approach model. The income capitalization approach model is used since the properties generate revenue from rental income. Income capitalization approach is a method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step – either by dividing the income estimate by an appropriate income rate or by multiplying the income estimate by an appropriate income factor. The rate of interest calculated represents the relationship between income and value observed in the market and is derived through comparable sales analysis. The income from a property, usually the annual net operating income or pre-tax cash flow, is divided by its sale or equity price to obtain the income rate.

The valuation, therefore, is based on the following critical assumptions:
- Rental rates;
- Capitalization rate (income rate), which is based on market rent for similar properties;
- Vacancy rates, which are based on vacancy rates for comparable properties within the area where the Group's properties are located; and
- The floor areas, which are based on the total leasable area.

Significant Unobservable Inputs
Quantitative information about the Group's and the Parent Company's fair value measurements using significant unobservable inputs (Level 3) on unquoted equity securities follows:

Year	Fair Value at December 31	Valuation Technique(s)	Unobservable Input(s)	Range	Reasonably Possible Alternative Assumption	Sensitivity of the Fair Value to the Input
2024	**₱46,516**	**Guideline publicly-traded company method**	**Price to book ratio**	**0.68:1 -0.76:1**	**0.1**	**₱60**
					-0.1	**(60)**
			Discount for lack of marketability	**30%**	**+0.1**	**47**
					-0.1	**(47)**

Year	Fair Value at December 31	Valuation Technique(s)	Unobservable Input(s)	Range	Reasonably Possible Alternative Assumption	Sensitivity of the Fair Value to the Input
2023	₱34,030	Guideline publicly-traded company method	Price to book ratio	0.68:1 -0.86:1	0.1	₱58
					-0.1	(58)
			Discount for lack of marketability	30%	+0.1	39
					-0.1	(39)

The Parent Company estimates the fair value of the unquoted equity securities using the 'benchmark multiples' of comparable publicly-traded companies. The identification of comparable companies considers the similarities between the subject company being valued and the guideline companies in terms of industry, market, product line or service type, growth, etc. The Parent Company also determines an appropriate discount adjustment for the lack of marketability of these unquoted equity securities based on empirical evidence gathered from available public market research.

The use of reasonably possible alternative assumptions in the significant unobservable inputs will affect the fair value of the unquoted equity securities and the OCI (before tax) as presented above.

There has been no change in the valuation techniques used from 2023 to 2024.

Description of Significant Unobservable Input to Valuation
The significant unobservable input used in the fair value measurement of financial instruments carried at amortized cost that are categorized within Level 3 of the fair value hierarchy:

Loans and receivables at amortized cost
Fair values of loans and receivables are estimated using the discounted cash flow methodology, using the Group's current incremental lending rates for similar types of loans. The significant increase (decrease) in the current increment lending rate would result to a lower (higher) fair value measurement.

Liabilities
The carrying amount of liabilities approximates fair value in view of their relatively short-term maturity except for time deposits whose fair values are estimated using the discounted cash flow methodology using the Bank's incremental borrowing rates for similar borrowings with maturities consistent with those for the liability being valued.

5. Financial Risk Management Objectives and Policies

Introduction
Risk is a fundamental component of the Group's operations, inherent across all its business activities. Recognizing this, the Group has established a proactive and continuous risk management process focused on identifying, measuring, monitoring, and mitigating risks within clearly defined limits and controls. This disciplined approach is essential for sustaining the Group's financial strength and long-term profitability. Accountability for managing risk exposures is embedded across all levels of the organization, ensuring that each individual is responsible for managing the risks associated with their functions.

The Group is primarily exposed to the following categories of financial risk:
a. Credit risk
b. Liquidity risk
c. Market risk, including:
    i. Interest rate risk
    ii. Foreign currency risk

Risk management structure
The Group's risk governance framework is underpinned by a structured organizational hierarchy, efficient information flows, robust compliance mechanisms, and risk-based internal audits. This integrated system enables effective oversight, timely decision-making, and responsive risk mitigation strategies.

BOD
The BOD of the Parent Company holds the ultimate responsibility for establishing a comprehensive risk management system. It oversees the identification, monitoring, and control of risks, while independent bodies within the Group are tasked with executing and managing these responsibilities on a day-to-day basis.

Risk Oversight Committee (ROC)
The ROC is entrusted with shaping the Group's risk strategy. It defines key principles, risk frameworks, policies, and tolerances, ensuring their alignment with the Group's overall strategic objectives.

Enterprise Risk Management Group (ERMG)
Operating independently and reporting directly to the ROC, the ERMG plays a pivotal role in identifying, quantifying, and analyzing risks arising from the Parent Company's various activities—including trading, lending, and investment operations. In collaboration with operational units, it recommends appropriate controls and policies, monitors exposures against approved limits, and ensures effective implementation of risk mitigation procedures.

Treasury segment
This segment manages the Group's asset and liability positions, with a focus on maintaining funding adequacy and liquidity resilience. It ensures the balance between liquidity requirements and market-based funding sources.

Compliance Group
The Compliance Group ensures that all activities adhere to relevant laws, regulations, and regulatory circulars, particularly those mandated by the Bangko Sentral ng Pilipinas (BSP). It maintains a robust communication framework that promotes awareness and compliance across all levels of management, reinforcing the Group's fiduciary responsibilities.

Internal Audit Group (IAG)
The IAG conducts independent audits of risk management processes to assess sufficiency and adherence to established policies. Audit findings are discussed with management and reported to the Audit Committee to promote transparency and continuous improvement.

Risk measurement and reporting systems
The Group adopts advanced quantitative methods to estimate both expected and unexpected losses. These statistical models leverage historical data and adjust for current and forecasted economic conditions, including stress testing for extreme but plausible events.

Risk is managed within internally set thresholds that reflect the Group's strategic objectives and risk appetite. A holistic assessment of risk-bearing capacity ensures that aggregate exposures across all risk types remain within tolerable limits.

Information from across the organization is consolidated and reported to the BOD, ROC, and division heads. These reports include key metrics such as credit exposures, Value-at-Risk (VaR), liquidity ratios, and shifts in the risk profile. Senior management evaluates the adequacy of credit loss provisions monthly, aligning risk control with regulatory and reporting requirements



Credit Risk Management

Credit risk refers to the possibility that a counterparty will fail to fulfill its contractual obligations, resulting in financial loss. This arises primarily from the Group's lending activities, investments in securities, and foreign exchange transactions.

To manage credit risk, the Group sets comprehensive limits for individual counterparties, borrower groups, and industry sectors. The ERMG oversees adherence to these limits. Risk is further mitigated through the use of collateral, duration limits, and risk diversification strategies.

The Group utilizes an Internal Credit Risk Rating System (ICRRS) for corporate loans, which includes:

- Borrower Risk Rating (BRR): Assesses creditworthiness independent of security or facility structure.
- Composite Risk Rating (CRR): Considers collateral and facility specifics.

The BRR system spans 14 grades-10 "unclassified" and 4 "classified" per regulatory provisioning guidelines.

For consumer loans, approval is based on Minimum Risk Acceptance Criteria (MRAC). This system evaluates borrower characteristics to ensure sound, risk-based lending decisions. Post-approval quality reviews are conducted by the Credit Policy and Review Division.

Impairment of Financial Assets

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the instrument.

a. 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 considers quantitative and qualitative factors and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

b. Definition of 'default' and 'cure'

   Loan receivables

   The Group defines a financial instrument as in default based on the following:

   - Loans and receivables which are past due for more than 90 days;
   - There is a breach of any key covenants/agreements that will adversely affect the borrower's capacity to pay;
   - Weak financial condition and results of operations that leads to the borrower's inability to generate sufficient cash flow for debt servicing; or
   - Restructuring of principal and interest or any concession granted by the Group relating to the borrower's difficulty.

   A financial instrument is considered to be cured or no longer in default when it no longer meets any of the default criteria and has exhibited a satisfactory track record.

   Treasury exposures

   Treasury exposures are considered in default upon the occurrence of a credit event, such as but not limited to bankruptcy, failure of meeting its obligations to depositors and non-deposit obligations, becoming critically undercapitalized, restructuring of obligations, or request for moratorium.



c. Significant Increase in Credit Risk (SICR)
The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a 30-day backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit risk assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses. For exposures without internal grades, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

For other credit risk exposures such as cash in banks, interbank loans and receivables, and debt securities at amortized cost and at FVTOCI, the Group applies the low credit risk simplification. The Group considers a debt financial asset to have low risk when its credit rating is equivalent to the definition of investment grade. The Group evaluates whether the debt financial asset, on an individual basis, is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort.

In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL:

- Non-performing loans placed under Stage 3 will only be transferred to Stage 2 or Stage 1 when there is sufficient evidence to support their full collection (i.e., payments of interest and/or principal are received for at least 6 months). Both qualitative and quantitative factors should be assessed in analyzing improvement in the credit risk of the asset.

For treasury exposures, the transfer from Stage 3 to Stage 2 must be evident with payments of interest and/or principal for at least six months. The Group shall transfer credit exposures from Stage 2 to Stage 1 if the rating upgrades and the resulting rating falls under investment grade rating bands.

d. Restructuring
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, changes in interest rate and terms, principal amount, maturity date, date and number of periodic payments and accrual of interest and charges. Distressed restructuring with indications of unlikeliness to pay are categorized as impaired accounts and are moved to Stage 3.

e. 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 by experienced credit judgment.

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 type of instrument 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 loan-related credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each loan 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. On the other hand, PD for cash and cash equivalents, interbank loans receivables and SPURA, debt securities at amortized cost and debt securities at FVTOCI are assessed on an individual basis using publicly available information.

EAD is modelled on historical data and represents an estimate of the outstanding amount of credit exposure at the time a default may occur. Two modelling approaches were employed during EAD estimation. A Balance-Based model for on-balance sheet accounts and a Credit Conversion Factor (CCF)-Based model for off-balance sheet accounts.

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. During LGD estimation, the discounted amounts of potential payments and expected recoveries from sale of collateral are compared to the discounted amounts of corresponding direct expenses related with obtaining and selling of assets.

f. Economic overlays
The Group incorporates economic overlays into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A broad range of economic overlays is considered as economic inputs, such as gross national income, retail price index, unemployment rate, consumer price index, inflation rate, GDP growth rates, consumer confidence. 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 these, quantitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

g. Debt instruments measured at FVTOCI
The ECLs for debt instruments measured at FVTOCI do 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 OCI as an accumulated impairment amount, with a corresponding charge to the statement of income. The accumulated loss recognized in OCI is recycled to the statement of income upon derecognition of the assets.

h. Collateral valuation
To mitigate its credit risks on financial assets, the Group seeks to use collateral, if possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements. Collateral, unless repossessed, is not recorded on the Group's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. At a minimum, it is assessed at the inception of the loan and re-assessed annually.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determined market values are valued using models. Non-financial collateral, such as real estate, is valued based on the data provided by internal and external appraisers.

Undrawn loan commitments
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 undrawn loan commitments, where the loan agreed to be provided is on market terms, is 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.

Maximum exposure to credit risk
The tables below provide the analysis of the maximum exposure of the Group's and the Parent Company's financial instruments to credit risk, excluding those where the carrying values as reflected in the statements of financial position and related notes already represent the financial instrument's maximum exposure to credit risk, before and after taking into account collateral held or other credit enhancements:

	Consolidated and Parent Company					
	2024			2023		
	Gross Maximum Exposure*	**Net Exposure**	**Financial Effect of Collateral or Credit Enhancement**	Gross Maximum Exposure*	Net Exposure	Financial Effect of Collateral or Credit Enhancement
Receivables from customers:						
Corporate loans	**₱95,597,052**	**₱51,473,736**	**₱44,184,310**	₱86,236,808	₱50,472,928	₱35,763,880
Consumer loans	**3,281,367**	**513,120**	**2,768,254**	3,264,360	690,175	2,574,185
Credit exposure	**₱98,878,419**	**₱51,986,856**	**₱46,952,564**	₱89,501,168	₱51,163,103	₱38,338,065

** Net of allowance for credit losses and unearned discount*

For sales contracts receivable, the fair value of collaterals and their corresponding financial effect on credit exposure are no longer disclosed since the system does not regularly monitor such information. The carrying value of these sales contracts receivable are disclosed in Note 11.

Industry Risk Concentrations
Risk concentrations arise when multiple counterparties operate within the same industry, geographic location, or share similar economic characteristics, making them equally vulnerable to shifts in economic, political, or other external conditions. These concentrations highlight the Group's potential sensitivity to developments impacting specific sectors. The Group continuously monitors and reports its industry exposures and risk concentrations in line with its policies on group lending, inter-corporate earmarking, and the management of large exposures and credit risk concentrations.

Credit-related commitment risks
The Parent Company provides various credit-related commitments, such as guarantees and credit line facilities, which may require it to make payments on behalf of its customers to support their liquidity needs. Instruments such as letters of credit and guarantees, including standby letters of credit—oblige the Parent Company to fulfill payment obligations contingent on specific events, often related to trade transactions like import or export activities. These off-balance sheet commitments expose the Parent Company to risks comparable to those of direct lending and are subject to the same risk management controls and credit policies.

The industry sector analysis of the maximum exposure of the Group to credit risk concentration follows (amounts in millions):

	Consolidated									
	2024					2023				
	Loans and Receivables	**Loans and Advances to Banks***	**Debt Investment Securities**	**Others****	**Total**	Loans and Receivables	Loans and Advances to Banks*	Debt Investment Securities	Others**	Total
Government	**₱690**	**₱7,298**	**₱39,825**	**₱1**	**₱47,814**	₱852	₱12,205	₱35,088	₱1	₱48,146
Construction and real estate	**28,816**	**-**	**-**	**101**	**28,917**	23,148	–	–	240	23,388
Wholesale and retail trade	**24,202**	**-**	**-**	**608**	**24,810**	21,107	–	–	812	21,919
Manufacturing	**16,138**	**-**	**-**	**1,571**	**17,709**	13,988	–	–	1,926	15,914
Banks and financial institutions	**5,791**	**1,126**	**-**	**18**	**6,935**	4,532	978	–	17	5,527
Electricity, gas and water supply	**5,612**	**-**	**-**	**48**	**5,660**	4,635	–	–	6	4,641
Transportation, storage, communication	**5,541**	**-**	**-**	**10**	**5,551**	5,458	–	–	5	5,463
Agriculture, hunting and forestry	**806**	**-**	**-**	**23**	**829**	1,318	–	–	1	1,319
Mining and quarrying	**961**	**-**	**-**	**-**	**961**	108	–	–	–	108
Others	**16,044**	**-**	**136**	**346**	**16,526**	19,507	–	929	18	20,454
	104,601	**8,424**	**39,961**	**2,726**	**155,712**	94,653	13,183	36,017	3,026	146,879
Less allowance for ECL	**3,280**	**-**	**13**	**14**	**3,307**	2,879	–	13	8	2,900
	₱101,321	**₱8,424**	**₱39,948**	**₱2,712**	**₱152,405**	₱91,774	₱13,183	₱36,004	₱3,018	₱143,979

* *Consist of due from BSP, due from other banks, cash margin and interbank loans receivable and SPURA*

** *Consist of RCOCI, refundable deposits, and credit-related commitments (i.e., standby LC, usance LC outstanding, outstanding shipping guarantees, sight LC outstanding)*

	Parent Company									
	2024					2023				
	Loans and Receivables	**Loans and Advances to Banks***	**Debt Investment Securities**	**Others****	**Total**	Loans and Receivables	Loans and Advances to Banks*	Debt Investment Securities	Others**	Total
Government	**₱690**	**₱7,298**	**₱39,825**	**₱1**	**₱47,814**	₱852	₱12,205	₱35,088	₱1	₱48,146
Construction and real estate	**28,816**	**-**	**-**	**101**	**28,917**	23,148	–	–	240	23,388
Wholesale and retail trade	**24,202**	**-**	**-**	**608**	**24,810**	21,107	–	–	812	21,919
Manufacturing	**16,138**	**-**	**-**	**1,571**	**17,709**	13,988	–	–	1,926	15,914
Banks and financial institutions	**5,791**	**1,126**	**-**	**18**	**6,935**	4,532	978	–	17	5,527
Electricity, gas and water supply	**5,612**	**-**	**-**	**48**	**5,660**	4,635	–	–	6	4,641
Transportation, storage, communication	**5,541**	**-**	**-**	**10**	**5,551**	5,458	–	–	5	5,463
Agriculture, hunting and forestry	**806**	**-**	**-**	**23**	**829**	1,318	–	–	1	1,319
Mining and quarrying	**961**	**-**	**-**	**-**	**961**	108	–	–	-	108
Others	**16,044**	**-**	**136**	**346**	**16,526**	19,510	–	929	18	20,457
	104,601	**8,424**	**39,961**	**2,726**	**155,712**	94,656	13,183	36,017	3,026	146,882
Less allowance for ECL	**3,280**	**-**	**13**	**14**	**3,307**	2,879	-	13	8	2,900
	₱101,321	**₱8,424**	**₱39,948**	**₱2,712**	**₱152,405**	₱91,777	₱13,183	₱36,004	₱3,018	₱143,982

* *Consist of due from BSP, due from other banks, cash margin and interbank loans receivable and SPURA*

** *Consist of RCOCI, refundable deposits, and credit-related commitments (i.e., standby LC, usance LC outstanding, outstanding shipping guarantees, sight LC outstanding)*

Collateral and other credit enhancements
The type and amount of collateral required are determined based on a thorough assessment of the counterparty's credit risk. The Group adheres to established guidelines that outline acceptable forms of collateral and their corresponding valuation parameters.

The primary types of collateral obtained include the following:

- Securities lending and reverse repurchase agreements – cash or marketable securities
- Commercial lending – deposit holdouts, real estate mortgages, machinery, inventories, and trade receivables
- Retail lending – mortgages over residential properties and motor vehicles

The Group maintains a policy of disposing repossessed properties in an orderly and timely manner. Proceeds from such disposals are applied toward the settlement of the outstanding obligation. As a general practice, the Group does not utilize repossessed properties for operational purposes.

Collaterals obtained by the Group and the Parent Company from settlement of loans and receivables which remain outstanding as of December 31, 2024 and 2023 amounted to ₱1.42 billion and ₱101.74 million, respectively (see Notes 13 and 15).

The Group does not hold collateral on financial assets which it may sell or repledge in the absence of default by the owner of the collateral.

Credit quality per class of financial assets
In compliance with Section 143 of the Manual of Regulations for Banks (MORB), the Group has established a comprehensive internal risk rating system to assess the credit risk profile of its exposures consistently. This framework is regularly reviewed and refined to ensure alignment with evolving risk dynamics. To preserve and enhance the quality of its credit portfolio, the Group adopts various risk mitigation strategies, including the use of collateral, master netting arrangements, and prudent limits on exposure durations.

The credit quality of financial assets is monitored through a combination of internal credit assessments and, where available, external credit ratings.

a. Loans and Receivables

Receivables from customers
The Parent Company utilizes specialized scorecards tailored to specific portfolio segments. Distinct scorecards are also applied across various classes of financial intermediaries to ensure a nuanced and risk-sensitive evaluation of creditworthiness.

The description and definition of the loan grades or ICRRS used by the Group for corporate loans follow:

BRR Grade	Description	Definition
1	Excellent	Excellent capacity to meet its financial commitments with minimal credit risk
2	Strong	Strong capacity to meet its financial commitments with very low credit risk

BRR Grade	Description	Definition
3	Good	Good capacity to meet its financial commitments with low credit risk.
4	Fairly Good	An obligor rated 4 differs from rated 3 obligor only to a small degree and has a fairly good capacity to meet its financial commitments with low credit risk.
5	Satisfactory	Satisfactory capacity to meet its financial commitments with moderate credit risk
6	Fairly Satisfactory	Fairly satisfactory capacity to meet its financial commitments with moderate credit risk
7	Acceptable	Acceptable capacity to meet its financial commitments with substantial credit risk
8	Acceptable with Care	A credit, though acceptable, needs care in granting facilities. However, the borrower is still creditworthy.
9	Acceptable with Caution	A credit, though acceptable, needs significant caution to be exercised while granting facilities to the borrower. The borrower is still creditworthy but has problems that need to be addressed.
10	Watch List	An obligor rated 10 is judged to be of poor credit standing and is subject to high default risk.
11	Especially Mentioned	These are loans that have potential weaknesses that deserve management's close attention. If left uncorrected, said weaknesses may affect the repayment of the loan.
12	Substandard	Loans that have well-defined weaknesses that may jeopardize repayment/liquidation in full, either in respect of the business, cash flow, or financial position, which may include adverse trends or developments that affect willingness or repayment ability of the borrower.
13	Doubtful	Loans that exhibit more sever weaknesses than those under "Substandard", whose characteristics on the basis of currently known facts, conditions, and values make collection or liquidation highly improbable, however, the exact amount remains undeterminable as yet.
14	Loss	Loans which are considered uncollectible or worthless and of such little value that their continuance as bankable assets is not warranted.



Corporate Loans – Credit Quality Assessment

The Group employs an internal borrower risk rating (BRR) system to assess the creditworthiness of its loan portfolio, which aligns with regulatory standards and supports effective credit risk management. The classifications are defined as follows:

High Grade (BRR 1 to 7)
This category includes borrowers with a strong capacity to meet their financial obligations in full. No loss in ultimate collection is anticipated. These exposures are typically secured by deposit holdouts, margin deposits, government-backed securities, or other readily marketable collateral. Alternatively, they are supported by sufficient, high-quality financial and credit information indicating full and timely repayment.

Standard Grade (BRR 8 to 10)
These accounts are not classified as adversely rated but warrant closer supervision due to early warning indicators. Such indicators may include start-up business status, significant operational or managerial changes, or three consecutive years of substantial income decline (excluding extraordinary gains or losses).

Substandard Grade or Past-Due (BRR 11 to 14)
This category includes exposures with unfavorable performance or characteristics, where current conditions, values, or historical behavior make full collection or recovery improbable. These accounts exhibit notable weaknesses requiring corrective action.

Consumer Loans – Credit Quality Assessment

The Group classifies its consumer loan receivables based on delinquency age and the credit standing of counterparties, as follows:

High Grade
Includes current receivables with no history of default or payment delays, and counterparties with a demonstrated capacity to fulfill their obligations in full. This also covers placements with the BSP and other banks.

Standard Grade
Covers accounts that are technically past due by 1 to 30 days but are still considered of good credit quality, as counterparties continue to demonstrate the capacity to meet their obligations.

Past Due but not Impaired
Comprises delinquent accounts with a period of default ranging from 31 to 90 days. These accounts do not yet meet the criteria for impairment but warrant close monitoring.

Past Due and Impaired
Represents receivables and other financial assets classified as non-performing, with a default period exceeding 90 days. These accounts typically require proactive and intensive credit management to mitigate potential losses.

Positive and vigorous management action is required to avert or minimize loss.

As of December 31, 2024, the credit quality of receivables from customers, net of unearned discount and capitalized interest of the Group and Parent Company follows:

Consolidated and Parent Company	**2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Corporate loans:				
High grade	**₱87,287,819**	**₱-**	**₱-**	**₱87,287,818**
Standard grade	**-**	**3,753,230**	**-**	**3,753,230**
Substandard grade	**-**	**-**	**-**	**-**
Past due but not impaired	**-**	**-**	**-**	**-**
Past due and impaired	**-**	**-**	**7,223,104**	**7,223,104**
	87,287,819	**3,753,230**	**7,223,104**	**98,264,152**
Consumer loans:				
Auto loans:				
High grade	**429,219**	**-**	**-**	**429,219**
Standard grade	**-**	**-**	**-**	**-**
Past due but not impaired	**-**	**477**	**634**	**1,111**
Past due and impaired	**-**	**-**	**4,072**	**4,072**
	429,219	**477**	**4,706**	**434,402**
Home loans:				
High grade	**2,545,799**	**–**	**–**	**2,545,799**
Standard grade	**-**	**19,950**	**-**	**19,950**
Past due but not impaired	**-**	**23,159**	**2,153**	**25,312**
Past due and impaired	**-**	**-**	**216,085**	**216,085**
	2,545,799	**43,109**	**218,238**	**2,807,146**
Personal loans:				
High grade	**53,365**	**–**	**–**	**53,365**
Standard grade	**–**		**–**	**–**
Past due but not impaired	**–**	**556**	**104**	**660**
Past due and impaired	**–**	**–**	**880**	**880**
	53,365	**556**	**984**	**54,905**
Total consumer loans:				
High grade	**3,028,383**	**–**	**–**	**3,028,377**
Standard grade	**–**	**19,950**	**-**	**19,950**
Past due but not impaired	**–**	**24,192**	**2,891**	**27,083**
Past due and impaired	**–**	**-**	**221,037**	**221,037**
	3,028,383	**44,142**	**223,928**	**3,296,453**
Total receivables from customers:				
High grade	**90,316,202**	**-**	**–**	**90,316,202**
Standard grade	**–**	**3,773,180**	**–**	**3,773,180**
Substandard grade	**–**	**–**	**–**	**–**
Past due but not impaired	**–**	**24,192**	**2,891**	**27,083**
Past due and impaired	**–**	**–**	**7,444,141**	**7,444,141**
	₱90,316,202	**₱3,797,372**	**₱7,447,032**	**₱101,560,606**

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans:				
High grade	₱78,269,820	₱–	₱–	₱78,269,820
Standard grade	–	2,789,509	–	2,789,509
Substandard grade	–	–	–	–
Past due but not impaired	–	6,077	–	6,077
Past due and impaired	–	–	7,402,295	7,402,295
	78,269,820	2,795,586	7,402,295	88,467,701
Consumer loans:				
Auto loans:				
High grade	432,429	–	–	432,429
Standard grade	–	–	–	–
Past due but not impaired	–	–	2,665	2,665
Past due and impaired	–	–	19,044	19,044
	432,429	–	21,709	454,138
Home loans:				
High grade	2,504,711	–	–	2,504,711
Standard grade	–	–	–	–
Past due but not impaired	–	72,291	50,780	123,071
Past due and impaired	–	–	299,238	299,238
	2,504,711	72,291	350,018	2,927,020
Personal loans:				
High grade	28,961	–	–	28,961
Standard grade	–	15	–	15
Past due but not impaired	–	–	360	360
Past due and impaired	–	–	11,476	11,476
	28,961	15	11,836	40,812
Total consumer loans:				
High grade	2,966,101	–	–	2,966,101
Standard grade	–	15	–	15
Past due but not impaired	–	72,291	53,805	126,096
Past due and impaired	–	–	329,758	329,758
	2,966,101	72,306	383,563	3,421,970
Total receivables from customers:				
High grade	81,235,921	–	–	81,235,921
Standard grade	–	2,789,524	–	2,789,524
Substandard grade	–	–	–	–
Past due but not impaired	–	78,368	53,805	132,173
Past due and impaired	–	–	7,732,053	7,732,053
	₱81,235,921	₱2,867,892	₱7,785,858	₱91,889,671

Movements during 2024 and 2023 for receivables from customers follows:

Consolidated and Parent Company	**2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Corporate loans:				
Balance at January 1, 2024	**₱78,269,820**	**₱2,795,586**	**₱7,402,295**	**₱88,467,701**
New assets originated or purchased	**14,927,827**	**–**	**–**	**14,927,827**
Assets derecognized or repaid	**(3,864,279)**	**(135,711)**	**(1,131,385)**	**(5,131,375)**
Transfers to Stage 1	**748,863**	**(748,863)**	**–**	**–**
Transfers to Stage 2	**(1,769,180)**	**2,002,471**	**(233,291)**	**–**
Transfers to Stage 3	**(1,025,232)**	**(160,253)**	**1,182,485**	**–**
Balance at December 31, 2024	**87,287,819**	**3,753,230**	**7,223,104**	**98,264,153**
Consumer loans:				
Auto loans:				
Balance at January 1, 2024	**432,429**	**–**	**21,709**	**454,138**
New assets originated or purchased	**138,832**	**–**	**–**	**138,832**

(Forward)

Consolidated and Parent Company	**2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Assets derecognized or repaid	**(₱141,447)**	**₱–**	**(₱7,728)**	**(₱149,175)**
Transfers to Stage 1	**94**	**–**	**(94)**	**–**
Transfers to Stage 2	**(477)**	**477**	**–**	**–**
Transfers to Stage 3	**(212)**	**–**	**212**	**–**
Accounts written-off	**–**	**–**	**(9,393)**	**(9,393)**
Balance at December 31, 2024	**429,219**	**477**	**4,706**	**434,402**
Home loans:				
Balance at January 1, 2024	**2,504,711**	**72,291**	**350,018**	**2,927,020**
New assets originated or purchased	**280,698**	**–**	**–**	**280,698**
Assets derecognized or repaid	**(287,866)**	**(20,751)**	**(91,955)**	**(400,5712)**
Transfers to Stage 1	**90,387**	**(22,360)**	**(68,027)**	**–**
Transfers to Stage 2	**(18,319)**	**39,725**	**(21,406)**	**–**
Transfers to Stage 3	**(23,812)**	**(25,796)**	**49,608**	**–**
Accounts written-off	**–**	**–**	**–**	**–**
Balance at December 31, 2024	**2,545,799**	**43,109**	**218,238**	**2,807,146**
Personal loans:				
Balance at January 1, 2024	**28,961**	**15**	**11,836**	**40,812**
New assets originated or purchased	**29,610**	**–**	**–**	**29,610**
Assets derecognized or repaid	**(4,721)**	**(15)**	**(1,445)**	**(6,181)**
Transfers to Stage 1	**368**	**–**	**(368)**	**–**
Transfers to Stage 2	**(556)**	**556**	**–**	**–**
Transfers to Stage 3	**(297)**	**–**	**297**	**–**
Accounts written-off	**–**	**–**	**(9,336)**	**(9,336)**
Balance at December 31, 2024	**53,365**	**556**	**984**	**54,905**
Total consumer loans:				
Balance at January 1, 2024	**2,966,102**	**72,306**	**383,563**	**3,421,971**
New assets originated or purchased	**449,140**	**–**	**–**	**449,140**
Assets derecognized or repaid	**(434,034)**	**(20,766)**	**(101,128)**	**(555,928)**
Transfers to Stage 1	**90,849**	**(22,360)**	**(68,489)**	**–**
Transfers to Stage 2	**(19,352)**	**40,758**	**(21,406)**	**–**
Transfers to Stage 3	**(24,321)**	**(25,796)**	**50,117**	**–**
Accounts written-off	**–**	**–**	**(18,729)**	**(18,729)**
Balance at December 31, 2024	**3,028,384**	**44,142**	**223,928**	**3,296,454**
Total receivables from customers:				
Balance at January 1, 2024	**81,235,921**	**2,867,892**	**7,785,858**	**91,889,671**
New assets originated or purchased	**15,376,967**	**–**	**–**	**15,376,967**
Assets derecognized or repaid	**(4,298,313)**	**(156,477)**	**(1,232,513)**	**(5,687,303)**
Transfers to Stage 1	**839,712**	**(771,223)**	**(68,571)**	**–**
Transfers to Stage 2	**(1,788,532)**	**2,043,229**	**(254,697)**	**–**
Transfers to Stage 3	**(1,049,553)**	**(186,049)**	**1,232,921**	**–**
Accounts written-off	**–**	**–**	**(18,729)**	**(18,729)**
	₱90,316,202	**₱3,797,372**	**₱7,447,032**	**₱101,560,606**

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans:				
Balance at January 1, 2023	₱60,813,498	₱10,748,062	₱2,109,855	₱73,671,415
New assets originated or purchased	23,165,581	-	-	23,165,581
Assets derecognized or repaid	(6,996,993)	(1,339,789)	(32,513)	(8,369,295)
Transfers to Stage 1	3,714,637	(3,674,530)	(40,107)	–
Transfers to Stage 2	(2,310,624)	2,310,624	–	–
Transfers to Stage 3	(116,279)	(5,248,781)	5,365,060	–
Balance at December 31, 2023	78,269,820	2,795,586	7,402,295	88,467,701
Consumer loans:				
Auto loans:				
Balance at January 1, 2023	392,624	5,267	62,526	460,417
New assets originated or purchased	179,990	-	-	179,990
Assets derecognized or repaid	(140,202)	(2,786)	(18,416)	(161,404)
Transfers to Stage 1	679	(644)	(35)	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	(662)	(1,837)	2,499	-
Accounts written-off	–	–	(24,865)	(24,865)
Balance at December 31, 2023	432,429	–	21,709	454,138

(Forward)

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Home loans:				
Balance at January 1, 2023	₱2,784,776	₱67,691	₱391,965	₱3,244,432
New assets originated or Purchased	207,409	–	–	207,409
Assets derecognized or repaid	(443,447)	(6,769)	(74,605)	(524,821)
Transfers to Stage 1	41,324	(35,798)	(5,526)	-
Transfers to Stage 2	(35,008)	67,944	(32,936)	-
Transfers to Stage 3	(50,343)	(20,777)	71,120	-
Balance at December 31, 2023	2,504,711	72,291	350,018	2,927,020
Personal loans:				
Balance at January 1, 2023	38,618	2,578	26,206	67,402
New assets originated or Purchased	1,463	–	–	1,463
Assets derecognized or repaid	(10,504)	(1,145)	(3,548)	(15,197)
Transfers to Stage 1	480	(427)	(53)	-
Transfers to Stage 2		15	(15)	-
Transfers to Stage 3	(1,096)	(1,006)	2,102	-
Accounts written-off	–	–	(12,856)	(12,856)
Balance at December 31, 2023	28,961	15	11,836	40,812
Total consumer loans:				
Balance at January 1, 2023	3,216,018	75,536	480,697	3,772,251
New assets originated or Purchased	388,862	-	-	388,862
Assets derecognized or repaid	(594,153)	(10,700)	(96,569)	(701,422)
Transfers to Stage 1	42,483	(36,869)	(5,614)	-
Transfers to Stage 2	(35,008)	67,959	(32,951)	-
Transfers to Stage 3	(52,101)	(23,620)	75,721	-
Accounts written-off	-	-	(37,721)	(37,721)
Balance at December 31, 2023	2,966,101	72,306	383,563	3,421,970
Total receivables from customers:				
Balance at January 1, 2023	64,029,516	10,823,598	2,590,552	77,443,666
New assets originated or purchased	23,554,443	-	-	23,554,443
Assets derecognized or repaid	(7,591,146)	(1,350,489)	(129,082)	(9,070,717)
Transfers to Stage 1	3,757,120	(3,711,399)	(45,721)	-
Transfers to Stage 2	(2,345,632)	2,378,583	(32,951)	-
Transfers to Stage 3	(168,380)	(5,272,401)	5,440,781	-
Accounts written-off	-	-	(37,721)	(37,721)
	₱81,235,921	₱2,867,892	₱7,785,858	₱91,889,671

As of December 31, 2024 and 2023, the credit quality of other receivables, gross of allowance for credit losses follows:

Consolidated	**2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Unquoted debt securities:				
High grade	**₱59,337**	**₱-**	**₱-**	**₱59,337**
Accrued interest receivable:				
High grade	**1,120,166**	**–**	**–**	**1,120,166**
Standard grade	**–**	**33,325**	**–**	**33,325**
Substandard grade	**–**	**–**	**–**	**-**
Past due but not impaired	**–**	**104**	**12**	**116**
Past due and impaired	**–**	**–**	**90,444**	**90,444**
	1,120,166	**33,429**	**90,456**	**1,244,051**
Accounts receivable:				
High grade	**1,501,716**	**-**	**-**	**1,501,716**
Standard grade	**18,844**	**-**	**-**	**18,844**
Substandard grade	**-**	**11,847**	**-**	**11,847**
Past due but not impaired	**-**	**7,786**	**-**	**7,786**
Past due and impaired	**-**		**26,974**	**26,974**
	1,520,560	**19,633**	**26,974**	**1,567,167**

(Forward)

Consolidated	**2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Sales contracts receivable:				
High grade	**₱161,325**	**₱–**	**₱–**	**₱161,325**
Standard grade	**–**	**–**	**–**	**–**
Past due but not impaired	**–**	**–**	**–**	**–**
Past due and impaired	**–**	**–**	**7,772**	**7,772**
	161,325	**–**	**7,772**	**169,097**
Total other receivables:				
High grade	**2,842,544**	**–**	**–**	**2,842,543**
Standard grade	**18,844**	**33,325**	**–**	**52,169**
Substandard grade	**–**	**11,847**	**–**	**11,847**
Past due but not impaired	**–**	**7,891**	**12**	**7,902**
Past due and impaired	**–**	**-**	**125,191**	**125,191**
	₱2,861,388	**₱53,063**	**₱125,203**	**₱3,039,652**

Parent Company	**2024**			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Unquoted debt securities:				
High grade	**₱59,337**	**₱–**	**₱–**	**₱59,337**
Accrued interest receivable:				
High grade	**1,120,167**	**–**	**–**	**1,120,16**
Standard grade	**-**	**33,325**	**–**	**33,325**
Substandard grade	**-**	**–**	**–**	**-**
Past due but not impaired	**-**	**104**	**13**	**117**
Past due and impaired	**-**	**–**	**90,443**	**90,443**
	1,120,167	**33,429**	**90,456**	**1,244,052**
Accounts receivable:				
High grade	**1,501,715**	**–**	**–**	**1,501,715**
Standard grade	**18,845**	**–**	**–**	**18,845**
Substandard grade	**-**	**11,836**	**–**	**11,836**
Past due but not impaired	**-**	**7,786**	**–**	**7,786**
Past due and impaired	**-**	**–**	**26,985**	**26,985**
	1,520,560	**19,622**	**26,985**	**1,567,167**
Sales contracts receivable:				
High grade	**161,325**	**-**	**-**	**161,325**
Standard grade	**-**	**-**	**-**	**-**
Past due but not impaired	**-**	**-**	**-**	**-**
Past due and impaired	**-**	**-**	**7,772**	**7,772**
	161,325	**-**	**7,772**	**169,097**
Total other receivables:				
High grade	**2,842,544**	**–**	**–**	**2,842,544**
Standard grade	**18,845**	**33,325**	**–**	**52,170**
Substandard grade	**–**	**11,836**	**–**	**11,836**
Past due but not impaired	**–**	**7,890**	**13**	**7,903**
Past due and impaired	**–**	**–**	**125,200**	**125,200**
	₱2,861,389	**₱53,051**	**₱125,213**	**₱3,039,653**

	2023			
Unquoted debt securities:				
High grade	₱366,900	₱ –	₱ –	₱366,900
Accrued interest receivable:				
High grade	885,294	–	–	885,294
Standard grade	-	15,782	–	15,782
Substandard grade	-	–	–	–
Past due but not impaired	-	258	229	487
Past due and impaired	-	-	70,641	70,641
	885,294	16,040	70,870	972,204
Accounts receivable:				
High grade	1,290,523	–	–	1,290,523
Standard grade	8,602	–	–	8,602
Substandard grade	–	4,999	–	4,999
Past due but not impaired	–	6,940	–	6,940
Past due and impaired	–	–	49,640	49,640
	1,299,125	11,939	49,640	1,360,704
Sales contracts receivable:				
High grade	45,711	–	–	45,711
Standard grade	–	–	–	–
Past due but not impaired	–	–	–	–
Past due and impaired	–	–	17,856	17,856
	45,711	–	17,856	63,567
Total other receivables:				
High grade	2,588,428	-	–	2,588,428
Standard grade	8,602	15,782	–	24,384
Substandard grade	–	4,999	–	4,999
Past due but not impaired	–	7,198	229	7,427
Past due and impaired	–	-	138,137	138,137
	₱2,597,030	₱27,979	₱138,366	₱2,763,375

Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Unquoted debt securities:				
High grade	₱366,900	₱ -	₱ -	₱366,900
Accrued interest receivable:				
High grade	885,294	-	–	885,294
Standard grade	–	15,782	–	15,782
Substandard grade	–	-	–	-
Past due but not impaired	–	258	229	487
Past due and impaired	–	-	70,641	70,641
	885,294	16,040	70,870	972,204
Accounts receivable:				
High grade	1,293,356	-	–	1,293,356
Standard grade	8,602	-	–	8,602
Substandard grade	–	4,999	–	4,999
Past due but not impaired	–	6,940	–	6,940
Past due and impaired	–	-	49,640	49,640
	1,301,958	11,939	49,640	1,363,537
Sales contracts receivable:				
High grade	45,711	–	–	45,711
Standard grade	–	–	–	-
Past due but not impaired	–	–	–	-
Past due and impaired	–	–	17,856	17,856
	45,711	–	17,856	63,567
Total other receivables:				
High grade	2,591,261	-	–	2,591,261
Standard grade	8,602	15,782	–	24,384
Substandard grade	-	4,999	–	4,999
Past due but not impaired	-	7,198	229	7,427
Past due and impaired	-	-	138,137	138,137
	₱2,599,863	₱27,979	₱138,366	₱2,766,208

Movements during 2024 and 2023 for other receivables follows:

Consolidated	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Unquoted debt securities:				
Balance at January 1, 2024	**₱366,900**	**₱-**	**₱-**	**₱366,900**
Assets derecognized or repaid	**(307,563)**	**-**	**-**	**(307,563)**
Balance at December 31, 2024	**59,337**	**-**	**-**	**59,337**
Accrued interest receivable:				
Balance at January 1, 2024	**885,294**	**16,040**	**70,870**	**972,204**
New assets originated or purchased	**476,044**	**–**	**–**	**476,044**
Assets derecognized or repaid	**(191,909)**	**(1,121)**	**(11,006)**	**(204,036)**
Transfers to Stage 1	**231**	**–**	**(231)**	**–**
Transfers to Stage 2	**(16,873)**	**18,589**	**(1,715)**	**–**
Transfers to Stage 3	**(32,621)**	**(78)**	**32,699**	**–**
Accounts written-off	**–**	**–**	**(159)**	**(159)**
Balance at December 31, 2024	**1,120,166**	**33,430**	**90,458**	**1,244,052**
Accounts receivable:				
Balance at January 1, 2024	**1,299,125**	**11,939**	**49,640**	**1,360,704**
New assets originated or Purchased	**6,243,817**			**6,243,817**
Assets derecognized or repaid	**(6,018,109)**	**11,871**	**(14,159)**	**(6,020,397)**
Transfers to Stage 1	**(4,274)**	**(4,177)**	**8,451**	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**
Transfers to Stage 3	**-**	**-**	**-**	**-**
Accounts written-off	**-**	**-**	**(16,958)**	**(16,958)**
Balance at December 31, 2024	**1,520,559**	**19,633**	**26,974**	**1,567,167**
Sales contract receivable:				
Balance at January 1, 2024	**45,710**	**-**	**17,856**	**63,566**
New assets originated or Purchased	**125,319**	**-**	**-**	**125,319**
Assets derecognized or repaid	**(8,382)**	**-**	**(11,406)**	**(19,788)**
Transfers to Stage 1	**-**	**-**	**-**	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**
Transfers to Stage 3	**(1,322)**	**-**	**1,322**	**-**
Balance at December 31, 2024	**161,325**	**-**	**7,772**	**169,097**
Total other receivables:				
Balance at January 1, 2024	**2,597,029**	**27,979**	**138,366**	**2,763,374**
New assets originated or purchased	**-** **6,845,180**		**-**	**6,845,180**
Assets derecognized or repaid	**(6,525,963)**	**10,750**	**(36,571)**	**(6,551,784)**
Transfers to Stage 1	**(4,043)**	**(4,177)**	**8,220**	**-**
Transfers to Stage 2	**(16,873)**	**18,589**	**(1,715)**	**-**
Transfers to Stage 3	**(33,943)**	**(78)**	**34,021**	**-**
Accounts written-off	**-**	**-**	**(17,117)**	**(17,117)**
	₱2,861,387	**₱53,063**	**₱125,204**	**₱3,039,653**

Parent Company	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Unquoted debt securities:				
Balance at January 1, 2024	**₱366,900**	**₱-**	**₱-**	**₱366,900**
Assets derecognized or repaid	**(307,563)**	**-**	**-**	**(307,563)**
Balance at December 31, 2024	**59,337**	**-**	**-**	**59,337**
Accrued interest receivable:				
Balance at January 1, 2024	**885,294**	**16,040**	**70,870**	**972,204**
New assets originated or Purchased	**476,044** **–**	**–**		**476,044**
Assets derecognized or repaid	**(191,909)**	**(1,121)**	**(11,006)**	**(204,036)**
Transfers to Stage 1	**231**	**–**	**(231)**	**–**
Transfers to Stage 2	**(16,873)**	**18,589**	**(1,715)**	**–**
Transfers to Stage 3	**(32,621)**	**(78)**	**32,699**	**–**
Accounts written-off	**–**	**–**	**(159)**	**(159)**
Balance at December 31, 2024	**1,120,166**	**33,430**	**90,458**	**1,244,053**

(Forward)

Parent Company	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Accounts receivable:				
Balance at January 1, 2024	**₱1,299,125**	**₱11,939**	**₱49,640**	**₱1,360,704**
New assets originated or Purchased	**6,243,816**			**6,243,816**
Assets derecognized or repaid	**(6,018,109)**	**11,871**	**(14,159)**	**(6,020,396)**
Transfers to Stage 1	**(4,274)**	**(4,177)**	**8,451**	**-**
Transfers to Stage 2				**-**
Transfers to Stage 3				**-**
Accounts written-off			**(16,958)**	**(16,958)**
Balance at December 31, 2024	**1,520,558**	**19,633**	**26,974**	**1,567,166**
Sales contract receivable:				
Balance at January 1, 2024	**45,710**	**-**	**17,856**	**63,566**
New assets originated or Purchased	**125,319** -		**-**	**125,319**
Assets derecognized or repaid	**(8,382)**	**-**	**(11,406)**	**(19,788)**
Transfers to Stage 1	**-**	**-**	**-**	**-**
Transfers to Stage 2	**-**	**-**	**-**	**-**
Transfers to Stage 3	**(1,322)**	**-**	**1,322**	**-**
Balance at December 31, 2024	**161,325**	**-**	**7,772**	**169,097**
Total other receivables:				
Balance at January 1, 2024	**2,597,030**	**27,979**	**138,366**	**2,763,375**
New assets originated or Purchased	**6,845,179**	**-**	**-**	**6,845,179**
Assets derecognized or repaid	**(6,525,962)**	**10,750**	**(36,571)**	**(6,551,783)**
	(4,043)	**(4,177)**	**8,220**	
Transfers to Stage 1				
Transfers to Stage 2	**(16,873)**	**18,589**	**(1,715)**	**-**
Transfers to Stage 3	**(33,943)**	**(78)**	**34,021**	**-**
Accounts written-off	**-**	**-**	**(17,117)**	**(17,117)**
	₱2,861,388	**₱53,063**	**₱125,204**	**₱3,039,654**

Consolidated	2023			
	Stage 1	Stage 2	Stage 3	Total
Unquoted debt securities:				
Balance at January 1, 2023	₱649,995	~~₱~~ –	~~₱~~ –	₱649,995
Assets derecognized or repaid	(283,095)	–	–	(283,095)
Balance at December 31, 2023	366,900	–	–	366,900
Accrued interest receivable:				
Balance at January 1, 2023	604,181	98,929	9,798	712,908
New assets originated or purchased	374,211	–	–	374,211
Assets derecognized or repaid	(93,112)	(20,062)	(1,310)	(114,484)
Transfers to Stage 1	17,127	(16,915)	(212)	–
Transfers to Stage 2	(11,640)	11,779	(139)	–
Transfers to Stage 3	(5,473)	(57,691)	63,164	–
Accounts written-off	-	-	(431)	(431)
Balance at December 31, 2023	885,294	16,040	70,870	972,204
Accounts receivable:				
Balance at January 1, 2023	935,739	13,283	51,535	1,000,557
New assets originated or Purchased	6,095,640	–	–	6,095,640
Assets derecognized or repaid	(5,727,268)	(1,035)	(6,913)	(5,735,216)
Transfers to Stage 1	(4,986)	(309)	5,295	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Accounts written-off	–	–	(277)	(277)
Balance at December 31, 2023	1,299,125	11,939	49,640	1,360,704

(Forward)

Consolidated	2023			
	Stage 1	Stage 2	Stage 3	Total
Sales contract receivable:				
Balance at January 1, 2023	₱42,166	₱19,025	₱2,524	₱63,715
New assets originated or Purchased	21,226	-	236	21,462
Assets derecognized or repaid	(10,879)	(8,495)	(2,236)	(21,610)
Transfers to Stage 1	1,405	(1,402)	(3)	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	(8,207)	(9,128)	17,335	–
Balance at December 31, 2023	45,711	–	17,856	63,567
Total other receivables:				
Balance at January 1, 2023	2,232,081	131,237	63,857	2,427,175
New assets originated or purchased	6,491,077	–	236	6,491,313
Assets derecognized or repaid	(6,114,354)	(29,592)	(10,459)	(6,154,405)
Transfers to Stage 1	13,546	(18,626)	5,080	-
Transfers to Stage 2	(11,640)	11,779	(139)	-
Transfers to Stage 3	(13,680)	(66,819)	80,499	-
Accounts written-off	–	–	(708)	(708)
	₱2,597,030	₱ 27,979	₱138,366	₱ 2,763,375

Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Unquoted debt securities:				
Balance at January 1, 2023	₱649,995	₱–	₱–	649,995
Assets derecognized or repaid	(283,095)	–	–	(283,095)
Balance at December 31, 2023	366,900	–	–	366,900
Accrued interest receivable:				
Balance at January 1, 2023	603,075	98,928	9,798	711,801
New assets originated or Purchased	398,791	–	–	398,791
Assets derecognized or repaid	(116,586)	(20,061)	(1,310)	(137,957)
Transfers to Stage 1	17,127	(16,915)	(212)	–
Transfers to Stage 2	(11,640)	11,779	(139)	–
Transfers to Stage 3	(5,473)	(57,691)	63,164	–
Accounts written-off	-	-	(431)	(431)
Balance at December 31, 2023	885,294	16,040	70,870	972,204
Accounts receivable:				
Balance at January 1, 2023	938,572	13,283	51,535	1,003,390
New assets originated or Purchased	6,095,640	–	–	6,095,640
Assets derecognized or repaid	(5,727,268)	(1,035)	(6,913)	(5,735,216)
Transfers to Stage 1	(4,986)	(309)	5,295	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Accounts written-off	–	–	(277)	(277)
Balance at December 31, 2023	1,301,958	11,939	49,640	1,363,537
Sales contract receivable:				
Balance at January 1, 2023	42,166	19,025	2,524	63,715
New assets originated or Purchased	21,226	-	236	21,462
Assets derecognized or repaid	(10,879)	(8,495)	(2,236)	(21,610)
Transfers to Stage 1	1,405	(1,402)	(3)	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	(8,207)	(9,128)	17,335	–
Balance at December 31, 2023	45,711	–	17,856	63,567
Total other receivables:				
Balance at January 1, 2023	2,233,808	131,236	63,857	2,428,901
New assets originated or Purchased	6,515,656	–	236	6,515,892
Assets derecognized or repaid	(6,137,827)	(29,591)	(10,459)	(6,177,877)
Transfers to Stage 1	(13,546)	(18,626)	5,080	
Transfers to Stage 2	(11,640)	11,779	(139)	-
Transfers to Stage 3	(13,680)	(66,819)	80,499	-
Accounts written-off	-	-	(708)	(708)
	₱2,572,771	₱27,979	₱138,366	₱2,766,208

As of December 31, 2024 and 2023, the credit quality of other financial assets (RCOCI and refundable security deposits) are as follows:

Consolidated and Parent Company	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
High grade	**₱34,760**	**₱–**	**₱–**	**₱34,760**
Standard grade	**1,390**	**–**	**–**	**1,390**
Past due and impaired	**–**	**–**	**1,564**	**1,564**
	₱36,150	**–**	**₱1,564**	**₱37,714**

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
High grade	₱41,463	₱–	₱–	₱41,463
Standard grade	1,311	–	–	1,311
Past due and impaired	–	–	1,564	1,564
	₱42,774	₱–	₱1,564	₱44,338

Movements during 2024 and 2023 for other financial assets follows:

Consolidated and Parent Company	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at January 1	**₱42,774**	**₱-**	**₱1,564**	**₱44,338**
New assets originated or purchased	**5,812**			**5,812**
Assets derecognized or repaid	**(12,436)**	**-**	**-**	**(12,436)**
Balance at December 31	**₱36,150**	**-**	**₱1,564**	**₱37,714**

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at January 1	₱35,605	₱–	₱1,564	₱37,169
New assets originated or purchased	7,169	–	–	7,169
Assets derecognized or repaid	–	–	–	–
Balance at December 31	₱42,774	₱–	₱1,564	₱44,338

As of December 31, 2024 and 2023, the credit quality of the Group's and the Parent Company's financial guarantees, letters of credit and loan commitments follows:

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
High grade	**₱2,688,265**	**₱-**	**₱-**	**₱2,688,265**
Standard grade	**-**	**-**	**-**	**-**
	₱2,688,265	**₱-**	**₱-**	**₱2,688,265**

	2023			
	Stage 1	Stage 2	Stage 3	Total
High grade	₱2,981,611	₱–	₱–	₱2,981,611
Standard grade	–	–	–	–
	₱2,981,611	₱–	₱	₱2,981,611

Movements during 2024 and 2023 for the Group's and the Parent Company's financial guarantees, letters of credit and loan commitments follows:

	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Balance at January 1	**₱2,981,611**	**₱–**	**₱–**	**₱2,981,611**
New assets originated or purchased	**2,068,697**	**–**	**–**	**2,068,697**
Assets derecognized or repaid	**(2,362,043)**	**–**	**–**	**(2,362,043)**
Balance at December 31	**₱2,688,265**	**₱–**	**₱–**	**₱2,688,265**

	2023			
	Stage 1	Stage 2	Stage 3	Total
Balance at January 1	₱3,557,039	₱40,903	₱–	₱3,597,942
New assets originated or purchased	1,286,883	–	–	1,286,883
Assets derecognized or repaid	(1,862,311)	(40,903)	–	(1,903,214)
Balance at December 31	₱2,981,611	₱–	₱–	₱2,981,611

As of December 31, 2024 and 2023, restructured loans by the Group and the Parent Company which are neither past due nor impaired are as follow:

	2024	2023
Receivables from customers:		
Corporate	**₱762,657**	₱515,473
Consumer	**229,603**	145,557

a. Due from Banks, Interbank Loans Receivables, Government Securities and Corporate Investments

The Group follows an internally developed risk rating system for local banks and external risk ratings [that is, Standard and Poor's (S&P)] for foreign banks, government securities and corporate investments.

Credit Quality Classification for Bank Counterparties

The Group categorizes bank counterparties into credit quality tiers based on their financial strength, market standing, and resilience under stress scenarios. This tiering framework supports credit risk assessment and guides exposure limits and monitoring practices.

High Grade (Tier 1)
Banks classified under Tier 1 exhibit exceptional financial strength and stability. These institutions are considered capable of withstanding severe market stress for a period of two to three years without falling into a substandard credit classification. Their strong credit profile is supported by factors such as size, industry reputation, and consistent high performance.

Standard Grade (Tier 2 to Tier 3)
This category includes banks that, while still performing, display potential vulnerabilities requiring heightened oversight. If left unaddressed, these weaknesses may impair repayment capacity and elevate credit risk exposure to the Group.

- Tier 2 – Banks in this tier are generally stable but could experience credit deterioration within one to two years under sustained adverse market conditions.

- Tier 3 – Banks in this tier are more vulnerable, with a likelihood of becoming substandard within one year under very difficult market conditions. These institutions tend to be smaller in scale and may exhibit signs of portfolio uncertainty, earnings volatility, or exposure to adverse market factors.

Substandard Grade (Tier 4)
Banks in Tier 4 are considered to be of higher credit risk due to concerns over their asset quality, earnings sustainability, or market position. These institutions are typically smaller, with a total net worth of PHP 1.50 billion to less than PHP 3.00 billion and annual net income between PHP 70.00 million and PHP 200.00 million. These indicators suggest a higher likelihood of repayment issues, especially under stress scenarios.

Credit Rating Scale for Foreign Banks, Government Securities, and Corporate Investment Instruments *(Aligned with Standard & Poor's Rating Definitions)*

The Group utilizes the following credit rating scale to assess the creditworthiness of foreign banks, sovereign debt instruments, and corporate investment outlets. These ratings reflect the obligor's ability to meet its financial commitments under varying economic and business conditions:

Investment Grade Ratings

AAA - The obligor demonstrates an extremely strong capacity to fulfill its financial obligations. This is the highest possible rating, indicating minimal credit risk.

AA - The obligor has a very strong capacity to meet its financial commitments. While it differs slightly from the top-rated entities, the level of credit risk remains very low.

A - The obligor exhibits a strong ability to meet its financial commitments. However, it is more susceptible to adverse changes in economic or business conditions compared to higher-rated categories.

BBB - The obligation has adequate protection parameters. However, the obligor may become more vulnerable to economic downturns or shifts in circumstances, which could impair its ability to meet obligations.

Speculative Grade Ratings (Below BBB)

BB - While less prone to nonpayment than other speculative-grade obligations, this rating indicates exposure to significant ongoing uncertainties or adverse economic, business, or financial conditions that may affect the obligor's capacity to repay.

B - This rating reflects an obligation that is more vulnerable to nonpayment than those rated 'BB'. Although the obligor currently meets its financial commitments, adverse conditions could significantly impair its repayment ability or willingness.

CCC - The obligation is currently vulnerable to nonpayment and is dependent on favorable conditions for repayment. In the event of adverse developments, the obligor is unlikely to meet its obligations.

CC - The obligation is highly vulnerable to nonpayment. Repayment capacity is severely impaired and subject to heightened risk.



C - The obligation is extremely vulnerable to nonpayment and may be in arrears, subject to bankruptcy proceedings, or a distressed exchange. Cash payments may have been suspended, and the total recovery value may be below par. This rating may also apply to subordinated debt or preferred stock in distress situations.

D - The obligation is in default. Payments have not been made by the due date, even if within the grace period. This rating is also assigned in instances of bankruptcy filings or distressed debt exchanges where the recovery is significantly below par value.

As of December 31, 2024 and 2023, the credit quality of loans and advances to banks and investment securities, gross of allowance for ECL follows:

Consolidated and Parent Company	2024			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
Due from BSP:				
High grade	**₱7,297,480**	**₱–**	**₱–**	**₱7,297,480**
Due from other banks:				
High grade	**46,860**	**–**	**–**	**46,860**
Standard grade	**382,502**	**–**	**–**	**382,502**
Unrated	**741**	**–**	**–**	**741**
	430,103	**–**	**–**	**430,103**
Interbank loans receivable and SPURA:				
High grade	**404,202**	**–**	**–**	**404,202**
Total loans and advances to banks:				
High grade	**7,748,542**	**–**	**–**	**7,748,542**
Standard grade	**382,502**	**–**	**–**	**382,502**
Unrated	**741**	**–**	**–**	**741**
	₱8,131,785	**₱–**	**₱–**	**₱8,131,785**
Debt securities at FVTOCI:				
High grade	**₱11,027,253**	**₱–**	**₱–**	**₱11,027,253**
Investment securities at amortized cost:				
High grade	**28,933,672**	**–**	**–**	**28,933,672**
Total debt investment securities				
High grade	**39,960,925**	**–**	**–**	**39,960,925**
Standard grade	**-**	**–**	**–**	**–**
	₱39,960,925	**₱–**	**₱–**	**₱39,960,925**

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Due from BSP:				
High grade	₱12,204,980	₱-	₱-	₱12,204,980
Due from other banks:				
High grade	135,603	-	-	135,603
Standard grade	312,655	-	-	312,655
Unrated	728	-	-	728
	448,986	-	-	448,986
Interbank loans receivable and SPURA:				
High grade	492,353	-	-	492,353
Total loans and advances to banks:				
High grade	12,832,936	-	-	12,832,936
Standard grade	312,655	-	-	312,655
Unrated	728	-	-	728
	₱13,146,319	₱-	₱-	₱13,146,319
Debt securities at FVTOCI:				
High grade	₱8,227,862	₱–	₱–	₱8,227,862
Investment securities at amortized cost:				
High grade	27,789,193	-	-	27,789,193
Total debt investment securities				
High grade	36,017,055	-	-	36,017,055
Standard grade	–	–	–	-
	₱36,017,055	₱–	₱–	₱36,017,055

Total credit risk exposure

The tables below show the different credit risk exposures of the Group and of the Parent Company by risk weight applied in accordance with MORB Section 125 and Appendix 59 as reported to the BSP:

Consolidated and Parent Company	**2024**						
	Net	**Risk Weights[b]**					
	Exposures[a]	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**
On-balance sheet assets[c]	**₱158,118**	**₱27,436**	**₱2,880**	**₱22,370**	**₱-**	**₱102,717**	**₱2,715**
Credit risk weighted on-balance sheet assets (d = b x c)	**118,550**	**-**	**576**	**11,185**	**-**	**102,717**	**4,072**
Off-balance sheet assets[e]	**24,351**	**21,652**	**1,837**	**-**		**862**	**-**
Credit risk weighted off-balance sheet assets (f = b x e)	**1,229**	**-**	**367**	**-**	**-**	**862**	**-**
Banking Book[g]							
Counter party risk-weighted assets in Banking Books (h = b x g)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Credit Risk Weighted Assets[d + f + h]	**₱119,779**	**₱-**	**₱943**	**₱11,185**	**₱-**	**₱103,579**	**₱4,072**

(a) *Net of specific provisions*

Consolidated and Parent Company	2023						
	Net	Risk Weights[(b)]					
	Exposures[(a)]	0%	20%	50%	75%	100%	150%
On-balance sheet assets[(c)]	₱148,634	₱38,736	₱6	₱14,249	₱–	₱94,171	₱1,471
Credit risk weighted on-balance sheet assets (d = b x c)	103,504	–	1	7,125	–	94,171	2,207
Off-balance sheet assets[(e)]	18.381	15,400	2,040	–	–	942	–
Credit risk weighted off-balance sheet assets (f = b x e)	1,350	–	408	–	–	942	–
Banking Book[(g)]							
Counter party risk-weighted assets in Banking Books (h = b x g)	–	–	–	–	–	–	–
Total Credit Risk Weighted Assets[(d + f + h)]	₱104,854	₱–	₱409	₱7,125	₱–	₱95,113	₱2,207

Liquidity Risk and Funding Management

Liquidity risk refers to the risk that the Parent Company may be unable to meet its financial obligations as they fall due, whether under normal or stressed market conditions. To manage and mitigate this risk, the Parent Company employs a multi-faceted approach that includes diversifying funding sources, strengthening its core deposit base, and actively monitoring its liquidity position and projected cash flows on a daily basis.

Liquidity management incorporates the evaluation of both expected cash flows and the availability of secured and unsecured funding. This includes assessing the liquidity that can be generated from high-quality liquid assets. To quantify and monitor liquidity risk, the Parent Company utilizes the Maximum Cumulative Outflow (MCO) metric. MCO utilization is monitored monthly against Board-approved limits and is regularly reported to the Asset and Liability Committee (ALCO) and the Risk Oversight Committee (ROC). The ALCO convenes weekly to review, among other matters, the liquidity status of the Parent Company.

To ensure liquidity during unforeseen cash flow disruptions, the Parent Company maintains a portfolio of highly marketable securities that can be quickly converted into cash. In addition, the Company strictly complies with regulatory liquidity requirements, including the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), as set out in Section 145 of the Manual of Regulations for Banks (MORB). This includes a thorough evaluation of the liquidity characteristics of its asset portfolio to ensure adequate support during stress scenarios.

In managing intraday liquidity, the Parent Company conducts monitoring in accordance with MORB Section 145. It regularly tracks the levels and trends of intraday liquidity exposures relative to its capacity to meet immediate payment and settlement obligations promptly and efficiently.

Beyond regulatory compliance, the Parent Company also tracks internal liquidity ratios to gauge its readily available liquidity. These internal metrics consider both high-quality liquid assets and estimated unsecured funding against daily deposit liabilities. The ratios also support the management of large-scale liability outflows and the funding requirements of new loan disbursements.

Together, these strategies and tools enable the Parent Company to effectively manage liquidity risk while supporting its evolving business strategies and growth initiatives.

Analysis of financial instruments by remaining contractual maturities

The tables below summarize the maturity profile of the Group's and the Parent Company's financial instruments as of December 31, 2024 and 2023, based on undiscounted contractual payments, except for financial assets at FVTPL. Repayments which are subject to notice are treated as if notices are to be given immediately. However, the Group and the Parent Company expect that many customers will not request repayment on the earliest date the Group and the Parent Company could be required to pay and the tables do not reflect the expected cash flows indicated by the Group's and the Parent Company's deposit retention history (amounts in millions):

Consolidated and Parent Company	2024					
	On Demand	Less than 3 Months	3-12 Months	1-2 Years	Beyond 2 Years*	Total
Financial assets						
Financial assets at FVTOCI	₱-	₱223	₱418	₱641	₱14,144	₱15,426
Investment securities at amortized cost:						
Government securities	-	521	1,053	1,521	35,624	38,719
Sovereign bonds	-	16	16	33	597	662
Loans and receivables:						
Due from BSP	7,297	-	-	-	-	7,297
Due from other banks	-	430	-	-	-	430
Interbank loans receivable	-	404	-	-	-	404
Receivables from customers:						
Corporate	4,025	35,685	14,353	7,440	50,552	112,055
Consumer	266	77	249	449	4,258	5,299
Unquoted debt securities	-	59	-			59
Accrued interest receivable	684	105	62	27	366	1,244
Accounts receivable	1,501	19	12	-	35	1,567
Sales contracts receivable	8	0	-	4	157	169
Refundable deposit	-	-	-	-	36	36
RCOCI	1	-	-	-	-	1
	₱13,782	₱37,539	₱16,163	₱10,115	₱105,769	₱183,368
Financial liabilities						
Deposit liabilities:						
Demand	₱41,639	-₱	₱-	₱-	₱-	₱41,639
Savings	13,697	-	-	-	-	13,697
Time	-	653	1,974	54,395	1,700	58,722
Bills payable:						-
Private firms and individuals	-	11,138	-		-	11,138
Banks and other financial institutions	-	3,518	1,844	-	-	5,362
Bonds Payable				7,623		7,623
Outstanding acceptances	82	-	-	-	-	82
Manager's checks	219	-	-	-	-	219
Accrued interest payable	-	621	4	-	-	625
Accrued other expenses	-	650	-	-	-	650
Other liabilities:						-
Accounts payable	439	-	-	-	-	439
Refundable security deposits	-	35	41	15	27	118
Miscellaneous liabilities	187	-	-	-	-	187
	₱56,263	₱16,615	₱3,863	₱62,033	₱1,727	₱140,501

**Including non-performing loans and receivables*

Consolidated and Parent Company	2023					
	On Demand	Less than 3 Months	3-12 Months	1-2 Years	Beyond 2 Years*	Total
Financial assets						
Financial assets at FVTOCI	₱-	₱180	₱236	₱434	₱7,989	₱8,839
Investment securities at amortized cost:						
Government securities	-	416	799	1,135	25,640	27,990
Sovereign bonds	-	211	211	423	381	1,226
Loans and receivables:						
Due from BSP	12,205	-	-	-	-	12,205
Due from other banks	-	486	-	-	-	486
Interbank loans receivable	-	492	-	-	-	492
Receivables from customers:						
Corporate	2,711	33,022	13,748	7,412	43,325	100,218
Consumer	393	71	257	372	4,439	5,532
Unquoted debt securities	-	-	-	367		367
Accrued interest receivable	-	602	370	-	-	972
Accounts receivable	1,300	1	7	-	55	3
Sales contracts receivable	-	19	1	-	44	64
Refundable deposit	-	-	-	-	43	43
RCOCI	1	-	-	-	-	1
	16,610	35,500	15,629	10,143	81,916	158,438
Financial liabilities						
Deposit liabilities:						
Demand	₱41,396	₱–	₱–	₱–	₱–	41,396
Savings	13,315	–	–	–	–	13,315
Time	-	47,240	10,854	878	890	59,862
LTNCD	-	41	2,865		-	2,906
Bills payable:						-
Private firms and individuals	-	7,862	818		-	8,680
Banks and other financial institutions	-	1,159	-	-	-	1,159
Outstanding acceptances	105	-	-	-	-	105
Manager's checks	632	-	-	-	-	632
Accrued interest payable	-	710	52	-	-	762
Accrued other expenses	-	646	-	-	-	646
Other liabilities:						-
Accounts payable	315	-	-	-	-	315
Refundable security deposits	-	15	44	44	7	110
Miscellaneous Liabilities	31	-	-	-	-	31
	₱55,794	₱57,673	₱14,633	₱922	₱897	₱129,919

**Including non-performing loans and receivables*

The tables below show the contractual expiry of the Group's and the Parent Company's commitments and contingent liabilities as of December 31, 2024 and 2023 (amounts in millions):

	2024				
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**Beyond 1 Year**	**Total**
Unused Commercial LC:					
Standby LC	**₱61**	**₱134**	**₱630**	**₱37**	**₱862**
Sight LC outstanding	**29**	**443**	**22**	**-**	**494**
Usance LC outstanding	**41**	**29**	**-**		**70**
Outstanding shipping guarantees	**104**	**63**	**1,096**	**-**	**1,263**
Spot exchange:					
Sold	**3,700**	**-**	**-**	**-**	**3,700**
Bought	**869**	**-**	**-**	**-**	**869**
Currency forwards:					
Sold	**-**	**0**	**-**	**-**	**0**
Bought	**-**	**-**	**-**	**-**	**-**
Interest Rate Future					
Sold	**-**	**594**	**-**	**-**	**594**
Bought	**-**	**628**	**-**	**-**	**628**
	₱4,804	**₱1,891**	**₱1,748**	**₱37**	**₱8,480**

	2023				
	On Demand	Less than 3 Months	3 to 12 Months	Beyond 1 Year	Total
Unused Commercial LC:					
Standby LC	₱65	₱133	₱697	₱47	₱942
Sight LC outstanding	–	121	473	–	594
Usance LC outstanding	–	3	–	–	3
Outstanding shipping guarantees	1,316	–	127	-	1,443
Spot exchange:					
Sold	2,175	–	–	–	2,175
Bought	594	–	–	–	594
Currency forwards:					
Sold	–	50	–	–	50
Bought	–	1	–	–	1
	₱4,150	₱308	₱1,297	₱47	₱5,802

Liquidity Position and Leverage

Liquidity Coverage Ratio
Pursuant to MORB Section 145 which aims to promote short-term resilience of banks' liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days, the Group is required to hold and maintain an adequate level of unencumbered high-quality liquid assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30-calendar day horizon of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis. HQLA represents the Group's stock of liquid assets that qualify for inclusion in the LCR which consists mainly of cash, regulatory reserves and unencumbered high-quality liquid securities. HQLAs therefore, serve as defense against potential stress events.

As of December 31, 2024 and 2023, LCR of the Parent Company is shown in the table below (amounts, except ratios, are expressed in millions):

	2024	2023
Total Stock of High-Quality Liquid Assets	**₱28,734**	₱38,867
Total Net Cash Outflows	**22,038**	23,507
LCR	**130.38%**	165.34%

The Parent Company's LCR as of December 31, 2024 based on its audited financial statement amounted to 129.86%.

Net Stable Funding Ratio
Pursuant to MORB Section 145, the Group is required to compute its Net Stable Funding Ratio (NSFR). The NSFR is aimed at strengthening the Group's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items. The NSFR is expressed as the ratio of available stable funding and the required stable funding and complements the LCR as it takes a longer view of the Group's liquidity risk profile.

As of December 31, 2024 and 2023, NSFR of the Parent Company is shown in the table below (amounts, except ratios, are expressed in millions):

	2024	2023
Available stable funding	**₱106,739**	₱100,231
Required stable funding	**87,823**	76,597
NSFR	**121.54%**	130.85%

Both LCR and NSFR should be maintained no lower than 100.00% on a daily basis under normal situations.

Market Risk Management

Market risk refers to the potential loss in future earnings, fair values, or cash flows due to fluctuations in the prices of financial instruments. These fluctuations may be driven by changes in interest rates, foreign exchange rates, commodity prices, equity prices, or other market variables. The Parent Company's exposure to market risk arises primarily from its positions in foreign exchange instruments, debt securities, equity securities, and derivative products.

Value-at-Risk (VaR)

Value-at-Risk (VaR) is a key metric used by the Parent Company to quantify market risk. It provides a statistical estimate of the potential loss in value of a portfolio, based on current market conditions, including price trends, volatilities, and asset correlations—over a specified time horizon and at a defined confidence level.

VaR serves as a crucial early warning indicator by alerting senior management when potential losses exceed predefined risk thresholds. This enables timely strategic adjustments to portfolio exposures in response to market developments, consistent with the Parent Company's overall risk appetite and risk management framework.

In 2024 and 2023, Parent Company uses Historical VaR Model using 99% confidence level, and a 1-day defeasance period.

The Market & Asset-Liability Risk Management Team runs VaR daily, monitors the VaR against the BOD approved VaR limit and submits Daily VaR Reports to concerned division/group/segment heads.

To verify the validity of the VaR model used, the Treasury Operations Division performs quarterly back testing to examine how frequently actual daily losses exceed the daily VaR. Backtesting results are reviewed by the head of Treasury Operations Division. Exceptions, if any, are reported to the ROC and the BOD.

A summary of the VaR position of USD fixed income exposures of the Parent Company to changes in market conditions is as follows:

	Market Price and Interest Rate	
	USD Bonds from January to December 2024 (in ₱ millions)	USD Bonds from January to December 2023 (in ₱ millions)
31 December	**110**	22
Average Daily	**68**	77
Highest	**110**	144
Lowest	**20**	19

A summary of the VaR position of PHP fixed income exposures of the Parent Company to changes in market conditions is as follows:

	Interest Rate	
	Peso Bonds 2024 (in ₱ millions)	Peso Bonds 202 (in ₱ millions)
31 December	**75**	44
Average Daily	**77**	32
Highest	**188**	72
Lowest	**40**	2

A summary of the VaR position of FX exposures of the Parent Company to changes in market conditions is as follows

	Foreign Exchange	
	FX Open position 2024 (in ₱ millions)	FX Open position 2023 (in ₱ millions)
31 December	**4.65**	1.93
Average Daily	**1.95**	3.99
Highest	**12.91**	11.35
Lowest	**0.03**	0.13

Stress testing
While Value-at-Risk (VaR) is effective in estimating potential losses under normal market conditions—typically capturing 99% of market scenarios—it may not fully reflect losses arising from rare, yet plausible, extreme market events. To address this limitation, the Parent Company conducts stress testing to evaluate potential vulnerabilities in its portfolios under adverse market conditions.

Stress testing is performed on the Parent Company's foreign currency trading positions and investment portfolios, including bond holdings. This technique assesses the impact of extreme but plausible scenarios on earnings and portfolio values. These simulations help identify concentrations of risk and determine the Parent Company's overall tolerance for significant adverse outcomes.

Unlike VaR, which captures typical market behavior, stress tests simulate outcomes during abnormal or crisis periods. Consequently, losses projected through stress testing are generally more severe than those estimated by the VaR model, offering insights into risk exposures that may not be evident under regular market conditions.

The Parent Company applies two types of stress testing methodologies:
- Internally developed stress test scenarios, conducted monthly, tailored to reflect specific risk concerns relevant to the Parent Company's portfolios; and
- Regulatory stress testing, conducted semiannually in accordance with the Bangko Sentral ng Pilipinas' Uniform Stress Testing Program, which prescribes a standard set of market shocks for consistency across the banking sector.

Findings from these stress tests are formally reported to the Asset and Liability Committee (ALCO), the Risk Oversight Committee (ROC), and the Board of Directors (BOD) to support informed decision-making and proactive risk management.

Interest Rate Risk Management
Interest rate risk arises from the possibility that changes in the interest rates will affect future cash flows or the fair value of financial instruments. The Parent Company follows a prudent policy on managing its assets and liabilities so as to ensure that the exposure to fluctuations in interest rates is kept within acceptable limits.

As of December 31, 2024 and 2023, 82.67% and 85.03% , respectively, of the Bank's total loan portfolio comprised floating rate loans which are repriced periodically by reference to the transfer pool rate that reflects the Bank's internal cost of funds. As a result of these factors, the Bank's exposure to interest rate fluctuations, and other market risks, is significantly reduced.

The Bank, in keeping with banking industry practice, aims to achieve stability and lengthen the term structure of its deposit base, while providing adequate liquidity to cover transactional banking requirements of customers. Interest is paid on substantial portion of demand accounts which constituted 37.65% and 35.47% , respectively, of total deposits of the Parent Company as of December 31, 2024 and 2023, respectively, and pays a variable interest rate of 0.10%. Rates on savings accounts and time deposit accounts, which constituted 12.40% and 49.95%, respectively, of total deposits as of December 31, 2024 and 11.41% and 53.12%, respectively, of total deposits as of December 31, 2023, are set by different criteria. Savings account rates are set by reference to prevailing market rates, while rates on time deposits and special savings accounts are usually priced by reference to rates applicable to prevailing rates on Philippine Treasury Bills and other money market instruments or, in the case of foreign currency deposits, Singapore Interbank Offer Rate and other benchmark dollar deposit rates in the Asian and international money markets with similar maturities.

The following tables provide for the average EIR by period of maturity or repricing of the Group and the Parent Company as of December 31, 2024 and 2023:

	Consolidated and Parent Company					
	2024			2023		
	Less than 3 Months	**3 Months to 1 Year**	**Greater than 1 Year**	Less than 3 Months	3 Months to 1 Year	Greater than 1 Year
Peso-denominated assets						
Due from banks	**0.04%**	**–**	**–**	0.05%	–	–
Interbank loans	**–**	**–**	**–**	–	–	–
Loans and receivables	**8.12%**	**8.16%**	**8.56%**	7.92%	8.02%	8.28%
Peso-denominated liabilities						
Deposit liabilities	**0.60%**	**5.07%**	**4.65%**	0.58%	5.60%	4.80%
Bills payable	**6.01%**	**5.50%**		6.13%	6.23%	-
Foreign currency-denominated assets						
Due from banks	**0.08%**	**–**	**–**	0.12%	–	–
Interbank loans	**–**	**–**	**–**	–	–	–
Loans and receivables	**6.66%**	**6.81%**	**7.76%**	6.24%	7.02%	6.85%
Foreign currency-denominated liability						
Deposit liabilities	**0.70%**	**4.74%**	**4.52%**	0.43%	4.98%	4.35%
Bills payable	**4.88%**	**–**	**–**	5.87%	–	–

The Parent Company also monitors its exposure to fluctuations in interest rates by measuring the impact of interest rate movements on its interest income. This is done by modeling the impact of various changes in interest rates to the Parent Company's interest-related income and expenses.

The method by which the Parent Company measures the sensitivity of its assets and liabilities to interest rate fluctuations is by way of interest rate analysis. This analysis provides the Parent Company with a measure of the impact of changes in interest rates on the actual portfolio, that is, the risk exposure of future accounting income. The repricing gap is calculated by distributing the financial assets and financial liabilities into tenor buckets according to the time remaining to maturity or next repricing date and then obtaining the difference between the total of the repricing (interest rate sensitive) assets and repricing (interest rate sensitive) liabilities.

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities. Accordingly, during a period of rising interest rates, a bank with a positive gap would be better positioned than one with a negative gap to invest in or hold higher yielding assets more quickly than it would need to refinance its interest-bearing liabilities. During a period of falling interest rates, a bank with a positive gap would tend to see its assets repricing at a faster rate than one with a negative gap, which may restrain the growth of its net income or result in a decline in net interest income.

The following tables set forth the asset-liability gap position of the Group and the Parent Company as of December 31, 2024 and 2023 (amounts in millions):

	Consolidated					
	2024					
	Up to 1 Month	**More than 1 Month to 3 Months**	**More than 3 to 12 Months**	**More than 1 Year but less than 2 Years**	**Beyond 2 Years**	**Total**
Assets						
Due from other banks*	**₱722**	**₱–**	**₱-**	**₱–**	**₱–**	**₱722**
Interbank loans receivable	**404**	**–**	**–**	**–**	**–**	**404**
Financial assets at FVTPL	**-**					**-**
Financial assets at FVTOCI	**231**	**–**	**–**	**–**	**10,796**	**11,027**
Investment securities at amortized cost	**-**	**766**	**–**	**289**	**27,866**	**28,921**
Loans and receivables	**4,733**	**33,686**	**16,978**	**4,038**	**41,886**	**101,321**
	6,090	**34,452**	**16,978**	**4,327**	**80,548**	**142,395**
Liabilities						
Deposit liabilities	**25,236**	**18,977**	**9,639**	**548**	**848**	**55,248**
Bills payable	**14,561**	**1,826**	**-**	**-**	**-**	**16,387**
Bonds payable	**-**	**-**	**-**	**7,623**	**-**	**7,623**
	39,797	**20,803**	**9,639**	**8,171**	**848**	**79,258**
Asset-liability gap	**(₱33,706)**	**₱13,649**	**₱7,339**	**(₱3,844)**	**₱79,700**	**₱63,138**

** includes cash margin that is lodged under 'Other current assets'*

	Consolidated					
	2023					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 to 12 Months	More than 1 Year but less than 2 Years	Beyond 2 Years	Total
Assets						
Due from other banks*	₱486	₱–	₱–	₱–	₱–	₱486
Interbank loans receivable	492	–	–	–	–	492
Financial assets at FVTPL	-	–	–	–	–	-
Financial assets at FVTOCI	552	–	–	–	7,676	8,228
Investment securities at amortized cost	443	4,997	461	788	21,087	27,776
Loans and receivables	3,243	31,246	16,148	4,900	36,237	91,774
	5,216	36,243	16,609	5,688	65,000	128,756
Liabilities						
Deposit liabilities	19,494	27,243	13,545	865	843	61,990
Bills payable	7,041	1,848	798	-	-	9,687
	26,535	29,091	14,343	865	843	71,677
Asset-liability gap	(₱21,319)	₱7,152	₱2,266	₱4,823	₱64,157	₱57,079

** includes cash margin that is lodged under 'Other current assets'*

	Parent Company					
	2024					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 to 12 Months	More than 1 Year but less than 2 Years	Beyond 2 Years	Total
Assets						
Due from other banks *	**₱722**	**₱-**	**₱-**	**₱-**	**₱-**	**₱722**
Interbank loans receivable	**404**	**-**	**-**	**-**	**-**	**404**
Financial assets at FVTPL	**-**	**-**	**-**	**-**	**-**	**-**
Financial assets at FVTOCI	**231**	**-**	**-**	**-**	**10,796**	**11,027**
Investment securities at amortized cost	**-**	**766**	**-**	**289**	**27,866**	**28,921**
Loans and receivables	**4,733**	**33,686**	**16,978**	**4,038**	**41,886**	**101,321**
	6,090	**34,452**	**16,978**	**4,327**	**80,548**	**142,395**
Liabilities						
Deposit liabilities	**25,236**	**18,977**	**9,639**	**548**	**848**	**55,248**
Bills payable	**14,561**	**1,826**	**-**	**-**	**-**	**16,387**
Bonds payable	**-**	**-**	**-**	**7,623**	**-**	**7,623**
	39,797	**20,803**	**9,639**	**8,171**	**848**	**79,258**
Asset-liability gap	**(₱33,706)**	**₱13,649**	**₱7,339**	**(₱3,844)**	**₱79,700**	**₱63,138**

** includes cash margin that is lodged under 'Other current assets'*

	Parent Company					
	2023					
	Up to 1 Month	More than 1 Month to 3 Months	More than 3 to 12 Months	More than 1 Year but less than 2 Years	Beyond 2 Years	Total
Assets						
Due from other banks *	₱486	₱–	₱–	₱–	₱–	₱486
Interbank loans receivable	492	–	–	–	–	492
Financial assets at FVTPL	–	–	–	–	–	-
Financial assets at FVTOCI	552	–	–	–	7,676	8,228
Investment securities at amortized cost	443	4,997	461	788	21,087	27,776
Loans and receivables	3,246	31,246	16,148	4,900	36,237	91,777
	5,219	36,243	16,609	5,688	65,000	128,759
Liabilities						
Deposit liabilities	19,494	27,243	13,545	865	843	61,990
Bills payable	7,041	1,848	798	-	-	9,687
	26,535	29,091	14,343	865	843	71,677
Asset-liability gap	(₱21,316)	₱7,152	₱2,266	₱4,823	₱64,157	₱57,082

** includes cash margin that is lodged under 'Other current assets'*

The following tables demonstrate the sensitivity of the cumulative net position of risk-sensitive assets and risk-sensitive liabilities to a reasonable change in interest rates, with all other variables held constant (amounts in millions):

	2024			
	Changes in Interest Rates (in Basis Points)			
Changes in interest rates (in basis points)	**50**	**-50**	**100**	**-100**
Change in annualized net interest income	**₱126.94**	**(₱126.94)**	**₱251.88**	**(₱251.88)**

	2023			
	Changes in Interest Rates (in Basis Points)			
Changes in interest rates (in basis points)	50	-50	100	-100
Change in annualized net interest income	₱171.35	(₱171.35)	₱342.70	(₱342.70)

The table below shows the Group's and the Parent Company's different market risk-weighted assets, as reported to BSP, using the standardized approach in accordance with MORB Section 125 and Appendix 59:

Type of Market Risk Exposure	**2024**	2023
Interest rate exposures	**₱-**	₱-
Foreign exchange exposures	**₱404,877**	152,745
	₱404,877	₱152,745

Foreign Currency Risk Management

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Foreign currency liabilities generally consist of foreign currency-deposits in the Parent Company's FCDU account made in the Philippines or which are generated from remittances to the Philippines by Filipino expatriates and overseas Filipino workers who retain for their own benefit or for the benefit of a third party, foreign currency deposit accounts with the Parent Company and foreign currency-denominated borrowings appearing in the regular books of the Parent Company.

Foreign currency deposits are generally used to fund the Parent Company's foreign currency-denominated loan and investment portfolio in the FCDU. Banks are required by the BSP to match the foreign currency assets with the foreign currency liabilities held through FCDUs. In addition, the BSP requires a 30.00% liquidity reserve on all foreign currency liabilities held through FCDUs.

The Parent Company's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. The Parent Company believes that its profile of foreign currency exposure on its assets and liabilities is within limits for a financial institution engaged in the type of business in which the Parent Company is engaged in.

The ERMG uses VaR, Foreign Exchange Sensitivity Testing, and Foreign Exchange Stress Testing to measure risk inherent to the Parent Company's foreign currency net exposures. In assessing the foreign currency risk, the Parent Company employs a pre-defined key risk indicator under Market Risk Assessment Matrix to determine the level of risk (for example, Low Risk, Moderate Risk, High Risk) the results of which are reported to the ROC on a quarterly basis.

The table summarizes the Group's and the Parent Company's exposure to foreign exchange risk as of December 31, 2024 and 2023. Included in the table are the Group's and the Parent Company's assets and liabilities at carrying amounts, categorized by currency (amounts in '000s):

	2024			2023		
	USD	**Others***	**Total**	USD	Others*	Total
Assets						
Cash on hand	**₱–**	**₱–**	**₱–**	₱–	₱–	₱–
Due from other banks	**5,848**	**196,399**	**202,247**	5,792	117,997	123,789
Interbank loans receivable	**154,677**	–	**154,677**	202,255	–	202,255
Financial assets at amortized cost	–	–	–	–	–	–
Loans and receivables:		–				
Corporate loans	**2,202,778**	–	**2,202,778**	1,384,361	–	1,384,361
Accrued interest receivable	**7,817**	–	**7,817**	5,003	–	5,003
Other assets	**-**	**129**	**129**	–	132	132
	2,371,120	**196,528**	**2,567,648**	1,597,411	118,129	1,715,540
Liabilities						
Deposit liabilities	–	**194,003**	**194,003**	–	114,905	114,905
Bills payable	–	–	–	–	–	–
Outstanding acceptances	**20,888**	–	**20,888**	105,410	–	105,410
Other liabilities:						
Others	**1,281**	**611**	**1,892**	57,475	52	57,527
	22,169	**194,614**	**216,783**	162,885	114,957	277,842
Net exposure	**₱2,348,952**	**₱1,915**	**₱2,350,867**	₱1,434,526	₱3,172	₱1,437,698

**Includes Euro, Australian Dollar, Japanese Yen, Swiss Franc, Canadian Dollar, Singapore Dollar*

The tables below indicate the exposure of the Group (excluding the Parent Company's FCDU) to USD on its non-trading monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the base currency rate against the USD, with all other variables held constant, on the statement of income and statement of comprehensive income. A negative amount in the tables reflects a potential net reduction in income, while a positive amount reflects a potential net increase.

	2024			
	Changes in Foreign Exchange Rates			
Changes in foreign exchange rates	**3.00%**	**-3.00%**	**4.00%**	**-4.00%**
Change in annualized net income	**₱12,146**	**(₱12,146)**	**₱16,195**	**(₱16,195)**

	2023			
	Changes in Foreign Exchange Rates			
Changes in foreign exchange rates	+3.00%	-3.00%	+4.00%	-4.00%
Change in annualized net income	₱4,582	(₱4,582)	₱6,110	(₱6,110)

Operational Risk

The Parent Company uses the Basic Indicator Approach in computing Operational Risk in accordance with MORB Section 125 and Appendix 59 as reported to the BSP (amounts in millions):

	2024	2023
Average Gross Income (Previous 3 Years)	**₱5,653**	₱5,553
Capital Charge (Average Gross Income times 18.75%[(a)])	**1,060**	1,041
Risk Weighted Asset (Capital Charge times 10)	**₱10,599**	₱10,411

(a) Equivalent to adjusted capital charge of 15% of 125% to be consistent with required minimum Capital Adequacy Ratio of 10%

6. Segment Information

The Group's operating businesses are organized and managed separately according to the nature of services provided and the different markets served with each segment representing a strategic business unit. The Group's business segments are as follow:

Branch Banking Group – handles the individual customers' deposits, and provides overdrafts and fund transfer facilities;

Corporate Banking Group – manages the relationship with the corporate and institutional clients of the Parent Company with loans and credit facilities as the primary product;

Treasury Segment – is responsible for the management of the Group's balance sheet and liquidity position. It also handles the Group's investments in securities, both local and abroad, as well as placements and acceptances with other banks;

Consumer Finance Segment – provides the retail client's credit requirements for the purchase of auto, home and personal loan requirements; and

Trust and Wealth Management Segment – is the segment that functions as the Trustee or Investment Manager for both individual and corporate accounts.

Segment's resources, both assets and liability are those operating resources that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Revenue is reported net of interest expense as management primarily relies on net interest revenue as a performance measure, not the gross interest income and expense. Revenue also includes trading gains from dealing of securities.

No revenue from transactions with a single external customer or counterparty amounted to 10.00% or more of the Group's total revenue for 2024, 2023 and 2022.

The Group's revenue-producing assets are located in one geographical location, which is the Philippines, therefore, geographical segment information is no longer presented. Revenue from third party includes trading gains.

The following tables present income and profit and certain asset and liability information regarding the Group's operating segments as of and for the years ended December 31, 2024, 2023 and 2022:

	Consolidated						
	2024						
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Revenue							
Revenue, net of interest expense							
Third party	(₱3,505,433)	₱7,128,421	₱2,037,519	₱283,869	₱6,642	₱10,597	₱ ₱5,961,615
Intersegment	5,510,227	(4,648,706)	(1,585,245)	(174,926)	(8,474)	907,124	-
	2,004,794	2,479,715	452,274	108,943	(1,832)	917,721	5,961,615
Other operating income	129,871	413,170	74,856	46,908	41,314	627,614	1,333,733
Total operating income	2,134,665	2,892,885	527,130	155,851	39,482	1,545,335	7,295,348
Compensation and fringe benefits	745,686	303,524	91,880	96,661	41,978	116,543	1,396,272
Taxes and licenses	352,598	330,200	168,519	10,827	3,368	19,373	884,885
Depreciation and amortization	168,260	78,836	10,919	62,595	3,961	69,708	394,279
Provision for (reversal of) credit and impairment losses	-	539,752	-	(82,053)	-	(17,057)	440,642
Occupancy and other equipment-related costs	144,305	11,578	3,095	5,207	1,915	21,744	187,844
Other operating expenses	608,938	113,325	131,636	75,950	12,795	123,315	1,065,959
Net operating income (loss) before income tax	₱114,878	₱1,515,670	₱121,081	(₱13,336)	(₱24,535)	₱1,211,709	₱2,925,467
Segment results							
Net interest income	₱2,004,794	₱2,479,715	(₱148)	₱108,943	(₱1,831)	₱917,721	₱5,509,194
Rent income	-	-	-	-	-	375,417	375,417
Service charges, fees, and commissions	95,170	354,807	6,513	19,221	-	6,826	482,537
Trading and securities gain (loss) - net	-	-	452,421	-	-	-	452,421
Foreign exchange gain - net	30,387	2,496	66,180	-	-	-	99,063
Profit (loss) from assets sold	-	-	-	-	-	102,842	102,842
Income from trust operations	-	-	-	-	41,314	-	41,314
Loss on assets exchange - net	-	-	-	-	-	75,009	75,009
Miscellaneous	4,315	55,867	2,164	27,687	-	67,518	157,551
Total operating income	2,134,666	2,892,885	527,130	155,851	39,483	1,545,333	7,295,348
Compensation and fringe benefits	745,686	303,524	91,880	96,661	41,978	116,543	1,396,272
Taxes and licenses	352,598	330,200	168,519	10,827	3,368	19,373	884,885
Depreciation and amortization	168,260	78,836	10,919	62,595	3,961	69,708	394,279
Provision for (reversal of) credit and impairment losses	-	539,752	-	(82,053)	-	(17,057)	440,642
Occupancy and other equipment-related costs	144,305	11,578	3,095	5,207	1,915	21,744	187,844
Other operating expenses	608,938	113,325	131,636	75,950	12,795	123,315	1,065,959
Total operating expenses	2,019,787	1,377,215	406,049	169,187	64,017	333,626	4,369,881
Segment profit (loss)	114,879	1,515,670	121,081	(13,336)	(24,534)	1,211,707	2,925,467
Provision for income tax	(14,216)	(237,304)	(344,171)	-	-	(120,122)	(715,813)
Share in net income of associate	-	-	-	-	-	619	619
Net income	100,663	1,278,366	(223,090)	(13,336)	(24,534)	1,092,204	2,210,273
Segment assets							
Property and equipment	365,138	-	-	-	-	457,907	823,045
Investment properties	-	-	-	-	-	3,688,817	3,688,817
Other allocated assets	9,087,660	95,793,309	42,168,363	3,197,195	149,449	1,988,164	152,384,140
Total segment assets	9,452,798	95,793,309	42,168,363	3,197,195	149,449	6,134,888	156,896,002
Total segment liabilities	119,674,502	306,432	16,578,418	4,857	142	1,098,610	137,662,961

	Consolidated						
	2023						
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Revenue							
Revenue, net of interest expense							
Third party	(2,549,990)	5,762,452	1,321,129	288,405	2,973	6,048	4,831,017
Intersegment	4,006,110	(3,340,902)	(1,184,451)	(150,985)	(6,541)	676,769	-
	1,456,120	2,421,550	136,678	137,420	(3,568)	682,817	4,831,017
Other operating income	122,897	342,129	78,718	52,851	37,349	498,233	1,132,177
Total operating income	1,579,017	2,763,679	215,396	190,271	33,781	1,181,050	5,963,194
Compensation and fringe benefits	₱684,274	₱261,350	₱87,455	₱75,075	₱37,376	₱62,534	₱1,208,064
Taxes and licenses	297,284	271,798	137,535	10,212	3,019	28,324	748,172
Depreciation and amortization	171,360	51,474	14,681	34,811	4,400	65,739	342,465
Provision for credit and impairment losses	-	5,394	-	(25,975)	-	(3,828)	(24,409)
Occupancy and other equipment-related costs	129,147	11,603	3,022	5,387	1,332	9,010	159,501
Other operating expenses	578,112	176,743	103,089	65,740	13,680	52,589	989,953
Net operating income (loss) before income tax	(281,160)	1,985,317	(130,386)	25,021	(26,026)	966,682	2,539,448
Segment results							
Net interest income	1,456,120	2,421,550	7,902	137,420	(3,568)	682,817	4,702,241
Rent income	-	-	-	-	-	395,768	395,768
Service charges, fees, and commissions	95,657	282,981	2,294	25,756	-	20,790	427,478
Trading and securities gain (loss) - net	-	-	128,776	-	-	-	128,776
Foreign exchange gain - net	18,185	7,267	75,522	-	-	-	100,974
Income from trust operations	-	-	-	-	-	22,260	22,260
Profit (loss) from assets sold	-	-	-	-	37,349	-	37,349
Loss on assets exchange - net	-	-	-	-	-	11,824	11,824
Miscellaneous	9,055	51,881	902	27,095	-	47,591	136,524
Total operating income	1,579,017	2,763,679	215,396	190,271	33,781	1,181,050	5,963,194
Compensation and fringe benefits	684,274	261,350	87,455	75,075	37,376	62,534	1,208,064
Taxes and licenses	297,284	271,798	137,535	10,212	3,019	28,324	748,172
Depreciation and amortization	171,360	51,474	14,681	34,811	4,400	65,739	342,465
Provision for credit and impairment losses	-	5,394	-	(25,975)	-	(3,828)	(24,409)
Occupancy and other equipment-related costs	129,147	11,603	3,022	5,387	1,332	9,010	159,501
Other operating expenses	578,112	176,743	103,089	65,740	13,680	52,589	989,953
Total operating expenses	1,860,177	778,362	345,782	165,250	59,807	214,368	3,423,746
Segment profit (loss)	(281,160)	1,985,317	(130,386)	25,021	(26,026)	966,682	2,539,448
Provision for income tax	-	(250,650)	(281,616)	-	-	(111,239)	(643,505)
Share in net income of associate	-	-	-	-	-	1,628	1,628
Net income (loss)	(₱281,160)	₱ 1,734,667	(₱412,002)	₱25,021	(₱26,026)	₱857,071	₱1,897,571
Segment assets							
Property and equipment	390,317	-	-	-	-	424,173	814,490
Investment properties	-	-	-	-	-	2,580,978	2,580,978
Other allocated assets	11,854,345	86,361,907	40,483,546	3,245,374	133,733	2,003,317	144,082,222
Total segment assets	₱12,244,662	₱86,361,907	₱40,483,546	₱3,245,374	₱133,733	₱5,008,468	₱147,477,690
Total segment liabilities	₱116,896,282	₱430,255	₱11,195,470	₱17,862	₱150	₱1,281,920	₱129,821,939

	Consolidated						
	2022						
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Revenue							
Revenue, net of interest expense							
Third party	(₱521,120)	₱4,151,978	₱457,283	₱346,563	₱2,605	₱6,860	₱4,444,169
Intersegment	2,550,041	(2,296,275)	(491,105)	(82,157)	(3,736)	323,232	–
	2,028,921	1,855,703	(33,822)	264,406	(1,131)	330,092	₱4,444,169
Other operating income	118,182	281,454	80,868	38,211	31,756	567,691	1,118,162
Total operating income	2,147,103	2,137,157	47,046	302,617	30,625	897,783	5,562,331
Compensation and fringe benefits	623,286	237,083	87,581	74,140	32,747	60,631	1,115,468
Taxes and licenses	186,719	199,568	50,652	13,948	2,598	45,929	499,414
Depreciation and amortization	219,361	44,492	15,521	25,456	5,344	76,352	386,526
Provision for credit and impairment losses	–	357,688	–	(75,103)	–	5,101	287,686
Occupancy and other equipment-related costs	106,698	8,952	2,997	4,930	1,037	11,519	136,133
Other operating expenses	543,131	189,603	93,570	64,131	15,822	73,828	980,085
Net operating income (loss) before income tax	₱467,908	₱1,099,771	(₱203,275	₱195,115	(₱26,923)	₱624,423	₱2,157,020

(Forward)

	Consolidated						
	2022						
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Segment results							
Net interest income (loss)	₱2,028,921	₱1,855,703	₱332,504	₱264,406	(₱1,131)	₱330,093	₱4,810,496
Rent income	–	–	–	–	–	420,007	420,007
Trading and securities gain (loss) - net	92,754	248,226	2,033	22,711	–	24,386	390,110
Service charges, fees, and commissions	–	–	(366,327)	–	–	–	(366,327)
Foreign exchange gain - net	14,862	6,632	76,158	–	–	–	97,652
Income from trust operations	–	–	–	–	31,756	–	31,756
Profit from assets sold	–	–	–	–	–	61,043	61,043
Gain on assets exchange - net	–	–	–	–	–	(3,476)	(3,476)
Miscellaneous	10,566	26,596	2,679	15,499	–	65,731	121,071
Total operating income	2,147,103	2,137,157	47,047	302,616	30,625	897,784	5,562,332
Compensation and fringe benefits	623,286	237,083	87,581	74,140	32,747	60,631	1,115,468
Taxes and licenses	186,719	199,568	50,652	13,948	2,598	45,929	499,414
Depreciation and amortization	219,361	44,492	15,521	25,456	5,344	76,352	386,526
Provision for credit and impairment losses	–	357,688	–	(75,103)	–	5,101	287,686
Occupancy and other equipment-related costs	106,698	8,952	2,997	4,930	1,037	11,519	136,133
Other operating expenses	543,131	189,603	93,570	64,131	15,822	73,828	980,085
Total operating expenses	1,679,195	1,037,386	250,321	107,502	57,548	273,360	3,405,312
Segment profit (loss)	467,908	1,099,771	(203,274)	195,114	(26,923)	624,424	2,157,020
Provision for income tax	(63,391)	(192,460)	(168,259)	(16,259)	–	(85,330)	(525,646)
Share in net income of associate	–	–	–	–	–	313	313
Net income	₱404,517	₱907,311	(₱371,533)	₱178,855	(₱26,923)	₱539,407	₱1,631,687
Segment assets							
Property and equipment	390,562	–	–	–	–	413,275	803,837
Investment properties	–	–	–	–	–	2,656,246	2,656,246
Other allocated assets	11,935,299	71,423,651	32,402,041	3,507,619	123,158	2,026,648	121,425,617
Total segment assets	₱12,325,861	₱71,423,651	₱32,402,041	₱3,507,619	₱123,158	₱5,096,169	₱124,878,499
Total segment liabilities	₱99,616,697	₱95,728	₱8,484,630	₱22,535	₱648	₱1,092,214	₱109,312,452

7. Investments in Subsidiary and an Associate

This account consists of investments in:

	% of Ownership			Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022	**2024**	2023	2022
Subsidiary:									
Cost:									
PISAI	**100.00**	100.00	100.00	**₱–**	₱–	₱–	**₱10,000**	₱10,000	₱10,000
Accumulated share in net income									
Balance at January 1				**–**	–	–	**(3,927)**	(3,927)	(3,927)
Gain from derecognition of equity investment				**–**	–	–	**2,830**	–	–
Proceeds from derecognition of equity investment				**–**	–	–	**(8,903)**	–	–
Balance at December 31				**–**	–	–	**(10,000)**	(3,927)	(3,927)
				–	–	–	**–**	6,073	6,073
Associate - PBCom Finance									
Acquisition cost				**2,000**	2,000	2,000	**2,000**	2,000	2,000
Accumulated equity in net income									
Balance at January 1				**14,343**	12,715	12,402	**14,343**	12,715	12,402
Dividends				**(6,900)**	–	–	**(6,900)**	–	–
Share in net income				**619**	1,628	313	**619**	1,628	313
Balance at December 31				**8,062**	14,343	12,715	**8,062**	14,343	12,715
				10,062	16,343	14,715	**10,062**	16,343	14,715
				₱10,062	₱16,343	₱14,715	**₱10,062**	₱22,416	₱20,788

PISAI

The investment cost of ₱10.00 million represents the initial equity investment as approved by the BSP on May 2, 2014.

On January 11, 2021, the BOD of the Parent Company approved the dissolution and retirement of business of PISAI. PISAI, which has been inactive for the past 3 years, has continuously remained inactive but continued to incur operating expenses. The Parent Company does not see any need for the subsidiary and has decided to retire the business operations.

The Company has received clearances from the Insurance Commission and Business permit from the Makati Local Government last May 26, 2021, and September 30, 2021, respectively. On July 2022, the Board approved the extension of the effectivity of the retirement of business of the company until March 31, 2023. On February 22, 2023, the board further extended the period until December 31, 2024. On April 19, 2023, the Certificate of No outstanding tax liability was issued by the Bureau of Internal Revenue. On September 27, 2023, the board approved the new effectivity of the date of dissolution until April 2024 amending the previous resolution. The SEC approved this amendment on April 3, 2024, extending the corporate term until April 30, 2024. On May 3, 2024, PISAI completed the settlement of its liabilities and liquidated its remaining assets for distribution to its stockholders. Following this, the Parent Company received the release of PISAI's remaining assets and derecognized its investment in PISAI. As a result, the Parent Company no longer consolidates PISAI's financial statements.

The following table presents the financial information of PBCom Finance:

	PBCom Finance		
	2024	2023	2022
Total assets	**₱25,249**	₱40,779	₱35,764
Total liabilities	**2,304**	1,882	629
Equity	**22,945**	38,897	35,135
Gross income	**4,456**	7,278	3,525
Operating income	**1,757**	4,217	1,001
Profit after tax	**1,548**	4,071	806
Total comprehensive income	**1,548**	4,071	806

8. Interbank Loans Receivable and Securities Purchased under Resale Agreements (SPURA)

Interbank loans receivable of the Group and the Parent Company is comprised of USD-denominated loans of ₱404.20 million ($6.99 million) and ₱492.35 million ($8.89 million) as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, there is no outstanding SPURA.

Interest income on the Group's and the Parent Company's interbank loans receivable and SPURA follows:

	2024	2023	2022
SPURA	**₱50,202**	₱115,451	₱65,567
Interbank loans receivable	**19,681**	14,388	1,575
	₱69,883	₱129,839	₱67,142

Interbank loans receivable bears nominal annual interest rates ranging from 4.25% to 6.53% in 2024, 4.80% to 6.44% in 2023, and 1.84% to 1.88% in 2022, while SPURA bears nominal annual interest rates from 5.94% to 6.50% in 2024, 5.50% to 6.40% in 2023 and ranging from 2.00% to 5.5% in 2022.

The Parent Company is not permitted to sell or repledge the related collateral on SPURA in the absence of default by the counterparty.

9. Financial Assets at Fair Value Through Other Comprehensive Income (FVTOCI)

As of December 31, 2024 and 2023, the Group's and the Parent Company's financial assets at FVTOCI consist of the following:

	2024	2023
Debt securities:		
Government	**₱6,433,011**	₱7,298,910
Corporate	**136,239**	928,952
Sovereign bonds	**4,458,003**	–
	11,027,253	8,227,862
Equity securities:		
Quoted	**179,192**	153,667
Unquoted	**46,516**	34,030
	225,708	187,697
	₱11,252,961	₱8,415,559

The Parent Company has designated the above equity investments as at FVTOCI as these are held for long-term strategic purpose rather than for trading. There were no dividends declared on these equity investments and no cumulative gain or loss was transferred within equity in 2024, 2023, and 2022.

The movements in net unrealized losses on debt and equity securities recognized in OCI follow:

	2024	2023
Balance at January 1	**(₱38,155)**	(₱314,585)
Items that may be reclassified to profit or loss in subsequent periods		
Fair value changes during the year on debt securities	**(356,006)**	280,232
Gains taken to profit or loss upon sale of FVTOCI debt securities (Note 26)	**(289,091)**	(39,068)
Reversal of credit losses (Note 16)	**268**	1,514
Items that may not be reclassified to profit or loss in subsequent periods		
Fair value changes during the year on equity securities	**38,011**	37,503
Income tax effect	**(14,550)**	(3,751)
Balance at December 31	**(₱659,523)**	(₱38,155)

Reclassification of Financial Assets

On January 1, 2018, the Parent Company reclassified debt securities with aggregate face amount of ₱1,623.47 million from the hold-to-collect portfolio to the FVTOCI portfolio. The reclassification of these debt securities resulted in recognition of unrealized gain of ₱56.90 million.

In 2024 and 2023, debt securities in FVOCI matured and the unrealized gain previously recognized from reclassification from hold-to-collect to FVTOCI portfolio in 2018 was recognized as realized gain.

10. Investment Securities at Amortized Cost

As of December 31, 2024 and 2023, the Group's and the Parent Company's investment securities at amortized cost consist of the following:

	2024	2023
Government securities (Notes 18 and 25)	**₱28,336,923**	₱27,217,801
Sovereign bonds	**596,749**	571,392
Less: Allowance for ECL (Note 16)	**(13,010)**	(12,802)
	₱28,920,662	₱27,776,391

As of December 31, 2024, investment securities at amortized cost are comprised of the Parent Company's investment in peso-denominated securities amounting to ₱13.60 billion and investment in foreign currency-denominated securities amounting to ₱15.33 billion ($265.11 million).

As of December 31, 2023, investment securities at amortized cost are comprised of the Parent Company's investment in peso-denominated securities amounting to ₱18.57 billion and investment in foreign currency-denominated securities amounting to ₱9.22 billion ($166.51 million). Investments in Euro-denominated securities amounting to ₱237.80 million (€3.99 million) matured in 2023.

11. Loans and Receivables

This account consists of:

	Consolidated		**Parent Company**	
	December 31			
	2024	2023	**2024**	2023
Receivables from customers:				
Corporate loans	**₱98,325,146**	₱88,529,696	**₱98,325,146**	₱88,529,696
Consumer loans:				
Home loans	**2,807,146**	2,927,020	**2,807,146**	2,927,020
Auto loans	**434,402**	454,138	**434,402**	454,138
Personal loans	**54,905**	40,812	**54,905**	40,812
	101,621,599	91,951,666	**101,621,599**	91,951,666
Unearned discounts and capitalized interest	**(61,000)**	(61,995)	**(61,000)**	(61,995)
	101,560,599	91,889,671	**101,560,599**	91,889,671
Unquoted debt securities	**59,337**	366,900	**59,337**	366,900
Accrued interest receivable	**1,244,052**	972,204	**1,244,052**	972,204
Accounts receivable	**1,567,167**	1,360,704	**1,567,167**	1,363,537
Sales contracts receivable	**169,097**	63,567	**169,097**	63,567
	104,600,252	94,653,046	**104,600,252**	94,655,879
Less Allowance for ECL (Note 16)	**(3,279,716)**	(2,878,732)	**(3,279,716)**	(2,878,732)
	₱101,320,536	₱91,774,314	**₱101,320,536**	₱91,777,147

Unquoted Debt Securities

As of December 31, 2024 and 2023, unquoted debt securities of the Group and the Parent Company consist of Metro Rail Transit (MRT) bonds that will mature in 2025 and with the gross amount of ₱59.34 million and ₱366.9 million , respectively, and an allowance for credit losses amounting to ₱0.03 million and ₱0.16 million in 2024 and 2023, respectively.

The accretion of interest on unquoted debt securities amounted to ₱17.71 million, ₱40.33 million, and ₱57.93 million, in 2024, 2023, and 2022, respectively, which is included under 'Interest income - Loans and receivables' in the statements of income.

Accounts receivable
As of December 31, 2024 and 2023, accounts receivables include cash amounting to ₱1.27 billion and ₱1.11 billion, respectively, held under custody by cash security and armored transport service companies that will be delivered upon instruction of PBCOM.

Interest Income
Interest income on loans and receivables consists of interest income on:

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Receivables from customers:						
Corporate	**₱7,069,956**	₱5,705,185	₱4,107,919	**₱7,069,956**	₱5,705,185	₱4,107,919
Consumer	**346,320**	347,569	394,785	**346,320**	347,569	394,785
Unquoted debt securities	**25,183**	59,360	88,138	**25,183**	59,360	88,138
Others	**8,124**	4,906	4,272	**8,124**	4,906	4,272
	₱7,449,583	₱6,117,020	₱4,595,114	**₱7,449,583**	₱6,117,020	₱4,595,114

Of the total receivables from customers of the Group as of December 31, 2024, 2023 and 2022, 82.67%, 85.03%, and 81.78%, respectively, are subject to periodic interest repricing. The remaining peso-denominated receivables from customers earn annual fixed interest rates ranging from 3.00% to 44.36% in 2024 and 2023, and 1.50% to 42.00% in 2022, while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 5.73% to 9.39% in 2024, 4.00% to 9.82% in 2023, and 3.00% to 9.82% in 2022.

Unquoted debt securities have EIRs of 11.90% in 2024 and 2023. Sales contracts receivable bears interest rates ranging from 7.00% to 12.00% in 2024 and 2023.

12. Property and Equipment

The composition of and movements in property and equipment of the Group and the Parent Company follow:

	Consolidated and Parent Company						
	2024						
	Land	**Condominium Properties**	**Buildings and Improvements**	**Furniture, Fixtures and Equipment**	**Leasehold Improvements**	**Right of Use Assets (Office Premises)** (Note 28)	**Total**
Cost							
Balance at January 1	**₱117,678**	**₱593,565**	**₱389,918**	**₱979,554**	**₱469,819**	**₱444,010**	**₱2,994,544**
Additions	-	-	**19,774**	**49,295**	**846**	**134,974**	**204,889**
Disposals	-	-	-	**(28,685)**	-	**(164,720)**	**(193,405)**
Transfers (Notes 13 and 15)	-	-	-	**3,578**	-	-	**3,578**
Balance at December 31	**117,678**	**593,565**	**409,692**	**1,003,742**	**470,665**	**414,264**	**3,009,606**
Accumulated depreciation and amortization							
Balance at January 1	-	**249,143**	**357,050**	**881,074**	**433,519**	**259,268**	**2,180,054**
Depreciation	-	**16,500**	**13,500**	**33,358**	**16,609**	**105,678**	**185,645**
Disposal	-	-	-	**(18,648)**	-	**(161,915)**	**(180,563)**
Transfers (Notes 13 and 15)	-	-	-	**1,425**	-		**1,425**
Balance at December 31	**-**	**265,643**	**370,550**	**897,209**	**450,128**	**203,031**	**2,186,561**
Net book value	**₱117,678**	**₱327,922**	**₱39,142**	**₱106,533**	**₱20,537**	**₱211,233**	**₱823,045**

	Consolidated and Parent Company						
	2023						
	Land	Condominium Properties	Buildings and Improvements	Furniture, Fixtures and Equipment	Leasehold Improvements	Right of Use Assets (Office Premises) (Note 28)	Total
Cost							
Balance at January 1	₱117,678	₱517,634	₱388,306	₱958,827	₱450,131	₱424,482	₱2,857,058
Additions	-	-	30,356	38,488	3,439	91,402	163,685
Disposals	-	-	-	(27,582)	-	(71,874)	(99,456)
Transfers (Notes 15)	-	75,931	(28,744)	9,821	16,249	-	73,257
Balance at December 31	117,678	593,565	389,918	979,554	469,819	444,010	2,994,544
Accumulated depreciation and amortization							
Balance at January 1	-	211,546	342,635	855,628	417,333	226,079	2,053,221
Depreciation	-	14,567	14,415	40,910	16,186	101,982	188,060
Disposal	-	-	-	(24,491)	-	(68,793)	(93,284)
Transfers	-	23,030	-	9,027		-	32,057
Balance at December 31		249,143	357,050	881,074	433,519	259,268	2,180,054
Net book value	₱117,678	₱344,422	₱32,868	₱98,480	₱36,300	₱184,742	₱814,490

The Group and Parent Company recognized gain (loss) on disposal of furniture, fixtures, and equipment, which is included under 'Profit (loss) from assets sold' in the statements of income, amounting to ₱5.47 million in 2024, ₱0.09 million in 2023 and nil in 2022.

Depreciation and Amortization

Details of this account are as follows:

	Consolidated and Parent Company		
	2024	2023	2022
Property and equipment	**₱79,967**	₱86,078	₱88,601
Right-of-use assets	**105,678**	101,982	102,897
	185,645	188,060	191,498
Investment properties (Note 13)			
Foreclosed properties	**122,506**	56,261	47,883
Office units for lease	**351**	350	351
Condominium Units for Lease	**46,509**	47,913	48,381
	169,366	104,524	96,615
Software costs (Note 14)	**31,637**	39,399	82,050
Chattel mortgage (Note 15)	**7,631**	10,482	16,363
	₱394,279	₱342,465	₱386,526

As of December 31, 2024 and 2023, the cost of fully depreciated furniture, fixtures and equipment still in use by the Group and Parent Company amounted to ₱791.81 million and ₱775.56 million respectively.

13. Investment Properties

The composition of and movements in this account follow:

	Consolidated and Parent Company				
	2024				
	Foreclosed Properties				
	Land	Building and Improvements	Total	Office Units for Lease	Condominium Units for Lease
Cost					
Balance at January 1	**₱690,104**	**₱640,512**	**₱1,330,616**	**₱39,390**	**₱2,580,394**
Additions	**828,374**	**565,842**	**1,394,216**	**–**	**–**
Disposals	**(95,658)**	**(40,722)**	**(136,380)**	**–**	**–**
Balance at December 31	**1,422,820**	**1,165,632**	**2,588,452**	**39,390**	**2,580,394**
Accumulated depreciation and amortization					
Balance at January 1	**–**	**301,462**	**301,462**	**37,402**	**977,163**
Depreciation	**–**	**122,506**	**122,506**	**351**	**46,509**
Disposals	**–**	**(17,290)**	**(17,290)**	**–**	**–**
Balance at December 31	**–**	**406,678**	**406,678**	**37,753**	**1,023,672**
Accumulated impairment losses					
Balance at January 1	**24,736**	**28,659**	**53,395**	**–**	**–**
Reversal of impairment losses (Note 16)	**(1,089)**	**(990)**	**(2,079)**	**–**	**–**
Balance at December 31	**23,647**	**27,669**	**51,316**	**–**	**–**
Net book value	**₱1,399,173**	**₱731,285**	**₱2,130,458**	**₱1,637**	**₱1,556,722**

	Consolidated and Parent Company				
	2023				
	Foreclosed Properties				
	Land	Building and Improvements	Total	Office Units for Lease	Condominium Units for Lease
Cost					
Balance at January 1	₱675,420	₱594,407	₱1,269,827	₱39,390	₱2,644,075
Additions	28,608	60,512	89,120	–	–
Disposals	(13,924)	(14,407)	(28,331)	–	–
Transfer (Note 12)	–	–	–	–	(63,681)
Balance at December 31	690,104	640,512	1,330,616	39,390	2,580,394
Accumulated depreciation and amortization					
Balance at January 1	–	251,949	251,949	37,052	952,279
Depreciation	–	56,261	56,261	350	47,913
Disposals	–	(6,748)	(6,748)	–	–
Transfer (Note 12)	–	–	–	–	(23,029)
Balance at December 31	–	301,462	301,462	37,402	977,163
Accumulated impairment losses					
Balance at January 1	26,039	29,727	55,766	–	–
Reversal of impairment losses	(1,303)	(1,068)	(2,371)	–	–
Balance at December 31	24,736	28,659	53,395	–	–
Net book value	₱665,368	₱310,391	₱975,759	₱1,988	₱1,603,231

Condominium units for lease represents the contributed cost of developing the Parent Company's Ayala Avenue property, originally consisting of land and fully depreciated building, into a 52-storey building (the PBCom Tower) under a joint development agreement with Filinvest Asia Corporation (Filinvest Asia).

The agreement provided for equal sharing of the cost of the project and, correspondingly, of the net usable area of the building, which was converted into a condominium property. Under the agreement, the Parent Company's share in such cost included its land along Ayala Avenue, which was given an appraised value of ₱900.00 million in 1995. The related appraisal increment was closed to surplus, net of applicable deferred tax liability, upon completion of the project in 2000.

In November 2007, by virtue of condominiumization, various condominium certificates of title under the name of the Parent Company were derived from transfer certificate of title (TCT) No. 134599, where the declaration of restrictions and scope of coverage were annotated on October 23, 2007.

In May 2019, the 4th floor of Parent Company's PBCOM tower building was converted from bank premises to Condominium units for lease.

In October 2023, the 4th floor of Parent Company's PBCOM tower building was converted from Condominium units for lease to Bank Premises.

As of December 31, 2024 and 2023, about 84.93% of the usable area that the Parent Company acquired from the PBCOM Tower project is held for lease, with the balance used for the Parent Company's operations. Accordingly, the cost allocable to the areas available for lease is carried as investment properties, while the remaining balance is carried as condominium properties and included in 'Property and equipment' (see Note 12).

As of December 31, 2024 and 2023, the aggregate fair value of investment properties amounted to ₱13.45 billion and ₱12.36 billion , respectively, for the Group and Parent Company, which has been determined based on valuations made by professionally qualified appraisers accredited by the BSP and SEC.

The Parent Company recognized rental income (included under 'Rent income' in the statements of income) amounting to ₱367.65 million, ₱381.08 million, and ₱401.55 million in 2024, 2023 and 2022, respectively, on condominium properties leased out under operating leases. In 2024, 2023 and 2022, the Parent Company also recognized rental income from office units for lease amounting to ₱0.04 million, ₱6.01 million, and ₱8.10 million, respectively.

The Group and Parent recorded gain (loss) from foreclosure of loan collaterals amounting to ₱75.01 million, ₱11.82 million, and (₱3.48 million), in 2024, 2023, and 2022, respectively. This is presented as 'Gain (loss) on assets exchange - net' in the statements of income.

The Group and Parent recorded gain on disposal of certain foreclosed properties amounting to ₱102.50 million, ₱19.65 million, and ₱63.07 million, in 2024, 2023, and 2022, respectively. This is included under 'Profit (loss) from assets sold' in the statements of income.

Direct operating expenses (included under 'Compensation and fringe benefits', 'Depreciation and amortization', 'Occupancy and other equipment-related costs', 'Taxes and licenses' and 'Miscellaneous') arising from investment properties that generated rental income amounted to ₱162.26 million, ₱121.99 million, and ₱113.72 million in 2024, 2023, and 2022, respectively.

Direct operating expenses (included under 'Compensation and fringe benefits', 'Depreciation and amortization', 'Occupancy and other equipment-related costs', 'Taxes and licenses' and 'Miscellaneous') arising from investment properties that did not generate rental income amounted to ₱128.18 million, ₱96.87 million, and ₱88.23 million in 2024, 2023, and 2022, respectively.



14. Intangible Assets

Intangible Assets
This account consists of:

	2024	2023
Branch licenses	**₱364,700**	₱364,700
Bank license	**25,000**	25,000
Software costs	**125,598**	135,518
	₱515,298	₱525,218

Bank license
This refers to the universal bank license paid by the Parent Company in 2022.

Branch licenses
Branch licenses of the Group arose from the acquisitions of Consumer Savings Bank (CSB) and PRBI. As of December 31, 2024 and 2023, details of branch licenses follow:

Branch licenses from the acquisition of:	
PRBI	₱262,600
CSB	102,100
	₱364,700

The branch license incentives given to the Parent Company for its acquisition of Rural Bank of Nagcarlan, Inc. (RBNI), which was eventually merged with PRBI, was measured at fair value on September 1, 2014, the acquisition date, consistent with the requirements of PFRS 3, *Business Combination*. PFRS 3 requires that the identifiable assets and liabilities arising from a business combination be measured at fair value. The fair value of the branch licenses was based on the provisions of the Manual of Regulations for Banks (MORB) that was in effect at that time, which sets a licensing fee and processing fee per branch of ₱20.00 million and ₱200.00 thousand, respectively.

On July 25, 2019, the BSP approved the sale of 100 percent voting shares of PRBI to Producers Savings Bank Corporation (PROSBI) to consolidate the efforts and resources to the Parent Company. Accordingly, branch licenses from RBNI acquisition were reclassified from the investment account to intangible assets in the Parent Company's separate financial statements upon sale of PRBI. No new asset was recognized because the branch licenses have always been recognized as an asset of the Parent Company since its acquisition of RBNI.

As of December 31, 2024 and 2023, the individual branches were identified as the CGU for purposes of impairment testing on the branch licenses for CSB. For the impairment testing on the branch licenses arising from the acquisition of RBNI, the Parent Company's branch banking group was identified as the CGU as the branch banking group would benefit from the synergies of the additional branches in obtaining fresh funds from depositors for deployment.

In 2024, 2023, and 2022, the Parent Company's impairment assessment indicates no impairment.

Key assumptions used in the VIU calculations
As of December 31, 2024 and 2023, the recoverable amounts of the CGUs have been determined based on VIU calculations that use cash flow projections based on financial budgets approved by management covering a 5-year period. The significant assumptions used in computing for the recoverable amount for PRBI and CSB branches in 2024 and 2023 as follows:

Significant Assumptions	**2024**	2023
Deposit growth rates	**13.00%**	12.10%
Discount rate	**10.69%**	10.12%
Terminal value growth rate	**5.20%**	5.20%

Deposit growth rates were based on experiences and strategies developed by the Parent Company. The discount rate used for the computation of the present value of the projected cash flows is the cost of equity and was determined by reference to comparable entities. The terminal value growth rate has been determined to reflect the long-term view on the CGU's business.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to exceed its recoverable amount.

Software
The movements of software costs follow:

	Consolidated and Parent Company	
	2024	2023
Balance at January 1	**₱135,518**	₱135,905
Additions	**21,717**	39,012
	157,235	174,917
Amortization (Note 12)	**(31,637)**	(39,399)
Balance at December 31	**₱125,598**	₱135,518

15. Other Assets

Other assets consist of:

	Consolidated		**Parent Company**	
	2024	2023	**2024**	2023
Financial				
Cash margin	**₱292,069**	₱36,544	**₱292,069**	₱36,544
Refundable security deposits	**36,324**	43,027	**36,324**	43,027
RCOCI	**1,390**	1,311	**1,390**	1,311
	329,783	80,882	**329,783**	80,882
Nonfinancial				
Prepaid expenses	**115,743**	103,021	**115,743**	102,858
Advances to BIR	**91,307**	119,524	**91,307**	119,524
Documentary stamp taxes (DST)	**56,645**	49,514	**56,645**	49,514
Chattel mortgage	**21,011**	7,364	**21,011**	7,365
Stationery and supplies	**16,230**	24,677	**16,230**	24,677
Advance rentals	**14,772**	19,048	**14,772**	19,048
Tax credits	**2,524**	1,448	**2,524**	1,304

(Forward)

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Receivables from BIR	**₱2**	₱5,528	**₱2**	₱5,528
Retirement asset (Note 27)	**–**	–	**–**	–
Others (Note 25)	**54,248**	55,574	**54,248**	54,574
	372,482	385,698	**372,482**	384,392
	702,265	466,580	**702,265**	465,274
Less allowance for ECL and impairment losses (Note 16)	**(5,588)**	(5,572)	**(5,588)**	(5,572)
	₱696,677	₱461,008	**₱696,677**	₱459,702

Receivables from BIR

This account includes receivables related to tax refund cases that are still pending SC decision. As of December 31, 2024 and 2023, there is no allowance for impairment losses on receivable from BIR.

Chattel Mortgage

The movements in chattel mortgage of the Group and the Parent Company follow:

	2024	2023
Cost		
Balance at January 1	**₱41,000**	₱49,961
Additions	**25,540**	12,617
Disposals	**(2,667)**	(12,002)
Transfers (Note 12)	**(3,578)**	(9,576)
Balance at December 31	**60,295**	41,000
Accumulated depreciation and amortization		
Balance at January 1	**33,636**	28,995
Depreciation	**7,631**	10,482
Disposals	**(558)**	(2,706)
Transfers (Note 12)	**(1,425)**	(3,135)
Balance at December 31	**39,284**	33,636
Net book value	**₱21,011**	₱7,364

In 2024, 2023 and 2022, gain (loss) recognized by the Group and the Parent Company from the disposal of certain chattel mortgage amounted to ₱0.35 million, ₱2.52 million, and (₱2.03 million), respectively. This is included under 'Profit (loss) from assets sold' in the statements of income.

Others

"Others" of the Group and the Parent Company include trust fee receivables, shortages, derivatives, interoffice floats and other investments.

16. Allowance for Credit and Impairment Losses

As of December 31, 2024 and 2023, the analyses of changes in the allowance for ECL follow:

Investment securities at FVTOCI

Consolidated and Parent Company	2024			
	Stage 1	Stage 2	Stage 3	Total
Allowance for ECL, January 1, 2024	₱9,791	₱–	₱–	₱9,791
New investment originated or purchased	9,575	–	–	9,575
Asset derecognized during the period	(9,307)	–	–	(9,307)
Allowance for ECL, December 31, 2024	₱10,059	₱–	₱–	₱10,059

Investment securities at amortized cost

Consolidated and Parent Company	2024			
	Stage 1	Stage 2	Stage 3	Total
Allowance for ECL, January 1, 2024	₱12,802	₱–	₱–	₱12,802
New investment originated or purchased	4,601	–	–	4,601
Asset derecognized during the period	(4,393)	–	–	(4,393)
Allowance for ECL, December 31, 2024	₱13,010	₱–	₱–	₱13,010

Receivables from customers

Consolidated and Parent Company	2024			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans:				
Allowance for ECL, January 1, 2024	₱524,051	₱138,503	₱1,960,231	₱2,622,785
Newly originated assets that remained in Stage 1 as at December 31, 2024	105,611	–	–	105,611
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	(25,873)	–	–	(25,873)
Effect of collections and other movements	23,446	108,989	51,641	184,076
Transfers to ROPA	–	–	–	–
Transfers to Stage 1	37,101	(37,101)	–	–
Transfers to Stage 2	(11,845)	73,624	(61,779)	–
Transfers to Stage 3	(6,864)	14,803	(7,939)	–
Impact on ECL of exposures transferred between stages	(32,087)	25,585	299,129	292,627
Impact on ECL of exposures that did not transfer between stages	–	–	–	–
Allowance for ECL, December 31, 2024	613,540	324,403	2,241,283	3,179,226
Consumer loans:				
Auto loans				
Allowance for ECL, January 1, 2024	654	–	16,634	17,288
Newly originated assets that remained in Stage 1 as at December 31, 2024	2	–	–	2
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	(214)	–	–	(214)
Effect of collections and other Movements (excluding write-offs and transfers to ROPA)	(363)	–	(14,716)	(15,079)
Transfers to ROPA	–	–	–	–

(Forward)

Consolidated and Parent Company	2024			
	Stage 1	Stage 2	Stage 3	Total
Transfers to Stage 1	₱(72)	₱–	₱(72)	(₱144)–
Transfers to Stage 2	(1)	1	–	–
Transfers to Stage 3	–	–	–	–
Impact on ECL of exposures transferred between stages	–	(1)	162	161
Impact on ECL of exposures that did not transfer between stages	–	–	–	–
Accounts written-off	–	–	–	–
Allowance for ECL, December 31, 2024	6	(0)	2,008	2,014
Home Loans				
Allowance for ECL, January 1, 2024	9,027	9,926	119,787	138,740
Newly originated assets that remained in Stage 1 as at December 31, 2024	111	–	–	111
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	(1,037)	–	–	(1,037)
Effect of collections and other movements	(36,475)	(19,109)	(76,790)	(132,374)
Transfers to ROPA	–	–	–	–
Transfers to Stage 1	26,351	(3,070)	(23,281)	–
Transfers to Stage 2	(66)	3,005	(2,939)	–
Transfers to Stage 3	(86)	(3,542)	3,628	–
Impact on ECL of exposures transferred between stages	3,184	13,350	(1,431)	15,103
Impact on ECL of exposures that did not transfer between stages	–	–	–	–
Allowance for ECL, December 31, 2024	1,009	560	18,974	20,543
Personal Loans				
Allowance for ECL, January 1, 2024	625	–	11,704	12,329
Newly originated assets that remained in Stage 1 as at December 31, 2024	1,918	–	–	1,918
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	(102)	–	–	(102)
Effect of collections and other Movements (excluding write-offs and transfers to ROPA)	689	(27)	(1,767)	(1,105)
Transfers to ROPA	–	–	–	–
Transfers to Stage 1	364	–	(364)	–
Transfers to Stage 2	(12)	12	–	–
Transfers to Stage 3	(19)	–	(19)	(38)
Impact on ECL of exposures transferred between stages	(6)	287	287	568
Impact on ECL of exposures that did not transfer between stages	–	–	–	–
Accounts written-off	–	–	(9,232)	(9,232)
Allowance for ECL, December 31, 2024	3,457	272	609	4,338
Total receivables from customers:				
Allowance for ECL, January 1, 2024	534,357	148,429	2,108,356	2,791,142
Newly originated assets that remained in Stage 1 as at December 31, 2024	107,642	–	–	107,642
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	(27,226)	–	–	(27,226)
Effect of collections and other Movements (excluding write-offs and transfers to ROPA)	(12,703)	89,853	(41,632)	35,518
Transfers to ROPA	–	–	–	–
Transfers to Stage 1	63,744	(40,171)	(23,717)	(144)
Transfers to Stage 2	(11,924)	76,642	(64,718)	–
Transfers to Stage 3	(6,969)	11,261	(4,330)	(38)
Impact on ECL of exposures transferred between stages	(28,909)	39,221	298,147	308,459
Impact on ECL of exposures that did not transfer between stages	–	–	(9,232)	(9,232)
Accounts written-off	–	–	–	–
Allowance for ECL, December 31, 2024	₱618,012	₱325,235	₱2,262,874	₱3,206,121

Other receivables

Consolidated and Parent Company	2024			
	Stage 1	Stage 2	Stage 3	Total
Unquoted debt securities:				
Allowance for ECL, January 1, 2024	₱163	₱–	₱–	₱163
Effect of collections	(134)			(134)
Allowance for ECL, December 31, 2024	29	-	-	29
Accrued interest receivable:				
Allowance for ECL, January 1, 2024	2,354	592	15,386	18,332
Newly originated assets that remained in Stage 1 as at December 31, 2024	15,384	–	–	15,384
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	–	–	–
Effect of collections and other Movements	(886)	(161)	(7,761)	(8,808)
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	(2,822)	2,971	(149)	–
Transfers to Stage 3	(10,036)	–	10,036	–
Accounts written-off	–	–	(103)	(103)
Foreign exchange adjustments	–	–	–	–
Allowance for ECL, December 31, 2024	3,992	3,402	17,409	24,805
Accounts receivable:				
Allowance for ECL, January 1, 2024	162	7,035	49,640	56,837
Newly originated assets	2,963			2,963
Effect of collections and other movements	4,027	(1,052)	(4,086)	(1,111)
Transfers to Stage 3	(4,273)	(4,177)	8,450	-
Accounts written-off			(16,958)	(16,958)
Allowance for ECL, December 31, 2024	2,879	1,806	37,046	41,731
Sales contracts receivable				
Allowance for ECL, January 1, 2024	50	-	8,208	8,258
Newly originated assets that remained in Stage 1 as at December 31, 2024	202	-	-	202
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	–	-	1,177	1,177
Effect of collections and other movements (excluding write-offs and transfers to ROPA)	(2)	-	(2,606)	(2,608)
Transfers to Stage 1	(2)	-	2	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Allowance for ECL, December 31, 2024	248	-	6,781	7,029
Total other receivables				
Allowance for ECL, January 1, 2024	2,729	7,627	73,234	83,590
Newly originated assets that remained in Stage 1 as at December 31, 2024	18,549	-	-	18,549
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2024	-	-	1,177	1,177
Effect of collections and other movements	3,005	(1,213)	(14,453)	(12,661)
Transfers to Stage 1	(2)	-	2	-
Transfers to Stage 2	(2,822)	2,971	(149)	-
Transfers to Stage 3	(14,309)	(4,177)	18,486	-
Accounts written-off	-	-	(17,061)	(17,061)
Allowance for ECL, December 31, 2024	₱7,150	₱5,208	₱61,236	₱73,594

In 2024 and 2023, the Group and the Parent Company recorded an allowance for ECL amounting to ₱11.69 million and ₱5.72 million, respectively, on the credit-related commitments.

Investment securities at FVTOCI

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Allowance for ECL, January 1, 2023	₱8,336	₱–	₱–	₱8,336
New investment originated or purchased	8,079	–	–	8,079
Asset derecognized during the period	(6,565)	–	–	(6,565)
Others	(59)	–	–	(59)
Allowance for ECL, December 31, 2023	₱9,791	₱–	₱–	₱9,791

Investment securities at amortized cost

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Allowance for ECL, January 1, 2023	₱14,322	₱–	₱–	₱14,322
New investment originated or purchased	6,051	–	–	6,051
Asset derecognized during the period	(7,565)	–	–	(7,565)
Others	(6)	–	–	(6)
Allowance for ECL, December 31, 2023	₱12,802	₱–	₱–	₱12,802

Receivables from customers

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Corporate loans:				
Allowance for ECL, January 1, 2023	₱779,727	₱435,522	₱1,391,200	₱2,606,449
Newly originated assets that remained in Stage 1 as at December 31, 2023	414,271	–	–	414,271
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	66,584	383,196	449,780
Effect of collections and other movements	(659,337)	(168,540)	(129,571)	(952,448)
Transfers to Stage 1	5,298	(5,298)	–	–
Transfers to Stage 2	(11,607)	11,607	–	–
Transfers to Stage 3	(301)	(220,852)	221,153	–
Impact on ECL of exposures transferred between stages		16,658	6,630	23,288
Impact on ECL of exposures that did not transfer between stages	–	2,822	82,623	85,445
Allowance for ECL, December 31, 2023	528,051	138,503	1,960,231	2,626,785
Consumer loans:				
Auto loans				
Allowance for ECL, January 1, 2023	11,534	697	43,043	55,274
Newly originated assets that remained in Stage 1 as at December 31, 2023	329	–	–	329
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	-	836	836
Effect of collections and other Movements (excluding write-offs and transfers to ROPA)	(11,169)	(597)	(11,167)	(22,933)
Transfers to Stage 1	1	(1)	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	(41)	(99)	140	–
Impact on ECL of exposures transferred between stages	–	–	204	204
Impact on ECL of exposures that did not transfer between stages	–	–	3,990	3,990
Accounts written-off	–	–	(20,412)	(20,412)
Allowance for ECL, December 31, 2023	654	-	16,634	17,288

(Forward)

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Home loans:				
Allowance for ECL, January 1, 2023	₱ 26,859	₱ 6,298	₱136,520	₱ 169,677
Newly originated assets that remained in Stage 1 as at December 31, 2023	2,655	–	–	2,655
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	1,777	8,726	10,503
Effect of collections and other movements	(18,401)	(3,164)	(45,762)	(67,327)
Transfers to Stage 1	101	(100)	(1)	–
Transfers to Stage 2	(580)	920	(340)	–
Transfers to Stage 3	(1,607)	(1,858)	3,465	–
Impact on ECL of exposures transferred between stages	–	6,025	14,079	20,103–
Impact on ECL of exposures that did not transfer between stages	–	28	3,100	3,127
Allowance for ECL, December 31, 2023	9,027	9,926	119,787	138,740
(Forward)				
Personal loans:				
Allowance for ECL, January 1, 2023	2,490	681	25,916	29,086
Newly originated assets that remained in Stage 1 as at December 31, 2023	563	–	–	563
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	-	-	912	912
Effect of collections and other Movements (excluding write-offs and transfers to ROPA)	(2,295)	(212)	(3,628)	(6,134)
Transfers to Stage 1	9	(8)	(1)	-–
Transfers to Stage 2	(142)	142	-–	-–
Transfers to Stage 3	–	(492)	492	-–
Impact on ECL of exposures transferred between stages	–	–	802	802
Impact on ECL of exposures that did not transfer between stages	–	–	13	13
Accounts written-off	–	(111)	(12,802)	(12,913)
Allowance for ECL, December 31, 2023	625	-–	11,704	12,329
Total receivables from customers:				
Allowance for ECL, January 1, 2023	820,608	443,225	1,600,654	2,864,487
Newly originated assets that remained in Stage 1 as at December 31, 2023	417,818	–	–	417,818
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023		68,361	393,670	462,031
Effect of collections and other Movements (excluding write-offs and transfers to ROPA)	(691,202)	(172,513)	(185,128)	(1,048,843)
Transfers to Stage 1	5,308	(5,307)	(1)	-–
Transfers to Stage 2	(11,749)	11,749	-–	-–
Transfers to Stage 3	(342)	(221,443)	221,785	-–
Impact on ECL of exposures transferred between stages	-	22,683	21,715	44,398
Impact on ECL of exposures that did not transfer between stages	-	2,850	89,726	92,575
Accounts written-off	-	(111)	(33,214)	(33,325)
Allowance for ECL, December 31, 2023	820,608	443,225	1,600,654	2,864,487

Other receivables

Consolidated and Parent Company	2023			
	Stage 1	Stage 2	Stage 3	Total
Unquoted debt securities:				
Allowance for ECL, January 1, 2023	₱625	₱-	₱-	₱625
Effect of collections	(462)	–	–	(462)
Allowance for ECL, December 31, 2023	163	–	–	163
Accrued interest receivable:				
Allowance for ECL, January 1, 2023	2,879	5,200	5,595	13,674
Newly originated assets that remained in Stage 1 as at December 31, 2023	2,263	–	–	2,263
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	–	–	–	–
Effect of collections and other movements	(1,429)	6,147	(1,898)	2,820
Transfers to Stage 1	362	(341)	(21)	–
Transfers to Stage 2	(496)	498	(2)	–
Transfers to Stage 3	(1,225)	(10,912)	12,137	–
Accounts written-off	–	–	(425)	(425)
Foreign exchange adjustments	–	–	–	–
Allowance for ECL, December 31, 2023	2,354	592	15,386	18,332
Accounts receivable:				
Allowance for ECL, January 1, 2023	650	5,748	51,534	57,932
Newly originated assets	648	–	–	648
Effect of collections and other movements	815	9,554	(11,835)	(1,466)
Transfers to Stage 3	(1,951)	(8,267)	10,218	–
Accounts written-off	–	–	(277)	(277)
Allowance for ECL, December 31, 2023	162	7,035	49,640	56,837
Sales contracts receivable				
Allowance for ECL, January 1, 2023	6,569	3,286	390	10,245
Newly originated assets that remained in Stage 1 as at December 31, 2023	20			20
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	6,786	-	-	6,786
Effect of collections and other movements (excluding write-offs and transfers to ROPA)	(5,565)	(2,924)	(304)	(8,793)
Transfers to Stage 1	2	(2)		-
Transfers to Stage 2				-
Transfers to Stage 3	(7,762)	(360)	8,122	-
Allowance for ECL, December 31, 2023	50	-	8,208	8,258
Total other receivables				
Allowance for ECL, January 1, 2023	10,723	14,234	57,519	82,476
Newly originated assets that remained in Stage 1 as at December 31, 2023	2,931	-	-	2,931
Newly originated assets that moved to Stage 2 and Stage 3 as at December 31, 2023	6,786	-	-	6,786
Effect of collections and other movements	(6,641)	12,777	(14,037)	(7,901)
Transfers to Stage 1	364	(343)	(21)	-
Transfers to Stage 2	(496)	498	(2)	-
Transfers to Stage 3	(10,938)	(19,539)	30,477	-
Accounts written-off	-	-	(702)	(702)
Allowance for ECL, December 31, 2023	₱2,729	₱7,627	₱73,234	₱83,590

As of December 31, 2024 and 2023, changes in the allowance for credit and impairment losses of the Group and the Parent Company follow:

	Consolidated and Parent Company	
	2024	2023
Balances at January 1		
Loans and receivables (Note 11)	**₱2,878,732**	₱2,946,963
Investment securities at FVTOCI	**9,791**	8,336
Investment securities at amortized cost	**12,802**	14,322
Investment properties (Note 13)	**53,395**	55,766
Other assets (Note 15)	**5,572**	1,564
Commitment and Guarantees	**5,720**	-
	2,966,012	3,026,951
Provision for credit and impairment losses	**440,642**	(24,409)
Accounts written-off, revaluation, and others	**(35,279)**	(36,530)
	405,363	(60,939)
Balance at December 31:		
Loans and receivables (Note 11)	**3,279,716**	2,878,732
Investment securities at FVTOCI	**10,059**	9,791
Investment securities at amortized cost	**13,010**	12,802
Investment properties (Note 13)	**51,316**	53,395
Other assets (Note 15)	**5,588**	5,572
Commitment and Guarantees	**11,688**	5,720
	₱3,371,377	₱2,966,012

Below is the breakdown of provisions for (reversals of) credit and impairment losses:

	Consolidated and Parent Company		
	2024	2023	2022
Financial assets and other credit-related exposures:			
Loans and receivables	**₱436,736**	(₱27,758)	₱298,050
Investment securities at FVTOCI (Note 8)	**-**	1,514	(7,298)
Investment securities at amortized cost	**-**	(1,514)	7,411
	436,736	(27,758)	298,163
Non-financial assets:			
Investment properties (Note 12)	**(2,079)**	(2,371)	(9,468)
Other assets (Note 15)	**16**	–	(1,009)
	(2,063)	(2,371)	(10,477)
Commitment and guarantees	**5,968**	5,720	–
	₱440,641	(₱24,409)	₱287,686

While the Group recognizes through the statement of income the movements in the expected credit losses computed using the models, the Group also complies with BSP's regulatory requirement to appropriate a portion of its earnings at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 23).

	2024	2023	2022
Provision for credit and impairment losses	**₱440,642**	(₱24,409)	₱287,799
Appropriation from current net income	**3,415**	241,165	53,483
Total	**₱444,057**	₱216,756	₱341,282

17. Deposit Liabilities

Deposit liabilities and deposit substitute liabilities are subject to required reserves. On September 05, 2024, BSP Circular No. 1201 were issued reducing the reserve requirement from 9.5% to 7.00% for universal and commercial banks effective reserve week October 25, 2024.

Long-term negotiable certificates of deposits (LTNCDs) remain subject to required reserves at 4.00%. MORB Sec 252, Composition of Reserves, provides a reference that includes the use of eligible loans to MSME and large enterprises as alternative compliance to required reserves for deposit liabilities.

As of December 31, 2024 and 2023, Due from BSP amounting to ₱6.51 billion and ₱9.27 billion, respectively, were set aside as reserves for deposit liabilities. As of December 31, 2024 and 2023, the Group is in compliance with the above regulations.

On July 26, 2018, the Monetary Board of the BSP, in its Resolution No. 1220, approved the Parent Company's issuance of LTNCDs of up to ₱5.00 billion in one or more tranches over the course of one year, with minimum tenor of 5 years and 1 day to a maximum of 7 years. The purpose of the issuance is specifically for long-term funding.

On October 8, 2018, the Parent Company issued ₱2.90 billion worth of LTNCDs with a tenor of 5 years and 6 months. The LTNCDs matured on April 8, 2024 and have fixed interest rate of 5.625% per annum, payable quarterly in arrears on October 8, January 8, April 8 and July 8 of each year, commencing on January 8, 2019. The LTNCDs are listed in the trading platform of the Philippine Dealing & Exchange Corp. (PDEx) for secondary market trading.

On April 8, 2024, the Bank fully settled its outstanding ₱2.90 billion LTNCDs issued on October 8, 2018.

Interest expense on deposit liabilities consists of:

	Consolidated and Parent Company		
	2024	2023	2022
Demand	**₱44,972**	₱44,606	₱49,113
Savings	**13,845**	11,903	13,229
Time	**3,187,386**	2,289,712	368,942
LTNCD	**46,708**	169,398	168,059
	₱3,292,911	₱2,515,619	₱599,343

Peso-denominated deposit liabilities earn annual fixed interest rates ranging from 0.10% to 4.75% in 2024, 0.10% to 4.50% in 2023, and 0.10% to 3.00% in 2022, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.10% to 4.25%, 0.10% to 4.25%, and 0.09% to 2.75%, in 2024, 2023 and 2022, respectively.

18. Bills Payable

This account consists of the Group's and the Parent Company's borrowings from:

	2024	2023
Private firms and individuals	**₱5,316,716**	₱8,530,857
Banks and other financial institutions	**11,069,800**	1,155,898
	₱16,386,516	₱9,686,755

As of December 31, 2024, ₱18.33 billion of the bills payable are collateralized by investment in government securities. Details of the securities pledged are as follows:

	2024		
	Face value	**Carrying amount**	**Fair value**
Investment securities at amortized cost	**₱17,537,558**	**₱18,328,915**	**₱16,878,841**

As of December 31, 2023, ₱9.41 billion of the bills payable are collateralized by investment in government securities. Details of the securities pledged are as follows:

	2023		
	Face value	Carrying amount	Fair value
Investment securities at amortized cost	₱9,401,539	₱9,410,004	₱9,691,448

The Group has no dollar interbank borrowings as of December 31, 2024 and 2023.

The Group also did not avail of peso and dollar rediscounting facilities in 2024 and 2023.

Interest expense on bills payable and other borrowings consists of:

	Consolidated			**Parent Company**		
	2024	2023	2022	**2024**	2023	2022
Borrowed funds	**₱861,077**	₱694,867	₱176,729	**₱861,077**	₱694,867	₱176,729
Lease liability (Note 22)	**13,781**	12,458	12,256	**13,781**	12,458	12,256
Interest cost on retirement liability (Note 27)	**1,325**	-	–	**1,325**	-	–
	₱876,183	₱707,325	₱188,985	**₱876,183**	₱707,325	₱188,985

Borrowings from private firms and individuals represent deposit substitutes with maturities of 1 to 181 days in 2024 and 2023, respectively. These borrowings bear annual interest rates ranging from 4.50% to 6.75%, 1.00% to 6.75%, and 0.30% to 5.00%%, in 2024, 2023 and 2022, respectively.

As of December 31, 2024 and 2023, Due from BSP amounting to ₱397.32 million and ₱856.82 million, respectively, were set aside as reserves for deposit substitutes.

19. Bonds Payable

On November 5, 2024, PBCOM issued ₱7.7 billion worth of Peso Fixed Rate Bonds (Series A Bonds) under its ₱15 billion Peso Bond Program approved by the Board of Directors on March 20, 2024. The Series A Bonds have a tenor of 1.5 years and bear a fixed interest rate of 6.0796% per annum, payable quarterly in arrears. The bonds are listed on the PDEx.

Details of the Bonds Payable as follows:

Issue Date	Maturity Date	Face Value	Coupon Rate	Carrying Value
November 5, 2024	May 5, 2026	₱7,693,800	6.0796%	₱7,623,300

As of December 31, 2024, the unamortized transaction costs of bonds payable amounted to ₱70.5 million while the amortization of transaction cost that were charged to "Interest expense on bonds payable" in the "Bills payable, borrowings and others" amounted to ₱7.66 million.

20. Accrued Interest, Taxes and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Financial liabilities				
Accrued interest payable	**₱625,398**	₱761,833	**₱625,398**	₱761,833
Accrued other expenses	**650,445**	645,790	**650,445**	645,704
	1,275,843	1,407,623	**1,275,843**	1,407,537
Non-financial liabilities				
Retirement liability (Note 27)	**42,856**	21,713	**42,856**	21,713
Accrued taxes and licenses	**122,464**	119,803	**122,464**	119,803
	165,320	141,516	**165,320**	141,516
	₱1,441,163	₱1,549,139	**₱1,441,163**	₱1,549,053

Accrued other expenses include accrual for various operating expenses.

21. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2024	2023	**2024**	2023
Financial liabilities				
Accounts payable	**₱439,129**	₱314,711	**₱439,129**	₱314,703
Refundable security deposits	**118,090**	109,864	**118,090**	109,864
Miscellaneous (Note 24)	**34,189**	31,528	**34,189**	31,528
	591,408	456,103	**591,408**	456,095
Non-financial liabilities				
Lease liability (Note 28)	**215,585**	189,236	**215,585**	189,236
Deferred credits	**154,674**	156,978	**154,674**	156,978
Withholding taxes payable	**71,202**	76,801	**71,202**	76,801
Due to the Treasurer of the Philippines	**57,150**	56,832	**57,150**	56,832
Miscellaneous	**100,620**	111,799	**100,620**	110,591
	599,231	591,646	**599,231**	590,438
	₱1,190,639	₱1,047,749	**₱1,190,639**	₱1,046,533

Miscellaneous liabilities of the Group and the Parent Company include marginal deposits, cash letters of credit deposit liabilities classified as dormant and allowance for ECL on off-balance sheet exposures.

Shown below is the movement of lease liability of the Group and Parent Company:

	2024	2023
Balance at January 1	**₱189,236**	₱214,195
Additions	**132,169**	91,402
Lease payments	**(119,601)**	(128,819)
Interest expense (Note 18)	**13,781**	12,458
Balance at December 31	**₱215,585**	₱189,236

22. Maturity Analysis of Assets and Liabilities

The tables below show an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	Consolidated					
	2024			2023		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
Financial assets - at gross						
Cash and other cash items	**₱1,049,937**	**₱–**	**₱1,049,937**	₱1,562,747	–	₱1,562,747
Due from BSP	**7,297,480**	–	**7,297,480**	12,204,980	–	12,204,980
Due from other banks	**430,103**	–	**430,103**	448,986	–	448,986
Interbank loans receivable and SPURA (Note 8)	**404,202**	–	**404,202**	492,353	–	492,353
Financial assets at FVTOCI (Note 9)	**231,301**	**11,021,660**	**11,252,961**	552,415	7,863,144	8,415,559
Investment securities at amortized cost (Note 10)	**766,784**	**28,166,888**	**28,933,672**	5,904,237	21,884,956	27,789,193
Loans and receivables (Note 11):						
Receivables from Customers	**54,600,871**	**47,020,728**	**101,621,599**	50,910,461	41,041,206	91,951,667
Unquoted debt securities	**59,337**	–	**59,337**	–	366,900	366,900
Accrued interest receivable	**233,739**	**1,010,313**	**1,244,052**	972,204	–	972,204
Accounts receivable	**1,567,167**	**-**	**1,567,167**	1,350,169	10,535	1,360,704
Sales contracts receivable	**4,341**	**164,756**	**169,097**	19,587	43,980	63,567
Other assets (Note 15):			**-**			-
Cash Margin	**292,069**		**292,069**	36,544		36,544
Refundable security deposits	**26,062**	**10,262**	**36,324**	18,404	24,623	43,027
RCOCI	**1,390**	**-**	**1,390**	1,311	-	1,311
	66,964,783	**87,394,607**	**154,359,390**	74,474,398	71,235,344	145,709,742
Non-financial assets - at gross						
Investments in subsidiary and an associate (Note 7)	**-**	**10,062**	**10,062**	-	16,343	16,343
Property and equipment (Note 12)	**-**	**3,009,606**	**3,009,606**	-	2,994,544	2,994,544
Investment properties (Note 13):			**-**	-		-
Condominium units for Lease	**-**	**2,580,394**	**2,580,394**	-	2,580,394	2,580,394
Foreclosed properties	**-**	**2,588,452**	**2,588,452**	-	1,330,616	1,330,616
Office units for lease	**-**	**39,390**	**39,390**	-	39,390	39,390

(Forward)

	Consolidated					
	2024			2023		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
Intangible assets (Note 14)	**₱–**	**₱515,298**	**₱515,298**	₱-	₱525,218	₱525,218
Deferred tax assets (Note 30)	**-**	**486,222**	**486,222**	-	404,323	404,323
Other assets (Note 15)	**312,537**	**99,228**	**411,765**	281,488	137,847	419,335
	312,537	**9,328,652**	**9,641,189**	281,488	8,028,675	8,310,163
	67,277,320	**96,723,259**	**164,000,579**	74,755,886	79,264,019	154,019,905
Less:						
Unearned interest and discounts (Note 11)	**(61,000)**		**(61,000)**	(61,995)		(61,995)
Accumulated depreciation and amortization (Notes 12, 13 and 15)	**(72,092)**	**(3,621,855)**	**(3,693,947)**	(139,831)	(3,389,886)	(3,529,717)
Allowance for credit and impairment losses (Notes 10, 11, 13, 15 and 16)	**(2,285,847)**	**(1,063,783)**	**(3,349,630)**	(2,255,955)	(694,548)	(2,950,503)
Total	**₱64,858,381**	**₱92,037,621**	**₱156,896,002**	₱72,298,105	₱75,179,585	₱147,477,690
Financial liabilities						
Deposit liabilities:						
Demand	**₱41,638,978**	**-**	**₱41,638,978**	₱41,395,954	₱-	₱41,395,954
Savings	**13,697,477**	**-**	**13,697,477**	13,314,707	-	13,314,707
Time	**53,850,990**	**1,396,892**	**55,247,882**	57,381,112	1,708,455	59,089,567
LTNCD	**-**	**-**	**-**	2,900,016	-	2,900,016
Corporate Bond	**-**	**7,623,300**	**7,623,300**			
Bills payable (Note 18)	**16,386,516**	**-**	**16,386,516**	9,686,755	-	9,686,755
Outstanding acceptances	**81,670**	**-**	**81,670**	105,410	-	105,410
Manager's checks	**218,636**	**-**	**218,636**	632,058	-	632,058
Accrued interest payable (Note 20)	**625,398**	**-**	**625,398**	761,833	-	761,833
Accrued other expenses (Note 20)	**650,445**	**-**	**650,445**	645,790	-	645,790
Other liabilities (Note 21x):		**-**	**-**		-	-
Accounts payable	**439,129**		**439,129**	314,711		314,711
Refundable security deposits	**75,613**	**42,477**	**118,090**	73,533	36,331	109,864
Miscellaneous	**34,189**	**-**	**34,189**	31,528	-	31,528
	127,699,041	**9,062,669**	**136,761,710**	127,243,407	1,744,786	128,988,193
Non-financial liabilities						
Accrued taxes and licenses (Note 20)	**122,463**	**-**	**122,463**	119,802	-	119,802
Income tax payable	**136,700**	**-**	**136,700**	100,584	-	100,584
Other liabilities (Note 21x):			**-**			-
Deferred credits	**122,529**	**32,145**	**154,674**	123,100	33,878	156,978
Lease liability	**93,551**	**122,034**	**215,585**	67,426	121,810	189,236
Withholding taxes payable	**71,202**	**-**	**71,202**	76,801	-	76,801
Allowance for ECL on off-balance sheet exposures	**-**	**11,688**	**11,688**	–	5,720	5,720
Due to the Treasurer of the Philippines	**57,150**	**-**	**57,150**	56,832	-	56,832
Miscellaneous	**58,735**	**73,054**	**131,789**	39,362	88,431	127,793
	662,330	**238,921**	**901,251**	583,907	249,839	833,746
	₱128,361,371	**₱9,301,590**	**₱137,662,961**	₱127,827,314	₱1,994,625	₱129,821,939

	Parent Company					
	2024			2023		
	Due Within One Year	Due Beyond One Year	Total	Due Within One Year	Due Beyond One Year	Total
Financial assets - at gross						
Cash and other cash items	**₱1,049,937**	**₱-**	**₱1,049,937**	₱1,562,747	₱-	₱1,562,747
Due from BSP	**7,297,480**	**-**	**7,297,480**	12,204,980	-	12,204,980
Due from other banks	**430,103**	–	**430,103**	448,986	–	448,986
Interbank loans receivable and SPURA (Note 8)	**404,202**	**-**	**404,202**	492,353	-	492,353
Financial assets at FVTPL	**-**	**-**	**-**	-	-	-
Financial assets at FVTOCI (Note 9)	**231,301**	**11,021,660**	**11,252,961**	552,415	7,863,144	8,415,559
Investment securities at amortized cost (Note 10)	**766,784**	**28,166,888**	**28,933,672**	5,904,237	21,884,956	27,789,193
Loans and receivables (Note 11):			**-**			-
Receivables from customers	**54,600,871**	**47,020,728**	**101,621,599**	50,910,461	41,041,206	91,951,667
Unquoted debt securities	**59,337**	**-**	**59,337**	-	366,900	366,900
Accrued interest receivable	**233,739**	**1,010,313**	**1,244,052**	972,204	-	972,204
Accounts receivable	**1,567,167**	**-**	**1,567,167**	1,308,276	55,262	1,363,538
Sales contracts receivable	**4,341**	**164,756**	**169,097**	19,587	43,980	63,567
Other assets (Note 15):						-
Cash Margin	**292,069**		**292,069**	36,544		36,544
Refundable security deposits	**26,062**	**10,262**	**36,324**	18,404	24,623	43,027
RCOCI	**1,390**	**-**	**1,390**	1,311	-	1,311
	66,964,783	**87,394,607**	**154,359,390**	74,432,505	71,280,071	145,712,576
Non-financial assets - at gross						
Investments in subsidiary and an associate (Note 7)	**-**	**10,062**	**10,062**	6,073	16,343	22,416
Property and equipment (Note 12)	**-**	**3,009,606**	**3,009,606**	154,500	2,840,044	2,994,544
Investment properties (Note 13):			**-**			-
Condominium units for lease	**-**	**2,580,394**	**2,580,394**	-	2,580,394	2,580,394
Foreclosed assets	**-**	**2,588,452**	**2,588,452**	-	1,330,616	1,330,616
Office units for lease	**-**	**39,390**	**39,390**	-	39,390	39,390
Intangible assets (Note 14)	**-**	**515,298**	**515,298**	-	525,218	525,218
Deferred tax assets (Note 30)	**-**	**486,222**	**486,222**	-	404,323	404,323
Other assets (Note 15)	**312,537**	**99,228**	**411,765**	280,181	137,847	418,028
	312,537	**9,328,652**	**9,641,189**	440,754	7,874,175	8,314,929
	67,277,320	**96,723,259**	**164,000,579**	74,873,259	79,154,246	154,027,505
Less:						
Unearned interest and discounts (Note 11)	**(61,000)**		**(61,000)**	(61,995)		(61,995)
Accumulated depreciation and amortization (Notes 12, 13 and 15)	**(72,092)**	**(3,621,855)**	**(3,693,947)**	(139,831)	(3,389,886)	(3,529,717)
Allowance for credit and impairment losses (Notes 10, 11, 13, 15 and 16)	**(2,285,847)**	**(1,063,783)**	**(3,349,630)**	(2,255,955)	(694,548)	(2,950,503)
Total	**₱64,858,381**	**92,037,621**	**₱156,896,002**	₱72,415,478	₱75,069,812	₱147,485,290
Financial liabilities						
Deposit liabilities:						
Demand	**₱41,638,978**	**₱ -**	**₱41,638,978**	₱41,404,856	₱–	₱41,404,856
Savings	**13,697,477**	**-**	**13,697,477**	13,314,707	-	13,314,707
Time	**53,850,990**	**1,396,892**	**55,247,882**	57,381,112	1,708,455	59,089,567
LTNCD	**-**	**-**	**-**	2,900,016	-	2,900,016
Corporate Bond	**-**	**7,623,300**	**7,623,300**			
Bills payable (Note 18)	**16,386,516**	**-**	**16,386,516**	9,686,755	-	9,686,755
Outstanding acceptances	**81,670**	**-**	**81,670**	105,410	-	105,410
Manager's checks	**218,636**	**-**	**218,636**	632,058	-	632,058
Accrued interest payable (Note 20)	**625,398**	**-**	**625,398**	761,833	-	761,833
Accrued other expenses (Note 20)	**650,445**	**-**	**650,445**	645,704	-	645,704

(Forward)

	Parent Company					
	2024			2023		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
Other liabilities (Note 21):						
Accounts payable	**₱439,129**	**₱-**	**₱439,129**	₱314,703	₱–	₱314,703
Refundable security deposits	**75,613**	**42,477**	**118,090**	73,533	36,331	109,864
Miscellaneous	**34,189**	**-**	**34,189**	31,528	-	31,528
	127,699,041	**9,062,669**	**136,761,710**	127,252,215	1,744,786	128,997,001
Non-financial liabilities						
Deferred tax liabilities (Note 30)	–	–	–	–	–	–
Retirement liability (Notes 19 and 27)	–	–	–	–	–	–
Accrued taxes and licenses (Note 20)	**122,463**	**-**	**122,463**	119,802	-	119,802
Income tax payable	**136,700**	**-**	**136,700**	100,584	-	100,584
Other liabilities (Note 21):			**-**			-
Deferred credits	**122,529**	**32,145**	**154,674**	123,100	33,878	156,978
Lease liability	**93,551**	**122,034**	**215,585**	67,426	121,810	189,236
Withholding taxes payable	**71,202**	**-**	**71,202**	76,801	-	76,801
Provision for commitment	**-**	**11,688**	**11,688**	-	5,720	5,720
Due to the Treasurer of the Philippines	**57,150**	**-**	**57,150**	56,832	-	56,832
Miscellaneous	**58,735**	**73,054**	**131,789**	38,154	88,431	126,585
	662,330	**238,921**	**901,251**	582,699	249,839	832,538
	₱128,361,371	**₱9,301,590**	**₱137,662,961**	₱127,834,914	₱1,994,625	₱129,829,539

23. Equity

Common Stock

Details and movements of common stock follow:

	Shares	Amount
Common - ₱25 par value		
Authorized	760,000	₱19,000,000
Issued and outstanding		
Balance at December 31	480,645	₱12,016,129

The Parent Company became listed in the PSE on May 12, 1988. After its listing in the PSE, there was no succeeding offer/selling to the public of the Parent Company's shares.

The summarized information on the Parent Company's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Type/Class	Authorized Shares	Par Value
November 23, 1988	Common Class A	7,000,000	100
	Common Class B	3,000,000	100
June 3, 1993	Common Class A	14,000,000	100
	Common Class B	6,000,000	100
September 11, 1997	Common	65,000,000	100
April 6, 2001	Common	145,000,000	100
March 31, 2006	Common	145,000,000	100
	Preferred	120,000,000	25
March 11, 2013	Common	760,000,000	25

As reported by the Parent Company's transfer agent, AB Stock Transfers Corporation, the total number of shareholders is 391 and 397 as of December 31, 2024 and 2023, respectively.

Surplus Reserves

In compliance with BSP regulations and RA No. 337, *The General Banking Act*, 10.00% of the Parent Company's profit from trust business is appropriated to surplus reserves. This annual appropriation is required until the surplus reserves for trust business equals 20.00% of the Parent Company's authorized capital stock. Surplus reserve for self-insurance represents the amount set aside to cover for losses due to fire, defalcation by and other unlawful acts of the Parent Company's personnel or third parties.

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 16). The Bank appropriated ₱3.41 million in 2024 and ₱241.17 million in 2023, to meet prudential requirements on 1% general loan loss provisioning.

	2024	2023
Reserve for GLLP	**₱350,303**	₱346,888
Reserve for Trust Business	**90,719**	90,277
Reserve for Self Insurance	**17,118**	17,118
	₱458,140	₱454,283

Surplus

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 differs to a certain extent from the computation following BSP Guidelines.

In the consolidated financial statements, accumulated net earnings of the subsidiary and an associate amounting to ₱8.06 million and ₱14.34 million as of December 31, 2024 and 2023, respectively, that were closed out to 'Surplus' is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

Capital Management

The primary objectives of the Parent Company's capital management are to ensure that the Parent Company complies with regulatory capital requirements and that the Parent Company maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Parent Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Parent Company may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

The Parent Company maintains an actively managed capital base to cover risks inherent in the business. The adequacy of the Parent Company's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision ("Bank for International Settlements rules/ratios") and adopted by the BSP as discussed below. The Parent Company has complied in full with all its regulatory capital requirements.

BSP approvals
On December 14, 2012, the BSP, in its Resolution No. 2088, approved the request of the Parent Company to include the ₱1.92 billion appraisal increment resulting from the revaluation of PBCom Tower as part of unimpaired and qualifying capital in computing for net worth and capital adequacy ratio. Effective January 1, 2018, the Group and the Parent Company changed their method of accounting for Investment Properties and Land from the fair value model and revaluation model, respectively, to the cost model, and restated the comparative information in its audited financial statements. As approved by the BSP, however, the Parent Company continues to include the above revaluation increment for purposes of regulatory unimpaired and qualifying capital in its computation of net worth and capital adequacy ratio. As of December 31, 2024 and 2023, the revaluation increment pertaining to PBCOM Tower amounted to ₱1.77 billion and ₱1.76 billion, respectively.

Regulatory Qualifying Capital
Under existing BSP regulations, the determination of the Parent Company's compliance with regulatory requirements and ratios is based on the amount of the Group's "qualifying capital" (regulatory net worth) as reported to the BSP, which is determined on the basis of regulatory accounting policies which may differ from PFRS Accounting Standards in some respects.

The BSP, under Section 125 and Appendix 59 of the MORB, prescribes guidelines in implementing the revised risk-based capital adequacy framework for universal and commercial banks to conform with Base III standards.

Under the MORB, the quality capital a bank must maintain to cover its risks. These include:

- Tier One capital - comprises the Group's and the Parent Company's core capital resources that are immediately available to sustain the financial stability of the group. Components of tier one capital include:
  - Core-Equity Tier One or CET-1 includes paid-in shares of common stock, retained earnings and accumulated OCI. CET-1 must be the predominant form of Tier One Capital. CET-1 absorbs all deductions to capital mandated by regulation. These deductions include capital invested in affiliates, net deferred tax assets and intangible assets items.
  - Alternative Tier One or AT-1 includes other equity type claims on a bank's statement of financial position that are sufficiently subordinate to the claims of depositors and senior creditors and whose cash flow distributions are not committed and cancellable at the option of the bank.
- Tier Two capital - includes auxiliary items, such as the general loan loss provision and appraisal increment reserves on investment property, that supplement Tier One Capital in sustaining the financial stability of the bank.

Banks must maintain CET-1 capital equivalent to 6.00%, Total Tier One capital equivalent to 7.5% and Total capital equivalent to 10% of regulatory risk weighted assets at all times.

Below is a summary of risk weights and selected exposure types:

Risk Weight	Exposure/Asset Type*
0.00%	Cash on hand; claims collateralized by securities issued by the national government, BSP; loans covered by the Trade and

Risk Weight	Exposure/Asset Type*
	Investment Development Corporation of the Philippines; real estate mortgages covered by the Home Guarantee Corporation
20.00%	Cash and other cash items, claims guaranteed by Philippine incorporated banks/quasi-banks with the highest credit quality; claims guaranteed by foreign incorporated banks with the highest credit quality; loans to exporters to the extent guaranteed by Small Business Guarantee and Finance Corporation
50.00%	Housing loans fully secured by first mortgage on residential property; Local Government Unit (LGU) bonds which are covered by Deed of Assignment of Internal Revenue allotment of the LGU and guaranteed by the LGU Guarantee Corporation
75.00%	Direct loans of defined Small Medium Enterprise and microfinance loans portfolio; non-performing housing loans fully secured by first mortgage
100.00%	All other assets (for example, real estate assets) excluding those deducted from capital (for example, deferred income tax)
150.00%	All non-performing loans (except non-performing housing loans fully secured by first mortgage) and all non-performing debt securities

*Not all inclusive

As of December 31, 2024 and 2023, the Group and the Parent Company reported ratios in excess of the regulatory requirements.

Presented below are the composition of qualifying capital and the related disclosures as reported to the BSP (amounts in millions):

	2024	2023
CET-1 Capital	**₱18,296**	₱17,160
Less: Regulatory Adjustments to CET-1	**(564)**	(610)
	17,732	16,550
Additional Tier 1 Capital	**–**	–
Less: Regulatory Adjustments to AT-1	**–**	–
	–	–
Total Tier 1 Capital	**17,732**	16,550
Tier 2 Capital	**2,826**	2,553
Less: Regulatory Adjustments to Tier 2 Capital	**–**	–
Total Tier 2 Capital	**2,826**	2,553
Total Qualifying Capital	**₱20,558**	₱19,103

The Group's and the Parent Company's RBCAR as reported to the BSP as of December 31, 2024 and 2023 are shown in the table below (amounts in millions):

	2024	2023
CET-1 Capital:		
Paid-up common stock	**₱12,016**	₱12,016
Additional paid-in capital	**2,262**	2,262
Surplus (Deficit)	**4,741**	2,915
Net unrealized gains or losses on FVTOCI	**(682)**	(70)
Cumulative foreign currency translation	**6**	1
Cumulative actuarial losses	**(47)**	36
	18,296	17,160
Less: Regulatory Adjustments to CET-1		
Deferred tax assets	**85**	–
Other intangible assets	**469**	499
Defined benefit pension fund assets	**–**	89
Investments in equity of unconsolidated subsidiary securities dealers/brokers and insurance companies	**–**	6
Significant minority investments	**10**	16
	564	610
Tier 1 Capital		
Additional Tier 1 Capital	–	–
Total Tier 1 Capital	**17,732**	16,550
Appraisal increment reserve	**1,773**	1,761
General loan loss provision	**1,053**	792
	2,826	2,553
Less: Regulatory Adjustments to Tier 2 Capital	**-**	-
Total Tier 2 Capital	**2,826**	2,553
Total Qualifying Capital	**₱20,558**	₱19,103
Credit risk-weighted assets	**₱119,779**	₱104,854
Market risk-weighted assets	**405**	153
Operational risk-weighted assets	**10,599**	10,411
Total Risk Weighted Assets	**₱130,783**	₱115,418
CET 1 Capital Ratio	**13.56%**	14.34%
Tier 1 Capital Ratio	**13.56%**	14.34%
Total Capital Ratio	**15.72%**	16.55%

The Group's and the Parent Company's Tier 1 Capital Ratio and Total Capital Ratio as of December 31, 2024 based on its audited financial statement amounted to 13.38% and 15.53%, respectively.

Leverage ratio

BSP also requires the Basel III Leverage Ratio (BLR), which is designed to act as a supplementary measure to the risk-based capital requirements. BLR intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes, which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based requirements with a simple, non-risk based "backstop" measure.



Exposure measure is the sum of on-balance sheet exposures, derivative exposures, and off-balance sheet items. Items that are deducted completely from capital (regulatory deductions) do not contribute to leverage, hence, deducted from the exposure measure. BLR is computed as the capital measure (Tier 1 capital) divided by the total exposure measure and should not be less than 5.00%.

As of December 31, 2024 and 2023, BLR of the Parent Company, as reported to the BSP, is shown in the table below (amounts, except ratios, are expressed in millions):

	2024	2023
Tier 1 capital	**₱17,732**	₱16,550
Total exposure measure	**161,210**	151,644
BLR	**11.00%**	10.91%

The Parent Company's BLR as of December 31, 2024 based on its audited financial statement amounted to 10.94%.

Internal Capital Adequacy Assessment Process (ICAAP)

As part of the Bank's ongoing commitment to sound risk management and prudent capital planning, PBCOM conducted its 2024 Internal Capital Adequacy Assessment Process (ICAAP) in alignment with the Bangko Sentral ng Pilipinas' (BSP) guidelines and the Basel framework. The ICAAP is a cornerstone of PBCOM's enterprise-wide risk governance and capital management framework, ensuring that the Bank holds sufficient capital to support its current and future business activities under both normal and stressed conditions.

Purpose of ICAAP

The ICAAP is designed to ensure that PBCOM:

- Maintains adequate capital levels commensurate with its overall risk profile,
- Incorporates forward-looking perspectives into its capital planning,
- Integrates risk assessment into strategic decision-making and business planning, and
- Embeds a robust governance structure around capital adequacy.

It complements the minimum capital requirements under Pillar 1 by capturing Pillar 2 risks such as interest rate risk in the banking book (IRRBB), concentration risk, liquidity risk, strategic risk, and reputational risk—risks that are either not fully captured or not captured at all under Pillar 1 metrics.

Salient Points of the 2024 ICAAP Report:

1. Risk Identification and Materiality Assessment
   The Bank conducted a comprehensive review of all material risks to which it is exposed. This process considered both quantitative and qualitative inputs, including changes in the macroeconomic environment, regulatory updates, and internal developments such as the expansion of business lines and digital transformation initiatives.

2. Capital Planning and Stress Testing
   The ICAAP adopted a five-year capital planning horizon (2024–2028), integrating business projections with plausible and severe stress scenarios. Stress testing results confirmed that the Bank maintains sufficient capital buffers even under adverse macroeconomic conditions, such as elevated inflation, higher interest rates, or a sharp credit quality deterioration in key portfolios.

3. Risk-Based Capital Allocation
   Internal capital was allocated based on the assessed risk exposures, with adjustments to accommodate strategic priorities and evolving risk landscapes. The Bank applied a combination of quantitative models and management judgment to determine capital add-ons for Pillar 2 risks.

4. Capital Adequacy and Buffer Maintenance
   As of year-end 2024, PBCOM's internal capital adequacy ratio remains well above both the BSP regulatory minimum and the Bank's internal capital target, which incorporates a management buffer. This reflects the Bank's prudent risk appetite and strong capital position.

5. Governance and Oversight
   The ICAAP process is overseen by the Board of Directors with the Risk Oversight Committee playing a key role in the review and challenge process. The ICAAP Steering Committee ensures integration with the Bank's overall business strategy and financial planning.

In conclusion, the 2024 ICAAP reaffirms PBCOM's commitment to maintaining a strong capital base aligned with its risk profile and strategic goals. The Bank continues to strengthen its capital planning, stress testing, and risk assessment capabilities to ensure resilience amid an evolving financial and economic landscape. PBCOM remains well-positioned to support sustainable growth while safeguarding stakeholder interests through robust capital adequacy practices.

24. **Commitments and Contingent Liabilities**

In the normal course of operations, the Group has various outstanding commitments and contingent liabilities such as guarantees, forward exchange contracts, and commitments to extend credit, which are not presented in the accompanying financial statements. The Group does not anticipate any material losses as a result of these transactions.

The Group has certain loan-related suits and claims that remain unsettled. It is not practicable to estimate the potential financial statement impact of these contingencies. However, in the opinion of management, the suits and claims, if decided adversely, will not involve sums that would have a material effect on the financial statements.

The Group is a defendant in legal actions arising from its normal business activities. Management believes that these actions are without merit or that the ultimate liability, if any, resulting from them will not materially affect the consolidated and parent company financial statements.

Allowance for expected credit losses on the loan commitments for the years ended December 31, 2024 and 2023 is ₱11.69 million and ₱5.72 million, respectively, included under 'Other liabilities' account (see Note 21).

The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent peso contractual amounts:

	2024	2023
Trust department accounts	**₱14,369,413**	₱12,009,189
Standby LC	**861,690**	941,632
Spot exchange:		
Bought	**869,110**	594,332
Sold	**3,700,342**	2,175,019
Interest Rate Future		
Bought	**593,905**	-
Sold	**628,161**	-
Usance LC outstanding	**69,777**	3,207
Outstanding shipping guarantees	**1,262,668**	1,442,970
Sight LC outstanding	**494,130**	593,802
Outward bills for collection	**-**	60,661
Currency forwards:		
Bought	**359**	781
Sold	**-**	50,122
Inward bills for collection	**892,413**	501,739
Items held for safekeeping	**23**	15
Items held as collateral	**7**	7
Other contingencies	**14,864**	7,738

Derivative Financial Instruments

As of December 31, 2024, the Parent Company has outstanding buy US dollar currency forwards with aggregate notional amount of US$6.21 thousand, terms of 187 days, and weighted average forward rate of 57.845. As of December 31, 2024, derivative asset amounting to ₱2.58 thousand is presented under miscellaneous assets.

As of December 31, 2023, the Parent Company has outstanding buy US dollar currency forwards with aggregate notional amount of US$0.92 million, terms of 187 days, and weighted average forward rate of ₱55.52. As of December 31, 2023, derivative asset amounting to ₱0.12 million is presented under miscellaneous asset.

In 2024, 2023 and 2022, total gain (loss) on currency forwards included under 'Trading and securities gain (loss) - others' in the statements of income amounted to ₱6.79 million, ₱3.04 million, and ₱3.13 million, respectively (see Note 26).

25. Trust Operations

Securities and other properties (other than deposits) held by the Parent Company for its customers in its fiduciary or agency capacity are not included in the statements of financial position since these are not assets of the Parent Company. Total assets held by the Parent Company's trust department amounted to ₱14.37 billion and ₱12.01 billion as of December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, government securities (included under 'Investment securities at amortized cost') owned by the Parent Company with total face value of ₱158.00 million and ₱130.00 million, respectively, are deposited with the BSP in compliance with the requirements of RA No. 337 relative to the Parent Company's trust functions.

Income from the Group's and the Parent Company's trust operations shown under 'Income from trust operations' in the statements of income amounted to ₱41.31 million ₱37.35 million, and ₱31.76 million, in 2024, 2023 and 2022, respectively.

26. Income on Investment Securities

Interest income on investment securities follows:

	2024	2023	2022
Investment securities at amortized cost	**₱1,304,719**	₱1,209,449	₱658,690
Financial assets at FVOCI	**737,862**	399,075	219,368
Investment securities	**2,042,581**	1,608,524	878,058
Financial assets at FVTPL	**85,193**	40,953	28,876
	₱2,127,774	₱1,649,477	₱906,934

The Parent Company's peso-denominated investment securities earned annual interest rates ranging from 2.38% to 9.25% in 2024, 2.38% to 9.25% in 2023, and 2.38% to 9.25% in 2022, while dollar-denominated investment securities earned annual interest rates ranging from 1.38% to 10.63%, 1.38% to 10.63%, and 1.13% to 10.63%, in 2024, 2023 and 2022, respectively and euro-denominated investment securities earned an annual interest rate of 2.63% in 2024 and 2023.

As of December 31, 2024 and 2023, the Group and the Parent Company, has no financial assets at FVTPL

The Group's and the Parent Company's trading and securities gain (loss) - net follows:

	2024	2023	2022
Financial assets at FVTPL	**₱156,545**	₱86,673	₱70,821
Financial assets at FVTOCI	**289,091**	39,068	(440,279)
Derivatives (Note 24)	**6,785**	3,035	3,131
	₱452,421	₱128,776	(₱366,327)

27. Employee Benefits

The existing regulatory framework, RA No. 7641, *The Retirement Pay Law*, requires companies with at least ten employees to pay retirement benefits 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.

Defined Benefit Plans

Parent Company

The Parent Company has a funded, noncontributory defined benefit retirement plan covering substantially all of its officers and regular employees. The Parent Company's annual contribution to the retirement plan consists of a payment covering the current service cost and unfunded actuarial accrued liability. The retirement plan provides a retirement benefit based on applicable percentage of salary (100% - 150%) depending on the number of years of service (minimum of five years), a fraction of a month being considered as one whole month. The Parent Company's retirement plan is in the form of a trust administered by the Parent Company's Trust and Wealth Management Group (TWMG) under the supervision of the Retirement Board.

The latest actuarial valuation studies of the defined benefit retirement plans of the Group were made as of December 31, 2024. The amounts relating to the defined benefit retirement plans of the Group and Parent Company are presented as 'Retirement liability' under 'Accrued Interest, Taxes and Other Expenses' in the statements of financial position as of December 31, 2024 and 2023.

The following table shows the actuarial valuation results for the Group and the Parent Company as of December 31, 2024 and 2023:

	2024			2023		
	Fair Value of Plan Assets	**Present Value of Obligation**	**Net Retirement Liability**	Fair Value of Plan Assets	Present Value of Obligation	Net Plan Retirement Liability
Consolidated and Parent Company	**₱605,054**	**₱647,910**	**(₱42,856)**	₱570,198	₱591,911	(₱21,713)

Changes in the present value of the defined benefit obligations of the Group and the Parent as of December 31, 2024 and 2023 are as follows:

	Consolidated	
	2024	2023
Balance at January 1	**₱591,911**	₱453,351
Current service cost	**67,198**	46,439
Interest cost	**36,106**	33,095
Remeasurement losses (gains):		
Actuarial losses arising from deviations of experience from assumptions	**(6,841)**	1,820
Actuarial gains arising from changes in financial assumptions	–	102,768
Benefits paid	**(40,464)**	(45,562)
Balance at December 31	**₱647,910**	₱591,911

Changes in the fair value of the plan assets of the Group and Parent Company as of December 31, 2024 and 2023 are as follows:

	2024	2023
Balance at January 1	**₱570,198**	₱542,142
Contributions	**68,522**	39,958
Interest income	**34,782**	39,576
Return on plan assets (excluding interest income)	**(27,984)**	(5,916)
Benefits paid	**(40,464)**	(45,562)
Balance at December 31	**₱605,054**	₱570,198

The fair values of plan assets by class of the Group and Parent Company as of December 31, 2024 and 2023 are as follows:

	2024	2023
Cash and cash equivalents	**₱47,907**	₱28,850
Debt instruments:		
Philippine government	**191,821**	181,970
Real estate	**115,627**	73,769
Financial intermediaries	**46,906**	6,011
Industrial	**26,752**	41,800
Holding firms	**18,941**	72,970
Power, electricity and water distribution	**14,113**	12,420
Equity instruments:		
Agricultural	**30,479**	28,500
Real estate	**27,294**	27,427
Holding firms	**15,211**	15,816
Financial intermediaries	**11,871**	14,018
Wholesale and retail trade	**10,998**	10,182
Transport, storage and communication	**6,706**	7,989
Power, electricity and water distribution	**4,277**	5,845
Others	**2,064**	6,060
Manufacturing	**-**	3,187
Other assets and liabilities - net	**34,087**	33,384
	₱605,054	₱570,198

The Group's plan assets are carried at fair value. All equity and debt instruments have quoted prices in an active market. The fair values of other assets and liabilities, which include amounts due from other banks, accrued interest and other receivables and trust fee payables, approximate their carrying amount due to the short-term nature of these accounts.

The plan assets are diversified investments and are not exposed to concentration risk.

The Group expects to contribute ₱74.29 million to the defined retirement benefit plans in 2025.

The cost of defined benefit retirement plans, as well as the present value of the benefit obligations, are determined using actuarial valuations, which involve making various assumptions. The principal assumptions used are shown below:

	Parent Company	
	2024	2023
Discount rate:		
At January 1	**6.10%**	7.30%
At December 31	**6.10%**	6.10%
Salary increase rate	**6.00%**	6.00%
Average remaining working life	**13**	13

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption of the Group and Parent Company as of December 31, 2024 and 2023, assuming all other assumptions were held constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

	Increase (Decrease) in Defined Benefit Obligation	
	2024	2023
Increase in discount rate of 1.00%	**(₱12,966)**	(₱30,198)
Decrease in discount rate of 1.00%	**108,022**	82,357
Increase in salary increase rate of 1.00%	**103,251**	77,949
Decrease in salary increase rate of 1.00%	**(₱9,968)**	(₱27,444)

The amounts of defined benefit cost included in the statements of other comprehensive income as 'Remeasurement of retirement liability', gross of tax, follow:

	Consolidated and Parent Company		
	2024	2023	2022
Actuarial gain (loss) on benefit obligation	**₱6,841**	(₱104,588)	₱34,574
Return on plan assets (excluding interest income)	**(27,984)**	(5,916)	(41,276)
Remeasurement gains (loss) in OCI	**(₱21,143)**	(₱110,504)	(₱6,702)

The amounts of retirement cost included in the statements of income follow:

	Consolidated and Parent Company		
	2024	2023	2022
Current service cost*	**₱67,197**	₱46,439	₱47,836
Net interest expense (income) (Note 18)	**1,325**	(6,482)	(4,870)
Retirement cost	**₱68,522**	₱39,957	₱42,966

**Included under 'Compensation and fringe benefits' in the statements of income*

Shown below is the maturity profile of the undiscounted benefit payments of the Group and the Parent Company as of December 31, 2024 and 2023:

Plan Year	**2024**	2023
Less than five years	**₱293,932**	₱259,681
More than five to ten years	**445,627**	384,360
Ten years and above	**3,752,647**	3,629,495
	₱4,492,206	₱4,273,536

Collective Bargaining Agreement (CBA)

All of the Parent Company's rank and file employees are covered by a CBA, the most recent negotiation having been signed on April 28, 2023, with an effectivity period from January 1, 2023 until December 31, 2025. There had been neither dispute nor occurrence of employees' strike for the past years.

Defined Contribution Plans

Parent Company

The Parent Company employs a provident fund scheme where the Parent Company and its covered employees shall contribute 11% and 5% of the employees' basic monthly salary, respectively. Contributions are maintained under the Provident Fund account administered by the Parent Company's TWMG under the supervision of the Retirement/Provident Fund Board. As approved by the Parent Company's BOD on November 27, 2013, new officers hired after December 31, 2013, except those whose terms of employment have been negotiated prior to December 1, 2013, are no longer eligible for inclusion in the Parent Company's provident fund. The Parent Company's BOD, in its meeting held on January 27, 2016, approved a change in vesting for the retirement fund from 5 to 10 years effective for all new hires who sign up starting February 1, 2016.

Contributions paid and accrued by the Parent Company for both the Staff Provident Fund and the Retirement Fund recognized under 'Compensation and fringe benefits' in the statements of income amounted to ₱93.73 million, ₱66.10 million, and ₱69.44 million, in 2024, 2023 and 2022, respectively.

28. Long-term Leases

Group as a Lessee

As of December 31, 2024 and 2023, 84.04% and 84.21%, respectively, of Parent Company's branch sites are under lease arrangements. The lease contracts are for periods ranging from one to five 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 3.00% to 7.00%. As of December 31, 2024 and 2023, the Group has no contingent rent payable.

As of December 31, 2024 and 2023, the carrying amount of lease liabilities (included in 'Other Liabilities' in Note 21) is ₱215.58 million and ₱189.24 million, respectively.

The Group and the Parent Company recognized interest expense on lease liabilities and rent expense from short-term leases and lease of low value's and the Parent Company's future minimum rentals payable under noncancellable assets operating leases are as follows:

	2024	2023	2022
Depreciation expense – right of use asset (Note 12)	**₱105,678**	₱101,982	₱102,897
Interest expense – lease liability (Note 21)*	**13,781**	12,458	12,256
Rent expense – short-term lease	**39,207**	43,095	45,078
	₱158,666	₱157,535	₱160,231

**Included under 'interest on bills payable and other borrowings' in the statements of income*

The Group's and the Parent Company's future minimum rentals payable under noncancellable operating leases are as follows:

	2024	2023
Within one year	**₱140,241**	₱142,591
Beyond one year but not more than five years	**196,445**	204,014
	₱336,686	₱346,605

Group as a Lessor
The Parent Company has also entered into commercial property leases on its investment properties. These noncancellable leases have remaining noncancellable lease terms of between one to five years. The Parent Company recognized rent income, included under 'Rent income' in the statements of income, amounting to ₱367.69 million, ₱387.09 million, and ₱409.65 million, in 2024, 2023 and 2022, respectively.

The Group's and the Parent Company's future minimum rentals receivable under noncancellable operating leases follow:

	2024	2023
Within one year	**₱177,027**	₱311,258
Beyond one year but not more than five years	**157,231**	383,937
	₱334,258	₱695,195

29. Miscellaneous Income and Expenses

Miscellaneous income
Details of this account are as follows:

	Consolidated and Parent Company		
	2024	2023	2022
Rental charges	**₱43,039**	₱50,224	₱64,765
Penalties	**56,325**	51,892	26,914
Dividend income	**1,382**	1,612	1,612
Others	**51,330**	32,796	27,780
	₱152,076	₱136,524	₱121,071

Others include recovery on charged off accounts.

Miscellaneous expenses

Details of this account are as follows:

	Consolidated			**Parent Company**		
	2024	2023	2022	**2024**	2023	2022
Information technology	**₱122,090**	₱105,717	₱96,155	**₱122,090**	₱105,717	₱96,155
Transaction dues	**50,870**	55,033	47,959	**50,870**	55,033	47,959
Litigation and assets acquired – related expenses	**49,107**	43,559	45,700	**49,107**	43,559	45,700
Brokerage fees	**41,868**	27,005	17,455	**41,868**	27,005	17,455
Fuel and lubricants	**15,564**	16,219	11,925	**15,564**	16,219	11,925
Travel	**14,723**	13,684	1,944	**14,723**	13,684	1,944
Freight	**8,308**	8,423	6,597	**8,308**	8,423	6,597
Stationery and supplies	**4,194**	6,281	13,020	**4,194**	6,281	13,020
Advertising	**3,725**	3,153	2,410	**3,725**	3,153	2,410
Fines, penalties and other charges	**268**	43,993	51,331	**268**	43,993	51,331
Others	**148,119**	100,443	94,806	**148,119**	100,443	94,806
	₱458,836	₱423,510	₱389,302	**₱458,836**	₱423,510	₱389,302

Others include account maintenance charges, contractual services, and Philippine Dealing Exchange Corp. transaction fees.

30. Income and Other Taxes

Under Philippine tax laws, the RBU of the Parent Company and its subsidiary 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 DST. Income taxes include corporate income tax, as discussed below, and final taxes paid, which represents final withholding tax on gross interest income from government securities and other deposit substitutes and income from FCDU transactions. These income taxes, as well as the deferred tax benefits and provisions, are presented as 'Provision for income tax' in the statements of income.

On March 26, 2021, the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law and introduced reforms to the corporate income tax and incentives systems. It became effective on April 11, 2021, 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation.

The following are the key changes to the Philippine tax law pursuant to the CREATE Act which have an impact on the Group:

- Effective July 1, 2020, regular corporate income tax (RCIT) rate is reduced from 30% to 25% for domestic and resident foreign corporations.

- Minimum corporate income tax (MCIT) rate reduced from 2% to 1% of gross income effective July 1, 2020 to June 30, 2023.

- Income tax arbitrage rate reduced from 33% to 20% of interest income subject to final tax effective July 1, 2020

The BIR clarified on Revenue Memorandum Circular No. 36-2024 dated March 11, 2024 that the MCIT rate shall be 1.5% to those corporations with calendar year ended December 31, 2023, as a result of MCIT rate increasing to 2% effective July 1, 2023. Any excess of MCIT over the RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, NOLCO is allowed as a deduction from taxable income in the next three years from the period of incurrence.

Provision for (benefit from) income tax consists of:

	Consolidated and Parent Company		
	2024	2023	2022
Current:			
RCIT	**₱446,199**	₱331,099	₱413,945
Final	**360,778**	302,286	177,804
	806,977	633,385	591,749
Deferred	**(91,164)**	10,120	(66,103)
	₱715,813	₱643,505	₱525,646

The Group's and Parent Company's components of deferred tax assets and liabilities follow:

	2024	2023
Deferred tax assets:		
Allowance for ECL and impairment losses	**₱816,854**	₱719,878
Retirement liability	**10,713**	5,427
Accumulated depreciation on investment properties	**97,570**	72,453
Lease liability	**53,896**	47,309
Advance rental	**38,275**	38,868
Unamortized past service cost	**4,636**	6,126
	1,021,944	890,061
Deferred tax liabilities:		
Revaluation increment credited to surplus free	**333,316**	333,316
Branch licenses acquired from business combinations	**65,650**	65,650
Right-of-use assets	**52,808**	46,186
Unrealized gain on equity securities carried at FVTOCI	**32,142**	17,591
Gain on foreclosure of foreclosed of properties	**47,312**	20,486
Unrealized foreign exchange gain	**4,494**	2,509
	535,722	485,738
Net deferred tax assets	**₱486,222**	₱404,323

Provision for (benefit from) income tax directly charged to OCI by the Group and Parent Company in 2024, 2023 and 2022 amounted to (₱9.26 million), ₱23.88 million, and (₱1.15 million), respectively.

The ultimate realization of deferred tax assets is dependent on the generation of future taxable income. In assessing the realizability of its deferred tax assets, the Group considers projected future taxable income, reversal of temporary differences, and tax planning strategies. The Group and Parent Company assessed that deferred tax assets will be realized in the future.

A reconciliation between the statutory income tax and the effective income tax follows:

	Consolidated and Parent Company		
	2024	2023	2022
Statutory income tax	**₱731,522**	₱635,269	₱539,333
Tax effects of:			
Nondeductible expenses and others	**192,114**	144,399	137,866
FCDU income (loss) before income tax	**8,296**	25,668	19,780
Interest income subjected to final tax	**(71,939)**	(66,299)	(42,558)
Nontaxable income	**(144,180)**	(95,532)	(59,312)
Changes in unrecognized deferred tax assets	**–**	–	(69,463)
Effective income tax	**₱715,813**	₱643,505	₱525,646

31. 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. The Parent Company's related parties include key management personnel, close family members of key management personnel, affiliates (that is, entities which are controlled, significantly influenced by or for which significant voting power is held by the Parent Company or key management personnel or their close family members and retirement plan for the benefit of the Group's employees).

The Parent Company has business relationships with certain 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 collectability or present other unfavorable conditions.

Retirement Plans

Under PFRS Accounting Standards, certain post-employment benefit plans are considered as related parties. The Parent Company has a business relationship with its defined benefit and contribution plans, as it provides trust and management services to the plans. Any investments made in the retirement plans are approved by the Parent Company's Retirement Board. The Parent Company's Retirement Board is comprised of senior officers of the Parent Company. Income earned by the Parent Company (presented as part of 'Income from trust operations' in the statements of income) from such services amounted to ₱4.95 million in 2024, ₱5.00 million in 2023, and ₱4.99 million in 2022. Total deposits maintained by the related party retirement plans with the Parent Company amounted to ₱76.00 million and ₱37.69 million as of December 31, 2024 and 2023, respectively.

Key Management Personnel

Key management personnel are those persons with authority and responsibility for planning, directing and controlling the activities of the Parent Company, directly or indirectly. The Parent Company considers the members of the Senior Management Team to constitute key management personnel for purposes of PAS 24.

Total remunerations of key management personnel are as follows:

	2024	2023	2022
Short-term benefits	**₱178,874**	₱151,673	₱150,513
Post-employment benefits	**10,422**	5,600	6,339
	₱189,296	₱157,273	₱156,852

The remuneration of Parent's Board of Directors, presented under 'Compensation and fringe benefits' in the statements of income, such as per diem and other fees amounted to ₱12.85 million, ₱12.26 million, and ₱12.91 million as of December 31, 2024, 2023 and 2022, respectively.

Details on significant related party transactions of the Parent Company follow:

	2024		
Category	**Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
Significant investors:			
Deposit liabilities	**(₱1,306,205)**	**7,625,512**	Savings and time deposit accounts with annual
Interest expense	**205,893**		interest rates ranging from 0.10% to 4.75%.
Depreciation expense	**24,884**		Branch and office space leased for five years
Lease liability	**44,796**		ending in various years, with 5.00% annual
Interest expense	**2,904**		escalation
Rent income	**-**		
Loans and receivables			Loans with annual interest rates from 7.00% to
	118,017	**467,941**	9.00%
Affiliate:			
Deposit liabilities	**(14,481)**	**8,900**	Demand, savings and time deposit accounts with
Interest expense	**1,219**		annual interest rates ranging from 0.10%
Rent income			5-year lease expiring in July 2028 with 5.00%
	209		annual escalation.
Subsidiary:			
Deposit liabilities	**(8,902)**	**-**	Non-interest demand deposit account.
Key management personnel:			
Deposit liabilities			Savings and time deposit accounts with annual
	(3,756)	**51,646**	interest rates ranging from 0.10% to 4.75%.
Interest expense	**2,249**		
Provident fund:			
Deposit liabilities			Savings and time deposit accounts with annual
	10,392	**29,237**	interest rates ranging from 0.10% to 5.1%.
Interest expense	**1,007**		A certain percentage of the monthly ending
Trust fee	**2,190**		market value of the fund depending on agreement.
Retirement fund:			
Deposit liabilities			Savings and time deposit accounts with annual
	27,914	**46,762**	interest rates ranging from 0.10% to 5.1%
Interest expense	**1,177**		A certain percentage of the monthly ending
Trust fee			market value of the fund depending on
	2,761		agreement.

	2023		
Category	Volume	Outstanding Balance	Nature, Terms and Conditions
Significant investors:			
Deposit liabilities	(₱2,344,552)	8,931,717	Savings and time deposit accounts with annual
Interest expense	220,387		interest rates ranging from 0.10% to 4.25%.
Depreciation expense	25,725		Branch and office space leased for five years
Lease liability	31,983		ending in various years, with 5.00% annual
Interest expense	3,078		escalation
Rent income			5-year lease of branches, subject to pre-
	1,008		termination, with escalation rate of 5%.
Loans and receivables			Loans with annual interest rates from 7.00% to
	(114,602)	349,924	8.25%
Affiliate:			
Deposit liabilities	5,392	23,381	Demand, savings and time deposit accounts with
Interest expense			annual interest rates ranging from 0.10% to
	495		4.50%.
Rent income			5-year lease expiring in July 2028 with 5.00%
	175		annual escalation.
Subsidiary:			
Deposit liabilities	–	8,902	Non-interest demand deposit account.
Key management personnel:			
Deposit liabilities			Savings and time deposit accounts with annual
	14,186	55,402	interest rates ranging from 0.10% to 4.25%.
Interest expense	332		

	2023		
Category	Volume	Outstanding Balance	Nature, Terms and Conditions
Provident fund:			
Deposit liabilities	(₱6,975)	₱18,845	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 5.1%.
Interest expense	1,559		A certain percentage of the monthly ending
Trust fee	2,246		market value of the fund depending on agreement.
Retirement fund:			
Deposit liabilities	(23,734)	18,848	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 5.1%
Interest expense	1,774		A certain percentage of the monthly ending
		–	market value of the fund depending on agreement.
Trust fee	2,752	–	

	2022		
Category	Volume	Outstanding Balance	Nature, Terms and Conditions
Significant investors:			
Deposit liabilities	₱5,595,275	₱11,276,269	Savings and time deposit accounts with annual
Interest expense	34,983		interest rates ranging from 0.10% to 3.00%.
Depreciation expense	25,014		Branch and office space leased for five years
Lease liability	55,316		ending in various years, with 5.00% annual
Interest expense	3,274		escalation.
Rent income	3,946		5-year lease of branches, subject to pre-termination, with escalation rate of 5%.
Loans and receivables	394,892	464,526	Loans with annual interest rates from 6.50% to 7.25%
Affiliate:			
Deposit liabilities	(241)	17,989	Demand, savings and time deposit accounts with
Interest expense	59	–	annual interest rates ranging from 0.10% to 3.00%.
Rent income	149	–	5-year lease expiring in July 2023 with 5.00% annual escalation.
Subsidiary:			
Deposit liabilities	(43)	8,902	Non-interest demand deposit account.
Key management personnel:			
Deposit liabilities	3,593	41,216	Savings and time deposit accounts with annual
Interest expense	51	–	interest rates ranging from 0.10% to 4.60%.
Provident fund:			
Deposit liabilities	(16,204)	25,820	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.25%.
Interest expense	164	–	A certain percentage of the monthly ending
Trust fee	2,248	–	market value of the fund depending on agreement.
Retirement fund:			
Deposit liabilities	46	42,582	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.25%
Interest expense	307	–	A certain percentage of the monthly ending market value of the fund depending on agreement.
Trust fee	2,743	–	

32. **Earnings Per Share**

Basic EPS amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	2024	2023	2022
Net income attributable to equity holders of the Parent Company	**₱2,210,273**	₱1,897,571	₱1,631,687
Weighted average number of common shares outstanding	**480,645**	480,645	480,645
Basic/diluted earnings per share	**₱4.60**	₱3.95	₱3.39

As of December 31, 2024, 2023 and 2022, there are no outstanding potential dilutive common shares.

33. Notes to Statements of Cash Flows

The amounts of interbank loans receivable and SPURA considered as cash and cash equivalents of the Group and Parent as of December 31, 2024, 2023 and 2022 follow:

	2024	2022	2022
Interbank loans receivable and SPURA shown under statements of cash flows	**₱404,202**	₱492,353	₱34,899
Interbank loans receivable and SPURA not considered as cash and cash equivalents	–	–	2,565,681
	₱404,202	₱492,353	₱2,600,580

The following is a summary of noncash activities:

	2024	2023	2022
Noncash operating activities:			
Additions to investment properties from settlement of loans (Note 13)	**₱1,394,216**	₱89,120	₱231,539
Additions to chattel mortgage from settlement of loans (Note 15)	**25,540**	12,617	26,606
Noncash investing activities:			
Transfer to property and equipment from other assets (Notes 12 and 15)	**2,153**	6,441	3,754
Transfer to other assets from property and equipment (Notes 12 and 15)	**(2,153)**	(6,441)	(3,754)
Unrealized gain (loss) on financial assets at FVOCI	**(621,368)**	276,430	(368,094)
Additions to right-of-use assets (Note 12)	**134,974**	91,402	67,672
Additions to lease liability (Note 21)	**(132,169)**	(91,402)	(67,672)

The changes in liabilities arising from the financing activities of the Group and Parent Company in 2024, 2023 and 2022 are as follows:

	January 1, 2024	**Cash Flows**	**Non-cash activities***	**Foreign Exchange Movement**	**December 31, 2024**
Bills payable (Note 18)	**₱9,686,755**	**₱6,521,791**	**₱–**	**₱177,970**	**₱16,386,516**
Bonds payable (Note 19)	**–**	**7,615,636**	**7,663**	**–**	**7,623,299**
Outstanding acceptances	**105,410**	**(37,427)**	**–**	**13,687**	**81,670**
Marginal deposits **	**9,803**	**(6,412)**	**–**	**146**	**3,537**
Lease Liability	**189,236**	**(119,601)**	**145,950**	**–**	**215,585**
Total liabilities from financing activities	**₱9,991,204**	**₱13,973,987**	**₱153,613**	**₱191,803**	**₱24,310,607**

** Non-cash activities include new lease arrangements, accretion of interest on lease liability and amortization of bonds issuance cost*
*** Included in 'Other liabilities'*

	January 1, 2023	Cash Flows	Non-cash activities*	Foreign Exchange Movement	December 31, 2023
Bills payable (Note 18)	₱7,594,019	₱1,983,173	₱–	₱109,563	₱9,686,755
Outstanding acceptances	50,218	60,764	–	(5,572)	105,410
Marginal deposits **	–	9,855	–	(52)	9,803
Lease liability	214,195	(128,819)	103,860	–	189,236
Total liabilities from financing activities	₱7,858,432	₱1,924,973	₱103,860	₱103,939	₱9,991,204

** Non-cash activities include new lease arrangements and accretion of interest on lease liability*
*** Inlcuded in 'Other liabilities'*

	January 1, 2022	Cash Flows	Non-cash activities*	Foreign Exchange Movement	December 31, 2022
Bills payable (Note 18)	₱6,010,988	₱1,310,178	₱–	₱272,853	₱7,594,019
Outstanding acceptances	71,609	(36,057)	–	14,666	50,218
Marginal deposits **					
Lease liability	252,501	(118,234)	79,928	–	214,195
Total liabilities from financing activities	₱6,335,098	₱1,155,887	₱79,928	₱287,519	₱7,858,432

** Non-cash activities include new lease arrangements and accretion of interest on lease liability*
*** Included in 'Other liabilities'*

34. Offsetting of Financial Assets and Liabilities

The Group discloses information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding table (amounts in thousands).

	December 31, 2024					
				Effects of remaining rights of set−off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
Financial instruments recognized at end of reporting period by type	**Gross carrying amounts (before offsetting)**	**Gross amounts offset in accordance with the offsetting criteria**	**Net amount presented in statements of financial position**	**Fair value of financial instruments**	**Fair value of other financial collateral**	**Net exposure**
	[a]	**[b]**	**[c]**	**[d]**		**[e]**
Financial liabilities						
Bills payable	₱18,328,915	₱–	₱18,328,915	₱16,878,841	₱–	₱–

	December 31, 2023					
				Effects of remaining rights of set−off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position	Fair value of financial instruments	Fair value of other financial collateral	Net exposure
	[a]	[b]	[c]	[d]		[e]
Financial liabilities						
Bills payable	₱9,410,004	₱–	₱9,410,004	₱9,691,448	₱–	₱–

The amounts disclosed in column (d) include those rights to set – off amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. These include amounts related to financial collateral both received and pledged, whether cash or non – cash collateral, excluding the extent of over - collateralization.

35. Standards Issued but not yet Effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements unless otherwise indicated.

Effective beginning on or after January 1, 2025

- Amendments to PAS 21*, Lack of exchangeability*

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*
- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

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*

36. Approval for Release of the Financial Statements

The financial statements were authorized for issue by the BOD of the Parent Company on April 15, 2025.

37. Report on the Supplementary Information Required Under BSP Circular No. 1074

Under Section 174 of the MORB, banks are required to disclose the following supplementary information in the financial statements:

Basic quantitative indicators of financial performance
The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2024	2023	2022	**2024**	2023	2022
Return on average equity (a/b)	**11.98%**	11.42%	10.97%	**11.98%**	11.42%	10.97%
a) Net income	**₱2,210,273**	₱1,897,571	₱1,631,687	**₱2,210,273**	₱1,897,571	₱1,631,687
b) Average total equity	**18,444,396**	16,610,899	14,870,932	**18,444,396**	16,610,899	14,870,932
Return on average assets (a/c)	**1.45%**	1.39%	1.39%	**1.45%**	1.39%	1.39%
c) Average total assets	**152,186,845**	136,178,093	117,053,909	**152,190,645**	136,185,694	117,061,537
Net interest margin (d/e)	**4.05%**	3.96%	4.80%	**4.06%**	3.96%	4.80%
d) Net interest income	**5,509,194**	4,702,241	4,810,496	**5,509,194**	4,702,241	4,810,496
e) Average interest earning assets	**135,870,220**	118,776,297	100,159,878	**135,851,947**	118,762,735	100,162,711

Description of Capital Instruments Issued
As of December 31, 2024 and 2023, the Parent Company has outstanding capital stock shown below:

	Shares		Amount	
	2024	2023	**2024**	2023
Common - ₱25 par value				
Authorized	**760,000**	760,000		
Issued and outstanding	**480,645**	480,645	**₱12,016,129**	₱12,016,129

Significant Credit Exposures as to Industry Sector
The information of the Group and Parent Company on the concentration of credit as to industry before taking into account the allowance for ECL follows:

	2024		2023	
	Amount	**%**	Amount	%
Wholesale and retail trade, repair of motor vehicles, motorcycles	**₱24,083,863**	**23.71**	₱20,988,322	22.84
Real estate activities	**22,171,187**	**21.83**	16,320,087	17.76
Manufacturing	**16,085,470**	**15.84**	13,940,456	15.17
Other service activities	**7,138,755**	**7.03**	6,995,824	7.61
Accommodation and food service activities	**6,662,029**	**6.56**	8,483,286	9.23
Construction	**6,339,103**	**6.24**	6,693,140	7.28
Electric, gas, steam and air-conditioning supply	**5,549,181**	**5.46**	4,593,527	5.00
Transportation and storage	**5,529,116**	**5.44**	5,449,476	5.93
Financial and insurance activities	**4,335,550**	**4.27**	4,424,364	4.81
Human health and social work activities	**1,202,710**	**1.18**	1,297,628	1.41
Mining and quarrying	**955,024**	**0.94**	107,519	0.12
Agriculture, forestry and fishing	**797,943**	**0.79**	1,310,108	1.43

(Forward)

	2024		2023	
	Amount	**%**	Amount	%
Loans to individuals Primarily for Personal Use purposes	**₱284,204**	**0.28**	₱300,679	0.33
Activities of households as employers and undifferentiated goods and services-producing activities of households for own use	**88,899**	**0.09**	103,977	0.11
Education	**69,640**	**0.07**	78,941	0.09
Others	**267,925**	**0.26**	802,337	0.88
	₱101,560,599	**100.00**	₱91,889,671	100.00

Breakdown of Total Loans as to Security

The information (gross of unearned discounts and capitalized interest) of the Group and Parent Company relating to receivables from customers as to secured and unsecured and as to collateral follows:

	2024		2023	
	Amount	**%**	Amount	%
Loans secured by:				
Real estate	**₱45,794,753**	**45.06**	₱37,837,308	41.15
Chattel	**2,603,511**	**2.56**	1,565,470	1.70
Deposit hold-out	**1,195,898**	**1.18**	1,321,244	1.44
Securities and others	**31,573**	**0.03**	53,277	0.06
Secured	**49,625,735**	**48.83**	40,777,299	44.35
Unsecured loans	**51,995,864**	**51.17**	51,174,367	55.65
	₱101,621,599	**100.00**	₱91,951,666	100.00

Breakdown of Total Loans as to Status

The table below shows the status of the Group and the Parent Company's loans (gross of unearned discounts and capitalized interest) as to performing and non-performing loans (NPL) per product line as adjusted:

	2024			2023		
	Performing	**NPL**	**Total**	Performing	NPL	Total
Corporate loans	**₱95,844,823**	**₱2,480,323**	**₱98,325,146**	₱86,322,172	₱2,207,524	₱88,529,696
Consumer loans						
Home	**2,591,061**	**216,085**	**2,807,146**	2,627,782	299,238	2,927,020
Auto	**430,331**	**4,071**	**434,402**	435,095	19,043	454,138
Personal	**53,972**	**933**	**54,905**	29,336	11,476	40,812
	₱98,920,187	**₱2,701,412**	**₱101,621,599**	₱89,414,385	₱2,537,281	₱91,951,666

In accordance with MORB Section 304, *Amendments to the Regulations on Past Due and Non-Performing Loans*, loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, if it satisfies the following conditions:

a. It is considered impaired under existing accounting standards;
b. It is classified as doubtful or loss;
c. It is under litigation; and
d. There is evidence that full repayment of principal and 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 90 days from contractual due date, or accrued interests for more than 90 days have been capitalized, refinanced, or delayed by agreement.

Non-performing loans, investments, receivables, or any financial asset (and/or any replacement loan) shall remain classified as such until:

a. There is sufficient evidence to support that full collection of principal and interests is probable and at least six consecutive payments of the required amortization of principal and/or interest are received; or
b. Written-off.

As of December 31, 2024 and 2023, based on the definition of NPLs under MORB Section X304, NPLs amounted to ₱2.70 billion and ₱2.54 billion as of December 31, 2024 and 2023, respectively, which are gross of specific allowance amounted to ₱1.75 billion and ₱1.69 billion for the same reporting period. Gross and net NPL ratios (inclusive of RRP) of the Group are 2.66% and 0.94% in 2024 and 2.77% and 0.93% in 2023, respectively.

Information on Related Party Loans

As required by the BSP, the Parent Company discloses loan transactions with its associates, affiliates and with certain directors, officers, stockholders and related interests (DOSRI). 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 Parent Company. In the aggregate, loans to DOSRI generally should not exceed total equity or 15.00% of total loan portfolio, whichever is lower.

The following table shows information relating to the loans, other credit accommodations and guarantees classified as DOSRI accounts under Section 342 of MORB:

	DOSRI		**Related Party**	
	2024	2023	**2024**	2023
Total outstanding DOSRI/Related Party loans	**₱5,941**	₱8,257	**₱467,941**	₱349,924
Percent of DOSRI/Related Party loans to total loans	**0.01%**	0.01%	**0.46%**	0.38%
Percent of unsecured DOSRI/Related Party loans to total DOSRI/Related Party loans	**35.65%**	50.57%	**98.76%**	98.83%
Percent of past due DOSRI/Related Party loans to total DOSRI/Related Party loans	**0.00%**	0.00%	**0.00%**	0.00%
Percent of nonperforming DOSRI/Related Party loans to total DOSRI/Related Party loans	**0.00%**	0.00%	**0.00%**	0.00%

The amounts of loans and receivables disclosed for related parties above differ with the amounts disclosed for key management personnel since the composition of DOSRI is more expansive than that of key management personnel. As of December 31, 2024 and 2023, the DOSRI amount pertains to loans under BSP-approved fringed benefit program.

MORB Section 342 provides that the total outstanding loans, other credit accommodation and guarantees to each of the bank's/quasi−bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi−bank, provided that the unsecured portion of which shall not exceed 5.00% 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. As of December 31, 2024 and 2023, the Parent Company is in compliance with these requirements.

Aggregate Amount of Secured Liabilities and Assets Pledged as Security
As of December 31, 2024, 'Bills payable' amounting to ₱15.33 billion, are secured by a pledge of certain 'Investment securities at amortized cost' amounting to ₱18.33 billion.

As of December 31, 2023, 'Bills payable' amounting to ₱9.41 billion, are secured by a pledge of certain 'Investment securities at amortized cost' amounting to ₱9.41 billion.

Commitments and contingencies
The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent peso contractual amounts:

	2024	2023
Trust department accounts	**₱14,369,413**	₱12,009,189
Standby LC	**861,690**	941,632
Spot exchange:		
Bought	**869,110**	594,332
Sold	**3,700,342**	2,175,019
Interest Rate Future		
Bought	**593,905**	–
Sold	**628,161**	–
Usance LC outstanding	**69,777**	3,207
Outstanding shipping guarantees	**1,262,668**	1,442,970
Sight LC outstanding	**494,130**	593,802
Outward bills for collection	**0**	60,661
Currency forwards:		
Bought	**359**	781
Sold	**0**	50,122
Inward bills for collection	**892,413**	501,739
Items held for safekeeping	**23**	15
Items held as collateral	**7**	7
Other contingencies	**₱14,864**	₱7,738

38. Supplementary Information Under Revenue Regulations No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010 hereunder are the details of percentage and other taxes paid or accrued by the Parent Company in 2024:

GRT	₱493,967
DST	336,827
Local taxes	29,971
Fringe benefit taxes	3,693
Others	20,427
	₱884,885

Withholding Taxes

Details of total remittances in 2024 and outstanding balance of withholding taxes as of December 31, 2024 follow:

	Total Remittances	Balance as of December 31
Final withholding taxes	₱754,938	₱62,574
Withholding taxes on compensation and benefits	151,814	10,003
Expanded withholding taxes	33,793	3,546
	₱940,545	₱76,123

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Building a better working world

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Philippine Bank of Communications
PBCom Tower, 6795 Ayala Avenue
Corner V. A. Rufino Street, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine Bank of Communications and Subsidiary (the Group) and the parent company financial statements of Philippine Bank of Communications (the Parent Bank) as at December 31, 2024, included in this Form 17-A, and have issued our report thereon dated April 15, 2025. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Ray Francis C. Balagtas

Ray Francis C. Balagtas
Partner
CPA Certificate No. 108795
Tax Identification No. 216-950-288
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026
PTR No. 10465263, January 2, 2025, Makati City

April 15, 2025

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Philippine Bank of Communications
PBCom Tower, 6795 Ayala Avenue
Corner V. A. Rufino Street, Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Philippine Bank of Communications and Subsidiary (the Group) and the financial statements of Philippine Bank of Communications (the Parent Bank) as at December 31, 2024 and 2023, and for each of the three years in the period ended December 31, 2024 and have issued our report thereon dated April 15, 2025. Our audits were made for the purpose of forming an opinion on the basic 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 Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Group's financial statements as at December 31, 2024 and 2023 and for each of the three years in the period ended December 31, 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Ray Francis C. Balagtas

Ray Francis C. Balagtas
Partner
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April 15, 2025

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2024

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PHILIPPINE BANK OF COMMUNICATIONS
RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
AS OF DECEMBER 31, 2024

Unappropriated Retained Earnings, beginning of reporting period		1,288,925
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earnings Appropriation/s	-	
Effect of restatement or prior-period adjustments	-	
Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the year	-	
Retained Earnings appropriated during the reporting period	(3,857)	
Other	-	(3,857)
Unappropriated Retained Earnings, unadjusted		1,285,068
Net income during the period closed to Retained earnings		2,210,273
Less: Category C.1 Unrealized income recognized in the period or loss during the reporting period (net of tax)		
Equity in net income of subsidiaries and associates, net of dividends declared	(619)	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	(39,390)	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Unrealized fair value gain of Investment Property	-	
Unrealized actuarial gain	-	
Fair value adjustment (M2) gains)	-	
Fair value adjustment of investment property resulting to gain	(56,257)	
Adjustment due to deviation from PFRS/GAAP-gain	-	
Other unrealized gains or adjustments to the retained earnings	-	
Sub total		(96,266)
Add: Category C.2 unrealized income recognized in the profit or loss in prior reporting period but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS		
Depreciation on PFRS 16 (after tax)	79,259	
Other expenses related to PFRS 16	10,336	
Subtotal		89,595
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Reversal of previously recorded fair value gain of Investment Property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded	-	
Subtotal		-
Adjusted Net Income/Loss		**2,396,133**
Add Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)		

Subtotal	-	
		-
Add Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Subtotal		-
Add/ Less: Category F. Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax assets not considered in the reconciling items under the previously categories	91,164	
Net movement in deterred tax asset and deferred tax liabilities related to the same transaction, eg set up of right of use asset and lease liabilities, set-up of assets and asset retirement obligation and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAP-gain (loss)	-	
Others	(119,601)	
Subtotal		(28,437)
Total Retained Earnings, end of the reporting period available for dividend		**3,652,764**

PHILIPPINE BANK OF COMMUNICATIONS
SCHEDULE FOR LISTED COMPANIES WITH RECENT OFFERING OF SECURITIES TO THE PUBLIC
For the period ended December 31, 2024
(in thousand)

1	Gross and net procceds as disclosed in the final prospectus			
2	Actual gross and net proceeds			
	Gross			
	Net	none to report		
3	Each expenditure item where the proceeds were used			
	Reserves			
	Loan			
4	Balance of the proceeds as of the end of reporting period			

Philippine Bank of Communications and Subsidiaries
SCHEDULE A. Financial Assets
As of December 31, 2024

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at end of reporting period	Income accrued
(i)		(ii)	(iii)	
Financial assets at Fair Value through Profit or Loss				
none to report	-	-	-	-
	-	**-**	**-**	**-**
Investment Securities at Amortized Cost				
Republic of the Phlippines	27,398,490	28,323,913	26,938,147	423,767
Indonesian Government	578,450	596,749	581,662	11,941
	27,976,940	**28,920,662**	**27,519,809**	**435,708**
Unquoted debt securities classified as loans				
MRT III	59,337	59,337	59,277	-
	59,337	**59,337**	**59,277**	**-**
Financial Assets at Fair Value Through Other Comprehensive Income				
Debt securities				
Aboitiz Equity Ventures Inc.	-	-	-	-
JGS Summit Holdings	144,613	136,239	136,239	2,850
Republic of the Phlippines	6,110,870	6,433,011	6,433,011	94,882
International Container Terminal Services Inc.	-	-	-	-
Kingdom of Saudi Arabi	3,007,940	2,797,595	2,797,595	79,272
Indonesian Government	1,041,210	987,515	987,515	15,249
US Government	694,140	672,893	672,893	5,191
	10,998,773	**11,027,253**	**11,027,253**	**197,444**
Equity securities				
Philippine Central Depository, Inc.	16,290	9,774	9,774	**-**
Bancnet, Inc.	63,100	23,458	23,458	-
Philippine Clearing House Corp.	21,000	5,784	5,784	-
Philippine Dealing System Holding Corporation	12,500	7,500	7,500	-
Club Filipino	1	275	275	-
Valley Golf Club	2	8,667	8,667	-
WackWack Golf and Country Club	2	170,000	170,000	-
Metropolitant Club	1	250	250	
Tower Club	1	-	-	-
		225,708	**225,708**	**-**

(i)	*Each issue shall be stated separately, except that reasonable grouping, without enumeration may be made of (a)securities issued or guaranteed by the Philippine Government or its agencies and (b) securities issued by the others for which the amounts in the aggregate*
(ii)	*State the basis of determining the amounts shown in the column. This column shall be totalled to correspond to the respective balance sheet caption or captions.*
(iii)	*This column may be omitted if all amounts that would be shown are the same as those in the immediately preceding column.*

Philippine Bank of Communications and Subsidiaries
SCHEDULE B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)
As of December 31, 2024

	Name and Designation of Debtor	Ending Balance as of December 31, 2023	Additions	Amounts Collected	Amounts written off	Current	Not Current	Ending Balance as of December 31, 2024
	Officer	8,257	462,385	(464,701)		5,941		5,941

(i)	*Show separately accounts receivables and notes receivable. In case of notes receivable, indicate pertinent information such as the due date, interest rate, terms of repayment and collateral, if any.*
(ii)	*If collection was other than in cash, explain.*
(iii)	*Give reasons for write off.*

Philippine Bank of Communications and Subsidiaries

SCHEDULE C. Amounts Receivable from Related Parties which are elimated during the consolidation of Financial Statements

As of December 31, 2024

	Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
	1			(i)				
	NONE TO REPORT							
(i)	*If collection was other than in cash, explain.*							
(ii)	*Give reasons for write off.*							

Philippine Bank of Communications and Subsidiaries

SCHEDULE D. Intangible Assets - Others Assets

As of December 31, 2024

	Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)		Ending Balance
	(i)		(ii)	(ii)		(iii)		
	Branch/ Bank License	389,700						389,700
	Software Cost	135,518	21,717	(31,637)				125,598

(i)	*The information required shall be grouped into (a) intangibles shown under the caption in intangible assets and (b) deferrals shown under the caption Other Assets in the related balance sheet. Show by major classifications.*
(ii)	*For each change representing anything other than an acquisition, clearly state the nature of the change and other accounts affected. Describe cost of additions representing other than cash expenditures.*
(iii)	*If provision for amortization of intangible assets is credited in the books directly to the intangible asset account, the amounts shall be stated with explanations, including the accounts charged. Clearly state the nature of deductions if these represent anything other than regular amortization.*

** Provision for impairment*

Philippine Bank of Communications and Subsiadiaries
SCHEDULE E. Long Term Debt
As of December 31, 2024

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 Rate	Maturity Date
(i)		(ii)	(iii)		
Corporate Bond	7,693,800	-	7,623,300	6.80%	May 5, 2026
(i) Include in this column each type of obligation authorized.					
(ii) This column is to be totaled to correspond to the related balance sheet caption.					
(iii) Include in this column details as to interest rates, amounts or number of periodic installments, and maturity dates.					
(iii) Include in this column details as to interest rates, amounts or number of periodic installments, and maturity dates.					

Philippine Bank of Communications and Subsidiaries

SCHEDULE F. Indebtedness to Related Parties (Long-Term Loans from Related companies)

As of December 31, 2024

	Name of related party	Balance at beginning of period	Balance at end of period
	(i)		(ii)
	NONE TO REPORT		

(i)	*The related parties named shall be grouped as in Schedule D. The information called for shall be stated separately for any persons whose investments were shown separately in such related schedule.*
(ii)	*For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.*

Philippine Bank of Communications and Subsidiaries
SCHEDULE G. Guarantees of Securities of Other Issuers
As of December 31, 2024

	Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	
			(i)		(ii)
	NONE TO REPORT				

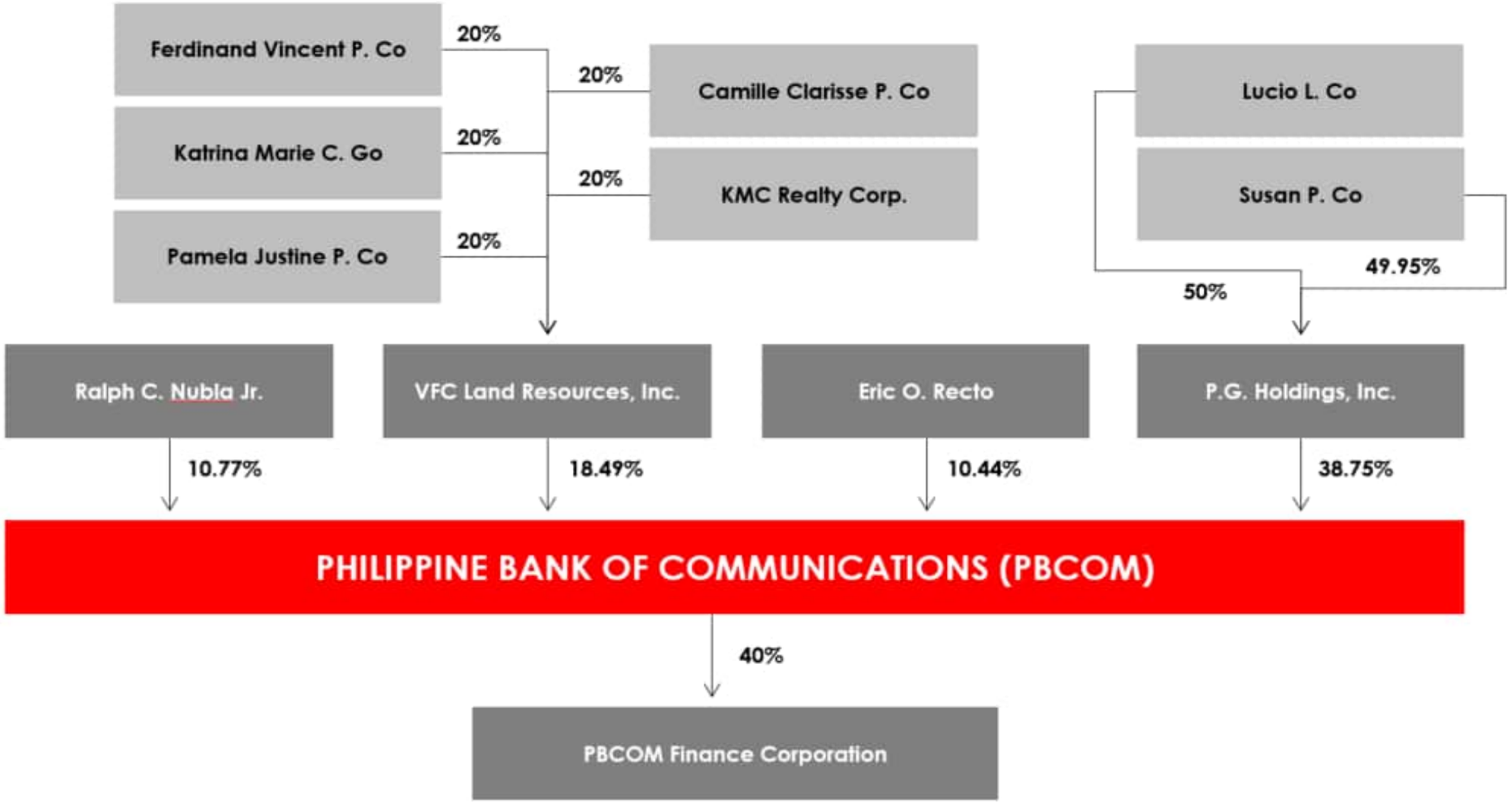
(i)	*Indicate in a note any sinificant changes since the date of the last balance sheet filed. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.*
(ii)	*There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", Guarantee of interest", or Guarantee of dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.*

Philippine Bank of Communications and Subsidiaries
SCHEDULE H. Capital Stock
As of December 31, 2024

	Title of issue	Number of shares authorized	Number of shares issued and outstanding at 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
	(i)				(ii)		(iii)
	COMMON	760,000	480,645		88,977	238,752	

(i)	*Include in this column each type of issue authorized.*
(ii)	*Related parties referred to include persons for which separate financial statements are filed and those included in consolidated financial statements, other than the issuer of the particular security.*
(iii)	*Indicate in a note any significant changes since the date of the last balance sheet filed.*

CONGLOMERATE MAP
As of December 31, 2024



A. Key Performance Indicators

Ratios	Consolidated December 31 Balances			Parent December 31 Balances		
	2024	2023	2022	2024	2023	2022
PROFITABILITY RATIOS						
Profit Margin	**30.30%**	**31.82%**	**29.33%**	**30.30%**	**31.82%**	**29.33%**
Net Income	2,210	1,898	1,632	2,210	1,898	1,632
Gross Income	7,295	5,963	5,562	7,295	5,963	5,562
Return on Average Asset	**1.45%**	**1.39%**	**1.39%**	**1.45%**	**1.39%**	**1.39%**
Net Income	2,210	1,898	1,632	2,210	1,898	1,632
Average Assets	152,187	136,178	117,054	152,191	136,186	117,062
Return on Average Equity	**11.98%**	**11.42%**	**10.97%**	**11.98%**	**11.42%**	**10.97%**
Net Income	2,210	1,898	1,632	2,210	1,898	1,632
Average Equity	18,444	16,611	14,871	18,444	16,611	14,871
Net Interest Margin	**4.05%**	**3.96%**	**4.80%**	**4.05%**	**3.96%**	**4.80%**
Net Interest Income	5,509	4,702	4,810	5,509	4,702	4,810
Average Earning Assets	136,016	118,776	100,160	136,016	118,763	100,163
Cost to Income Ratio	**53.86%**	**57.82%**	**56.05%**	**53.86%**	**57.82%**	**56.05%**
Total Operating Expenses, net of impairment losses	3,929	3,448	3,118	3,929	3,448	3,118
Total Operating Income	7,295	5,963	5,562	7,295	5,963	5,562
Capital Adequacy Ratio	**15.72%**	**16.55%**	**17.07%**	**15.72%**	**16.55%**	**17.07%**
Qualifying capital	20,558	19,102	16,857	20,558	19,102	16,857
Total risk-weighted assets	130,783	115,418	98,779	130,783	115,418	98,779
Basic Earnings per Share	**4.60**	**3.95**	**3.39**			
Net income	2,210	1,898	1,632			
Average No. of common shares	481	481	481			

B. Financial Soundness

LIQUIDITY RATIOS						
Liquidity Assets	**18.54%**	**19.69%**	**21.41%**	**18.54%**	**19.68%**	**21.41%**
Liquid Assets	20,501	22,973	21,289	20,501	22,973	21,289
Total Deposits	110,584	116,700	99,444	110,584	116,709	99,453
Liquid Assets to Total Liabilities	**14.89%**	**17.70%**	**19.48%**	**14.89%**	**17.70%**	**19.47%**
Liquid Assets	20,501	22,973	21,289	20,501	22,973	21,289
Total Liabilities	137,663	129,822	109,312	137,663	129,830	109,320
Loans to Deposit	**91.84%**	**78.74%**	**77.88%**	**91.84%**	**78.73%**	**77.87%**
Loans (gross)	101,561	91,890	77,444	101,561	91,890	77,444
Total Deposits	110,584	116,700	99,444	110,584	116,709	99,453
SOLVENCY RATIOS						
Debt Ratio	**87.74%**	**88.03%**	**87.54%**	**87.74%**	**88.03%**	**87.54%**
Total Liabilities	137,663	129,822	109,312	137,663	129,830	109,320
Total Assets	156,896	147,478	124,878	156,896	147,485	124,886
Debt to Equity Ratio	**7.16**	**7.35**	**7.02**	**7.16**	**7.35**	**7.02**
Total Liabilities	137,663	129,822	109,312	137,663	129,830	109,320
Total Equity	19,233	17,656	15,566	19,233	17,656	15,566
Asset to Equity	**8.16**	**8.35**	**8.02**	**8.16**	**8.35**	**8.02**
Total Asset	156,896	147,478	124,878	156,896	147,485	124,886
Total Equity	19,233	17,656	15,566	19,233	17,656	15,566
Interest Rate Coverage Ratio	**170%**	**179%**	**374%**	**170%**	**179%**	**374%**
Earnings before interest & taxes	7,095	5,764	2,946	7,095	5,762	2,945
Interest Expense	4,169	3,223	788	4,169	3,223	788

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE RELATED INFORMATION
AS OF DECEMBER 31, 2024

	2024	2023
Total Audit Fees (Section 2.1a)[1]	**₱1,553,400**	₱1,522,950
Philippine Bank of Communications – Main Bank	₱3,870,000	₱3,684,550
PBCOM – Combined Trust	590,200	561,148
PBCOM – Unit Investment Trust Funds	141,800	135,042
PBCOM – Retirement Fund	128,000	121,900
Total Audit Fees (Section 2.1a)[1]	**4,730,000**	4,502,640
Non-audit service fees:		
Other assurance services	–	–
Tax services	–	–
All other services	–	–
Issuance of Comfort Letter in relation to Bond Offering	1,750,000	–
Review of Unaudited Interim Condensed Consolidated Financial Statements	1,432,500	–
Total Non-audit Fees (Section 2.1b)[2]	**3,182,500**	–
Total Audit and Non-audit fees	**₱7,912,500**	₱4,502,640

Notes:
1) Section 2.1a: Disclose agreed fees (excluding out of pocket expenses and VAT) with the external auditor/audit firm and its network firms (as applicable) for the audit of the covered company's standalone and/or consolidated financial statements and the covered company's consolidated subsidiaries' financial statements on which the external auditor /audit firm expresses an opinion. These do not include fees for special purpose audit or review of financial statements.

2) Section 2.1b: Disclose charged or billed fees (excluding out of pocket expenses and VAT) by the external auditor/audit firm or a network firm (as applicable) for non-audit services to the covered company and its related entities over which the covered company has direct or indirect control that are consolidated in the financial statements on which the external auditor/audit firm expresses an opinion. These include other assurance services such as special purpose audit or review of financial statements.

PBCOM
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TRANSCENDING LIMITS

For Sustainable Progress

2024 SUSTAINABILITY REPORT

PBCOM
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2024 SUSTAINABILITY REPORT
PHILIPPINE BANK OF COMMUNICATIONS

PBCOM Tower, 6795 Ayala Avenue corner
V.A. Rufino St., Makati City, Philippines

Scope: Philippine Bank of Communications (Parent Bank) only
Period: January 1 to December 31, 2024
Responsible: Patricia May T. Siy, President & CEO

CONTENT

2 Our Framework
3 Materiality Process
4 Sustainable Finance
Sustainable Performance
7 Economic
11 Environment
16 Social
24 U.N. Sustainable Development Goals

TRANSCENDING LIMITS

For Sustainable Progress

OUR FRAMEWORK

In 2024, the Philippine Bank of Communications (PBCOM) sees a valuable opportunity to strengthen its sustainability efforts. The bank's focus goes beyond addressing immediate needs, aiming to ensure its operations positively impact future generations. As PBCOM undertakes this commitment, it remains dedicated to building a sustainable business model.

ECONOMIC

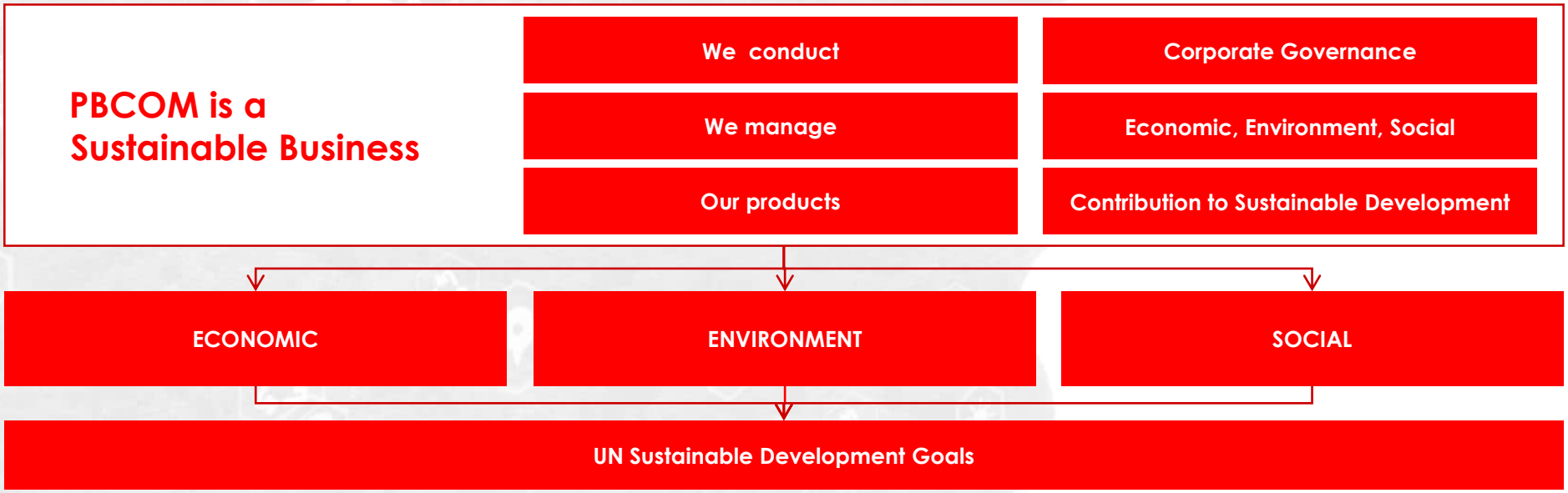
This pertains to how the Bank contributes to the increase in the pool of economic resources flowing into the local and national economy. The Bank ensures that it not only creates economic value for itself but also that this value benefits its stakeholders, including stockholders, suppliers, employees, government, and the community.

ENVIRONMENT

This concerns how the Bank manages the natural resources necessary for its business and minimizes its negative impacts on the environment. The Bank monitors its efficient use of natural resources, which is crucial for reducing environmental impacts from the extraction and processing of these resources

SOCIAL

This involves how the Bank manages its relationships with stakeholders such as employees, customers, suppliers, communities, The public, and the government. The Bank ensures that it contributes to the overall growth and well being of those invested in it, directly or indirectly.



Disclosures should reflect the Bank's significant economic, environmental, and social impacts and should consider the reasonable expectations and interests of key stakeholders.

MATERIALITY PROCESS

The Bank has applied the following processes in identifying the material topics contained in this report:

DISCOVERY

- Review of the organization's Mission and Vision
- Review business priorities
- Benchmarking with peer brand
- Industry best practice

ASSESSMENT & VALIDATION

- Data collection
- Consultation and discuss with stakeholder
- Shortlisting of identified material issues

PRIORITIZATION

- Ranking of all material issues
- Metrics identification, baselining and target setting
- Management and Board approval

MONITORING & REPORTING

- Monitoring of agreed metrics
- Performance reporting



SUSTAINABLE FINANCE

Introduction and Commitment

At PBCOM, we recognize that long-term financial performance is intrinsically linked to environmental and social sustainability. In line with the Bangko Sentral ng Pilipinas' (BSP) Sustainable Finance Framework and the global transition to a low-carbon, climate-resilient economy, PBCOM remains firmly committed to embedding sustainability into our core business strategies, risk management processes, and client relationships. The Bank's commitment is driven by the belief that the financial sector plays a pivotal role in catalyzing sustainable development and climate action in the Philippines.

Governance Set-Up

To effectively oversee our sustainable finance agenda, PBCOM established a dedicated Sustainable Finance Governance Framework anchored on clear accountability and cross-functional collaboration.

- Board Oversight: The Board of Directors, through its Risk Oversight Committee, provides strategic direction and ensures integration of sustainability risks and opportunities in the bank's long-term plans.
- Senior Management Team: The SMT shall be responsible for the overall implementation of the board-approved strategies and policies in relation to sustainability objectives of the Bank.

This governance structure ensures that sustainable finance is championed across all levels of the organization, supported by clear roles, escalation mechanisms, and performance monitoring.

Asset Qualification and Selection Process

PBCOM has developed a robust internal framework for identifying, evaluating, and classifying sustainable assets. This includes loans, investments, and other exposures that contribute positively to environmental protection, climate resilience, and social inclusion.

- Eligibility Criteria: Assets are screened based on sector, use of proceeds, and alignment with green or social taxonomies (e.g., renewable energy, energy efficiency, climate-resilient infrastructure, affordable housing, and access to basic services).
- Due Diligence: All qualified assets undergo enhanced due diligence that assesses both financial soundness and environmental and social risks and impacts.
- Tagging and Reporting: Approved sustainable assets are tagged in our internal systems for monitoring and disclosure, following BSP Circular No. 1085 and emerging ASEAN sustainable finance taxonomy guidelines.

On our books, we have a significant portion of sustainable assets, reflecting our continued commitment to sustainability. The Bank continues to expand its loan portfolio with substantial investments in the renewable energy and healthcare sectors, reinforcing our dedication to supporting environmentally responsible and socially impactful projects.

Risk Mitigation

PBCOM integrates E&S risk considerations into our enterprise-wide risk management framework to ensure the resilience of our portfolio and operations.

- E&S Risk Assessment: Clients and transactions are subject to environmental and social risk assessments using sector-specific checklists and engagement protocols. High-risk exposures trigger enhanced reviews or exclusions.
- Stress Testing: We conducted internal stress testing exercises that evaluated potential financial impacts from climate-related risks such as extreme weather events, energy transition risks, and regulatory tightening.
- Credit Policy Integration: E&S risks have been embedded in our credit appraisal and underwriting guidelines, complemented by staff training and awareness programs to strengthen internal capabilities.

Action Plans and Roadmap

PBCOM is committed to continuous improvement in sustainable finance through strategic investments, partnerships, and policy enhancements. Our roadmap includes:

- 2025–2026:
    - Expand the sustainable finance portfolio, with focus on clean energy, MSME resilience, and inclusive infrastructure.
    - Update the PBCOM Sustainable Finance Framework to support the issuance of green, social, or sustainability-linked financial instruments.
    - Strengthen data collection and client engagement tools for improved E&S impact measurement.
- 2027–2028:
    - Adopt the ASEAN Taxonomy for Sustainable Finance and align internal systems with its classification tiers.
    - Enhance our climate scenario analysis and disclosure practices in line with global standards.
    - Explore partnerships with DFIs and ESG-focused investors to mobilize blended finance and technical assistance.
- Beyond 2028:
    - Integrate ESG considerations across all lending, investment, and risk management decisions.
    - Position PBCOM as a leading partner in financing the Philippines' just transition and national development goals.

By aligning our financial services with sustainable development imperatives, PBCOM aims to create long-term value for our stakeholders, support national resilience, and contribute to a more inclusive and sustainable economy.



PBCOM LOANS PORTFOLIO: SUPPORTING SUSTAINABLE INDUSTRIES

PBCOM's Corporate and Commercial Banking Group has strategically directed its loan portfolio towards industries that promote sustainability and environmental responsibility. The Bank's commitment to supporting green initiatives is evident in its financing of projects within sectors such as renewable energy, water management, healthcare, and other environmentally sustainable industries. These projects include the development of solar and wind energy, hydroelectric power generation, energy efficiency solutions, and healthcare infrastructure such as hospitals.

Additionally, PBCOM supports initiatives in water conservation, wastewater treatment, sustainable agriculture practices, and the construction of hospitals and healthcare facilities. By financing these projects, the Bank plays a key role in fostering eco-friendly industries that contribute to a more sustainable future. This aligns with PBCOM's ongoing mission to drive sustainable development and support sectors that are essential to building a greener, more resilient economy.

Renewable Energy Projects
A loan facility has been provided to support the construction of a 20MW run-of-river hydro power plant, which will contribute to the generation of clean, renewable energy in a key region.

Hydroelectric Power Projects
PBCOM is providing financing for the construction of multiple hydroelectric power plants, including projects of varying capacities located in different regions. These projects are expected to generate significant renewable energy and contribute to the national grid.

Water Infrastructure Projects
The Bank is also supporting water projects focused on the construction, development, rehabilitation, and maintenance of water systems in various local districts. This includes initiatives aimed at improving access to clean water and promoting sustainable water management practices.

Healthcare Infrastructure Projects
In addition to its focus on sustainable energy and water, PBCOM is financing the construction and expansion of hospitals and healthcare facilities. These initiatives aim to improve public health infrastructure, enhance access to medical services, and support the well-being of communities. By investing in the development of eco-friendly and sustainable healthcare facilities, the Bank ensures that these projects are aligned with its environmental responsibility goals.

Construction and Infrastructure Projects
A loan facility is being provided to support a range of infrastructure projects, including the development and construction of hydro plants, hospitals, and other related ventures. These initiatives are designed to support the growing demand for sustainable energy, healthcare, and infrastructure.

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ECONOMIC

2024 SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

Disclosure (in Php '000)	Amount (Parent)
Direct economic value generated (revenue)	7,220,604
Direct economic value distributed:	
a) Operating costs	646,015
b) Employee wages and benefits	1,396,272
c) Payments to suppliers, other operating costs	1,253,803
d) Dividends given to stockholders and interest payments to loan providers	-
e) Taxes given to government	884,885
f) Investments to community (e.g. donations, CSR)	-



ECONOMIC PERFORMANCE

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
Improved Return on Capital means increased lending opportunity	Board of Directors and officers, employees, customers, suppliers and community	Value focus in terms of the Bank's financial standing
• Higher investment in Human Capital (learning and development)	• Employees	• Alignment of training and development with overall strategic direction of the Bank
• More local community involvement	• Employees and community	• Establishment of the Bank's Sustainable Finance framework
• PBCOM as an engine of growth in nation building	• Board of Directors and officers, employees, customers, suppliers and community	• More inclusive lending strategy such as the Bank's Pera Plus (micro-lending) and credit extension to the SME partners of the LC Group of Companies, among others.
A. The risk of non-compliance to regulators' requirement • The risk of not being able to protect customer's deposit and investments • The risk of negative return to shareholders.	Board of Directors and officers, employees, customers, suppliers and community	• Proactive role of the Board of Directors and officers in corporate governance • Adherence to AMLA and KYC regulations • Prudent assessment of borrowers' credit worthiness
B. Data Privacy and Information Security		• Weekly awareness campaign on fraud and counterfeit crimes and how customers can protect themselves against such crimes. PBCOM also has regular simulated drills to educate staffs on how to detect suspicious emails
C. The risk of long-term talent shortage		• Leadership development program • Succession planning and readiness assessment

What is the impact and where does it occur? What is the organization's involvement in the impact?	Which stakeholders are affected?	Management Approach
• Financial inclusion • Digitalization	• Bank • Community • Customers • Small business owners	• Delivery of financial education through the Bank's digital and social channels. • Execution of the Bank's digital transformation strategy such as payment and document management systems to efficiently manage external and internal processes and improve customer experience. • Incorporating innovation in providing services to our customers.
• Conservation and upcycling initiatives		• Partnership with companies in the circular economy to upcycle commonly used materials such as single-used plastics for processing into eco-bricks. • Incorporate environmental conservation activities such as tree planting, in the Bank's employee engagement program.

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ENVIRONMENT

2024 SUSTAINABILITY REPORT

PBCOM STRENGTHENS COMMITMENT TO SUSTAINABILITY WITH COASTAL CLEAN-UP AT MANILA BAYWALK DOLOMITE BEACH



PBCOM reaffirmed its commitment to sustainability and environmental stewardship with a successful coastal clean-up initiative held at Manila Baywalk Dolomite Beach on April 27, 2024. The event brought together employees, their families, and friends, in collaboration with La Liga Mariquina, to actively contribute to environmental preservation.

Guided by the leadership of senior management, the clean-up focused on removing waste and debris along the coastline, aiming to reduce pollution and enhance the local ecosystem. This initiative is part of PBCOM's ongoing efforts to make a positive impact on both the environment and society.

The clean-up drive saw enthusiastic participation from PBCOM employees, who were joined by their loved ones to engage in hands-on environmental action.

The event not only focused on cleaning up the beach but also emphasized the importance of collective responsibility in promoting sustainability within the community.

PBCOM President and CEO Patricia May Siy shared, "As a responsible corporate citizen, PBCOM is committed to fostering a sustainable future. Our coastal clean-up initiative exemplifies our dedication to environmental conservation and community development. We believe that through collective action, we can make a lasting impact on society and the environment."

In addition to the clean-up efforts, the event served as an opportunity for camaraderie and reflection, with participants enjoying snacks and refreshments as they celebrated the success of the activity. The initiative highlighted the importance of teamwork and reinforced PBCOM's role as a leader in corporate social responsibility.

Through initiatives like this, PBCOM continues to inspire employees, stakeholders, and the community at large to take part in sustainable practices, further cementing its reputation as a responsible and environmentally-conscious corporate entity.

AYAW KO NG PLASTIC! CAMPAIGN: A MILESTONE IN SUSTAINABILITY



PBCOM has an ongoing commitment to environmental sustainability through the 'Ayaw ko ng Plastic!' campaign. Since its inception, the campaign has exemplified the Bank's dedication to reducing plastic waste and fostering a greener future.

As of January 2025, PBCOM has successfully collected an impressive total of 1,333.64 kilograms of plastic waste. This represents a significant increase compared to the 2023 collection of 64 kilograms, marking an astounding 1,983% growth in the amount of plastic gathered year over year. This achievement reflects the collective efforts of PBCOM employees and stakeholders in promoting eco-friendly practices and underscores the organization's focus on sustainability.

In 2024, PBCOM's employees were encouraged to actively participate in the campaign by depositing single-use plastics into designated bins provided by the bank. These plastics undergo a meticulous process of shredding, mixing, and molding, transforming them into eco-friendly materials that support sustainable development.

Building on the campaign's success since its launch in 2021, PBCOM has consistently inspired employees and partners to contribute to a cleaner environment. Through this initiative, the Bank has reinforced its role as a responsible corporate citizen, fostering a culture of environmental stewardship across its operations.

"We at PBCOM are proud to spearhead initiatives like the 'Ayaw ko ng Plastic!' campaign, demonstrating our firm commitment to sustainability and environmental responsibility. Together, let's build a future where every action counts towards a cleaner, greener planet," said Patricia May Siy, President & CEO, PBCOM.

As PBCOM looks forward to expanding the impact of 'Ayaw ko ng Plastic!' in the coming years, the Bank invites employees, customers, and communities to join in its mission to nurture a sustainable future. By working together, we can pave the way for meaningful change and contribute to the well-being of our planet.

BANK O' TREATS: A FUN AND GREEN HALLOWEEN

This year's PBCOM Bank O' Treats event embraced a unique and sustainable approach by hosting a Halloween décor competition where all materials used were sourced from employees' everyday office trash. By repurposing common office waste—such as discarded paper plates, straw, grocery bags, old cables, boxes, X-ray films and other recyclables—employees across various groups transformed these materials into imaginative and spooky decorations. This creative initiative not only added a festive touch to the office but also showcased how sustainability can be both engaging and resourceful.

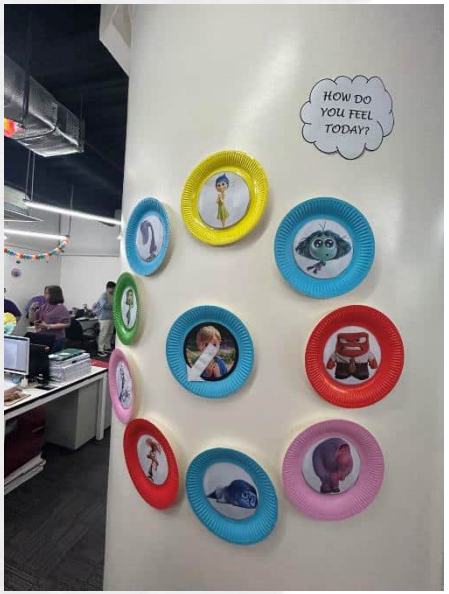
The competition went beyond just fun and creativity—it also aligned with our company's broader sustainability efforts. By using materials that would otherwise be thrown away, the activity helped reduce waste, promoted the reuse of everyday items, and highlighted the potential for recycling in our daily work environments. It was a tangible demonstration of how small changes in our waste habits can have a positive impact on the environment.

Additionally, Bank O' Treats encouraged teamwork and collaboration among employees, who worked together to design and construct their Halloween displays. This not only strengthened inter-group connections but also emphasized the value of collective effort in achieving sustainable goals. The transformation of everyday office trash into impressive decorations further demonstrated the creativity and resourcefulness of our team in turning waste into something beautiful and functional.

Through Bank O' Treats, we combined enjoyment with environmental responsibility, reinforcing our commitment to sustainability in a fun, engaging, and meaningful way. The initiative highlighted our dedication to promoting a culture of environmental awareness, showing that sustainability is not just a corporate priority but a way to engage employees in a collective effort to make a difference.









PBCOM TOWER: ADVANCING SUSTAINABILITY WITH RENEWABLE ENERGY AND EFFICIENCY INITIATIVES





PBCOM Tower has further geared the year 2024 toward renewable efforts.

By continuing its elevator modernization project that aims to overhaul all twenty-two of the building's lifts, the highly crucial Service Elevator has joined the set of newly-modernized elevators providing not only fast & safe travel, an improved look, but actual energy savings of up to 40,000 kwh, which is equivalent to 50% less consumption versus the old elevator.

The efficiency of the new regenerative drive motor of this elevator has actually contributed to the savings, replacing its traction motor predecessor.

Another significant milestone? PBCOM Tower can proudly say it's now powered by 100% renewable energy after its multi-year partnership with ACEN, a renowned retail electricity supplier (RES). The electricity that courses through the building is sourced from a mix of solar, wind and geothermal energy.

To top this year off, PBCOM Tower has also dedicated a Certified Energy Manager or a CEM, who has been certified by Philippine Energy Professionals International, Inc. and accredited by the Department of Energy. The CEM is responsible for managing the energy consumption of facilities, equipment and devices while implementing and improving the energy efficiency measures of the building.

With more projects to come, clearly PBCOM Tower is on the right track to sustainability.

PBCOM
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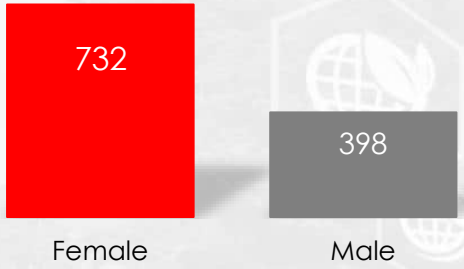


SOCIAL

2024 SUSTAINABILITY REPORT

EMPLOYEE MANAGEMENT

No. of employees according to gender*



16.41%
Attrition Rate**

Ratio of lowest paid employee against minimum wage :
42% ABOVE MINIMUM
for lowest paid employee

*Employees are individuals employed by the Bank and included in the Bank's payroll.

**Attrition is the number of employees that left divided by the average total manpower multiplied by 100 or

$$\text{Attrition} = \frac{\text{No. of Separated Employees}}{\text{Average Total Manpower}} \times 100$$

List of Benefits	Y/N	% of female employees who availed for the year	% of male employees who availed for the year
SSS			
• SSS	Y	4%	0.00%
• Sickness	Y	1%	0.00%
• Loan	Y	19%	12%
PhilHealth	Y	9%	4%
Pag-IBIG loan	Y	10%	9%
Parental leaves	Y	3%	4%
Vacation leaves	Y	100%	100%
Sick leaves	Y	77%	71%
Medical benefits (aside from PhilHealth))	Y	92%	94%
Retirement fund (aside from SSS)	Y	5%	2%
Further education support	Y	0%	0%
Telecommuting	Y	3%	11%
Flexible-working hours	Y	0%	0%
(Others)			
• Car loan	Y	0.14%	0.25%
• Emergency loan	Y	0.28%	1%
• Salary loan	Y	15%	11%
• Bereavement	Y	2%	1%
• Educational loan	Y	1%	0%
• Housing loan	Y	0.00%	0%



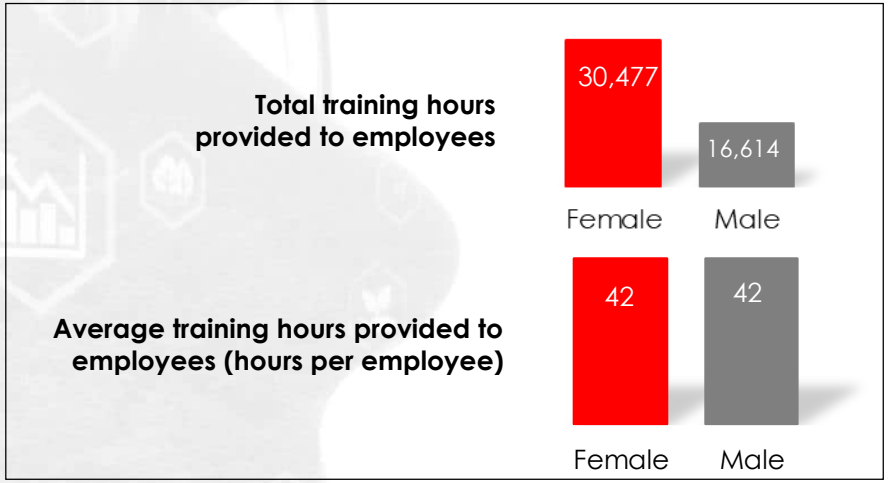
EMPLOYEE TRAINING AND DEVELOPMENT

The Bank acknowledges the importance of improving employees' competencies and fostering a learning culture to unlock their full potential and enhance performance.

The Training and Employee Engagement Division implements programs based on suggestions from Group Heads during the Training Needs Analysis activity. The outcome of this activity is the annual training plan, which is divided into different development categories (Regulatory/ Mandatory, Technical/ Functional/ Job Specific, Professional, Leadership, Culture).

Various programs, such as the Bank Anniversary, Service and Performance Awards, as well as health and wellness webinars covering topics like Ergonomic Exercises At Work, Children's Health, Women's Health, and Sustainable and Healthy Lifestyle, were introduced for employees.

In 2023, we expanded the reach of our trainings by leveraging technology, allowing employees outside of Metro Manila to participate in the sessions.



LABOR-MANAGEMENT RELATIONS

Disclosure	Quantity
% of employees covered with Collective Bargaining Agreements	19%
Number of consultations conducted with employees concerning employee-related policies	2

The Bank upholds its commitment outlined in the Collective Bargaining Agreement (CBA) with the union, thereby promoting industrial harmony. In addition to CBA negotiations, it holds grievance meetings with union officers to address policy issues that impact the working conditions of rank-and-file employees as necessary.

DIVERSITY AND EQUAL OPPORTUNITY

Disclosure	Quantity
% of female workers in the workforce	65%
% of male workers in the workforce	35%
Number of employees from indigenous communities and/or vulnerable sector*	54

*Vulnerable sector includes, elderly, persons with disabilities, vulnerable women, refugees, migrants, internally displaced persons, people living with HIV and other diseases, solo parents, and the poor or the base of the pyramid (BOP; Class D and E).

The Bank is an equal opportunity employer and acknowledges the continued productivity of individuals beyond retirement age. It values their experience and wisdom, especially in highly technical and senior roles within the Bank.

WORKPLACE CONDITIONS, LABOR STANDARDS, AND HUMAN RIGHTS: OCCUPATIONAL HEALTH AND SAFETY

Disclosure	Quantity
Safe Man-Hours	1,992/employee
No. of work-related injuries	0
No. of work-related fatalities	0
No. of work related ill-health	16 COVID-19 positive
No. of safety drills	1 earthquake drill and 1 fire drill

The Bank prioritizes the health and safety of its employees by providing company HMO coverage for employees and one nominated dependent each. Additionally, it maintains a clinic with a company doctor and nurse on its premises, despite the presence of a nearby hospital near its head office. Certified first aiders are also available in both the head office and branches, in compliance with DOLE directives.

The Bank actively participates in annual fire and earthquake drills mandated by local governments in all cities or towns where its offices and branches are located.

LABOR LAWS AND HUMAN RIGHTS

Disclosure	Quantity
No. of legal actions or employee grievances involving forced or child labor	0

The Bank strictly adheres to the provisions of the Labor Code and its Implementing Rules and Regulations, as well as directives of the Department of Labor and Employment. The Bank's Code of Conduct explicitly states that all laws, including Labor Laws and Sexual Anti-Harassment among others, must be strictly followed under pain of penalty for its violations.

CUSTOMER MANAGEMENT

Customer Satisfaction

86%
Customer Satisfaction

CSAT conducted internally by PBCOM Customer Experience Management Division

Customer Complaints

No substantiated complaints reported on Customer Privacy

No substantiated complaints reported on Marketing and Labeling

Received 5 complaint on product or service and 1 complaint health and safety

CLIENT INFORMATION USED FOR SECONDARY PURPOSES

No. of customers, users and account holders whose information is used for secondary purposes

Voice of Customer campaign recipients of the Customer Experience Division to measure the satisfaction of New-to-Bank clients and newly onboarded via our digital platforms PBCOMOBILE	44,715
Accounts endorsed to authorized 3rd party collection agency of Consumer Finance Group	4,798

SYNERGY of CUSTOMER EXPERIENCE and SUSTAINABILITY

As we enter an era of instant communication and feedback, many of today's customers have become extremely demanding, if not just more aware of how they should receive service from businesses. Along with this fast pace of information circulation is the availability of various channels to make the voice of each customer heard.

While many businesses struggle to keep up, we at PBCOM, whose foundation on customer service standards has been laid out, have learned to adapt. Our desire to provide excellent customer experience long-term has been evident in the various programs and initiatives that we implement. Rethinking the ways in which we deliver our service, PBCOM has been able to adjust well to the needs of the times, aiming to create a sustainable customer service performance for the past years.

Personalized interactions, seamless communications, customer satisfaction and loyalty are the priorities while ensuring that we conduct our customer programs with eco friendly practices such as utilization of digital platforms and virtual customer channels

Overall, the approach of the Bank is to create meaningful relationships with our internal and external stakeholders through communication. We encourage our employees to solicit feedback, complaints, and commendations as often as possible and through all available channels. These shall serve as the basis for policy and product innovation with the ultimate aim of improving service delivery. We want our customers to be happy, and the best way to do this is by soliciting actual feedback from them.

The channels that the Bank uses have all shifted to digital. With "being paperless" as one of the main advocacies of the Bank, interactions via digital platforms are now the new norm.

Clickable links via SMS have been replaced by QR codes via registered emails and posted in all our branches to capture our customers' feedback, which is a secure way of collecting information and in adherence to BSP regulations.

CUSTOMER SERVICE IMPROVEMENT PROGRAM

We at PBCOM believe that customer service is not just for front-liners. We believe that every single member of the organization must be accountable and therefore responsible for the way they deliver service to their customer, whether internal or external. This is the primary reason why service delivery is constantly being measured in each employee's performance appraisal.

The Bank equips the team with regular trainings on customer service. This also includes trainings on soft skills like empathy and concern.

Standards for grooming, service delivery, and inner spaces are also part of the monitoring program. For our front-line associates, Service Level Agreement for complaints resolution and feedback is also being monitored to ensure compliance.

EMPLOYEE BUY-IN

At PBCOM, we recognize the pivotal role of our front-liners in shaping our business. As the face of the company, it is essential that they embody the principles of "customer service" in all aspects of their work. Our mentoring culture plays a significant role in developing our employees' service delivery skills. Rather than simply enforcing compliance, the Bank ensures that our employees understand the rationale behind service delivery directives. This approach makes it more likely for employees to meet the new standards, as they are not just being told to follow rules but are actively involved in the process of service improvement.

We also acknowledge and reward employees for their contributions to achieving excellent service delivery. Employees who demonstrate exceptional service by becoming service champions in their respective groups, receiving commendations, and excelling in customer service programs are recognized and rewarded.

VOICE OF CUSTOMER (VOC)

At PBCOM, we utilize various customer feedback platforms to assess the need for changes and identify areas for improvement in our services and products. These platforms include website forms, SMS, email, call-outs, and branch feedback mechanisms. Additionally, we conduct focus group discussions, in-app feedback collection, and one-on-one feedback sessions to gain deeper insights into our customers' sentiments regarding the Bank's products and services.

Monitoring and measuring customer effort is a key focus for us. This helps us identify processes that require improvement to make banking transactions easier and more convenient for our customers.

In 2024 our focus on Voice of the Customer (VOC) was primarily on our digital platforms as we expanded our presence in this space and transactional, to gather feedback that we can utilized in improving our processes. We paid close attention not only to our external customers but also to our internal customers, ensuring that we stay informed about the changing behaviors in the digital and traditional landscape.

The primary metrics we use to measure effectiveness and performance include:

- Customer Satisfaction (CSAT): Measures the satisfaction of our clients with the products and/or services they received. Various units within the bank use CSAT to identify processes and service standards that need improvement.

- Net Promoter Score (NPS): Measures the likelihood of our customers recommending PBCOM to others. NPS results are used as a reference for our loyalty and referral programs, aiding our retail business groups in customer retention and increasing usage. NPS also informs the improvement of product features for our digital platforms.

- Customer Effort Survey (CES): Measures how easy and fast our customers can get assistance from the Bank. CES serves as the basis for our customer care's service delivery standards.

VOICE OF CUSTOMER METRICS

CSAT (Customer Satisfaction); NPS (Net Promoter Score); CES (Customer Effort Score)

VOC	CSAT (Delighted)	CES	NPS
2024 YTD	**86%**	**72%**	**25%**
2023 YTD	92%	87%	40%
2022 YTD	91%	75%	31%

COMPLAINTS HANDLING METRICS	2024	2023	2022
SLA Achievement – complaints addressed within SLA	98.90%	99.56%	98.00%

Customer complaints are regarded as valuable feedback and a basis for improvement at PBCOM. The Bank establishes a Service Level Agreement (SLA) for resolving complaints and monitors year-on-year progress in complaint resolution. Complaints are categorized based on their nature and controllability, providing our operations and products teams with concrete and actionable insights. This approach ensures continuous improvement in processes and service delivery.

CUSTOMER PRIVACY

At PBCOM, protecting customer privacy is considered a fundamental aspect of our service standards. We maintain close coordination among key personnel, including our Data Privacy Officer, Chief Information Security Officer, Chief Information Officer, Chief Risk Officer, and Legal Team. This collaborative effort ensures strict monitoring of privacy protection for all our customers, employees, and stakeholders, in compliance with the Data Privacy Act and its Implementing Rules and Regulations.

Our proactive approach to privacy protection, including vigilant monitoring and robust security measures, has resulted in no customer complaints regarding breaches or inadequate protection of personal information. We continually collaborate across different units of the Bank to enhance our organizational, technical, and physical security measures.

At PBCOM, we prioritize our customers in all banking relationships and business decisions. This commitment ensures that we collect, process, and store personal information responsibly and securely.

DATA SECURITY

At PBCOM, sustainability extends beyond environmental and social factors to include the security and resilience of our digital infrastructure. We recognize the critical role of data security in ensuring business continuity, regulatory compliance, and customer trust. We remain committed to continuously improving our security posture to safeguard the financial ecosystem we operate within.

Putting the Bank's and customers' information protection first, we established and adopted a risk-centric approach to information/cyber security and is committed to continuously enhance its efforts through:

SECURITY GOVERNANCE, RISK, AND COMPLIANCE

PBCOM has established framework, policies, procedures, guidelines and standards, which are the solid foundation of the Bank. Information security programs, initiatives and activities are aligned with the Bank's business objectives and is overseen from the top of the organization and built into business as usual.

Furthermore, validation of PBCOM's security posture is periodically conducted by independent internal and external organizations to assess the effectiveness of our control environment. Issues are prioritized based on PBCOM's established risk criteria and tracked to remediation.

PROACTIVE SECURITY DEFENSES AND PRACTICES

PBCOM uses multiple layers (defense-in-depth) of security measures and controls to protect Bank's information assets and resources. This improves our visibility and establishing further transparency into cyber threats through maturing security monitoring capabilities and existing toolsets.

The Bank consistently monitors, develops and improves its information technology networks and security infrastructure to prevent, deter, detect and timely mitigate risks of security threats to Bank's information and information systems.

CONTINUING PEOPLES' EDUCATION AND AWARENESS

Our people is our human firewall and act as the first line of defense to maintain good security posture. PBCOM is committed to delivering continuous education and awareness training to its people designed to help protect the confidentiality, availability, and integrity of the Bank's information and information systems.

The Bank also recognizes the need to institute a cybersecurity culture within PBCOM; thus, constantly promote expanded security awareness to PBCOM customers.

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U.N. SUSTAINABLE DEVELOPMENT GOALS

2024 SUSTAINABILITY REPORT

UN SUSTAINABLE DEVELOPMENT GOALS

Key Products and Services	Societal Value/Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
PBCOM2Go	**UN SDG (9) : INDUSTRIES, INNOVATION & INFRASTRUCTURE** A bank-booking service which allows PBCOM customers to arrange for pick-up of banking transactions such as cash or check deposits.	Security and public safety	Agents and transactions are covered by insurance.
PBCOMobile and PBCOM POP (Business and Personal)	**UN SDG (9) : INDUSTRIES, INNOVATION & INFRASTRUCTURE** Digital banking which allows customers access to financial products and services via online channels, providing a more environmentally-friendly means of doing financial transactions.	1. Lack of personal relationships; and 2. Increase potential for fraud.	1. Digital banking to be complemented by the Bank's brick and mortar channel; 2. Strengthen vigilance and frequent review of the effectivity of existing controls.
Loans to micro and small businesses	**UN SDG (8) : DECENT WORK AND ECONOMIC GROWTH** **UN SDG (10) : REDUCED INEQUALITIES** Extension of credit to Micro and small business owners, to fuel its expansion, which may further generate employment and spur local economic activity and growth.	1. May potentially lead to borrower being over-leveraged; 2. Loan proceeds may potentially be used to fund personal consumption thus limiting long-term economic growth.	Due diligence in evaluation of credit. Lending will focus on micro-business owners with historical purchases in the retail institution partners of the Bank. Purchases will be used in establishing credit limit of the borrower.
Loans to schools	**UN SDG (10) : REDUCED INEQUALITIES** Extension of credit to schools in improve access to educational opportunities, providing not only employment opportunities in the local communities, but allows access to education in these communities without having to travel to key cities.	May potentially lead to borrower being over-leveraged;	Due diligence in credit evaluation process.

UN SUSTAINABLE DEVELOPMENT GOALS

Key Products and Services	Societal Value/Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Basic Deposit Account	**UN SDG (10) : REDUCED INEQUALITIES** • A savings account that requires no more than Php100 in account opening balance but with allowed maximum balance of Php50,000. • Account is not subject to minimum maintaining balance. • Follows simplified Know- Your-Customer (KYC) as customers are deemed to be low risk. • Fosters financial inclusion.	Product may be subject to abuse given the KYC procedure is not as stringent as a regular account.	Institute monitoring of and controls on accounts exceeding balances of Php50,000, with accounts exceeding the threshold amount converted to a regular deposit account.
Sustainable Finance	**UN SDG (11) : SUSTAINABLE CITIES AND COMMUNITIES** Help drive environmental sustainability through funding of projects with focus on sustainable solutions.	Lack of expertise in identifying projects that are consistent with the principles of sustainable development.	Talent development to include training in future industries such as green energy.
Sustainable Finance	**UN SDG (17) : PARTNERSHIP FOR THE GOALS** Board and stakeholder commitment to the Bank's Sustainable Finance Principles	Sustainability standards to add compliance cost thus limiting access to finance.	Work with the regulators in ensuring local conditions are incorporated in the sustainability standards to be followed by financial institutions.
Cash 360 & Check Image Clearing System (CICS)	**UN SDG (12): RESPONSIBLE CONSUMPTION & PRODUCTION** Provides an alternative means of depositing cash & checks without physically having to visit the Bank. Helps reduce the carbon footprint of both customer and the Bank	Reduces personal relationships	To be complemented by the Bank's brick-and-mortar channel
"Ayaw Ko Ng Plastic!" Internal Program	**UN SDG (13): CLIMATE ACTION** Internal Information Drive to discourage use of plastics, not just in the office, but holistically. Supported by volunteerism activities such as Coastal Clean Up Drives.	None.	None.

UN SUSTAINABLE DEVELOPMENT GOALS

Key Products and Services	Societal Value/Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact
Modern Hero	**UN SDG (3) : Good Health and Well-Being** **UN SDG (10) : Reduced Inequalities** A tiered deposit account for frontliners, with insurance component. Promotes well-being, providing customers peace of mind as they have access to basic insurance cover by using their existing deposits (without paying extra for premiums).	None.	None.
Loans to renewable energy project proponents	**UN SDG (7): Affordable and Clean Energy** Extension of credit to proponents of renewable energy projects, providing not only employment opportunities in the local communities, but allows creation of sources of renewable energy, helping eliminate carbon footprint in energy generation.	None.	None.

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2024 SUSTAINABILITY REPORT
PHILIPPINE BANK OF COMMUNICATIONS

PBCOM Tower, 6795 Ayala Avenue corner
V.A. Rufino St., Makati City, Philippines

Scope: Philippine Bank of Communications (Parent Bank) only
Period: January 1 to December 31, 2024
Responsible: Patricia May T. Siy, President & CEO

2024 SUSTAINABILITY REPORT

COVER SHEET

P	W	-	0	0	0	0	6	8	6		

S.E.C. Registration Number

P	H	I	L	I	P	P	I	N	E		B	A	N	K		O	F		C	O	M	M	U	N	I	C	A	T	I
O	N	S																												

(Company's Full Name)

P	B	C	o	m		T	o	w	e	r	,		6	7	9	5		A	y	a	l	a		A	v	e	n	u	e
	c	o	r	n	e	r		V	.	A	.		R	u	f	i	n	o		S	t	r	e	e	t	,				
M	a	k	a	t	i		C	i	t	y																				

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

Atty. Ma. Theresa G. Dela Rosa	(02) 8830-7000
Contact Person	Company Telephone Number

1	2	3	1	17 - Q	6	11
Month	*Day*			FORM TYPE	*Month*	*Day*
Fiscal Year					Annual Meeting	

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total amount of Borrowings

Total No. of Stockholders | Domestic | Foreign

To be accomplished by SEC Personnel concerned

File Number | LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SEC Number **PW-686**
Company TIN **000-263-340**

PHILIPPINE BANK OF COMMUNICATIONS
(Company's Full Name)

PBCOM Tower, 6795 Ayala Ave. cor. V.A. Rufino St., Makati City
(Company's Address: No. Street City/Town/Province)

8-830-7000
(Company's Telephone Number)

December 31
(Fiscal Year Ending)
(Month & Day)

3rd Tuesday of June
Annual Meeting

SEC Form 17-Q
(Quarterly Report Pursuant to Section 17 of the Securities Regulation Code and SRC Rule 17(2)(b) Thereunder)
(FORM TYPE)

N/A
Amendment Designation (If Applicable)

None
(Secondary License Type. If any)

Atty. Ma. Theresa G. Dela Rosa — 164-735-305 — 03/ 08/ 1968
(Company Representative) (TIN) (Birth Date)

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_____ _____
Cashier File Number

_____ _____
Central Receiving Unit Document ID

_____
LCU

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended . March 31, 2025 .

2. Commission identification number . PW-686 . 3. BIR Tax Identification No.. .

. 000-263-340 .

4. Exact name of issuer as specified in its charter

. Philippine Bank of Communications .

5. Province, country or other jurisdiction of incorporation or organization . Philippines .

6. Industry Classification Code: [ ] C Use Only)

. .

7. Address of issuer's principal office Postal Code

. PBCOM Tower 6795 Ayala Ave., Cor. V.A. Rufino St., Makati City 1226 .

8. Issuer's telephone number, including area code

. (632) 8-830-7000 .

9. Former name, former address and former fiscal year, if changed since last report

. NA .

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
. PBCOM Common Shares	480,645,163 shares

.

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

Yes [X] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

. Philippine Stock Exchange . . Common Stock .

.

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [/] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [/] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please see attached

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Please see attached

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C, which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILIPPINE BANK OF COMMUNICATIONS

By:

PATRICIA MAY T. SIY
President & CEO

ARLENE M. DATU
SVP & Comptroller
Comptroller & Principal Accounting Officer

May 9, 2025

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF POSITION

AS AT MARCH 31, 2025

(With Comparative Audited Figures at December 31, 2024)

	March 31, 2025 (Unaudited)	December 31, 2024
	(Amounts in Thousands)	
ASSETS		
Cash and Other Cash Items	**₱1,083,800**	₱1,049,937
Due from Bangko Sentral ng Pilipinas (Note 7)	**8,600,400**	7,297,480
Due from Other Banks	**1,212,457**	430,103
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	**69,759**	404,202
Financial assets at Fair Value through Profit or Loss (Note 9)	**2,215,265**	-
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	**14,305,801**	11,252,961
Investment Securities at Amortized Cost (Notes 9)	**27,974,540**	28,920,662
Loans and Receivables (Notes 10)	**99,480,547**	101,320,536
Investments in an Associate (Note 1)	**10,129**	10,062
Property and Equipment (Note 11)	**817,483**	823,045
Investment Properties (Note 12)		
Condominium units for lease	**1,545,095**	1,556,722
Foreclosed properties	**2,135,596**	2,130,458
Office units for lease	**1,549**	1,637
Intangible Assets (Note 13)	**517,022**	515,298
Deferred Tax Assets - Net	**500,848**	486,222
Other Assets (Note 14)	**637,783**	696,677
TOTAL ASSETS	**₱161,108,074**	₱156,896,002
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit Liabilities (Note 16)		
Demand	**38,344,963**	41,638,978
Savings	**12,661,486**	13,697,477
Time	**68,003,170**	55,247,882
Long-term negotiable certificates of deposits	**–**	–
	119,009,619	110,584,337
Bills Payable (Note 17)	**10,922,124**	16,386,516
Bonds Payable (Note 18)	**7,635,725**	7,623,300
Outstanding Acceptances	**329,476**	81,670
Manager's Checks	**451,823**	218,636
Accrued Interest, Taxes and Other Expenses	**1,448,352**	1,441,163
Income Tax Payable	**264,356**	136,700
Other Liabilities (Note 14)	**1,211,343**	1,190,639
TOTAL LIABILITIES	**141,272,818**	137,662,961
EQUITY ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		
Common stock (Note 20)	**12,016,129**	12,016,129
Additional paid-in capital	**2,262,246**	2,262,246
Surplus reserves (Note 20)	**459,720**	458,140
Surplus	**5,793,608**	5,322,252
Unrealized losses on financial assets carried at fair value through other comprehensive income	**(524,434)**	(659,523)
Cumulative translation adjustment	**(108,992)**	(103,182)
Remeasurement losses on retirement liability	**(63,021)**	(63,021)
TOTAL EQUITY	**19,835,256**	19,233,041
TOTAL LIABILITIES AND EQUITY	**₱161,108,074**	₱156,896,002

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	March 31, 2025 (Unaudited)	March 31, 2024
	(Amounts in Thousands)	
INTEREST INCOME		
Loans and receivables (Note 10)	**₱1,950,677**	₱1,773,493
Investment securities (Note 9)	**560,881**	479,464
Interbank loans receivable and securities purchased under resale agreements (Note 8)	**10,039**	18,838
Deposits with other banks and others	**10,928**	7,731
	2,532,525	2,279,526
INTEREST AND FINANCE CHARGES		
Deposit liabilities (Note 16)	**780,042**	819,034
Bills payable, borrowings and others (Note 17 and 18)	**293,725**	188,709
	1,073,767	1,007,743
NET INTEREST INCOME	**1,458,758**	1,271,783
Service charges, fees and commissions	**102,862**	105,670
Rent income	**86,706**	93,019
Foreign exchange gain - net	**44,534**	23,600
Profit from assets sold (Note 11 and 12)	**20,177**	2,262
Income from trust operations	**11,059**	9,589
Gain on asset exchange - net	**9,821**	472
Trading and securities gain - net (Note 9)	**(55,111)**	51,277
Miscellaneous (Note 21)	**49,229**	43,519
TOTAL OPERATING INCOME	**1,728,035**	1,601,191
Compensation and fringe benefits	**362,812**	338,783
Taxes and licenses	**229,919**	207,421
Depreciation and amortization	**105,979**	83,566
Insurance	**60,902**	58,153
Occupancy and other equipment - related costs	**42,722**	45,586
Security, clerical, messengerial and janitorial services	**32,243**	32,556
Provision for (recovery from) impairment losses	**32,070**	(1,819)
Entertainment, amusement and recreation	**27,214**	23,280
Management and professional fees	**25,365**	26,622
Communication	**13,926**	12,345
Miscellaneous (Note 21)	**128,223**	111,284
TOTAL OPERATING EXPENSES	**1,061,375**	937,777
INCOME BEFORE SHARE IN NET INCOME OF AN ASSOCIATE	**666,660**	663,414
Share in net income of an associate	**67**	183
INCOME BEFORE INCOME TAX	**666,727**	663,597
PROVISION FOR INCOME TAX (Note 22)	**193,791**	167,465
NET INCOME	**₱472,936**	₱496,132
Basic/ Diluted Earnings Per Share (Note 23)	**₱0.98**	₱1.03

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

	March 31, 2025 (Unaudited)	March 31, 2024
	(Amounts in Thousands)	
NET INCOME	**₱472,936**	₱496,132
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX		
Items that may be reclassified to profit or loss in subsequent periods:		
Net movement in cumulative translation adjustment	**(5,810)**	1,561
Unrealized gain (loss) on debt securities carried at fair value through other comprehensive income	**136,994**	(138,896)
	131,184	(137,335)
Items that may not be reclassified to profit or loss in subsequent periods:		
Unrealized loss on equity securities carried at fair value through other comprehensive income	**(2,242)**	-
Income tax relating to change in fair value on equity securities	**337**	-
	129,279	(137,335)
TOTAL OTHER COMPREHENSIVE INCOME	**₱602,215**	₱358,797

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

	Common Stock (Note 20)	Additional Paid-in Capital	Surplus reserves (Note 20)	Retained Earnings	Unrealized gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Cumulative Translation Adjustment	Remeasurement Gain (Loss) on Retirement assets	Total
				(Amounts in Thousands)				
Balance at January 1, 2025	**₱12,016,129**	**₱2,262,246**	**₱458,140**	**₱5,322,252**	**(₱659,523)**	**(₱103,182)**	**(₱63,021)**	**₱19,233,041**
Appropriation during the year			**1,580**	**(1,580)**	**-**	**-**	**-**	**-**
Total comprehensive income (loss) for the period	**-**	**-**	**-**	**472,936**	**135,089**	**(5,810)**	**-**	**602,215**
Balance at March 31, 2025 (unaudited)	**₱12,016,129**	**₱2,262,246**	**₱459,720**	**₱5,793,608**	**(₱524,434)**	**(₱108,992)**	**(₱63,021)**	**₱19,835,256**
Balance at January 1, 2024	₱12,016,129	₱2,262,246	₱454,283	₱3,115,836	(₱38,155)	(₱107,424)	(₱47,164)	₱17,655,751
Release of appropriation during the year								-
Total comprehensive income (loss) for the period				496,132	(138,896)	1,561	-	358,797
Balance at March 31, 2024 (unaudited)	₱12,016,129	₱2,262,246	₱454,283	₱3,611,968	(₱177,051)	(₱105,863)	(₱47,164)	₱18,014,548

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months (January to March)	
	2025	2024
	(Amounts in Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱666,727**	₱663,597
Adjustments to reconcile income before income tax to net cash gene		
from (used for) operations:		
Depreciation and amortization	**105,979**	83,566
Amortization of premium on investment		
securities	**54,529**	67,055
Gain on asset exchange - net	**(9,821)**	(472)
Trading gains on financial assets at FVTOCI (Note 9)	**(21,277)**	(28,888)
Profit from asset sold (Noted 12)	**(20,177)**	(2,262)
Accretion of interest on unquoted debt securities (Note 10)	**(6,376)**	(6,887)
Amortization of interest on lease liability	**3,652**	2,645
Provision for (recovery from) impairment losses	**32,070**	(1,819)
Unrealized loss (gain) on financial assets at FVTPL	**(4,390)**	1,381
Share in net income of an associate	**(67)**	(183)
Changes in operating assets and liabilities		
Decrease (increase) in the amounts of:		
Financial assets at FVTPL	**(2,210,875)**	(1,381)
Loans and receivable	**1,753,482**	3,909,086
Other assets	**68,334**	(64,975)
Increase (decrease) in the amounts of:		
Deposit liabilities	**8,425,282**	(8,900,557)
Manager's checks	**233,187**	(283,475)
Accrued interest, taxes and other expenses	**7,189**	(139,832)
Other liabilities	**(8,173)**	26,121
Net cash provided by (used in) operations	**9,069,275**	(4,677,280)
Income taxes paid	**(80,425)**	(86,495)
Net cash provided by (used in) operating activities	**₱8,988,850**	(₱4,763,775)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
Financial assets at FVOCI	**(₱25,647,644)**	(₱34,194,122)
Investment securities at amortized cost	**-**	(2,000,829)
Property and equipment	**(26,210)**	(7,441)
Software cost	**(8,070)**	-
Proceeds from disposal of:		
Financial assets at FVOCI	**22,729,183**	26,619,165
Property and equipment	**1,946**	6,764
Investment properties	**44,247**	7,619
Proceeds from maturity of Investment securities	**913,242**	5,447,697
Net cash used in investing activities	**(₱1,993,306)**	(₱4,121,147)

(Forward)

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Three Months (January to March)	
	2025	2024
	(Amounts in Thousands)	
CASH FLOWS FROM FINANCING ACTIVITIES		
Availments of:		
Bills payable	**₱84,883,930**	₱76,186,949
Outstanding acceptance	**1,090,639**	6,354
Marginal deposits	**20,095**	12,666
Settlements of:		
Bills payable	**(90,348,322)**	(70,926,236)
Outstanding acceptance	**(842,833)**	(76,822)
Marginal deposits	**(8,549)**	(12,512)
Net cash provided by (used in) financing activities	**(₱5,205,040)**	₱5,190,399
EFFECTS OF FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	**(5,810)**	1,561
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**1,784,694**	(3,692,962)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		
Cash and Other Cash Items	**1,049,937**	1,562,747
Due from Bangko Sentral ng Pilipinas	**7,297,480**	12,204,980
Due from Other Banks	**430,103**	485,530
Interbank Loans Receivable	**404,202**	492,353
	9,181,722	14,745,610
CASH AND CASH EQUIVALENTS AT ENDING OF THE PERIOD		
Cash and Other Cash Items	**1,083,800**	879,171
Due from Bangko Sentral ng Pilipinas	**8,600,400**	9,703,304
Due from Other Banks	**1,212,457**	342,841
Interbank Loans Receivable	**69,759**	127,332
	₱10,966,416	₱11,052,648

OPERATIONAL CASH FLOWS FROM INTEREST

	For the Three Months (January to March)	
	2025	2024
Interest paid	**₱1,110,469**	₱1,138,474
Interest received	**2,754,192**	2,300,422

See accompanying Notes to Unaudited Interim Condensed Financial Statements.

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY
NOTES TO UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

1. Corporate Information

Philippine Bank of Communications (the Parent Company) is a publicly listed domestic universal bank organized in the Philippines, primarily to engage in commercial banking services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange, and trust services. The Company's principal place of business is at the PBCOM Tower, 6795 Ayala Avenue, corner V. A. Rufino Street, Makati City.

As of March 31, 2025, the Parent Company had a network of 90 regular branches, 4 branch-lite units, and 166 ATMs (91 onsite and 75 offsite).

The Company's original Certificate of Incorporation was issued by the Securities and Exchange Commission (SEC) on August 23, 1939. On June 21, 1988, the Company's Board of Directors (BOD) approved the amendment of Article IV of its Amended Articles of Incorporation to extend the corporate life of the Company for another 50 years or up to August 23, 2039. The Amended Articles of Incorporation was approved by the SEC on November 23, 1988.

The Parent Company acquired a license to operate as an expanded commercial bank from the Bangko Sentral ng Pilipinas (BSP) on December 24, 1993. On March 31, 2000, the BSP's Monetary Board approved the amendment of the Parent Company's license to regular commercial banking.

The Monetary Board, in its Resolution No. 96 dated January 20, 2022, approved the grant of a universal banking license to Company, subject to compliance with certain regulatory requirements, including the amendment of the Parent Company's charter documents. On March 15, 2022, the Parent Company held a special stockholders' meeting to approve the changes to the Parent Company's Articles of Incorporation to reflect the upgrade of its banking license.

Subsequently, the Parent Company secured the approval of the *Securities and Exchange Commission* for the amendment of its Articles of Incorporation, reflecting the change of its primary license to universal banking. The official Certificate of Filing of Amended Articles of Incorporation was issued on August 17, 2022.

On November 10, 2022, PBCOM secured its Certificate of Authority to operate as a universal bank from the Bangko Sentral ng Pilipinas. PBCOM started its operations as a Universal Bank last December 1, 2022.

The Parent Company's subsidiary and associate are engaged in the following businesses:

	Effective Percentage of Ownership		Principal Place of Business and Country	
Entity	**2025**	2024	of Incorporation	Line of Business
Subsidiary				
PBCom Insurance Services Agency, Inc. (PISAI)	–	–	Philippines	Insurance Agent
Associate				
PBCom Finance Corporation (PBCom Finance)	**40.00%**	40.00%	Philippines	Financing Company

Retirement of Business Operations of PISAI
On January 11, 2021, the BOD of the Parent Company approved the dissolution and retirement of business of PISAI which had been inactive since the termination of its general agency agreement with Pru Life UK in September 2017. Subsequently, on March 4, 2021, PISAI's Board of Directors resolved to shorten the company's corporate term to June 30, 2021.

Considering several requirements for the termination of business that had to be complied with, the effectivity of the PISAI's corporate term was extended until April 2024. PISAI submitted its application for amending its Articles of Incorporation on November 15, 2023. The SEC approved this amendment on April 3, 2024, extending the corporate term until April 30, 2024.

On May 3, 2024, PISAI completed the settlement of its liabilities and liquidated its remaining assets for distribution to its stockholders. Following this, the Parent Company received the release of PISAI's remaining assets and derecognized its investment in PISAI.

Bond Offering Transaction
On March 20, 2024, PBCOM's Board of Directors approved a ₱15.00 billion peso-denominated bond program to be issued in multiple tranches. The Bonds will have a minimum tenor of 1.5 years and with interest rates to be determined based on prevailing market rates. Proceeds from the bond issuance will be utilized for general corporate purposes, including refinancing of debt obligations, diversifying funding sources, and supporting loan growth. In the same meeting, the Board of directors likewise approved the 1st tranche issuance from the Bond program a target amount of at least ₱2.00 Billion with an oversubscription option.

The Series A bonds which have a tenor of one-and-a-half years and a fixed interest rate of 6.0796% per annum represent the first tranche under PBCom's ₱15.00 Billion Peso Bond Program. The Bank successfully concluded its maiden peso bond offering ahead of schedule, closing more than a week early on October 17 due to robust demand. Initially set to run from October 14 to October 28, the offering attracted strong interest from both retail clients and a diverse mix of institutional investors resulting in an oversubscription of 3.85 times the initial amount.

PBCOM raised ₱7.7 Billion from its maiden issuance of Peso Fixed Rate Bonds listed on the Philippine Dealing & Exchange Corp. (PDEx) on November 5, 2024. PBCOM holds a "PRS Aa minus (corp)" issuer credit rating with a "stable" outlook from the Philippine Rating Services Corporation.

2. **Material Accounting Policy Information**

Basis of Presentation
The accompanying unaudited interim condensed financial statements have been prepared following Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting.* Accordingly, the unaudited interim condensed financial statements do not include all the information and disclosures required in the annual financial statements. They should be read in conjunction with the Group's annual audited financial statements as of the end of the year ended December 31, 2024 prepared under Philippine Financial Reporting Standards (PFRS).

New Standards, Interpretations and Amendments
The accounting policies adopted in the preparation of the unaudited interim condensed consolidation financial statements of the Group are consistent with those followed in the preparation of the Group's

annual consolidated financial statements for the year ended December 31, 2024, except for the adoption of the following amendments to PFRS effective beginning January 1, 2025. The Group did not early adopt any other standard, interpretation, or amendment that has been issued but is not yet effective.

The adoption of the following pronouncements did not have any significant impact on the Group's financial position or performance:
Effective beginning on or after January 1, 2025
- Amendments to PAS 21, *Lack of exchangeability*

Effective beginning on or after January 1, 2026
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards—Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Method*

3. Summary of Accounting Judgements and Estimates

The significant judgments and assumptions made in the unaudited interim condensed consolidated financial statements of the Group are consistent with the most recent annual financial statements issued.

4. Fair Value Measurement

The Group uses three-level hierarchies as a valuation technique in determining and disclosing the fair value of financial instruments:

- Level 1 – quoted (unadjusted) market prices for identical assets or liabilities in an active market.
- Level 2 – valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation technique for which the lowest level input significant to the fair value measurement is unobservable, i.e., not based on observable market data.

As of March 31, 2025, the Group used the following level of measurement:

		Fair Values			
	Carrying value	**Total**	**Quoted Price in Active Market (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets measured at fair value					
Currency forwards	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**
Financial assets at FVTOCI					
Government securities	**1,917,193**	**1,917,193**	**1,917,193**	**–**	**–**
Private bonds	**5,094**	**5,094**	**5,094**	**–**	**–**
Sovereign bonds	**292,978**	**292,978**	**292,978**	**–**	**–**
	2,215,265	**2,215,265**	**2,215,265**	**–**	**–**
Financial assets at FVTOCI					
Government securities	**7,822,515**	**7,822,515**	**7,822,515**	**–**	**–**

Private bonds	**136,150**	**136,150**	**136,150**	**–**	**–**
Sovereign bonds	**6,123,671**	**6,123,671**	**6,123,671**	**–**	**–**
Equity securities	**223,466**	**223,466**	**–**	**176,950**	**46,516**
	16,521,067	**16,521,067**	**16,297,601**	**176,950**	**46,516**
Assets for which fair values are disclosed					
Investment securities at amortized cost:					
Government securities	**27,407,250**	**26,108,052**	**26,108,052**	**–**	**–**
Sovereign bonds	**567,290**	**581,694**	**581,694**	**–**	**–**
Loans and receivables:					
Loans and receivable:	**96,864,584**	**95,673,570**	**–**	**–**	**95,673,570**
Unquoted debt securities	**–**	**–**	**–**	**–**	**–**
	124,839,124	**122,363,316**	**26,689,746**	**–**	**95,673,570**
Investment properties:					
Condominium units for lease	**1,545,095**	**8,082,521**	**–**	**–**	**8,082,521**
Foreclosed properties	**2,135,596**	**5,223,167**	**–**	**–**	**5,223,167**
Office units for lease	**1,549**	**180,634**	**–**	**–**	**180,634**
	3,682,240	**13,486,322**	**–**	**–**	**13,486,322**
	₱128,521,364	**₱135,849,638**	**₱26,689,746**	**₱-**	**₱109,159,892**
Liabilities for which fair values are disclosed					
Financial liabilities at amortized cost:					
Time deposits	**₱68,003,170**	**₱67,992,378**	**₱–**	**₱–**	**₱67,992,378**
Bills payable	**10,922,124**	**10,921,850**	**–**	**–**	**10,921,850**
Bonds payable	**7,635,725**	**7,610,989**	**–**	**–**	**7,610,989**
	₱86,561,019	**₱86,525,217**	**₱–**	**₱-**	**₱86,525,217**

***** *Included in 'Other assets'*

As of December 31, 2024, the Group used the following level of measurement:

		Fair Value			
	Carrying Value	Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets measured at fair value					
Currency Forwards *	₱361	₱361	₱–	₱361	₱–
Financial assets at FVTOCI:					
Debt securities:					
Government securities	6,433,011	6,433,011	6,433,011	-	-
Private bonds	136,239	136,239	-	136,239	-
Sovereign bonds	4,458,003	4,458,003	4,458,003	-	-
Equity securities	225,708	225,708	-	179,192	46,516
	11,253,322	11,253,322	10,891,014	315,792	46,516
Assets for which fair values are disclosed					
Investment securities at amortized cost:					
Government securities	28,323,913	26,938,147	15,110,802	11,827,345	-
Sovereign bonds	596,749	581,662	581,662	-	-
Loans and receivables:					
Receivables from customers:					
Corporate loans	95,084,927	94,271,111	-	-	94,271,111
Auto loans	432,388	408,645	-	-	408,645
Home loans	2,786,602	2,249,371	-	-	2,249,371
Personal loans	50,560	54,430	-	-	54,430
Unquoted debt securities	59,308	59,277	-	-	59,277
	127,334,447	124,562,643	15,692,464	11,827,345	97,042,834
Investment properties:					
Condominium units for lease	1,556,722	8,082,521	-	-	8,082,521
Foreclosed properties	2,130,458	5,188,290	-	-	5,188,290
Office units for lease	1,637	180,634	-	-	180,634
	3,688,817	13,451,445	-	-	13,451,445
	₱142,276,586	₱149,267,410	₱26,583,478	₱12,143,137	₱110,540,795
ıbilities measured at fair value **					
Currency Forwards	₱3	₱3	₱-	₱3	₱-
Futures	68	68	-	68	-
	71	71	-	71	-

		Fair Value			
	Carrying Value	Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities for which fair value is disclosed					
ancial liabilities at amortized cost:					
Time deposits	55,247,882	55,233,711	-	-	55,233,711
Bills payable	16,386,516	16,386,142	-	-	16,386,142
Bonds payable	7,623,300	7,484,684			7,484,684
	₱79,257,698	₱79,104,537	₱-	₱-	₱79,104,537

***** *Included in 'Other assets'*
****** *Included in 'Other liabilities'*

Movements in the fair value measurement of 'Financial assets at FVTOCI' categorized within Level 3 pertain only to the changes in fair value of unquoted equity securities.

There are no transfers between Levels 1 and 2 and no transfers into and out of Level 3.

The Group evaluates and classifies financial instruments, whether it is quoted or not, in an active market. Quoted prices in an active market are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The methods and assumptions used by the Group in estimating the fair value of its assets and liabilities are remained consistent with previous periods, ensuring reliable and accurate reporting under current market conditions. These are as follows:

Investment Securities
Debt Securities
Fair values are based on quoted market prices or consensus prices from Bloomberg if market prices are unavailable.

Equity Securities (Club Shares)
Valued using published prices from recognized sources like GG&A Club Shares and G&W Club Shares.

Unquoted Equity Securities
Fair values are estimated using the guideline publicly-traded company method, relying on comparable publicly-traded companies.

Loans and Receivables:
Fair values are estimated using the discounted cash flow methodology, applying the Group's current incremental lending rates.

Derivative Assets/Liabilities:
Valued based on prevailing interest differentials and spot exchange rates, considering the remaining term to maturity.

Financial Liabilities at Amortized Cost:
Fair values of deposit liabilities and bills payable are calculated using discounted cash flow methods with current incremental borrowing rates.

Investment Properties:
Fair values are determined using the market sales comparison or income capitalization approach, depending on the property type, with significant unobservable inputs like rental rates and capitalization rates.

Significant Unobservable Inputs:
The Group provides detailed disclosures on Level 3 fair value measurements, including the sensitivity of these valuations to changes in significant unobservable inputs.

5. Financial Risk Management Objectives and Policies

Risk is inherent in the Group's activities but is managed through a continuing and proactive identification, measurement, and monitoring process, subject to risk limits and other controls. This risk management process is critical to the Group's continuing profitability, and each individual within the Group is accountable for the risk exposures relating to their responsibilities.

Compared with December 31, 2024, there have been no changes in the financial risk exposures that may materially affect the unaudited interim condensed financial statements of the Group as of March 31, 2025. The Group is exposed to the following risks from its financial instruments:

a. Credit risk
b. Liquidity risk
c. Market risk
   i. Interest rate risk
   ii. Foreign currency risk
   iii. Equity price risk

The Group manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual borrowers and groups of borrowers, as well as limits on large lines and industry concentrations. Credit risk management was likewise strengthened with the implementation of ECL models. The Group's ECL calculations are the output of complex models with several underlying assumptions regarding variable inputs' choice and interdependencies.

6. Segment Information

The following tables present income and profit and particular asset and liability information regarding the Group's operating segments as of March 31, 2025, and 2024:

	Consolidated						
	2025						
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Segment results							
Revenue, net of interest expense							
Third party	**(₱861,380)**	**₱ 1,873,487**	**₱367,546**	**₱72,119**	**₱1,926**	**₱5,060**	**₱1,458,758**
Intersegment	**1,370,940**	**(1,238,619)**	**(311,409)**	**(41,198)**	**(2,035)**	**222,321**	**-**
Net interest income	**509,560**	**634,868**	**56,137**	**30,921**	**(109)**	**227,381**	**1,458,758**
Rent income	**-**	**-**	**-**	**-**	**-**	**86,706**	**86,706**
Service charges, fees and commissions	**25,875**	**63,503**	**1,749**	**4,832**	**-**	**6,903**	**102,862**
Foreign Exchange gain - net	**5,608**	**4,330**	**34,596**	**-**	**-**	**-**	**44,534**
Income from Trust Operations	**-**	**-**	**-**	**-**	**11,059**	**-**	**11,059**
Trading and securities gain (loss) - net	**-**	**-**	**(55,111)**	**-**	**-**	**-**	**(55,111)**
Gain on asset exchange	**-**	**-**	**-**	**-**	**-**	**9,821**	**9,821**
Profit from asset sold	**-**	**-**	**-**	**-**	**-**	**20,177**	**20,177**
Miscellaneous	**(437)**	**15,061**	**2,240**	**7,329**	**-**	**25,036**	**49,229**

	Consolidated						
	2025						
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Total Operating Income	**540,606**	**717,762**	**39,611**	**43,082**	**10,950**	**376,024**	**1,728,035**
Compensation and fringe benefits	**200,135**	**75,648**	**25,234**	**25,636**	**11,229**	**24,930**	**362,812**
Taxes and licenses	**97,779**	**88,886**	**31,287**	**2,480**	**885**	**8,602**	**229,919**
Depreciation and amortization	**40,884**	**25,196**	**2,307**	**20,837**	**992**	**15,763**	**105,979**
Provision for (recovery from) impairment losses	**1,197**	**41,155**	-	**(13,095)**	-	**2,813**	**32,070**
Occupancy and Other equipment-related costs	**29,576**	**6,720**	**291**	**720**	**295**	**5,120**	**42,722**
Other operating expense	**167,217**	**47,511**	**35,663**	**18,569**	**3,944**	**14,969**	**287,873**
Total Operating Expense	**536,788**	**285,116**	**94,782**	**55,147**	**17,345**	**72,197**	**1,061,375**
Income before share in net income of an associate	**3,818**	**432,646**	**(55,171)**	**(12,065)**	**(6,395)**	**303,827**	**666,660**
Share in net income of an associate	-	-	-	-	-	**67**	**67**
Income before income tax	**3,818**	**432,646**	**(55,171)**	**(12,065)**	**(6,395)**	**303,894**	**666,727**
Provision for income Tax	**860**	**72,343**	**77,839**	-	-	**42,749**	**193,791**
Net Income (loss)	**₱2,958**	**₱360,303**	**(₱133,010)**	**(₱12,065)**	**(₱6,395)**	**₱261,145**	**₱472,936**
Segment assets							
Property and equipment	**364,600**	-	-	-	-	**452,883**	**817,483**
Investment properties	-	-	-	-	-	**3,682,240**	**3,682,240**
Other allocated assets	**8,991,989**	**94,209,035**	**48,098,890**	**3,220,174**	**149,422**	**1,938,841**	**156,608,351**
Total segment assets	**₱9,356,589**	**₱94,209,035**	**₱48,098,890**	**₱3,220,174**	**₱149,422**	**₱6,073,964**	**₱161,108,074**
Total segment liabilities	**₱121,329,659**	**₱621,383**	**₱18,177,688**	**₱4,279**	**₱3**	**₱1,139,806**	**₱141,272,818**

	Consolidated						
	2024						
	Branch Banking Group	Corporate Banking Group	Treasury Segment	Consumer Finance Segment	Trust and Wealth Management Segment	Head office and Rental	Total
Segment results							
Revenue, net of interest expense							
Third party	(₱850,117)	₱1,691,499	₱357,429	₱70,214	₱951	₱1,807	₱1,271,783
Intersegment	1,337,787	(1,128,291)	(404,025)	(43,853)	(2,000)	240,382	-
Net interest income	487,670	563,208	(46,596)	26,361	(1,049)	242,189	1,271,783
Rent income	-	-	-	-	-	93,019	93,019
Service charges, fees and commissions	23,107	71,882	550	4,117	-	6,014	105,670
Foreign Exchange gain - net	7,476	328	15,796	-	-	-	23,600
Income from Trust Operations	-	-	-	-	9,589	-	9,589
Trading and securities gain (loss) - net	-	-	51,277	-	-	-	51,277
Loss on asset exchange	-	-	-	-	-	472	472
Profit from asset sold	-	-	-	-	-	2,262	2,262
Miscellaneous	2,480	13,500	888	8,000	-	18,651	43,519
Total Operating Income	520,733	648,918	21,915	38,478	8,540	362,607	1,601,191
Compensation and fringe benefits	185,793	74,658	22,580	24,031	10,335	21,386	338,783
Taxes and licenses	86,209	76,753	34,333	2,567	793	6,766	207,421
Depreciation and amortization	42,999	12,183	3,631	8,231	1,061	15,461	83,566
Provision for (recovery from) impairment losses	-	36,596	-	(37,326)	-	(1,089)	(1,819)
Occupancy and Other equipment-related costs	36,102	3,780	929	1,993	516	2,266	45,586
Other operating expense	168,302	28,740	30,452	15,024	4,137	17,585	264,240
Total Operating Expense	519,405	232,710	91,925	14,520	16,842	62,375	937,777
Income before share in net income of an associate	1,328	416,208	(70,010)	23,958	(8,302)	300,232	663,414
Share in net income of an associate	-	-	-	-	-	183	183
Income before income tax	1,328	416,208	(70,010)	23,958	(8,302)	300,415	663,597
Provision for income Tax	169	55,479	82,070	-	-	29,747	167,465
Net income	₱1,159	₱360,729	(₱152,080)	₱23,958	(₱8,302)	₱270,668	₱496,132
Segment assets							
Property and equipment	376,484	-	-	-	-	413,801	790,285
Investment properties	-	-	-	-	-	2,551,661	2,551,661
Unallocated assets	10,716,478	82,824,395	41,799,362	3,235,387	130,693	1,786,403	140,492,718
Total segment assets	₱11,092,962	₱82,824,395	₱41,799,362	₱3,235,387	₱130,693	₱4,751,865	₱143,834,664
Total segment liabilities	₱111,240,703	₱166,793	₱12,888,768	₱23,305	₱693	₱1,499,854	₱125,820,116

7. Due from Bangko Sentral ng Pilipinas

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Demand deposit	**₱5,500,400**	₱7,297,480
Overnight deposit facility	**3,100,000**	-
	₱8,600,400	₱7,297,480

8. Interbank Loans Receivable and Securities Purchased under Resale Agreement (SPURA)

Interbank loans receivable of the Group is ₱69.76 million and ₱404.20 million as of March 31, 2025 and December 31, 2024, respectively, while no outstanding SPURA as of March 31, 2025 and December 31, 2024.

Interest income on Interbank loans receivable and SPURA as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
SPURA	**₱4,712**	₱17,430
Interbank	**5,327**	1,408
	₱10,039	₱18,838

Interbank loans receivable bears nominal annual interest rates ranging from 3.90%to 5.94% in March 31, 2025 and 5.00% to 6.50% in March 31, 2024, while SPURA bears nominal annual interest rate from 5.25% to 5.80% in March 31, 2025 and ranging from 6.00% to 6.50% in March 31, 2024.

9. Trading and Investment Securities

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial assets at FVTPL	**₱2,215,265**	₱-
Financial assets at FVOCI	**14,305,801**	11,252,961
Investment securities at amortized cost	**27,974,540**	28,920,662
	₱44,495,606	₱40,173,623

The Groups' Financial assets at FVTPL consist of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Debt Securities		
Government	**₱1,917,193**	₱–

Corporate	**5,094**	–
Sovereign bond	**292,978**	–
	₱2,215,265	₱–

The Groups' Financial assets at FVOCI consist of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Debt Securities		
Government	**₱7,822,531**	₱6,433,011
Corporate	**136,160**	136,239
Sovereign bond	**6,123,644**	4,458,003
	14,082,335	11,027,253
Equity Securities		
Quoted	**176,950**	179,192
Unquoted	**46,516**	46,516
	223,466	225,708
	₱14,305,801	₱11,252,961

The Group's Investment securities at amortized cost consist of the following:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Government	**₱27,397,376**	₱28,336,923
Sovereign bond	**590,121**	596,749
Less: Allowance for ECL (Note 15)	**(12,957)**	(13,010)
	₱27,974,540	₱28,920,662

The interest income on investment securities follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Investment securities at amortized cost	**₱360,501**	₱308,516
Financial assets at FVOCI	**169,526**	158,688
Financial assets at FVTPL	**30,854**	12,260
	₱560,881	₱479,464

The Group's Trading and securities gain - net follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Financial assets at FVTPL	**₱30,524**	₱22,930
Financial assets at FVOCI	**21,277**	28,888
Derivatives	**(106,912)**	(541)
	(₱55,111)	₱51,277

The Group's peso-denominated investment securities earned annual interest rates ranging from 3.75% to 8.13% and from 2.38% to 9.25% in March 31, 2025 and 2024, respectively while dollar-denominated

investment securities earned annual interest rates ranging from 1.38% to 10.63% in March 31, 2025 and 2024.

10. Loans and Receivable

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Receivable from customers		
Loans and receivable	**₱90,472,833**	₱90,955,689
Customer's liabilities on letters of credit and Trust receipts	**7,392,211**	8,427,862
Bills purchased	**2,301,682**	2,238,049
	100,166,726	101,621,600
Unquoted debt securities	**-**	59,337
Accrued interest receivable	**1,018,813**	1,244,052
Sales contract receivables	**178,541**	169,097
Accounts receivables	**1,486,851**	1,567,166
	2,684,205	3,039,652
	102,850,931	104,661,252
Less: Unearned and other deferred income	**(57,429)**	(61,000)
Allowance for ECL (Note 15)	**(3,312,955)**	(3,279,716)
	₱99,480,547	₱101,320,536

Unquoted Debt Securities

As of March 31, 2025 and December 31, 2024, unquoted debt securities of the Group consist of Metro Rail Transit (MRT) bonds with gross amount of nil and ₱59.34 million, respectively, and an allowance for ECL amounting to nil and ₱0.03 million, in 2025 and 2024, respectively.

Interest Income

Interest income on loans and receivables consist of:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Receivable from customers	**₱1,940,584**	₱1,762,161
Unquoted debt securities	**6,461**	9,829
Others	**3,632**	1,503
	₱1,950,677	₱1,773,493

Of the total receivables from customers of the Group as of March 31, 2025 and December 31, 2024, 91.99% and 82.67%, respectively, are subject to periodic interest repricing. The remaining peso denominated receivables from customers earn annual fixed interest rates ranging from 2.20% to 44.36% in March 31, 2025 and 3.00% to 44.36%in December 31, 2024 while foreign currency-denominated receivables from customers earn annual fixed interest rates ranging from 5.73% to 9.82% in March 31, 2025 and 5.73% to 9.39% in December 31, 2024.

11. Property and Equipment

For the three-month period ended March 31, 2025, the Group purchased assets with total cost of ₱ 26.21 million. For the same periods, the Group disposed property and equipment with net book value of ₱1.99 million recognizing loss on sale of ₱0.04 million included as part of "Profit from asset sold" account.

For the three-month period ended March 31, 2024, the Group purchased assets with total cost of ₱7.44 million. For the same periods, the Group disposed property and equipment with net book value of ₱1.53 million recognizing gain on sale of ₱6.05 million included as part of "Profit from asset sold" account.

12. Investment Properties

For the three-month period ended March 31, 2025, the Group foreclosed investment properties amounting to ₱59.19 million. For the same periods, the Group disposed investment properties with net book value of ₱14.22 million, recognizing gain on sale of ₱20.21 million included as part of "Profit from assets sold" account.

For the three-month period ended March 31, 2024, the Group foreclosed investment properties amounting to ₱7.33 million. For the same periods, the Group disposed investment properties with net book value of ₱4.15 million, recognizing gain on sale of ₱2.26 million included as part of "Profit from assets sold" account.

13. Intangible Assets

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Branch licenses	**₱364,700**	₱364,700
Bank license	**25,000**	25,000
Software cost	**127,322**	125,598
	₱517,022	₱515,298

As of March 31, 2025 and December 31, 2024, the individual branches were identified as the CGU for purposes of impairment testing on the branch licenses for CSB. For the impairment testing on the branch licenses arising from the acquisition of RBNI, the Parent Company's branch banking group was identified as the CGU as the branch banking group would benefit from the synergies of the additional branches in obtaining fresh funds from depositors for deployment.

As of March 31, 2025 and December 31, 2024, the Parent Company's impairment assessment indicates no impairment.

Key assumptions used in the VIU calculations

As of March 31, 2025 and December 31, 2024, the recoverable amounts of the CGUs have been determined based on VIU calculations that use cash flow projections based on financial budgets approved by management covering a 5-year period. The significant assumptions used in computing for the recoverable amount for PRBI and CSB branches as of March 31, 2025 and December 31,

2024, as follows:

Significant Assumptions	**March 31, 2025 (Unaudited)**	December 31, 2024 (Audited)
Deposit growth rates	**13.00%**	13.00%
Discount rate	**10.44%**	10.69%
Terminal value growth rate	**5.20%**	5.20%

Deposit growth rates were based on experiences and strategies developed by the Parent Company. The discount rate used for the computation of the present value of the projected cash flows is the cost of equity and was determined by reference to comparable entities. The terminal value growth rate has been determined to reflect the long-term view on the CGU's business.

Sensitivity to changes in assumptions
Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to exceed its recoverable amount.

14. **Other Assets and Other Liabilities**

Other Assets
This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial		
Cash Margin	**₱95,528**	₱292,069
Refundable security deposit	**36,561**	36,324
RCOCI	**1,880**	1,390
	133,969	329,783
Non-financial		
Prepaid expenses	**268,235**	115,743
Advances to BIR	**94,628**	91,307
Documentary Stamp Taxes (DST)	**43,858**	56,645
Chattel mortgage	**19,888**	21,011
Stationery and supplies	**16,325**	16,230
Advance rentals	**14,772**	14,772
Tax credits	**2,524**	2,524
Receivable from BIR	**79**	2
Others	**49,110**	54,248
	509,419	372,482
	643,388	702,265
Less: Allowance for ECL and impairment losses (Note 15)	**(5,605)**	(5,588)
	₱637,783	₱696,677

Other Liabilities

This account consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Financial		
Accounts payable	**₱473,234**	₱439,129
Refundable security deposits	**109,623**	118,090
Miscellaneous	**37,522**	34,189
	620,379	591,408
Non-financial		
Lease liability	**203,309**	215,585
Deferred credits	**142,361**	154,674
Due to the Treasury of the Philippines	**77,759**	57,150
Withholding taxes payable	**75,535**	71,202
Miscellaneous (Note 15)	**92,000**	100,620
	590,964	599,231
	₱1,211,343	₱1,190,639

15. **Allowance for Impairment, Credit and Other Losses**

Movements in this account follows:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Balances at beginning of the period		
Loans and receivables	**₱3,279,716**	₱2,878,732
Investment securities at FVTOCI	**10,059**	9,791
Investment securities at amortized cost	**13,010**	12,802
Investment properties	**51,316**	53,395
Other assets	**5,588**	5,572
Commitment and guarantees	**11,688**	5,720
	3,371,377	2,966,012
Provision for credit and impairment losses	**32,070**	440,642
Accounts written-off, revaluation, and others	**(611)**	(35,279)
	31,459	405,363
Balances at ending of the period		
Loans and receivables	**3,312,955**	3,279,716
Investment securities at FVTOCI	**9,943**	10,059
Investment securities at amortized cost	**12,957**	13,010
Investment properties	**49,688**	51,316
Other assets	**5,605**	5,588
Commitment and Guarantees	**11,688**	11,688
	₱3,402,836	₱3,371,377

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 20). The Bank appropriated ₱1.58 million in 2025, respectively to meet prudential requirements on 1% general

loan loss provisioning.

16. **Deposit Liabilities**

Deposit liabilities and deposit substitute liabilities are subject to required reserves. On March 11, 2025, the BSP issued Circular No. 1211, which reduced the reserve requirement for universal and commercial banks from 7.00% to 5.00%, effective for the reserve week starting March 28, 2025. Earlier, on September 5, 2024, the BSP issued Circular No. 1201, reducing the reserve requirement for the same banking group from 9.50% to 7.00%, effective October 25, 2024. These successive reductions in the reserve requirement ratios are part of the BSP's ongoing efforts to enhance liquidity in the financial system and support credit activity in the broader economy.

On July 26, 2018, the Monetary Board of the BSP, through its Resolution No. 1220, approved the Group's issuance of LTNCDs up to ₱5.00 billion in one or more tranches within one year, with a minimum tenor of 5 years and 1 day and a maximum of 7 years. This issuance was intended specifically for long-term funding.

On October 8, 2018, the Group issued ₱2.90 billion worth of LTNCDs with a tenor of 5 years and 6 months. These LTNCDs, maturing on April 8, 2024, have a fixed interest rate of 5.625% per annum, payable quarterly in arrears on October 8, January 8, April 8, and July 8 of each year, starting from January 8, 2019. The LTNCDs are listed on the Philippine Dealing & Exchange Corp.'s trading platform for secondary market trading.

As of March 31, 2025, the Group's LTNCDs were fully settled on their maturity date.
Interest expense on deposit liabilities consists of:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Demand	**₱10,975**	₱11,063
Savings	**4,147**	3,089
Time	**764,920**	762,505
LTNCD	**-**	42,377
	₱780,042	₱819,034

Peso-denominated deposit liabilities earn annual fixed interest rates ranging from 0.10% to 4.75% in March 31, 2025 and 0.10% to 4.50% in March 31, 2024, while foreign currency-denominated deposit liabilities earn annual fixed interest rates ranging from 0.10% to 4.00% in March 31, 2025 and 0.10% to 4.25% in March 31, 2024.

17. **Bills Payable**

This account consists of the Group's borrowings from:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Private firms and individual	**₱90,000**	₱5,316,716
Banks and other financial institution	**10,832,124**	11,069,800
	₱10,922,124	₱16,386,516

Interest expense on bills payable and other borrowings consists of:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Borrowed funds	**₱290,073**	₱186,064
Lease liability	**3,652**	2,645
	₱293,725	₱188,709

Borrowings from private firms and individuals represent deposit substitutes with maturities of 4 to 175 and 4 to 181 days in March 31, 2025 and 2024, respectively. These borrowings bear annual interest rates ranging from 4.35% to 6.25% in March 31, 2025 and 4.50% to 6.75% in March 31, 2024.

18. Bonds Payable

On November 5, 2024, PBCOM issued ₱7.7 billion worth of Peso Fixed Rate Bonds (Series A Bonds) under its ₱15 billion Peso Bond Program approved by the Board of Directors on March 20, 2024. The Series A Bonds have a tenor of 1.5 years and bear a fixed interest rate of 6.0796% per annum, payable quarterly in arrears. The bonds are listed on the PDEx.

Details of the Bonds Payable as follows:

Issue Date	Maturity Date	Face Value	Coupon Rate	Carrying Value
November 5, 2024	May 5, 2026	₱7,693,800	6.0796%	₱7,623,300

As of March 31, 2025, the unamortized transaction costs of bonds payable amounted to ₱58.08 million while the amortization of transaction cost that were charged to "Interest expense on bonds payable" in the "Bills payable, borrowings and others" amounted to ₱129.36 million.

19. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	Consolidated					
	March 31, 2025			December 31, 2024		
	Due Within One Year	**Due Beyond One Year**	**Total**	Due Within One Year	Due Beyond One Year	Total
Financial assets – at gross						
Cash and other cash items	**₱1,083,800**	**₱-**	**₱1,083,800**	₱1,049,937	₱-	₱1,049,937
Due from BSP	**8,600,400**	**-**	**8,600,400**	7,297,480	-	7,297,480
Due from other banks	**1,212,457**	**-**	**1,212,457**	430,103	-	430,103
Interbank loans receivable and SPURA (Note 8)	**69,759**	**-**	**69,759**	404,202	-	404,202
Financial assets at FVTPL	**2,215,265**	**-**	**2,215,265**	-	-	-
Financial assets at FVTOCI (Note 9)	**-**	**14,305,801**	**14,305,801**	231,301	11,021,660	11,252,961
Investment securities at amortized cost (Note 10)	**-**	**27,987,497**	**27,987,497**	766,784	28,166,888	28,933,672
Loans and receivables (Note 11):						
Receivables from Customers	**52,897,262**	**47,269,463**	**100,166,725**	54,600,871	47,020,728	101,621,599
Unquoted debt securities	**-**	**-**	**-**	59,337	-	59,337
Accrued interest receivable	**709,536**	**309,278**	**1,018,814**	233,739	1,010,313	1,244,052
Accounts receivable	**1,486,851**	**-**	**1,486,851**	1,567,167	-	1,567,167
Sales contracts receivable	**960**	**177,581**	**178,541**	4,341	164,756	169,097
Other assets						
Cash Margin	**95,528**		**95,528**	292,069	-	292,069
Refundable security deposits	**8,853**	**27,708**	**36,561**	26,062	10,262	36,324
RCOCI	**1,880**	**-**	**1,880**	1,390	-	1,390
	₱68,382,551	**₱90,077,328**	**₱158,459,879**	₱66,964,783	₱87,394,607	₱154,359,390

	Consolidated					
	March 31, 2025			December 31, 2024		
Non-financial assets - at gross						
Investments in subsidiary and an associate	**₱-**	**₱10,129**	**₱10,129**	₱-	₱10,062	₱10,062
Property and equipment	**-**	**3,033,277**	**3,033,277**	-	3,009,606	3,009,606
Investment properties						
Condominium units for Lease	**-**	**2,580,394**	**2,580,394**	-	2,580,394	2,580,394
Foreclosed properties	**-**	**2,623,330**	**2,623,330**	-	2,588,452	2,588,452
Office units for lease	**-**	**39,390**	**39,390**	-	39,390	39,390
Intangible assets	**-**	**517,022**	**517,022**	-	515,298	515,298
Deferred tax assets	**-**	**500,848**	**500,848**	-	486,222	486,222
Other assets	**444,885**	**105,755**	**550,640**	312,537	99,228	411,765
	444,885	**9,410,145**	**9,855,030**	312,537	9,328,652	9,641,189
	68,827,436	**99,487,473**	**168,314,909**	67,277,320	96,723,259	164,000,579
Less:						
Unearned interest and discounts	**(57,429)**		**(57,429)**	(61,000)		(61,000)
Accumulated depreciation and amortization	**(81,841)**	**(3,686,361)**	**(3,768,202)**	(72,092)	(3,621,855)	(3,693,947)
Allowance for credit and impairment losses	**(1,864,128)**	**(1,517,076)**	**(3,381,204)**	(2,285,847)	(1,063,783)	(3,349,630)
Total	**₱66,824,038**	**₱94,284,036**	**₱161,108,074**	₱64,858,381	₱92,037,621	₱156,896,002
Financial liabilities						
Deposit liabilities:						
Demand	**₱38,344,963**	**₱-**	**₱38,344,963**	₱41,638,978	₱-	₱41,638,978
Savings	**12,661,486**	**-**	**12,661,486**	13,697,477	-	13,697,477
Time	**66,702,679**	**1,300,491**	**68,003,170**	53,850,990	1,396,892	55,247,882
Corporate bond	**-**	**7,635,725**	**7,635,725**	-	7,623,300	7,623,300
Bills payable	**10,922,124**	**-**	**10,922,124**	16,386,516	-	16,386,516
Outstanding acceptances	**329,476**	**-**	**329,476**	81,670	-	81,670
Manager's checks	**451,823**	**-**	**451,823**	218,636	-	218,636
Accrued interest payable	**588,696**	**-**	**588,696**	625,398	-	625,398
Accrued other expenses	**717,173**	**-**	**717,173**	650,445	-	650,445
Other liabilities						
Accounts payable	**473,234**	**-**	**473,234**	439,129		439,129
Refundable security deposits	**63,435**	**46,188**	**109,623**	75,613	42,477	118,090
Miscellaneous	**37,522**	**-**	**37,522**	34,189	-	34,189
	₱131,292,611	**₱8,982,404**	**₱140,275,015**	₱127,699,041	₱9,062,669	₱136,761,710
Non-financial liabilities						
Accrued taxes and licenses	**142,483**	**-**	**142,483**	122,463	-	122,463
Income tax payable	**264,356**	**-**	**264,356**	136,700	-	136,700
Other liabilities						
Deferred credits	**96,887**	**45,474**	**142,361**	122,529	32,145	154,674
Lease liability	**90,820**	**112,489**	**203,309**	93,551	122,034	215,585
Withholding taxes payable	**75,535**	**-**	**75,535**	71,202	-	71,202
Allowance for ECL on off-balance sheet exposures	**-**	**11,688**	**11,688**	-	11,688	11,688
Due to the Treasurer of the Philippines	**77,759**	**-**	**77,759**	57,150	-	57,150
Miscellaneous	**33,283**	**47,029**	**80,312**	58,735	73,054	131,789
	781,123	**216,680**	**997,803**	662,330	238,921	901,251
	₱132,073,734	**₱9,199,084**	**₱141,272,818**	₱128,361,371	₱9,301,590	₱137,662,961

20. **Equity**

Common Stock

Details and movement of common stock follows (amounts in thousands, except for par value):

	Shares	Amount
Common – ₱25 par value		
Authorized	760,000	₱19,000,000
Issued and outstanding		
Balance at the beginning and end of the period	480,645	₱12,016,129

The Group's Surplus Reserve consists of:

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Reserve under BSP Circular 1011 (Note 15)	**₱351,883**	₱350,303
Reserves for trust business	**90,719**	90,719
Reserves for self-insurance	**17,118**	17,118
	₱459,720	₱458,140

Regulatory Reporting for Capital Management

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
CET1 Capital/ Tier 1 Capital	**₱18,282,564**	₱17,732,004
Total Qualifying Capital	**21,101,793**	20,557,963
Total Risk-Weighted Asset	**₱133,970,593**	₱130,782,994
CET 1 Ratio/ Tier 1 Ratio	**13.65**	13.56
CAR	**15.75**	15.72

21. Miscellaneous Income and Expense

Miscellaneous Income

Details of this account are as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Penalties	**₱25,245**	₱10,375
Rental charges	**15,215**	15,639
Dividend income	**-**	1,382
Others (Note 11)	**8,769**	16,123
	₱49,229	₱43,519

Others include recovery on charged-off accounts and gain on sale from property and equipment.

Miscellaneous Expense

Details of this account are as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Information technology	**₱32,611**	₱31,369
Litigation and assets acquired - related expenses	**24,663**	6,613
Transaction dues	**13,704**	15,573
Brokerage fees	**10,439**	6,240
Travel	**4,748**	3,390
Fuel and lubricants	**3,770**	3,711
Freight	**1,881**	2,459
Stationery and supplies	**1,616**	2,130
Fines, penalties and other charges	**333**	68
Advertising	**305**	598

Others	**34,153**	39,133
	₱128,223	₱111,284

Others include account maintenance charges, contractual services, and Philippine Dealing Exchange Corp. transaction fees.

22. Income and Other Taxes

Details of this account are as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
Current		
Regular	**₱126,529**	₱84,557
Final	**81,551**	87,940
	208,080	172,497
Deferred	**(14,289)**	(5,032)
	₱193,791	₱167,465

23. Earnings Per Share

Earnings per share are calculated as follows:

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)
a) Net income attributable to equity shareholders of the Parent Company	**₱472,936**	₱496,132
b) Weighted average number of common shares for basic earnings	**480,645**	480,645
c) Basic and diluted earnings per share	**₱0.98**	₱1.03

There are no potential common shares with dilutive effect on the basic earnings per share.

24. Related Party Transactions

Details on significant related party transactions of the Group follows:

	March 31, 2025 (Unaudited)		
Category	Volume	Outstanding Balance	Nature, Terms and Conditions
Significant investors:			
Deposit liabilities	**824,157**	**8,449,669**	Savings and time deposit accounts with annual interest rates ranging from 0.06% to 4.75%.
Lease liability	**41,943**		Branch and office space leased for five years ending in various years, with 5.00% annual escalation
Loans and receivables	**292,857**	**760,798**	Loans with annual interest rates from 7.00% to 9.00%
Affiliate:			
Deposit liabilities	**(465)**	**8,435**	Demand, savings and time deposit accounts with annual interest rate of 10%
Key management personnel:			
Deposit liabilities	**-1,375**	**50,271**	Non-interest demand deposit account
Provident fund:			
Deposit liabilities	**-15,484**	**13,753**	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.75%.
Retirement fund:			
Deposit liabilities	**-30,701**	**16,061**	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 5.1%.

	December 31, 2024		
Category	Volume	Outstanding Balance	Nature, Terms and Conditions
Significant investors:			
Deposit liabilities	(1,306,205)	7,625,512	Savings and time deposit accounts with annual interest rates ranging from 0.06% to 4.75%.
Lease liability	44,796		Branch and office space leased for five years ending in various years, with 5.00% annual escalation
Loans and receivables	118,017	467,941	Loans with annual interest rates from 7.00% to 9.00%
Affiliate:			
Deposit liabilities	(14,481)	8,900	Demand, savings and time deposit accounts with annual interest rate of 10%
Subsidiary:			
Deposit liabilities	(8,902)	-	Non-interest demand deposit account
Key management personnel:			
Deposit liabilities	(3,756)	51,646	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.75%.
Provident fund:			
Deposit liabilities	10,392	29,237	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 5.1%.
Retirement fund:			
Deposit liabilities	27,914	46,762	Savings and time deposit accounts with annual interest rates ranging from 0.10% to 5.1%.

	March 31, 2025 (Unaudited)	March 31, 2024 (Unaudited)	Nature, Terms and Conditions
Significant investors:			
Interest expense	**87,775**	**53,711**	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.75%.
Depreciation expense	**6,267**	**6,397**	Depreciation of leased branch and office space for five years ending in various years, with 5.00% annual escalation
Rent income	**785**	**997**	Five year lease of branches, subject to pretermination, with 5% annual escalation
Affiliate:			
Interest expense	**10**	**-**	Interest expense of demand, savings and time deposit accounts with annual interest rates ranging from 0.10% to 4.75%.
Rent income	**785**	**997**	Five year lease expiring in July 2028 with 5% annual escalation
Key management personnel:			
Interest expense	**120**	**261**	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.75%.
Provident fund:			
Interest expense	**210**	**193**	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.75%.
Trust fee	**554**	**539**	A certain percentage of the monthly ending market value of the fund depending on the agreement.
Retirement fund:			
Interest expense	**272**	**205**	Interest expense from savings and time deposit accounts with annual interest rates ranging from 0.1% to 4.75%.
Trust fee	**693**	**667**	A certain percentage of the monthly ending market value of the fund depending on the agreement.

25. **Commitments and Contingent Liabilities**

In the course of the operations of the Group, there are outstanding commitments, contingent liabilities, and bank guarantees that are not reflected in the financial statements. The Group does not anticipate losses that will materially affect its financial position and performance.

The following is a comparative summary of the Group's commitments and contingent liabilities at their equivalent peso amounts.

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Trust department accounts	**₱14,033,973**	₱14,369,413
Standby LC	**913,327**	861,690
Spot exchange:		
Bought	**917,220**	869,110

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Sold	**3,237,535**	3,700,342
Interest Rate Future		
Bought	**-**	593,905
Sold	**3,142,326**	628,161
Sight LC outstanding	**963,729**	494,130
Usance LC outstanding	**7,539**	69,777
Inward bills for collection	**1,192,160**	892,413
Outstanding shipping guarantees	**1,270,849**	1,262,668
Currency forwards:		
Bought	**807**	359
Sold	**-**	-
Outward bills for collection	**-**	60,661
Items held for safekeeping	**24**	23
Items held as collateral	**7**	7
Other contingents	**1,476**	14,864

26. Notes to Statement of Cash Flows

Summary of noncash activities

	March 31, 2025 (Unaudited)	December 31, 2024 (Audited)
Noncash operating activities:		
Additions to investment properties from settlement of loans	**₱59,185**	₱7,325
Additions to chattel mortgage from settlement of loans	**3,442**	3,254
Noncash investing activities:		
Transfer to property and equipment and other assets	-	-
Transfer to other assets from property and equipment	**(553)**	(648)
Unrealized gain (loss) on financial assets at FVOCI	**135,089**	(138,896)
Additions to right-of-use assets	**13,679**	16,876
Additions to lease liability	**(13,679)**	(16,876)

Changes in liabilities arising from financing activities:

	January 1, 2025	Cash Flows	Non-Cash activities	March 31, 2025
Bills payable	**₱16,386,516**	**(₱5,464,392)**	**₱-**	**₱10,922,124**
Bonds payable	**7,623,299**		**12,426**	**7,635,725**
Outstanding acceptance	**81,670**	**247,806**	**-**	**329,476**
Marginal deposit	**3,537**	**11,546**	**-**	**15,083**
Lease liabilities	**215,585**	**(29,606)**	**17,331**	**203,310**

	January 1, 2024	Cash Flows	Non-Cash activities	March 31, 2024
Bills payable	₱9,686,755	₱5,260,713	₱-	₱14,947,468
Outstanding acceptance	105,410	(70,468)	-	34,942
Marginal deposit	9,803	(9,803)	-	-
Lease liabilities	189,236	(30,359)	19,520	178,397

27. **Other Matters**

- No other items affect assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidents.
- The Group declared or paid no dividends as of March 31, 2025.
- There are no contingencies and any other events or transactions that are material for the current interim period.
- There are no material events subsequent to March 31, 2025.

SEC Form 17-Q

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

1. Management's Discussion & Analysis

The Group registered a net income of ₱472.9 Million as of the 1st quarter of the year 2025, ₱23.2 Million or 4.7% lower than the ₱496.1 Million earned during the same period last year. This is attributable to ₱123.6 Million higher operating expense and ₱106.4 Million decline in the trading performance, partially offset by ₱187.0 Million improvement in net interest income.

Interest income expanded by 11.1% or ₱253.0 Million due to higher asset growth and higher yields in securities portfolio. To fund this growth, deposits volume increased, and the Group issued bonds payable at the latter part of 2024 which resulted to higher interest expense by ₱66.0 Million. Total operating expenses went up by 13.2% mainly because of higher provision for impairment losses, higher volume-driven costs - GRT, DST and PDIC insurance, higher manpower costs and higher depreciation and amortization. Income taxes also increased by ₱26.3 Million mainly from higher net taxable income, partially offset by lower final taxes on interest income on peso government securities and higher DTA recognized.

Total Assets of the Group increased by ₱4.2 Billion (2.7%) from ₱156.9 Billion as of end of year 2024 to ₱161.1 Billion at the end of the first quarter of 2025. This is primarily due to increases in inventories of debt securities carried at FVOCI and FVTPL by ₱3.1 Billion and ₱2.2 Billion, respectively, and increase in investment in overnight deposit facility (ODF) with the BSP by ₱3.1 Billion, partially offset by decline in statutory reserve requirements by ₱1.8 Billion and lower loan volume by ₱1.8 Billion.

The Group's gross NPL ratio is at 3.59%, 0.93% points higher than the 2.66% ratio at the end of 2024. PBCOM's liquidity position continued to remain stable as the Bank comfortably met all its financial obligations and loan commitments, and likewise has fully complied with the regulatory reserve requirements on continuing basis at an optimum funding mix during the course of the year.

Total Liabilities increased by ₱3.6 Billion, 2.6% higher than last year's end level of ₱137.7 Billion. This resulted mostly from ₱8.4 Billion increase in deposit liabilities mainly from ₱12.8 Billion higher time deposits, offset by ₱4.3 Billion lower low-cost deposits, and ₱5.5 Billion lower bills payable. Total Capital is now at ₱19.8 Billion from ₱19.2 Billion as of end of December 2024. This 3.1% increase in Capital was mainly contributed by the earnings of the Bank during the quarter.

The Bank's Risk Based Capital Adequacy Ratio of 15.75% under BASEL III reporting standards covering credit, market and operational risk as of report date is well above the 10% minimum requirement.

2. Discussion of various key indicators:

A. Key Financial Performance

Ratio	March 2025	March 2024	Remarks
Net Profit Margin *(Net income divided by Gross income)*	27.37%	30.99%	Decrease by 3.62 % pts mainly due to higher operating expenses mainly in provision for impairment losses, manpower costs, and higher volume-driven costs. Net trading loss during the period also contributed to the decline, offset by higher net interest margin.
Return on Average Asset *(Net income divided by Average assets)*	1.19%	1.36%	Decline in the ratio is mainly driven by to higher operating expenses and net trading losses this period. These were partially offset by improvement in net interest margin from lower cost of funds and higher volume of loans.
Return on Average Equity *(Net income divided by Average equity)*	9.68%	11.13%	Return on average equity decreased by 1.44 % pts from higher operating expenses and net trading losses this period. These were partially offset by improvement in net interest margin
Capital Adequacy Ratio (Basel 3) *(Qualifying capital divided by the total of risk-weighted assets that include credit, market, and operational risk)*	15.75%	16.84%	Decreased by 1.09 % pts mainly due to higher total risk-weighted assets, offset by higher total qualifying capital.
Basic Earnings per share *(Net income divided by average no. of common shares)*	0.98	1.03	Decrease in basic earnings per share by PHP0.05 from lower net income during the current period.

B. Financial Soundness

Ratio	March 2025	December 2024	Remarks
Liquidity Ratio (Liquid Assets to Total Deposits) *Liquid Assets include cash, due from banks, interbank loans, and trading and inv. Securities Total deposit refers to the total of the peso and foreign currency deposits.*	22.91%	18.54%	Ratio increased by 4.37 % pts mainly higher level in liquid assets (higher financial assets at FVOCI, FVTPL and Due from BSP), offset by net increase in total deposits
Debt Ratio (Total Liability to Total Assets) *Debt refers to the total liabilities, while assets refer to total Assets*	87.69%	87.74%	Decreased by 5 bps as the increase in total assets (higher financial assets at FVOCI and FVTPL, Due from BSP & Due from other Banks and increase in receivables from customers) exceeded the increase in total liabilities (higher time deposits).
Asset to Equity Ratio (Total Asset to Total Equity)	8.12	8.16	Ratio is lower by 4 bps mainly as a result of increase in equity in relation to higher growth in assets.
Interest Rate Coverage Ratio (Earnings before interest & taxes to Interest Expense)	162.09%	165.85%	Bank's interest rate coverage decreased due to higher operating expenses and net trading losses this period.
Net Interest Margin Net interest income over Average Earning assets	4.05%	4.02%	Ratio is slightly higher due to lower cost of funds

* As of March 2024

3. Discussion and Analysis of Material Event/s and Uncertainties

a. The Bank does not have any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), or other relationships of the company with unconsolidated entities or other persons created during the reporting period.

b. As of March 31, 2025, the unspent amount from the approved capital expenditures budget on projects involving technology enhancement and facilities improvement amounted to ₱283.3 Million.

c. The Bank has taken prudent steps to mitigate the risk through a more careful credit process and tighter credit policies. More importantly, it continues its assessment of its portfolio by regularly doing the stress test exercise.

d. There is no recorded significant quarterly income or losses that did not come from the Bank's regular operations.

e. Interest income on the non-discounted loan is recognized based on the accrual method of accounting, while unearned discounts are amortized to income over the term of the loans. As such, no seasonal aspect has a material impact on the Bank's interest revenues. Non-interest revenues, on the other hand, are primarily dependent on market dynamics and economic trends rather than seasonal factors.

Statement of Condition: March 2025 vs. December 2024

	Increase (Decrease)	Percentage	Remarks
Cash and Other Cash Items	33,863	3.23%	Higher cash in ATMs, offset by lower cash on hand
Due from BSP	1,302,920	17.85%	Higher mainly due to ODF, offset by the decline in statutory reserve requirement to 5% in 2025
Due from Other Banks	782,354	181.90%	Higher funds mainly with foreign banks
Interbank Loans Receivable	(334,443)	-82.74%	Lower mainly from lower interbank call loans with foreign banks
Financial assets at Fair Value through Profit or Loss	2,215,265	100.00%	Purchase of investments in FVTPL
Financial assets at Fair Value through Other Comprehensive Income	3,052,840	27.13%	Purchase of investments in FVOCI and mark-to-market adjustment
Investment securities at Amortized Cost	(946,122)	-3.27%	Maturity of HTC investments
Loans and Receivables	(1,839,988)	-1.82%	Decrease in outstanding receivables mainly in corporate loans and import bills
Investment in a subsidiary and associate	67	0.66%	Share in net income for the 1st Quarter
Property and Equipment	(5,562)	-0.68%	Decrease mainly due to depreciation recognized for the period
Investment Properties	(6,577)	-0.18%	Decline due to depreciation recognized for the period offset by higher ROPA foreclosures/ dacion en pago than ROPA sale
Intangible Assets	1,725	0.33%	Increase due to software-related purchases made throughout the year, offset by amortization recognized for the period
Deferred tax assets	14,625	3.01%	Higher DTA movement for the period
Other Assets	(58,894)	-8.45%	Decrease mainly due to lower cash margin and DST on hand, offset by higher prepaid PDIC insurance, prepaid expenses on annual bankwide subsidies and prepaid taxes that were paid in 1Q
Demand Deposits	(3,294,015)	-7.91%	Higher time deposits volume, partially offset by lower deposits volume in CASA
Savings Deposits	(1,035,991)	-7.56%	
Time Deposits	12,755,288	23.09%	
Bills Payable	(5,464,393)	-33.35%	Decrease in REPO and interbank bills payable
Bonds Payable	12,426	0.16%	Amortization of transaction costs for corporate bond issued in Nov 2024
Outstanding Acceptances	247,806	303.42%	Increase due to higher bills exchange accepted by the Bank
Manager's Checks	233,187	106.66%	Higher un-negotiated MC's as of the period

Accrued Interest, Taxes and Other Expenses Payable	7,190	0.50%	Increase mainly due to higher other operating expense accrual and higher Deposits interest accrual, offset by lower Bills payable interest accrual as of the period
Income Tax payable	127,656	93.38%	Higher income tax payable for the period
Other Liabilities	20,704	1.74%	Increase mainly due to higher accounts payable, offset by lower finance lease payable, advance rentals and rental deposits
Retained Earnings	472,936	8.18%	Increase from net income for the period
Unrealized gain/(loss) on equity securities carried at fair value through other comprehensive income	135,089	20.48%	Lower net mark-to-market losses mainly from FCDU debt investments in FVOCI
Cumulative translation adjustment	(5,809)	-5.63%	Lower downward CTA adjustment mainly due to rate differential from MRT accretion

Statement of Income and Expenses: January-March 2025 vs. January-March2024

	Increase (Decrease)	Percentage	Remarks
Interest Income on investment securities	81,417	16.98%	Higher interest income due to higher yields and higher average volume mainly from FVTPL
Interest Income on Loans and receivable	177,184	9.99%	Higher interest income is primarily derived from growth in average volume primarily from corporate loans
Interest Income on Interbank loans receivable and securities purchased under resale agreements	(8,800)	-46.71%	Lower interest income due to lower average volume mainly from SPURA and lower yields
Interest Income on Deposit with other Banks and others	3,197	41.35%	Higher interest income due to higher volume mainly from ODF with BSP
Interest Expense on Deposit Liabilities	(38,992)	-4.76%	Lower interest expense due to lower cost of funds mainly from TDs
Interest Expense on Bills payable, borrowings and others	105,106	55.65%	Higher interest expense due to higher average volume mainly from corporate bond issuance, offset by lower cost of funds mainly from Repos
Trading and Securities Gain – net	(106,388)	-207.48%	Decline due to net realized trading loss and unrealized mark-to-market loss in 1Q 2024
Rent Income	(6,313)	-6.79%	Lower due to the impact of lease terminations, offset by lease commencements from new tenants
Service Charges, Fees & Commissions	(2,808)	-2.66%	Lower primarily due to lower TFR fees & commitment fees, offset by higher penalty fees, loan processing fees, bank commission on letter of credits and insurance fees
Foreign Exchange Gain (Loss) – Net	20,934	88.70%	Higher unrealized and realized foreign exchange gains
Gain/(Loss) on asset exchange	9,349	1980.72%	Higher net gain on foreclosure
Profit/(Loss) from Assets Sold	17,915	792.00%	Higher ROPA gain on sale in 2025
Income from Trust Operations	1,470	15.33%	Increase is mainly due to higher ADB of assets under management
Miscellaneous Income	5,710	13.12%	Increase is mainly due to income from aircon extension of lessees, rental interest & penalties and higher other income from loans, offset by lower recovery on written-off accounts and downward impact of gain on sale of bank premises
Compensation and Fringe Benefits	24,029	7.09%	Higher manpower costs for the period due to higher average headcount and salary adjustments
Taxes and Licenses	22,498	10.85%	Increase mainly due to higher GRT costs and higher DST costs from deposits
Depreciation and Amortization	22,412	26.82%	Increase mainly due to higher ROPA and ROU asset depreciation, offset by lower bank premises depreciation
Occupancy and other equipment-related costs	(2,864)	-6.28%	Decrease mainly from decline in electricity & water costs, partially offset by higher repairs & maintenance and rent expense
Provision for (recovery from) impairment losses	33,890	1863.06%	Higher loan provision requirements during the period
Miscellaneous	23,632	8.94%	Increase mainly due to higher legal fees & contractual services, higher brokerage & PDEX fees from higher volume of transactions and higher PDIC insurance from higher volume of deposits
Provision for income tax	26,326	15.72%	Increase mainly due to higher net taxable income (mainly from higher interest income from loans & investments), offset by

			lower final taxes on interest income on peso government securities and higher DTA recognized on loan allowance

PHILIPPINE BANK OF COMMUNICATIONS AND SUBSIDIARY

INTERIM AGING OF LOANS & SELECTED RECEIVABLES

(Unaudited)

PHILIPPINE BANK OF COMMUNICATIONS (Consolidated)
AGING OF LOANS & SELECTED RECEIVABLES
As of March 31, 2025
(In thousands)

TYPE OF LOAN/PARTICULARS	OUTSTANDING BALANCE	CURRENT	PAST DUE FOR			
			90 DAYS OR LESS	91 TO 180 DAYS	181 DAYS - 1 YR.	MORE THAN 1 YR.
Loans and receivable	90,472,833	86,132,962	1,232,395	683,629	515,628	1,908,220
Bills purchased	2,301,682	2,226,718	-	-	-	74,964
Customer's liabilities on letters of credit and trust receipts	7,392,211	7,196,892	46,883	-	-	148,436
Total	100,166,726	95,556,571	1,279,278	683,629	515,628	2,131,620
Unquoted Debt Securities	-	-	-	-	-	-
Accrued Interest Receivable	1,018,813	976,858	16,356	12,480	6,535	6,584
Sales Contract Receivables	178,541	172,976	5,400	-	75	90
Accounts Receivable	1,486,851	1,422,850	10,834	12,036	3,877	37,254
	2,684,205	2,572,684	32,590	24,516	10,487	43,928
Total	**102,850,931**	**98,129,255**	**1,311,868**	**708,145**	**526,115**	**2,175,548**
Less: Unearned and other deferred income	(57,429)	(64,727)	1,231	697	-	5,370
Allowance for credit losses	(3,312,955)	(1,306,834)	(80,255)	(75,317)	(297,124)	(1,553,425)
NET Loans and Receivable	**99,480,547**	**96,757,694**	**1,232,844**	**633,525**	**228,991**	**627,493**