

July 31, 2025

Atty. Johanne Daniel M. Negre
Officer-in-Charge, Disclosure Department
The Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Dear Atty. Negre:

We hereby submit a copy of our SEC Form 17-Q for the period ended June 30, 2025.

Very truly yours,



Renato K. De Borja, Jr.
Executive Vice President/Controller
and Head of Financial and
Control Sector

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

SEC Number 20573
File Number _____

METROPOLITAN BANK & TRUST COMPANY

(Company's Full Name)

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

(Company's Address)

[REDACTED]

(Telephone Number)

December 31

(Fiscal year ending)

17-Q

(Form Type)

(Amendment Designation, if applicable)

June 30, 2025

(Period Ended Date)

None

(Secondary License Type and File Number)

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 : **June 30, 2025**
2. Commission Identification Number : **20573**
3. BIR Tax Identification No. : **000-477-863**
4. Exact name of issuer as specified in its charter : **METROPOLITAN BANK & TRUST COMPANY**
5. Province, country or other jurisdiction of incorporation or organization : **Metro Manila, Philippines**
6. Industry Classification Code : (SEC Use Only)
7. Address of issuer's principal office : **GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, 1227, Makati City**
8. Issuer's telephone number, including area code :
9. Former name, former address and former fiscal year, if changed since last report: **N/A**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>No. of Shares of Common Stock Outstanding</u>	<u>Amount of Debt Outstanding (Unpaid Subscriptions)</u>
Common Shares	4,497,415,555 shares	None

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

Yes [] No []

Stock Exchange : **Philippine Stock Exchange**
Class of Securities : **Common Shares**

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 and 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 90 days.

Yes [] No []

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Attached are the following:

Interim Condensed Consolidated Statements of Financial Position	- Annex 1
Interim Condensed Consolidated Statements of Income	- Annex 2 (page 1 of 2)
Interim Condensed Consolidated Statements of Comprehensive Income	- Annex 2 (page 2 of 2)
Interim Condensed Consolidated Statements of Changes in Equity	- Annex 3
Interim Condensed Consolidated Statements of Cash Flows	- Annex 4
General Notes to Interim Condensed Consolidated Financial Statements	- Annex 5
Financial Indicators	- Annex 6

Item 2. Management's Discussion and Analysis of Consolidated Financial Position and Results of Operations

- Annex 7

PART II - OTHER INFORMATION

I. Control of Registrant

The following stockholders own more than 5% of the total outstanding number of shares issued as of June 30, 2025:

NAME OF STOCKHOLDER	TOTAL NUMBER OF SHARES HELD	PERCENT TO TOTAL NUMBER OF SHARES ISSUED
GT Capital Holdings, Inc. ^a	1,678,611,010	37.32%
PCD Nominee Corporation (Filipino)* ^b	1,256,697,503	27.94%
PCD Nominee Corporation (Non-Filipino)*	927,951,501	20.63%

* There is no participant of PCD who is a beneficial owner of more than 5% of the total common shares issued by the Registrant.

a. Inclusive of 8,000,000 shares owned by PCD Nominee Corp.

b. Net of 8,000,000 shares owned by GT Capital Holdings, Inc.

As of June 30, 2025, public ownership on the Bank was at 47.83%. Out of the total shares issued, 20.67% represents foreign ownership.

II. Pending Legal Proceedings

As of June 30, 2025, there are isolated suits and claims relating to the Group's banking operations and labor-related cases which are pending. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

III. Board Resolutions

There is no material disclosure that have not been reported under SEC Form 17-C during the period covered by this report.

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.

METROPOLITAN BANK & TRUST COMPANY
By:

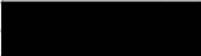

MARICEL L. MADRID
First Vice President/Deputy Controller


RENATO K. DE BORJA, JR.
Executive Vice President
and Head of Financial and Control Sector

July 31, 2025

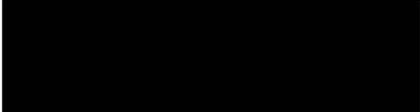
JUL 31 2025

SUBSCRIBED AND SWORN to before me this _____, affiants exhibiting to me their respective Passport with the following details:

Names	Passport No.	Date/Place of Issue	Valid Until
MARICEL L. MADRID			
RENATO K. DE BORJA, JR.			

Doc. No. 93 ;
Page No. 26 ;
Book No. I ;
Series of 2025

**Notarial DST pursuant
to Sec. 61 of the TRAIN Act
(amending Sec. 188 of the NIRC)
affixed on Notary Public's copy**


ATTY. CHARISSIMAE Y. VENTURA
Notary Public for Taguig City
Appointment No. 164 (2025-2026) until December 31, 2026
2/F The Shops at Grand Central Park
7th Ave. cor. 36th and 38th St., BGC, Taguig City


METROPOLITAN BANK & TRUST COMPANY
AND SUBSIDIARIES

Interim Condensed Consolidated Financial Statements

As of June 30, 2025 (Unaudited) and December 31, 2024 (Audited)
and for the six months ended June 30, 2025 and 2024 (Unaudited)

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

	(Unaudited)	(Audited)
	June 30, 2025	December 31, 2024
ASSETS		
Cash and Other Cash Items	₱ 28,730	₱ 33,726
Due from Bangko Sentral ng Pilipinas (BSP)	120,017	150,128
Due from Other Banks	56,550	82,068
Interbank Loans Receivable and Securities Purchased		
Under Resale Agreements (SPURA) (Note 10)	78,068	81,287
Investment Securities at		
Fair Value Through Profit or Loss (FVTPL)	302,635	226,302
Fair Value Through Other Comprehensive Income (FVOCI)	491,142	573,001
Amortized Cost	474,138	475,024
Loans and Receivables	1,845,424	1,816,010
Property and Equipment	29,237	28,116
Investments in Associates and a Joint Venture	6,757	6,359
Goodwill	4,543	4,543
Investment Properties	7,621	7,805
Deferred Tax Assets	15,657	18,037
Other Assets	16,941	17,949
	₱ 3,477,460	₱ 3,520,355
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit Liabilities		
Demand	₱ 604,634	₱ 608,370
Savings	868,314	879,568
Time	872,680	1,085,940
	2,345,628	2,573,878
Bills Payable and Securities Sold Under Repurchase		
Agreements (SSURA) (Note 6)	488,453	300,652
Derivative Liabilities	15,096	13,370
Manager's Checks and Demand Drafts Outstanding	5,646	6,901
Income Taxes Payable	3,209	4,219
Accrued Interest and Other Expenses	17,854	23,544
Bonds Payable (Note 7)	105,097	107,236
Other Liabilities	94,480	94,150
	3,075,463	3,123,950
EQUITY		
Equity Attributable to Equity Holders of the Parent Company	390,666	385,502
Non-controlling Interest	11,331	10,903
	401,997	396,405
	₱ 3,477,460	₱ 3,520,355

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Earnings Per Share)

	(Unaudited)			
	Quarter Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
INTEREST INCOME ON				
Loans and receivables	₱ 32,188	₱ 29,705	₱ 63,734	₱ 58,045
Trading and investment securities	12,655	14,171	25,946	27,278
Deposits with banks and others	191	396	440	1,725
	45,034	44,272	90,120	87,048
INTEREST AND FINANCE CHARGES				
Deposit liabilities	9,679	12,029	18,689	23,866
Bills payable and SSURA, bonds payable and others	4,694	2,969	11,395	5,213
	14,373	14,998	30,084	29,079
NET INTEREST INCOME	30,661	29,274	60,036	57,969
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	3,274	472	5,882	1,034
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	27,387	28,802	54,154	56,935
OTHER INCOME				
Service charges, fees and commissions	4,291	4,301	8,580	8,182
Trading, securities and foreign exchange gain/(loss) - net	2,747	(1,053)	5,378	(370)
Miscellaneous	1,868	2,198	3,629	4,217
	8,906	5,446	17,587	12,029
OTHER EXPENSES				
Compensation and fringe benefits	8,092	7,310	16,192	14,735
Occupancy and equipment-related cost	434	547	940	1,133
Miscellaneous	10,774	10,535	21,421	20,524
	19,300	18,392	38,553	36,392
INCOME BEFORE INCOME TAX	16,993	15,856	33,188	32,572
PROVISION FOR INCOME TAX	4,173	4,031	7,855	8,552
NET INCOME	₱ 12,820	₱ 11,825	₱ 25,333	₱ 24,020
Attributable to :				
Equity holders of the Parent Company	₱ 12,593	₱ 11,608	₱ 24,846	₱ 23,605
Non-controlling interest	227	217	487	415
	₱ 12,820	₱ 11,825	₱ 25,333	₱ 24,020
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 12 of Annex 5)	₱ 2.80	₱ 2.58	₱ 5.52	₱ 5.25

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Quarters Ended June 30		Six Months Ended June 30	
	2025	2024	2025	2024
NET INCOME	₱ 12,820	₱ 11,825	₱ 25,333	₱ 24,020
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX				
Items that may not be reclassified to profit or loss:				
Change in net unrealized gain on equity securities at FVOCI	56	97	28	400
Change in remeasurement gain (loss) on retirement plan	8	(9)	8	(16)
	64	88	36	384
Items that may be reclassified to profit or loss:				
Change in net unrealized gain (loss) on investment in debt securities at FVOCI	1,020	(2,864)	3,293	(3,558)
Change in equity in other comprehensive loss of investees	(99)	(88)	(89)	(191)
Translation adjustment and others	(108)	638	(420)	651
	813	(2,314)	2,784	(3,098)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	₱ 13,697	₱ 9,599	₱ 28,153	₱ 21,306
Attributable to :				
Equity holders of the Parent Company	₱ 13,473	₱ 9,392	₱ 27,651	₱ 20,905
Non-controlling interest	224	207	502	401
	₱ 13,697	₱ 9,599	₱ 28,153	₱ 21,306

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As of June 30, 2025 and 2024
(In Million Pesos)
(Unaudited)

	Common Stock	Capital Paid in Excess of Par Value	Surplus	Surplus Reserves	Treasury Stocks	Net Unrealized Gain (Loss) on Investment Securities at FVOCI	Equity in Other Comprehensive Income (Loss) of Investees	Remeasurement Losses on Retirement Plan	Translation Adjustment and Others	TOTAL	Non-Controlling Interest	Total Equity
Balance, January 1, 2025	₱89,948	₱85,252	₱230,314	₱2,888	₱-	(₱8,185)	₱80	(₱6,436)	(₱8,359)	₱385,502	₱10,903	₱396,405
Total comprehensive income (loss) for the period	-	-	24,846	-	-	3,309	(89)	8	(423)	27,651	502	28,153
Transfer to surplus reserves	-	-	(57)	57	-	-	-	-	-	-	-	-
Cash dividends	-	-	(22,487)	-	-	-	-	-	-	(22,487)	(74)	(22,561)
Balance, June 30, 2025	₱89,948	₱85,252	₱232,616	₱2,945	₱-	(₱4,876)	(₱9)	(₱6,428)	(₱8,782)	₱390,666	₱11,331	₱401,997
Balance, January 1, 2024	₱89,948	₱85,252	₱204,896	₱2,752	(₱70)	(₱10,065)	₱116	(₱7,491)	(₱8,673)	₱356,665	₱10,073	₱366,738
Total comprehensive income (loss) for the period	-	-	23,605	-	-	(3,150)	(189)	(10)	649	20,905	401	21,306
Transfer to surplus reserves	-	-	(56)	56	-	-	-	-	-	-	-	-
Cash dividends	-	-	(22,487)	-	-	-	-	-	-	(22,487)	(85)	(22,572)
Realized loss on sale of FVOCI	-	-	(97)	-	-	97	-	-	-	-	-	-
Acquisition of Parent Company shares held by a mutual fund subsidiary	-	-	-	-	(2)	-	-	-	-	(2)	-	(2)
Disposal of Parent Company shares held by mutual fund subsidiary	-	-	-	-	9	-	-	-	-	9	-	9
Balance, June 30, 2024	₱89,948	₱85,252	₱205,861	₱2,808	(₱63)	(₱13,118)	(₱73)	(₱7,501)	(₱8,024)	₱355,090	₱10,389	₱365,479

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	(Unaudited)	
	For the Six Months Ended June 30	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before income tax	P 33,188	P 32,572
Adjustments for :		
Provision for credit and impairment losses	5,882	1,034
Trading and securities gain on investment securities at FVOCI	(1,178)	(202)
Depreciation and amortization	2,733	2,855
Share in net income of associates and a joint venture	(518)	(452)
Profit from assets sold	(135)	(482)
Unrealized market valuation loss (gain) on financial assets and liabilities at FVTPL	468	(6,357)
Gain on initial recognition of investment properties and chattel properties acquired in foreclosure	(209)	(544)
Amortization of software cost	665	574
Amortization of discount on bonds payable and lease liabilities	334	314
Dividends	(49)	(152)
Changes in operating assets and liabilities:		
Decrease (increase) in :		
Investment securities at FVTPL	(75,075)	(129,941)
Loans and receivables	(35,423)	(89,495)
Other assets	705	(1,363)
Increase (decrease) in:		
Deposit liabilities	(228,250)	46,950
Bills payable-deposit substitutes	-	(8)
Manager's checks and demand drafts outstanding	(1,255)	(488)
Accrued interest and other expenses	(5,690)	1,046
Non-equity non-controlling interest	-	(771)
Other liabilities	(9,056)	8,855
Net cash used in operations	(312,863)	(136,055)
Dividends received	49	430
Income taxes paid	(6,752)	(8,409)
Net cash used in operating activities	(319,566)	(144,034)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Investment securities at FVOCI	(213,979)	(469,681)
Investments securities at amortized cost	(20,628)	(1,032)
Property and equipment	(2,417)	(1,626)
Proceeds from sale of:		
Investment securities at FVOCI	300,235	472,717
Property and equipment	305	241
Investment properties	589	653
Increase in interbank loans receivable and SPURA	(511)	(1,698)
Proceeds from maturity of investment securities at amortized cost	20,870	2,138
Net cash provided by investing activities	84,464	1,712
CASH FLOWS FROM FINANCING ACTIVITIES		
Settlements of bills payable	(8,788,035)	(1,730,797)
Availments of bills payable and SSURA	8,975,836	1,802,824
Proceeds from issuance of bonds payable	-	57,448
Cash dividends paid	(15,815)	(15,826)
Payment of principal portion of lease liabilities	(1,192)	(1,080)
Proceeds from disposal of Parent Company shares by mutual fund subsidiaries	-	9
Acquisition of Parent Company shares by a mutual fund subsidiary	-	(2)
Settlements of bonds payable	-	(23,717)
Net cash provided by financing activities	170,794	88,859
NET DECREASE IN CASH AND CASH EQUIVALENTS	(64,308)	(53,463)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Cash and other cash items	33,726	39,431
Due from BSP	150,128	207,807
Due from other banks	82,136	90,586
Interbank loans receivable and SPURA	69,530	63,682
	335,520	401,506
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and other cash items	28,730	24,565
Due from BSP	120,017	185,534
Due from other banks	56,618	82,512
Interbank loans receivable and SPURA (Note 10)	65,847	55,432
	P 271,212	P 348,043

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

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

The Bank and its subsidiaries (the Group) are engaged in all aspects of banking, financing, leasing, real estate and stock brokering. As of June 30, 2025, the Group has 964 branches, 1,304 Automated Teller Machines (ATMs) in the branches (on-site) and 957 ATMs in other locations (off-site). As a bank, the Parent Company, which is the ultimate parent of the Group, provides products and services such as deposits, loans and trade finance, credit card products, programs and facilities, electronic banking facilities, cash management, domestic and foreign fund transfers, treasury products, remittances, institutional fund-management, private banking and trust services. The Bank temporarily changed its business address from Metrobank Plaza, Sen. Gil Puyat Avenue, Urdaneta Village, Makati City to GT Tower International, 6813 Ayala Ave., corner H.V. Dela Costa St., Brgy. Bel-Air, Makati City, effective August 14, 2023.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Groups’ annual audited financial statements as at December 31, 2024.

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

The unaudited interim condensed consolidated financial statements are presented in Philippine Peso (PHP), the Bank’s functional currency, and all values are rounded to the nearest million pesos (₱000,000) except when otherwise indicated.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The respective functional currencies of the subsidiaries are presented under Basis of Consolidation.

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position. Income and expense are not offset in the statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the financial statements of the Bank and of its subsidiaries and are prepared for the same reporting period as the Bank using consistent accounting policies.

The following are the wholly and majority-owned foreign and domestic subsidiaries of the Bank as of June 30, 2025:

Subsidiary	Effective Percentage of Ownership	Country of Incorporation	Functional Currency
Financial Markets:			
Domestic:			
First Metro Investment Corporation (FMIC) and Subsidiaries	99.28	Philippines	PHP
Philippine Savings Bank (PSBank)	88.38	Philippines	PHP
ORIX Metro Leasing and Finance Corporation (ORIX Metro) and Subsidiaries	59.86	Philippines	PHP
Foreign:			
Metropolitan Bank (China) Ltd (MBCL)	100.00	China	Chinese Yuan United States Dollar (USD)
Metropolitan Bank (Bahamas) Limited *	100.00	The Bahamas	Dollar (USD)
First Metro International Investment Company Limited and Subsidiary	100.00	Hong Kong	Hong Kong Dollar (HKD)
Remittances:			
Metro Remittance (Hong Kong) Limited	100.00	Hong Kong	HKD
Metro Remittance (Singapore) Pte. Ltd.	100.00	Singapore	Singapore Dollar
Metro Remittance (UK) Limited	100.00	United Kingdom	Great Britain Pound
First Metro Holdings USA, Inc. (formerly Metro Remittance (USA), Inc.)	100.00	United States of America (USA)	USD
Metro Remittance (Japan) Co., Ltd.	100.00	Japan	Japanese Yen
Real Estate:			
Circa 2000 Homes, Inc. *	100.00	Philippines	PHP
Others:			
First Metro Insurance and Reinsurance Brokers, Inc.	100.00	Philippines	PHP
Philbancor Venture Capital Corporation *	60.00	Philippines	PHP

* In process of liquidation

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

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

When a change in ownership interest in a subsidiary occurs which results in a loss of control over the subsidiary, the Parent Company: (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary; (b) derecognizes the carrying amount of any non-controlling interest; (c) derecognizes the related

other comprehensive income (OCI) recorded in equity and recycles the same to statement of income or 'surplus'; (d) recognizes the fair value of the consideration received; (e) recognizes the fair value of any investment retained; (f) recognizes any surplus or deficit in statement of income; and (g) reclassifies the Parent Company's share of components' gains (losses) previously recognized in OCI to profit or loss or surplus, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Entity with significant influence over the Group

GT Capital Holdings, Inc. (GT Capital) holds 37.32% and 37.15% of the total shares of the Bank as of June 30, 2025 and December 31, 2024, respectively.

Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2024, except for the adoption of the Amendments to PAS 21, *Lack of exchangeability*, which became effective beginning January 1, 2025. The adoption of this new standard did not have a material impact on the consolidated financial statements of the Group.

Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PAS 34 requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgments and estimates of the Group have been disclosed in the 2024 audited financial statements.

3. Financial Risk Management

Compared with December 31, 2024, there have been no changes in the financial risk exposures that materially affect the unaudited interim condensed consolidated financial statements of the Group as of June 30, 2025. The Group has exposures to the following risks from its use of financial instruments: (a) credit; (b) liquidity; and (c) market risks. Related discussions below should be read in conjunction with Note 4, Financial Risk and Capital Management, of the Group's 2024 audited financial statements.

Risk management framework

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

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

The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management processes but are structured similar to that of the Parent Company. To a certain extent, the respective risk management programs and objectives are the same across the Group. The risk management policies adopted by the subsidiaries and affiliates are aligned with the Parent Company's

risk policies. To further promote compliance with PFRS and Basel III, the Parent Company created a Risk Management Coordinating Council (RMCC) composed of risk officers of the Parent Company and its financial institution subsidiaries.

Credit Risk

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

Liquidity Risk

Liquidity risk is the current and prospective risk to earnings or capital arising from the inability to meet its obligations when they become due. This may be caused by the inability to liquidate assets or to obtain funding to meet the liquidity needs. The Group manages its liquidity risk by holding adequate stock of high-quality liquid assets, analyzing net funding requirements over time, diversifying funding sources and contingency planning.

To measure the prospective liquidity needs, the Group uses Maximum Cumulative Outflow (MCO), a liquidity gap tool to project short-term and long-term cash flow expectations on a business-as-usual condition.

The MCO is generated by distributing the cash flows of the Group's assets, liabilities and off-balance sheet items to time bands based on cash flow expectations such as contractual maturity, nature of the account, behavioral patterns, projections on business strategies, and/or optionality of certain products. The incorporation of behavioral cash flow assumptions and business projections or targets results in a dynamic gap report that realistically captures the behavior of the products and creates a forward-looking cash flow projection.

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

The MCO is monitored regularly to ensure that it remains within the set limits. The Parent Company generates and monitors daily its MCO, while the subsidiaries generate the report at least monthly. The liquidity profile of the Group is reported monthly to the Parent Company's ALCO and ROC.

To supplement the business-as-usual scenario parameters reflected in the MCO report, the Group also conducts liquidity stress testing to determine the impact of extreme factors, scenarios and/or events to the Group's liquidity profile. Liquidity stress testing exercise is performed quarterly on a per firm basis, and at least annually on the Group-wide level.

Market Risk

Market risk is the possibility of loss to future earnings, fair values or future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, and other market factors. Market risk originates from holdings in foreign currencies, debt securities and derivatives transactions.

Depending on the business model for the product, that is, whether they belong to the trading book or banking book, the Group applies different tools and processes to manage market risk exposures. Risk limits, approved by the BOD, are enforced to monitor and control this risk. RSK, as an independent body under the ROC, performs daily market risk analyses to ensure compliance to policies and limits, while Treasury Group manages the asset/liability risks arising from both banking book and trading operations in financial markets. The ALCO, chaired by the President, manages market risks within the parameters approved by the BOD.

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

Market risk - trading book

In measuring the potential loss in its trading portfolio, the Parent Company uses Value-at-Risk (VaR). VaR is an estimate of the potential decline in the value of a portfolio, under normal market conditions, for a given “confidence level” over a specified holding period. The Parent Company measures and monitors the Trading Book VaR daily and this value is compared against the set VaR limit. Meanwhile, the Group VaR is monitored and reported monthly.

VaR methodology assumptions and parameters

Historical Simulation (HS) is used to compute the VaR. This method assumes that market rates volatility in the future will follow the same movement that occurred within the 260-day historical period. In calculating VaR, a 99.00% confidence level and a one-day holding period are assumed. This means that, statistically, within a one-day horizon, the trading losses will exceed VaR in 1 out of 100 trading days.

Like any other model, the HS method has its own limitations. To wit, it cannot predict volatility levels which did not happen in the specified historical period. The validity of the VaR model is verified through a daily backtesting analysis, which examines how frequently both actual and hypothetical daily losses exceed VaR. The result of the daily backtesting analysis is reported to the ALCO and ROC monthly.

Subsidiaries with trading books perform daily mark-to-market valuation and VaR calculations for their exposures. Risk exposures are bounded by a system of risk limits and monitoring tools to effectively manage these risks.

The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures and by doing stress testing analysis. These processes address potential product concentration risks, monitor portfolio vulnerability and give the management an early advice if an actual loss goes beyond what is deemed to be tolerable to the Group and the Parent Company, even before the VaR limit is hit.

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

Market risk - banking book

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

The Group assesses interest rate risk in the banking book using measurement tools such as Interest Rate Repricing Gap, Earnings-at-Risk (EaR) and Sensitivity Analysis.

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

EaR measures the possible decline in the Group's net interest income as a result of adverse interest rate movements, given the current repricing profile. It is a tool used to evaluate the sensitivity of the accrual portfolio to changes in interest rates in the adverse direction over the next twelve (12) months.

EaR methodology assumptions and parameters

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

The Parent Company generates and monitors daily its EaR exposure while the subsidiaries generate their EaR reports at least monthly.

The Parent Company employs the Delta EVE model to measure the overall change in the economic value of the bank at one point. It reflects the changes in the net present value of its banking book at different interest rate shocks and stress scenarios. Δ EVE is calculated by slotting the notional repricing cash flows arising from rate-sensitive assets and liabilities into pre-defined tenor buckets. The present value of the net repricing cash flows is then calculated using various interest rate scenarios prescribed by Basel, as well as scenarios internally developed by the Parent Company.

Aside from the tools above, the Parent Company and its subsidiaries perform regular sensitivity and stress testing analyses on their banking books to broaden their forward-looking analysis. This way, management can craft strategies to address and/or arrest probable risks, if necessary.

Foreign currency risk

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

4. Fair Value Measurement

Financial Instruments

The methods and assumptions used by the Group in estimating the fair values of financial assets and financial liabilities have been consistently applied in the unaudited interim condensed consolidated financial statements. These are:

Cash and other cash items, due from BSP and other banks and interbank loans receivable and SPURA – The carrying amounts of instruments with long-term maturities are not material to the financial statements, thus, fair values of these instruments were based on their carrying amounts.

Trading and investment securities - Fair values of debt and equity securities are generally based on quoted market prices. Where the debt securities are not quoted or the market prices are not readily available, the Group obtained valuations from independent parties offering pricing services, used adjusted quoted market prices of comparable investments, or applied discounted cash flow methodologies. For equity securities that are not quoted, remeasurement to their fair values is not material to the financial statements.

Derivative instruments - Fair values are estimated based on quoted market prices, prices provided by independent parties, or prices derived using acceptable valuation models. The models utilize published underlying rates (for example, interest rates, Foreign Exchange (FX) rates, Credit Default Swap (CDS) rates, FX volatilities and spot and forward FX rates) and are implemented through validated calculation engines.

Loans and receivables - Fair values of the Group's loans and receivables are estimated using the discounted cash flow methodology, using current incremental lending rates for similar types of loans. Where the instrument reprices on a quarterly basis or has a relatively short maturity, the carrying amounts approximate fair values.

Liabilities - Fair values are estimated using the discounted cash flow methodology using the Group's current borrowing rate for similar borrowings with maturities consistent with those remaining for the liability being valued, if any. The carrying amounts of demand and savings deposit liabilities and other short-term liabilities approximate fair values considering that these are either due and demandable or with short-term maturities.

The following tables summarize the carrying amounts and fair values of the financial assets and liabilities:

	June 30, 2025 (Unaudited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	₱216,094	₱216,094	₱-	₱-	₱216,094
Treasury notes and bonds	28,135	28,135	-	-	28,135
BSP	26,969	26,969	-	-	26,969
Private	5,890	5,890	-	-	5,890
Treasury bills	4,945	4,945	-	-	4,945
	282,033	282,033	-	-	282,033
Equity securities	199	199	-	-	199
Derivative assets					
Cross currency swaps	12,073	-	12,073	-	12,073
Currency forwards	6,729	-	6,729	-	6,729
Interest rate swaps	1,581	-	1,581	-	1,581
Call option	10	-	10	-	10
Put option	9	-	9	-	9
Bond futures	1	-	1	-	1
	20,403	-	20,403	-	20,403
	302,635	282,232	20,403	-	302,635
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	362,318	344,279	18,039	-	362,318
Government	99,738	99,738	-	-	99,738
Private	23,404	23,309	95	-	23,404
BSP	2,999	2,999	-	-	2,999
Treasury bills	594	594	-	-	594
	489,053	470,919	18,134	-	489,053
Equity securities	2,089	1,811	128	150	2,089
	491,142	472,730	18,262	150	491,142
	₱793,777	₱754,962	₱38,665	₱150	₱793,777
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱418,698	₱411,817	₱9,283	₱-	₱421,100
Government	54,511	51,751	1,386	-	53,137
Private	929	938	-	-	938
	₱474,138	₱464,506	₱10,669	₱-	₱475,175
Loans and receivable – net					
Receivables from customers					
Commercial loans	₱1,362,406	₱-	₱-	₱1,372,562	₱1,372,562
Credit card	153,601	-	-	153,601	153,601
Auto loans	118,889	-	-	131,596	131,596
Residential mortgage loans	98,854	-	-	124,658	124,658
Trade	52,923	-	-	53,686	53,686
Others	17,707	-	-	17,914	17,914
	1,804,380	-	-	1,854,017	1,854,017
Sales contract receivable	15	-	-	15	15
	1,804,395	-	-	1,854,032	1,854,032
Other assets	1,434	1,092	129	293	1,514
	₱2,279,967	₱465,598	₱10,798	₱1,854,325	₱2,330,721

June 30, 2025 (Unaudited)					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial Liabilities at FVTPL					
Derivative liabilities					
Currency forwards	₱7,622	₱-	₱7,622	₱-	₱7,622
Cross currency swaps	6,010	-	6,010	-	6,010
Interest rate swaps	1,386	-	1,386	-	1,386
Bond futures	37	-	37	-	37
Credit default swaps	23	-	23	-	23
Call option	9	-	9	-	9
Put option	9	-	9	-	9
	₱15,096	₱-	₱15,096	₱-	₱15,096
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱872,680	₱-	₱-	₱875,386	₱875,386
Bills payable and SSURA	488,453	-	-	488,571	488,571
Bonds payable	105,097	103,767	-	2,359	106,126
Other liabilities					
Deposits on lease contracts	713	-	-	675	675
	₱1,466,943	₱103,767	₱-	₱1,366,991	₱1,470,758
December 31, 2024 (Audited)					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets Measured at Fair Value					
Financial Assets					
Investment securities at FVTPL					
FVTPL investments					
Debt securities					
Government	₱101,012	₱101,012	₱-	₱-	₱101,012
BSP	73,496	73,496	-	-	73,496
Treasury notes and bonds	19,886	19,886	-	-	19,886
Treasury bills	6,371	6,371	-	-	6,371
Private	5,265	5,265	-	-	5,265
	206,030	206,030	-	-	206,030
Equity securities	153	153	-	-	153
Derivative assets					
Cross currency swaps	10,497	-	10,497	-	10,497
Currency forwards	6,950	-	6,950	-	6,950
Interest rate swaps	2,638	-	2,638	-	2,638
Call option	30	-	30	-	30
Put option	4	-	4	-	4
	20,119	-	20,119	-	20,119
	₱226,302	₱206,183	₱20,119	₱-	₱226,302
Investment securities at FVOCI					
Debt securities					
Treasury notes and bonds	₱372,967	₱356,111	₱16,856	₱-	₱372,967
Government	101,896	101,896	-	-	101,896
BSP	65,412	65,412	-	-	65,412
Private	29,946	29,849	97	-	29,946
Treasury bills	719	719	-	-	719
	570,940	553,987	16,953	-	570,940
Equity securities	2,061	1,773	138	150	2,061
	573,001	555,760	17,091	150	573,001
	₱799,303	₱761,943	₱37,210	₱150	₱799,303

	December 31, 2024 (Audited)				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Assets for which Fair Values are Disclosed					
Financial Assets					
Investment securities at amortized cost					
Treasury notes and bonds	₱418,170	₱410,821	₱8,375	₱-	₱419,196
Government	55,606	51,412	1,385	-	52,797
Private	1,248	1,253	-	-	1,253
	475,024	463,486	9,760	-	473,246
Loans and receivable – net					
Receivables from customers					
Commercial loans	1,332,959	-	-	1,492,633	1,492,633
Credit card	147,795	-	-	147,795	147,795
Auto loans	110,983	-	-	145,094	145,094
Residential mortgage loans	96,711	-	-	168,836	168,836
Trade loans	67,625	-	-	67,625	67,625
Others	16,556	-	-	16,992	16,992
	1,772,629	-	-	2,038,975	2,038,975
Unquoted debt securities	17	-	-	17	17
Sales contract receivable	20	-	-	20	20
	1,772,666	-	-	2,039,012	2,039,012
Other assets	1,348	983	154	282	1,419
	2,249,038	464,469	9,914	2,039,294	2,513,677
Non-Financial Assets					
Investment properties	7,805	-	-	16,630	16,630
Residual value of leased assets	391	-	-	359	359
	8,196	-	-	16,989	16,989
	₱2,257,234	₱464,469	₱9,914	₱2,056,283	₱2,530,666
Liabilities Measured at Fair Value					
Financial Liabilities					
Financial liabilities at FVTPL					
Derivative liabilities					
Currency forwards	₱7,445	₱-	₱7,445	₱-	₱7,445
Cross currency swaps	4,912	-	4,912	-	4,912
Interest rate swaps	940	-	940	-	940
Credit default swaps	48	-	48	-	48
Call option	22	-	22	-	22
Put option	3	-	3	-	3
	₱13,370	₱-	₱13,370	₱-	₱13,370
Liabilities for which Fair Values are Disclosed					
Financial Liabilities					
Deposit liabilities					
Time	₱1,085,939	₱-	₱-	₱1,088,599	₱1,088,599
Bills payable and SSURA	300,651	-	-	300,745	300,745
Bonds payable	107,236	104,161	-	2,377	106,538
Other liabilities					
Deposits on lease contracts	665	-	-	635	635
	₱1,494,491	₱104,161	₱-	₱1,392,356	₱1,496,517

As of June 30, 2025, the fair value hierarchy of FVOCI equity securities amounting to ₱12.1 million was transferred from Level 2 to Level 1 due to the presence of a quoted price in an active market.

There were no transfers between levels of the fair value hierarchy in 2024.

5. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with segment representing a strategic business unit. Operating segments are reported in accordance with internal reporting to the Senior Management who is responsible for allocating resources to the segments and assessing its performance. The financial reporting basis used in the internal reporting is PFRS.

The Group's business segments follow:

- Consumer Banking - principally providing consumer type loans and support for effective sourcing and generation of consumer business;
- Corporate Banking - principally handling loans and other credit facilities and deposit and current accounts for corporate and institutional customers;
- Investment Banking - principally arranging structured financing and providing services relating to privatizations, initial public offerings, mergers and acquisitions; and providing advisory services primarily aimed to create wealth to individuals and institutions;
- Treasury - principally providing money market, trading and treasury services, as well as the management of the Group's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and corporate banking;
- Branch Banking - principally handling branch deposits and providing loans and other loan related businesses for domestic middle market clients; and
- Others - principally handling other services including but not limited to remittances, leasing, account financing, and other support services. Other operations of the Group comprise the operations and financial control groups.

Segment assets are those operating assets that are employed by a segment in its operating activities and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Interest income is reported net, as management primarily relies on the net interest income as performance measure, not the gross interest income and interest expense. The Group has no significant customers which contributes 10.00% or more of the consolidated revenue net of interest expense. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to business segments based on a pool rate which approximates the cost of funds. The following table presents revenue and income information of operating segments presented in accordance with PFRS and segment assets and liabilities as of and for the periods ended June 30, 2025 and 2024.

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
Period Ended June 30, 2025							
(Unaudited)							
Results of Operations							
Net interest income (expense)							
Third party	₱15,264	₱37,727	₱-	₱7,415	(₱1,161)	₱791	₱60,036
Intersegment	(4,071)	(31,700)	-	318	35,453	-	-
Net interest income after intersegment transaction	11,193	6,027	-	7,733	34,292	791	60,036
Non-interest income	4,983	489	240	4,910	2,900	3,547	17,069
Revenue - net of interest expense	16,176	6,516	240	12,643	37,192	4,338	77,105
Non-interest expense	12,125	3,091	42	3,358	12,484	13,335	44,435
Income (loss) before share in net income of associates and a joint venture	4,051	3,425	198	9,285	24,708	(8,997)	32,670
Share in net income of associates and a joint venture	-	38	-	-	-	480	518
Provision for income tax	(30)	(417)	-	(4,414)	(100)	(2,894)	(7,855)
Non-controlling interest in net income of consolidated subsidiaries	-	-	-	-	-	(487)	(487)
Net income (loss)	₱4,021	₱3,046	₱198	₱4,871	₱24,608	(₱11,898)	₱24,846

	Consumer Banking	Corporate Banking	Investment Banking	Treasury	Branch Banking	Others	Total
Statement of Financial Position							
Total assets	₱289,223	₱1,400,539	₱-	₱1,377,244	₱206,583	₱203,871	₱3,477,460
Total liabilities	₱163,688	₱1,079,408	₱-	₱1,339,402	₱285,635	₱207,330	₱3,075,463
Other Segment Information							
Capital expenditures	₱92	₱61	₱-	₱23	₱33	₱2,530	₱2,739
Depreciation and amortization	₱307	₱143	₱-	₱49	₱1,336	₱1,563	₱3,398
Provision for credit and impairment losses	₱6,040	(₱233)	₱-	(₱5)	₱128	(₱48)	₱5,882

Period Ended June 30, 2024

(Unaudited)

Results of Operations

Net interest income (expense)

Third party Intersegment	₱12,812 (3,315)	₱34,189 (26,056)	₱- -	₱11,318 (2,598)	(₱1,641) 31,969	₱1,291 -	₱57,969 -
Net interest income after intersegment transaction	9,497	8,133	-	8,720	30,328	1,291	57,969
Non-interest income	4,825	508	70	(1,033)	3,235	3,972	11,577
Revenue - net of interest expense	14,322	8,641	70	7,687	33,563	5,263	69,546
Non-interest expense	9,685	3,062	4	3,469	12,223	8,983	37,426
Income (loss) before share in net income of associates and a joint venture	4,637	5,579	66	4,218	21,340	(3,720)	32,120
Share in net income of associates and a joint venture	-	42	-	-	-	410	452
Benefit from (provision for) income tax	41	(500)	-	(4,660)	(419)	(3,014)	(8,552)
Non-controlling interest in net income of consolidated subsidiaries	-	-	-	-	-	(415)	(415)
Net income (loss)	₱4,678	₱5,121	₱66	(₱442)	₱20,921	(₱6,739)	₱23,605

Statement of Financial Position

Total assets	₱255,689	₱1,236,653	₱-	₱1,338,359	₱170,534	₱278,918	₱3,280,153
Total liabilities	₱141,584	₱955,727	₱-	₱1,299,781	₱255,820	₱261,762	₱2,914,674
Other Segment Information							
Capital expenditures	₱147	₱26	₱-	₱45	₱32	₱1,766	₱2,016
Depreciation and amortization	₱247	₱158	₱-	₱43	₱1,170	₱1,811	₱3,429
Provision for credit and impairment losses	₱4,066	(₱3,191)	₱-	₱-	₱164	(₱5)	₱1,034

Non-interest income consists of service charges, fees and commissions, profit from assets sold, trading and securities gain (loss), and foreign exchange gain (loss) - net, income from trust operations, leasing, dividends and miscellaneous income. Non-interest expense consists of compensation and fringe benefits, taxes and licenses, provision for credit and impairment losses, depreciation and amortization, occupancy and equipment-related costs, amortization of software costs and miscellaneous expenses.

6. Securities Sold Under Repurchase Agreement

Following are the carrying values of the government debt securities pledged and transferred under SSURA transactions of the Group (included under Bills Payable and Securities Sold under Repurchase Agreements):

	June 30, 2025 (Unaudited)		December 31, 2024 (Audited)	
	Transferred Securities	SSURA	Transferred Securities	SSURA
Investment securities at FVTPL	₱197,525	₱194,934	₱83,564	₱83,292
Investment securities at FVOCI				
Government	64,057	56,130	46,677	43,099
Private	1,573	1,573	-	-
Investment securities at Amortized Cost	186,653	166,215	168,582	150,237
	₱449,808	₱418,852	₱298,823	₱276,628

7. Bonds Payable

This account consists of the following:

Issue Date	Maturity Date	Interest Rate	Face Value	Carrying value	
				June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Parent Company					
Fixed Rate Bonds:					
June 4, 2021	September 4, 2026	3.60%	₱19,000	₱18,967	₱18,953
USD Senior Unsecured Note:					
July 15, 2020	January 15, 2026	2.125%	US\$500	28,113	28,819
March 6, 2024	March 6, 2029	5.375%	500	27,931	28,646
March 6, 2024	March 6, 2034	5.500%	500	27,727	28,440
				102,738	104,858
Fixed Rate Bonds:					
MBCL					
June 25, 2024	June 25, 2027	2.600%	CNY300	2,359	2,378
				₱105,097	₱107,236

Significant terms of these bonds have been disclosed in the 2024 audited financial statements.

8. Capital Stock

As of June 30, 2025 and December 31, 2024, this account consists of (amount in millions, except par value and number of shares):

	Shares	Amount
Authorized		
Common stock – ₱20.00 par value	6,000,000,000	
Preferred stock – ₱20.00 par value	1,000,000,000	
Common stock issued and outstanding	4,497,415,555	₱89,948

Details of the Bank's cash dividend distributions from 2023 to 2025 follow:

Date of Declaration	Per Share	Total Amount (In Millions)	Record date	Payment date
February 19, 2025	₱1.50 (regular)	₱6,746	March 6, 2025	March 28, 2025
February 19, 2025	2.00 (special)	8,995	March 6, 2025	March 28, 2025
February 21, 2024	1.50 (regular)	6,746	September 5, 2024	September 20, 2024
February 21, 2024	1.50 (regular)	6,746	March 8, 2024	March 25, 2024
February 21, 2024	2.00 (special)	8,995	March 8, 2024	March 25, 2024
February 22, 2023	0.80 (regular)	3,598	September 8, 2023	September 22, 2023
February 22, 2023	0.80 (regular)	3,598	March 17, 2023	March 31, 2023
February 22, 2023	1.40 (special)	6,296	March 17, 2023	March 31, 2023

On February 19, 2025, the BOD of the Parent Company approved the declaration of regular cash dividend of ₱3.00 per share for the year, payable on semi-annual basis at ₱1.50 per share. In addition, a special cash dividend of ₱2.00 per share was also declared. The first tranche of the regular cash dividend of ₱1.50 per share and special cash dividend of ₱2.00 per share were paid on March 28, 2025 to all stockholders of record as of March 6, 2025. The Record and Payment dates of the second tranche of the regular cash dividend of ₱1.50 per share (2nd half of the ₱3.00 per share) will be determined during the Board's Regular meeting on August 2025.

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

Significant information on capital issuances have been disclosed in the 2024 audited financial statements.

9. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions or if they are subjected to common control or common significant influence such as subsidiaries and associates of subsidiaries or other related parties. Related parties may be individuals or corporate entities and are classified as entities with significant influence, subsidiaries, associates, other related parties and key personnel.

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

The Parent Company has a Related Party Transactions Committee (RPTC) and a Related Party Transactions Management Committee (RPTMC), both of which are created to assist the BOD in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that corporate or business resources of the Parent Company are not misappropriated or misapplied. After appropriate review, RPTMC (through RPTC) and RPTC disclose all information and endorses to the BOD with recommendations, the proposed related party transactions. The members of the RPTC are appointed annually by the BOD, composed of at least three (3) Board non-executive members, two (2) of whom should be independent directors, including the Chairman. Currently, RPTC is composed of three (3) independent directors (including the Committee's Chairman); the head of Internal Audit Group (as Resource Person); and the Compliance Officer (as the Committee Secretary) and meets monthly or as the need arises. On the other hand, RPTMC members are appointed annually by the President, currently composed of seven (7) members. RPTC's and RPTMC's review of the proposed related party transactions considers the following:

- a. Identity and relationship of the parties involved in the transaction;
- b. Terms of the transaction and whether these are no less favorable than terms generally available to an unrelated third party under the same circumstances;
- c. Business purpose, timing, rationale and benefits of the transaction;
- d. Approximate monetary value of the transaction and the approximate monetary value of the related party's interest in the transaction;
- e. Valuation methodology used and alternative approaches to valuation of the transaction;
- f. Information concerning potential counterparties in the transaction;
- g. Description of provisions or limitations imposed as a result of entering into the transaction;
- h. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the transaction;
- i. Impact to a director's independence;
- j. Extent that such transaction or relationship would present an improper conflict of interest; and
- k. The availability of others sources of comparable products or services.

The Group established policies and procedures on related party transactions in accordance with the regulations of the BSP and SEC. All related party transactions, exceeding the established materiality thresholds, must undergo prior review by the RPTC before being endorsed to the BOD for approval.

Material related party transactions, either individually or in aggregate over a twelve-month period with the same party, amounting to ten percent (10%) or more of the Bank's total consolidated assets, require the evaluation of an appointed external independent party and approval by at least a two-thirds vote of the BOD, with at least a majority of the independent directors.

The committees ensured that all related party transactions for the financial year are conducted in a fair and at arm's-length terms.

Further, no director or officer participates in any discussion of a related party transaction for which he, she, or any member of his or her immediate family is a related party, including transactions of subordinates, except in order to provide material information on the related party transaction to RPTC.

Major subsidiaries, which include FMIC, PSBank and MBCL, have their own respective RPTCs which assist their respective BODs in ensuring that transactions with related parties are reviewed to assess risks and are subjected to appropriate restrictions to ensure that these are conducted at arm's-length terms and that their corporate or business resources are not misappropriated or misapplied.

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

BSP Circular Nos. 560 and 654 provide the rules and regulations that govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks which require that the total outstanding loans, other credit accommodations and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% while a separate individual limit of 25.00% for those engaged in energy and power generation, of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% or 12.50%, respectively, of such net worth. Further, the total outstanding loans, credit accommodations and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer and/or stockholder of the lending institution, except where such director, officer or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank as reported to the BSP. As of June 30, 2025 and December 31, 2024, the total outstanding loans, other credit accommodations and guarantees to each of the Parent Company's subsidiaries and affiliates did not exceed 10.00% of the Parent Company's net worth, as reported to the BSP, and the unsecured portion did not exceed 5.00% of such net worth wherein the total outstanding loans, other credit accommodations and guarantees to all such subsidiaries and affiliates represent 9.84% and 11.26%, respectively, of the Parent Company's net worth.

The Parent Company has no outstanding loans, other credit accommodations and guarantees to subsidiaries and affiliates engaged in energy and power generation.

Details on significant related party transactions of the Group as of June 30, 2025, December 31, 2024 and June 30, 2024 follow (transactions with subsidiaries have been eliminated in the unaudited interim condensed consolidated financial statement):

<u>Category</u>	<u>Amount</u>	<u>Terms and Conditions/Nature</u>
<u>Transactions Affecting Statements of Financial Position</u>		
June 30, 2025 (Unaudited)		
Entity with Significant Influence Over the Group		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱988	With annual fixed interest rates ranging from 0.05% to 4.25% including time deposits with maturity terms of 5 to 33 days
<u>Volume:</u>		
Deposit liabilities	(286)	Generally similar to terms and conditions above

Category	Amount	Terms and Conditions/Nature
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱451	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 4.55% to 4.62% with maturity terms from 1 day to 7 days with minimal expected credit loss
Receivables from customers*	2,423	Unsecured, with ECL of ₱0.48 million; with annual fixed interest rates from 5.35% to 6.10% and maturity terms from 1 to 91 days
Accounts receivable	83	Non-interest bearing receivables on ATM, remittance and rental fees
Other receivables	23	Non-interest bearing receivables on rental fees
Deposit liabilities*	5,489	With annual fixed interest rates ranging from 0.05% to 5.60% including time deposits with maturity terms ranging from 1 to 63 days
Bills payable*	2,700	Peso borrowing subject to annual fixed interest rate of 6.13% with maturity term of 1 day
<u>Volume:</u>		
Interbank loans receivable	(1,710)	Generally similar to terms and conditions above
Receivables from customers	(1,192)	Generally similar to terms and conditions above
Accounts receivable	(82)	Generally similar to terms and conditions above
Deposit liabilities	(1,680)	Generally similar to terms and conditions above
Bills payable	2,700	Generally similar to terms and conditions above
Securities transactions		
Purchases	1,954	Outright purchases of investment securities at FVTPL and FVOCI
Sales	4,201	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	1,112	Outright purchases of foreign currency
Sell	2,245	Outright sale of foreign currency
Associates		
<u>Outstanding Balance:</u>		
Receivable from customers*	₱1,431	Unsecured, with ECL of ₱0.9 million; with annual fixed interest rates ranging from 5.28 % to 6.55% and maturity terms from 62 to 730 days
Deposit liabilities*	1,646	With annual fixed interest rates ranging from 0.05% to 4.63% including time deposits with maturity terms from 30 to 35 days
<u>Volume:</u>		
Receivables from customers	175	Generally similar to terms and conditions above
Deposit liabilities	14	Generally similar to terms and conditions above
Securities transactions		
Outright sales	1,100	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Sell	596	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱37,448	Secured – ₱6.1 billion, unsecured – ₱31.3 billion, with ECL of ₱271.1 million, with annual fixed interest rates ranging from 3.68% to 7.37% and maturity terms from 7 days to 5 years
Assets held under joint operations	114	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Deposit liabilities*	16,553	With annual fixed rates ranging from 0.05% to 5.25% including time deposits with maturity terms from 1 to 364 days
<u>Volume:</u>		
Receivables from customers	(3,661)	Generally similar to terms and conditions above
Deposit liabilities	236	Generally similar to terms and conditions above
Contingent		
Unused commercial LCs	29	LC transactions with various terms
Others	1	Bank guaranty with indemnity agreement
Foreign currency		
Buy	252	Outright purchases of foreign currency
Sell	37,899	Outright sale of foreign currency
Key Personnel		
<u>Outstanding Balance:</u>		
Receivables from customers	₱131	Secured – ₱118.8 million, unsecured – ₱28.5 million, no impairment. With annual fixed interest rate ranging from 6.00% to 9.00% and maturity terms from 2 to 16 years
Deposit liabilities	719	With various terms and with minimum annual interest rate of 0.05%
<u>Volume:</u>		
Deposit liabilities	(111)	Generally similar to terms and conditions above

Category	Amount	Terms and Conditions/Nature
December 31, 2024 (Audited)		
Entity with Significant Influence Over the Group		
<u>Outstanding Balance:</u>		
Deposit liabilities*	₱1,274	With annual fixed interest rates ranging from 0.05% to 5.25% including time deposits with maturity terms from 30 to 63 days
<u>Volume:</u>		
Deposit liabilities	(1,257)	Generally similar to terms and conditions above
Subsidiaries		
<u>Outstanding Balance:</u>		
Interbank loans receivable*	₱2,161	Foreign currency-denominated lending which earn annual fixed interest rates ranging from 2.1% to 3.0% with maturity terms from 9 to 14 days with minimal expected credit loss
Receivables from customers*	3,615	Secured – ₱495.6 million, unsecured – ₱3.1 billion with ECL of ₱11.7 million. With annual fixed interest rates ranging from 5.40% and maturity terms ranging from 6 to 350 days
Accounts receivable	165	Non-interest bearing receivables on ATM, remittance and rental fees
Other receivables	32	Non-interest bearing receivables on rental fees
Deposit liabilities*	7,169	With annual fixed interest rates ranging from 0.05% to 6.13% including time deposits with maturity terms ranging from 6 to 90 days
<u>Volume:</u>		
Interbank loans receivable	(6,480)	Generally similar to terms and conditions above
Receivables from customers	1,896	Generally similar to terms and conditions above
Accounts receivable	(5)	Generally similar to terms and conditions above
Deposit liabilities	1,330	Generally similar to terms and conditions above
Securities transactions		
Purchases	21,967	Outright purchases of investment securities at FVTPL and FVOCI
Sales	39,840	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	4,878	Outright purchases of foreign currency
Sell	14,121	Outright sale of foreign currency
Associates		
<u>Outstanding Balance:</u>		
Receivables from customers	₱1,256	Unsecured, with ECL of ₱5.3 million; with annual fixed interest rates ranging from 5.65% to 6.55% and maturity terms ranging from 64 to 730 days
Deposit liabilities*	1,632	With annual fixed interest rates ranging from 0.05% to 5.00% including time deposits with maturity terms from 4 to 45 days
<u>Volume:</u>		
Receivable from customers	(775)	Generally similar to terms and conditions above
Deposit liabilities	(1,614)	Generally similar to terms and conditions above
Securities transactions		
Outright purchases	2,476	Outright purchases of FVTPL securities and FVOCI investments
Outright sales	6,528	Outright sale of investment securities at FVTPL and FVOCI
Foreign currency		
Buy	500	Outright purchases of foreign currency
Sell	1,542	Outright sale of foreign currency
Other Related Parties		
<u>Outstanding Balance:</u>		
Receivables from customers*	₱41,109	Secured – ₱6.2 billion, unsecured - ₱34.6 billion with ECL of ₱249.5 million; annual fixed interest rates ranging from 4.15% to 7.89% and maturity terms ranging from 6 days to 5 years
Assets held under joint operations	137	Parcels of land and former branch sites of the Parent Company contributed to joint operations
Deposit liabilities*	16,317	With annual fixed interest rates ranging from 0.05% to 5.75% including time deposits with maturity terms from 6 to 364 days

Category	Amount	Terms and Conditions/Nature
Volume:		
Receivable from customers	3,211	Generally similar to terms and conditions above
Deposit liabilities	(1,203)	Generally similar to terms and conditions above
Contingent		
Unused commercial LCs	55	LC transactions with various terms
Others	1	Bank guaranty with indemnity agreement
Securities transactions		
Outright purchases	326	Outright purchases of investment securities at FVTPL
Outright sales	939	Outright sale of investment securities at FVTPL
Foreign currency		
Buy	855	Outright purchases of foreign currency
Sell	147,913	Outright sale of foreign currency

Key Personnel

Outstanding Balance:

Receivables from customers	₱148	Secured - ₱117.6 million, unsecured – ₱30.6 million, no impairment, with annual fixed interest rates ranging from 6.00% to 9.00% and maturity terms from 1 to 16 years
Deposit liabilities	830	With various terms and minimum annual interest rate of 0.05%

Volume:

Deposit liabilities	232	Generally similar to terms and conditions above
---------------------	-----	---

Transactions Affecting Statements of Income

June 30, 2025 (Unaudited) - Amount

Entity with Significant Influence Over the Group

Interest expense	₱1	On deposit liabilities
------------------	----	------------------------

Subsidiaries

Interest income	₱79	On receivables from customers and interbank loans receivables
Service charges, fees and commissions	2	Income on transactional fees
Trading and securities gain - net	16	Net gain from securities transactions
Foreign exchange loss – net	(5)	Net loss from foreign exchange transactions
Leasing income	10	From leasing agreements with various lease terms
Miscellaneous income	74	Information technology, internal audit fees and other fees
Interest expense	237	On deposit liabilities and bills payable

Associates

Interest income	₱32	On receivables from customers
Trading and securities gain - net	1	Net gain from securities transactions
Foreign exchange gain - net	4	Net gain from foreign exchange transactions
Leasing income	10	Income from leasing agreements with various lease terms
Interest expense	1	Interest expense on deposit liabilities

Other Related Parties

Interest income	₱1,195	On receivables from customers
Foreign exchange loss - net	(31)	Net loss from foreign exchange transactions
Leasing income	5	Income from leasing agreements with various lease terms
Interest expense	179	On deposit liabilities
Lease payments	764	Payments for leasing agreements with various lease terms

Key Personnel

Interest income	₱1	On receivables from customers
-----------------	----	-------------------------------

June 30, 2024 (Unaudited) - Amount

Entity with Significant Influence Over the Group

Interest expense	₱22	On deposit liabilities
------------------	-----	------------------------

Subsidiaries

Interest income	₱61	On receivables from customers and interbank loans receivables
Service charges, fees and commissions	9	Income on transactional fees
Trading and securities loss - net	(107)	Net loss from securities transactions
Foreign exchange loss - net	(10)	Net loss from foreign exchange transactions
Leasing income	5	From leasing agreements with various lease terms
Miscellaneous income	84	Information technology and other fees
Interest expense	91	On deposit liabilities and bills payable

Associates

Interest income	₱64	On receivables from customers
Foreign exchange gain - net	1	Net gain from foreign exchange transactions
Interest expense	2	Interest expense on deposit liabilities

Category	Amount	Terms and Conditions/Nature
Other Related Parties		
Interest income	₱1,066	On receivables from customers
Foreign exchange loss - net	(113)	Net loss from foreign exchange transactions
Interest expense	109	On deposit liabilities
Lease payments	122	Rental payments with various lease terms
Key Personnel		
Interest income	₱2	On receivables from customers

* including accrued interest

Receivables from customers and deposit liabilities and their related statement of financial position and statement of income accounts resulted from the lending and deposit-taking activities of the Group. Together with the sale of investment properties; borrowings; contingent accounts including derivative transactions; outright purchases and sales of securities and foreign currency buy and sell; leasing of office premises; securing of insurance coverage on loans and property risks; and other management services rendered, these are conducted in the normal course of business, at arms-length transactions and are generally settled in cash. The amounts and related volumes and changes are presented in the summary above.

Government bonds with total face value of ₱60.0 million (classified as ‘Investment securities at amortized cost’ as of June 30, 2025 and December 31, 2024) are pledged by PSBank to the Parent Company to secure the latter’s payroll account with PSBank. Also, as of June 30, 2025 and December 31, 2024, the Parent Company has assigned to PSBank government securities with total face value of ₱3.5 billion (classified as ‘Investment securities at amortized cost’), to secure PSBank deposits to the Parent Company.

Transactions with retirement plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company has business relationships with a number of related party retirement plans pursuant to which it provides trust and management services to these plans. Certain trustees of the plans are either officers or directors of the Parent Company and/or the subsidiaries. Income earned by the Parent Company from such services amounted to ₱65.8 million and ₱66.4 million for the period ended June 30, 2025 and 2024, respectively. As of June 30, 2025 and 2024, the Parent Company sold securities totaling ₱2.4 billion and ₱3.5 billion, respectively, to its related party retirement plans and recognized trading losses of ₱48.4 thousand and ₱20.0 thousand, respectively, and has also purchased securities totalling ₱648.2 million and ₱2.3 billion as of June 30, 2025 and 2024, respectively. Further, as of June 30, 2025 and December 31, 2024, the total outstanding deposit liabilities of the Group to these related party retirement funds amounted to ₱95.9 million and ₱144.3 million, respectively. Interest expense on deposit liabilities amounted to ₱1.5 million and ₱0.6 million in June 30, 2025 and 2024, respectively.

As of June 30, 2025 and December 31, 2024, the related party retirement plans also hold investments in: (a) the equity shares of various companies within the Group amounting to ₱108.3 million and ₱138.7 million, respectively, with unrealized trading losses of ₱18.6 million and ₱13.3 million, respectively; (b) mutual funds and trust funds of various companies within the Group amounting to ₱1.7 billion and ₱1.6 billion, respectively, with unrealized trading gains of ₱76.7 million and ₱51.2 million, respectively. Further, for the period ended June 30, 2025 and 2024, disposals of various investments in equity shares, mutual and trust funds realized net trading gains amounting to ₱27.8 million ₱16.0 million, respectively. The related party retirement plans also recognized dividend income of ₱4.4 million and ₱1.6 million in June 30, 2025 and 2024, respectively.

10. Notes to Statements of Cash Flows

The amounts of interbank loans and receivables and SPURA, gross of allowance for credit losses, considered as cash and cash equivalents follow:

	June 30	
	2025	2024
Interbank loans receivables and SPURA	₱78,176	₱66,463
Interbank loans receivables and SPURA not considered as cash and cash equivalents	(12,329)	(11,031)
	₱65,847	₱55,432

11. Commitments and Contingent Liabilities

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

The following is a summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items:

	June 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
Trust Banking Group accounts	₱738,313	₱581,368
Forward exchange sold	447,226	394,694
Forward exchange bought	420,481	385,994
Cross currency swaps	411,176	371,555
Credit card lines	376,238	332,364
Interest rate swaps	236,966	325,492
Unused commercial letters of credit	70,345	71,604
Spot foreign exchange contracts	68,787	52,588
Undrawn commitments - facilities to lend	57,375	53,640
Bank guaranty with indemnity agreement	13,778	15,499
Interest rate options	12,292	11,527
Outstanding guarantees	9,978	5,330
Bond futures	5,633	-
Credit line certificate with bank commission	5,391	7,300
FX options	2,209	13,935
Inward bills for collection	1,821	1,521
Credit default swaps	1,690	3,181
Outward bills for collection	1,352	967
Outstanding shipside bonds/airway bills	1,289	1,715
Late deposits/payments received	493	1,053
Confirmed export letters of credits	45	24
Others	26,342	29,578
	₱2,909,220	₱2,660,929

There are isolated suits and claims relating to the Group's banking operations and labor-related cases which are pending. In the opinion of management, these suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

12. Financial Performance

The basis of calculation for earnings per share attributable to equity holdings of the Parent Company follows (amounts in millions except for earnings per share):

	For the Period Ended June 30		For the Year Ended
	2025	2024	December 31, 2024
	(Unaudited)		(Audited)
a. Net income attributable to equity holders of the Parent Company	₱24,846	₱23,605	₱48,137
b. Weighted average number of outstanding common shares of the Parent Company	4,497	4,496	4,496
c. Basic/diluted earnings per share (a/b)	₱5.52	₱5.25	₱10.71

As of June 30, 2025 and 2024 and December 31, 2024, there were no outstanding dilutive potential common shares.

The following basic ratios measure the financial performance of the Group:

	For the Period Ended June 30		For the Year Ended
	2025	2024	December 31, 2024
	(Unaudited)		(Audited)
Return on average equity	12.80%	13.27%	12.97%
Return on average assets	1.42%	1.48%	1.45%
Net interest margin on average earning assets	3.73%	3.99%	3.77%

13. Other Matters

The Group has no significant matters to report on the following during the period ended June 30, 2025:

- a. Known trends, events or uncertainties that would have material impact on liquidity and on the sales or revenues;
- b. Explanatory comments about the seasonality or cyclical nature of interim operations;
- c. Issuances, repurchases and repayments of debt and equity securities;
- d. Unusual items as to nature, size or incidents affecting assets, liabilities, equity, net income or cash flows except for the payments of cash dividends by the Parent Company as discussed in Note 8; and
- e. Effect of changes in the composition of the Group during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

14. Subsequent Event

- a. On July 24, 2025, the BOD of PSBank declared a 7.50% regular cash dividend for the second quarter of 2025 amounting to ₱320.14 million or ₱0.75 per share payable on August 26, 2025 to all stockholders of record as of August 8, 2025.

METROPOLITAN BANK & TRUST COMPANY AND SUBSIDIARIES
FINANCIAL INDICATORS
AS OF AND FOR THE PERIOD ENDED JUNE 30, 2025 AND 2024

RATIO	FORMULA	2025	2024
a) Liquidity Ratio	Liquid Assets	44.65%	48.12%
	Total Assets		
b) Loans to Deposits Ratio	Total Loans	79.64%	67.90%
	Total Deposit Liabilities		
c) Debt to Equity Ratio	Total Liabilities	787.24%	820.83%
	Total Equity Attributable to Equity Holders of the Parent Company		
d) Asset to Equity Ratio	Total Assets	890.14%	923.75%
	Total Equity Attributable to Equity Holders of the Parent Company		
e) Return on Average Equity	Net Income Attributable to Equity Holders of the Parent Company	12.80%	13.27%
	Average Equity		
f) Return on Average Assets	Net Income Attributable to Equity Holders of the Parent Company	1.42%	1.48%
	Average Assets		
g) Net Interest Margin on Average Earning Assets	Net Interest Income	3.73%	3.99%
	Average Earning Assets		
h) Operating Efficiency Ratio	Total Operating Expenses	50.00%	52.33%
	Net Operating Income		
i) Interest Coverage Ratio	Earnings Before Interest and Taxes	210.32%	212.01%
	Interest Expense		
j) Net Profit Margin	Net Income	23.52%	24.24%
	Total Gross Income		
k) Capital Adequacy Ratio	Total Qualifying Capital	16.30%	16.72%
	Total Risk-Weighted Assets		
l) Common Equity Tier 1 Ratio	Net Tier 1 Capital	15.57%	15.87%
	Total Risk-Weighted Assets		

METROPOLITAN BANK & TRUST COMPANY
SEC FORM 17 – Q
FOR THE PERIOD ENDED JUNE 30, 2025

**ITEM 2 – MANAGEMENT’S DISCUSSION AND ANALYSIS OF CONSOLIDATED
FINANCIAL POSITION AND RESULTS OF OPERATIONS**

Key Performance Indicators

Financial Ratios

The following ratios measure the financial performance of the Group, the Bank, and significant subsidiaries:

	For the Period Ended June 30, 2025 (Unaudited)				
	Group	Metrobank	FMIC	ORIX Metro	PSBank
Earnings per share	₱5.52	₱5.52	₱111.19	₱8.02	₱5.07
Return on equity	12.80%	12.78%	9.41%	10.01%	9.64%
Return on assets	1.42%	1.57%	7.06%	6.01%	1.97%
Operating efficiency ratio	50.00%	48.11%	59.99%	65.92%	57.94%
Non-performing loans ratio	1.54%	1.35%	Nil	14.87%	3.15%

	For the Period Ended June 30, 2024 (Unaudited)				
	Group	Metrobank	FMIC	ORIX Metro	PSBank
Earnings per share	₱5.25	₱5.25	₱78.89	₱3.93	₱6.01
Return on equity	13.27%	13.24%	6.84%	5.51%	12.48%
Return on assets	1.48%	1.65%	3.46%	3.10%	2.24%
Operating efficiency ratio	52.33%	49.73%	73.30%	80.06%	59.79%
Non-performing loans ratio	1.66%	1.46%	Nil	15.38%	2.89%

Earnings Per Share

Basic earnings per share (EPS) is computed by dividing the net income by the weighted average number of common shares outstanding after giving retroactive effect to stock dividends declared, stock rights exercised and stock splits made during the period, if any. As of June 30, 2025 and 2024, the Parent Company had no shares of stock that had a dilutive effect on its basic earnings per share.

The increase in the Group’s EPS from ₱5.25 to ₱5.52 was mainly due to the 5.26% increase in net income attributable to the equity holders of the Parent Company from ₱23.61 billion for the period ended June 30, 2024 to ₱24.85 billion for the same period in 2025.

Return on Equity

Return on equity (ROE) or the ratio of annualized net income to average capital funds (equity attributable to equity holders of the Parent Company) measures the return on capital provided by the stockholders.

ROE of the Group for the period ended June 30, 2025 was lower at 12.80% compared with 13.27% for the same period in 2024 driven by the increase in average equity (on account of the reported net income during the period and lower net unrealized loss recognized in FVOCI investments) although net income attributable to equity holders of the Parent Company improved by 5.26%.

Return on Assets

Return on assets (ROA) or the ratio of annualized net income to average total assets, measures the return on money provided by both stockholders and creditors, as well as how efficiently all assets are managed.

ROA went down to 1.42% for the period ended June 30, 2025 from 1.48% for the same period in 2024 driven by the increase in average assets (on account of the growth in loans and investment securities) although net income attributable to equity holders of the Parent Company improved by 5.26%.

Operating Efficiency Ratio

Operating efficiency ratio represents the ratio of total operating expenses (excluding provisions for credit and impairment losses and income tax) to total operating income (excluding share in net income of associates and a joint venture).

For the period ended June 30, 2025, the Group's operating efficiency ratio improved to 50.00% from 52.33% for the same period in 2024. The 10.87% improvement in operating income surpasses the 5.94% increase in operating expenses.

Non-Performing Loans Ratio

Non-performing loans (NPL) ratio represents the ratio of NPLs to gross loan portfolio, excluding interbank loans receivable.

As of June 30, 2025 and 2024, NPL ratio of the Group was at 1.54% and 1.66%, respectively.

Liquidity

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

As of June 30, 2025, the contractual maturity profile of assets and liabilities shows that the Bank has at its disposal about ₱1.34 trillion of cash inflows in the next twelve months from its portfolio of cash, placements with banks, debt securities and receivable from customers. This will cover 64.57% of the ₱2.08 trillion total deposits estimated to come due during the same period. These cash inflows exclude securities in FVTPL and FVOCI with maturities beyond one year but may easily be liquidated in an active secondary market. Including these securities, the total current assets will cover 82.73% of the total deposits that will mature within one year. The historical behavior of deposits balances has shown, however, that a substantial portion of these contractual outflows is not withdrawn in one year.

Events That Will Trigger Material Direct or Contingent Financial Obligation

These events are discussed in Annex 5 under Note 11 - Commitments and Contingent Liabilities of the General Notes to the Interim Condensed Consolidated Financial Statements.

Material Off-Balance Sheet Transactions, Arrangements or Obligations

The summary of contingencies and commitments at their peso-equivalent contractual amounts arising from off-balance sheet items are discussed in Annex 5 under Note 11 - Commitments and Contingent Liabilities of the General Notes to the Interim Condensed Consolidated Financial Statements. Likewise, the summary of obligations are discussed in Note 7 - Bonds Payable and Note 8 - Capital Stock.

Material Commitments for Capital Expenditures

For the year 2025, the Bank estimates to incur capital expenditures of about ₱3.0 to ₱5.0 billion, of which 70% is estimated to be incurred for information technology.

Material Events or Uncertainties

The registrant has nothing to report on the following for the period ended June 30, 2025:

1. Any known trends or demands, commitments, events or uncertainties that will have a material impact on liquidity or that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations, except as disclosed in Annex 5 under Note 13 - Other Matters; and Note 14 - Subsequent Events of the General Notes to the Interim Condensed Consolidated Financial Statements;
2. Any seasonal aspects that had a material effect on the financial condition or results of operations; and
3. Any significant element of income or loss that did not arise from continuing operations.

Material Changes in Financial Statements Accounts

Financial Condition

June 30, 2025 (Unaudited) vs. December 31, 2024 (Audited)

The unaudited consolidated total assets of the Metrobank Group stood at ₱3.48 trillion as of June 30, 2025 or lower by ₱42.90 billion or 1.22% compared with the ₱3.52 trillion audited consolidated total assets as of December 31, 2024.

Cash and Other Cash Items decreased by ₱5.00 billion or 14.81% due to the lower level of cash requirements of the Parent Company compared with that of year-end. Due from BSP decreased by ₱30.11 billion or 20.06% driven by lower level of regular demand deposit placements maintained with BSP. Due from Other Banks decreased by ₱25.52 billion or 31.09% as a result of the net movements in the balances maintained with various local and foreign banks.

Total investment securities which consisted of FVTPL, FVOCI and securities at amortized cost which amounted to ₱1.27 trillion, represents 36.46% and 36.20% of the Group's total assets as of June 30, 2025 and December 31, 2024, respectively, and went down by ₱6.41 billion or 0.50%. The decrease was driven by the lower portfolio of FVOCI securities from ₱573.00 billion as of December 31, 2024 to ₱491.14 billion as of June 30, 2025 although FVTPL securities consisting of HFT securities and derivative assets grew from ₱226.30 billion to ₱302.64 billion.

Net loans and receivables, representing 53.07% and 51.59% of the Group's total assets as of June 30, 2025 and December 31, 2024, respectively, grew by ₱29.41 billion driven by the growths in corporate, consumer (home and auto loans) and credit card portfolios. Investments in Associates and a Joint Venture went up by ₱0.40 billion or 6.26% due to the net income recognized from the associates of FMIC. Deferred tax assets decreased by ₱2.38 billion or 13.20% from ₱18.04 billion to ₱15.66 billion due to movements on temporary tax differences.

Other Assets decreased by ₱1.01 billion or 5.62% from ₱17.95 billion to ₱16.94 billion primarily due to the net movements in miscellaneous assets and prepaid expenses.

On the liability side, the unaudited consolidated total liabilities of the Metrobank Group went down by ₱48.49 billion or 1.55% from ₱3.12 trillion as of December 31, 2024 to ₱3.08 trillion as of June 30, 2025.

Deposit liabilities represent 76.27% and 82.39% of the consolidated total liabilities as of June 30, 2025 and December 31, 2024, respectively, wherein, low cost deposits represent 62.80% and 57.81% of the Group's total deposits, respectively. The Group's deposit level, sourced by the Bank, PSBank and MBCL stood at ₱2.35 trillion as of June 30, 2025, or lower by ₱228.25 billion or 8.87% from ₱2.57

trillion as of December 31, 2024. The decrease was mainly driven by the lower level of time deposit which decreased by ₱213.26 billion or 19.64%.

Bills Payable and SSURA went up by ₱187.80 billion or 62.46% wherein the level of SSURA increased from ₱276.63 billion as of December 31, 2024 to ₱418.85 billion as of June 30, 2025. Derivative liabilities which represent mark-to-market of foreign currency forwards, interest rate swaps, cross currency swaps, foreign currency options, bond futures and credit default swaps with negative fair value increased by ₱1.73 billion or 12.91%. The decrease of ₱1.26 billion or 18.19% in Manager's Checks and Demand Drafts Outstanding resulted from the normal banking operations of the Bank and PSBank. Income taxes payable decreased by ₱1.01 billion or 23.94% due to lower net taxable income. Accrued Interest and Other Expenses went down by ₱5.69 billion or 24.17% due to decrease in accrual of interests particularly on time deposits on account of lower outstanding balance.

Further, equity attributable to equity holders of the Parent Company increased by ₱5.16 billion or 1.34% mainly on account of the ₱24.85 billion net income reported during the period, lower net unrealized loss recognized on FVOCI investments from ₱8.19 billion loss as of December 31, 2024 to ₱4.88 billion loss as of June 30, 2025, and the ₱22.49 billion total cash dividends declared by the BOD of the Parent Company in February 2025.

Results of Operations

Quarter Ended June 2025 vs. Quarter Ended June 2024 (Unaudited)

Net income attributable to equity holders of the Parent Company for the quarter ended June 30, 2025 amounted to ₱12.59 billion and improved by ₱0.99 billion or 8.49% from the ₱11.61 billion net income reported in the same quarter of the previous year. The improvement was driven by the following:

Interest income went up by ₱0.76 billion or 1.72% on account of higher interest income on loans and receivables by ₱2.48 billion offset by the decreases in interest income on investment securities by ₱1.52 billion and deposit with banks by ₱0.21 billion. Meanwhile, decrease in interest expense on deposit liabilities particularly on time deposits by ₱2.35 billion (due to lower volume of time deposits) and increase in interest expense on borrowings by ₱1.73 billion (due to shift in funding cost), accounted for the ₱0.63 billion or 4.17% decrease in interest and finance charges. As a result, net interest income improved by ₱1.39 billion or by 4.74%.

Other operating income of ₱8.91 billion was higher by ₱3.46 billion or 63.53% from ₱5.45 billion in 2024 on account of the ₱3.80 billion increase in net trading, securities and foreign exchange gain, reduced by the ₱0.33 billion decrease in miscellaneous income primarily driven by the lower income realized from the sale of ROPA.

Total operating expenses increased by ₱0.91 billion or 4.94% from ₱18.39 billion to ₱19.30 billion primarily due to increases in manpower cost by ₱0.78 billion. Total provision for credit and impairment losses of the Group was higher for the quarter ended June 30, 2025 or amounted to ₱3.27 billion compared with ₱0.47 billion provision in 2024. Provision for income tax was higher by ₱0.14 billion from ₱4.03 billion to ₱4.17 billion due to net movements in corporate, final and deferred income taxes.

Income attributable to non-controlling interests went up to ₱227 million from ₱217 million or by ₱10 million or 4.61% due to higher net income of majority owned subsidiaries.

Total comprehensive income stood at ₱13.70 billion for the quarter ended June 30, 2025 or increased by ₱4.10 billion from ₱9.60 billion for the quarter ended June 30, 2024 mainly due to the ₱3.88 billion increase in net unrealized gain recognized on FVOCI debt securities and the ₱1.00 billion increase in net income net of the ₱0.75 billion decrease in translation adjustment. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱4.08 billion from ₱9.39 billion for the quarter ended June 30, 2024 to ₱13.47 billion for the quarter ended

June 30, 2025. Total comprehensive income attributable to non-controlling interest increased by ₱17 million or 8.21%.

Period Ended June 2025 vs. Period Ended June 2024 (Unaudited)

Net income attributable to equity holders of the Parent Company for the period ended June 30, 2025 amounted to ₱24.85 billion and improved by ₱1.24 billion or 5.26% from the ₱23.61 billion net income reported in the same period of the previous year. The improvement was driven by the following:

Interest income went up by ₱3.07 billion or 3.53% on account of higher interest income on loans and receivables by ₱5.69 billion offset by lower interest income on investment securities by ₱1.33 billion and on deposit with banks by ₱1.29 billion. Meanwhile, increase in interest expense on borrowings by ₱6.18 billion (due to shift in funding cost) and decrease in interest expense on deposit liabilities by ₱5.18 billion (due to decrease in volume of time deposits) accounted for the ₱1.00 billion or 3.46% increase in interest and finance charges. As a result, net interest income improved by ₱2.07 billion or by 3.57%.

Other operating income of ₱17.59 billion was higher by ₱5.56 billion or 46.21% from ₱12.03 billion in 2024 on account of the ₱5.75 billion increase in net trading, securities and foreign exchange gain, ₱0.40 billion increase in fee-based income reduced by the ₱0.59 billion decrease in miscellaneous income primarily driven by the lower income realized from the sale of ROPA.

Total operating expenses increased by ₱2.16 billion or 5.94% from ₱36.39 billion to ₱38.55 billion due to increases in manpower cost by ₱1.46 billion and miscellaneous expenses by ₱0.90 billion particularly on transaction related taxes, insurance, information technology and other miscellaneous expenses. Total provision for credit and impairment losses of the Group was higher for the period ended June 30, 2025 or amounted to ₱5.88 billion compared with ₱1.03 billion provision in 2024. Provision for income tax was lower by ₱0.70 billion from ₱8.55 billion to ₱7.86 billion due to net movements in corporate, final and deferred income taxes.

Income attributable to non-controlling interests went up to ₱487 million from ₱415 million or by ₱72 million or 17.35% due to higher net income of majority owned subsidiaries.

Total comprehensive income stood at ₱28.15 billion for the period ended June 30, 2025 or increased by ₱6.85 billion from ₱21.31 billion for the period ended June 30, 2024 mainly due to the ₱6.85 billion increase in net unrealized gain recognized on FVOCI securities and the ₱1.31 billion increase in net income offset by the ₱1.07 billion decrease in translation adjustment. This caused the total comprehensive income attributable to equity holders of the Parent Company to increase by ₱6.75 billion from ₱20.91 billion for the period ended June 30, 2024 to ₱27.65 billion for the period ended June 30, 2025. Total comprehensive income attributable to non-controlling interest increased by ₱0.10 billion or 25.19%.

**METROPOLITAN BANK & TRUST COMPANY
(CONSOLIDATED)**

**AGING OF ACCOUNTS RECEIVABLE
(IN MILLIONS)
AS OF JUNE 30, 2025**

NO. OF DAYS OUTSTANDING	AMOUNT
1-90	₱ 15,952
91-180	56
181-360	435
OVER 360	3,964
GRAND TOTAL	₱ 20,407