



April 14, 2026

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Gentlemen / Mesdames:

Pursuant to the Structured Continuing Requirements for Listed Companies of the Exchange, we hereby submit a copy of our SEC Form 17-A with Sustainability Report as of December 31, 2025.

Very truly yours,


ALLEN ALEXANDER P. REYES
Chief Financial Officer


SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended December 31, 2025

2. SEC Identification Number **6030**

3. BIR Tax Identification No. **000-498-020-000**

4. Exact name of issuer as specified in its charter – **SECURITY BANK CORPORATION**

5. **Philippines**

Province, Country or other jurisdiction of
incorporation or organization

6. (SEC Use Only)

Industry Classification Code:

7. **Security Bank Centre, 6776 Ayala Avenue, Makati City 0719**

Address of principal office

Postal Code

8. **(632) 8867-6788**

Issuer's telephone number, including area code

9. **Not applicable**

Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class

Number of Shares of Common Stock Outstanding
and Amount of Debt Outstanding

Common Shares (P10 par)

753,538,887

Preferred shares (Unregistered)

1,000,000,000

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

Yes [] No []

If yes, state the name of such stock exchange and the classes of securities listed therein:

Philippine Stock Exchange

Common Shares

12. Check whether the issuer:

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

Yes [] No []

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

Yes [] No []

13. The aggregate market value of the voting stock held by non-affiliates of the registrant is P31.66 billion. The price used for this computation is the closing price as of March 31, 2026 which is P65.20 for common shares and P0.10 par value for voting preferred shares.

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PART I – BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

A. Description of Business

1) Business Development

Security Bank Corporation (PSE: SECB) is a publicly listed Philippine universal bank which serves wholesale and retail clients. Established in 1951, Security Bank has remained steadfast in its focus and commitment to serve its clients and stakeholders with distinction. Its headquarters is located at the Security Bank Centre, 6776 Ayala Avenue, Makati City, Metro Manila, Philippines.

Based on the Published Balance Sheet report as of December 31, 2025, Security Bank ranked as the 6th largest in total assets and 8th largest in capital funds (₱1.6 trillion and ₱151.2 billion, respectively), among private domestic universal banks (PDUBs) in the Philippines. Security Bank ranked 9th largest in market capitalization among listed PDUBs in the Philippines as of end 2025. The Bank's strategy, execution and results are guided by its strong focus on our clients, our employees, and shareholders.

Security Bank's major businesses include wholesale banking, retail banking, business banking, and financial markets. It is among the leading local players in consumer finance, cash management, government fixed income securities distribution, capital markets services, foreign exchange and derivatives products distribution, and equities brokerage. The Security Bank group has a total of 377 branches all over the country as of year-end 2025.

Security Bank ended 2025 with a net income of ₱11.6 billion and a return on equity of 7.87%. Total loans and receivables increased by 2.78% to ₱696.6 billion and deposits increased by 16.16% to ₱930.5 billion as of year-end 2025. Net interest income increased by 15.40%. The net interest margin in 2025 was 4.66%. The cost-to-income ratio was 58.75%. The Bank ended the year with total assets of ₱1.2 trillion for a 5.81% year-on-year growth rate. Return on assets was 1.00%.

In 2025, Security Bank was awarded **Best for High-Net-Worth in the Philippines** by **Euromoney/Asiamoney** for five consecutive years; **Best Investor Relations Company (Philippines), Sustainable Asia Award, Asia's Best CEO (Investor Relations), Asia's Best CFO (Investor Relations)** and **Best Investor Relations Professional (Philippines)** for five consecutive years, as well as **Best Corporate Communications** by **Corporate Governance Asia**; **Best Commercial Bank for SMEs (Domestic)** by **FinanceAsia**; **SME Bank of the Year – Philippines, Credit Card Initiative of the Year – Philippines, Mobile Banking & Payment Initiative of the Year – Philippines, External Environmental Initiative of the Year – Philippines, Consumer Finance Product of the Year – Philippines, Philippines Domestic Cash Management Bank of the Year, and Philippines Domestic Trade Finance Bank of the Year** by **Asian Banking & Finance**.

In 2024, Security Bank was awarded **Best for High-Net-Worth in the Philippines** by **Euromoney/Asiamoney** for four consecutive years; **The Philippines' Best Bank for Corporates** by **Euromoney/Asiamoney** for two consecutive years; **Best Branch Digitisation Implementation** for the Mosaic Voyager (MV) Telling and Lobby Management System by **The Asian Banker**, three awards **Credit Card Initiative of the Year, Sustainability Initiative of the Year, and ESG Program of the Year (Bronze)** for Security Bank Wave Mastercard by **Asian Banking and Finance**; and **Best Investor Relations Company (Philippines), Sustainable Asia Award, Asia's Best CEO (Investor Relations), Asia's Best CFO (Investor Relations)** and **Best Investor Relations Professional (Philippines)** by **Corporate Governance Asia** for four consecutive years; **3 Golden Arrow Recognition** for corporate governance excellence by the **Institute of Corporate Directors (ICD)**.

In 2023, Security Bank was awarded **Best Corporate Bank in the Philippines 2023** award by **Asiamoney**; **Best for HNWs (High Net Worth Individuals) in the Philippines** by **Asiamoney** for three consecutive years 2023, 2022 & 2021; **Best Retail Bank in the Philippines** by **Alpha Southeast Asia** for four consecutive years; **Best Payment Solution in the Philippines – BIPPS (Billing Invoice Presentment and Payment System)** by **Alpha Southeast Asia**; the **4 Golden Arrow Recognition** for corporate governance excellence by the **Institute of Corporate Directors (ICD)**; **Best Investor Relations Company (Philippines), Asia's Best CSR, Asia's Best CEO (Investor Relations), Asia's Best CFO (Investor Relations)** and **Best Investor Relations Professional (Philippines)** by **Corporate Governance Asia** for three consecutive years; **Best Small Cap Company, Philippines 2023 – Silver** by **FinanceAsia**; **Workplace Wellness Programme Award – Philippines** by **ESGBusiness Awards** (Singapore); and **Renewable Energy Financing Programme-Philippines Award – Security Bank Capital** by **Alpha Southeast Asia**. Security Bank ranked in **Forbes' World's Best Employers in 2023**, whereby Security Bank ranked #54 in the world, #2 among Philippine companies, and #1 among Philippine banks. **Forbes** partnered with market research firm **Statista** to create **Forbes'** seventh annual list of the **World's Best Employers**.

2) Business of Issuer

(a) Description of Registrant

(i) Principal Products or Services and their Markets

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the different markets served with each segment representing a strategic business unit

The Group derives revenues from the following main operating business segments:

Retail Banking - this segment serves individual clients. It covers deposits, consumer loans, credit cards, bancassurance and investments. Share in net income (loss) from SB Finance, Inc. (SBF) and Mitsubishi Motors Finance Philippines Inc. (MMFP) is also part of the segment.

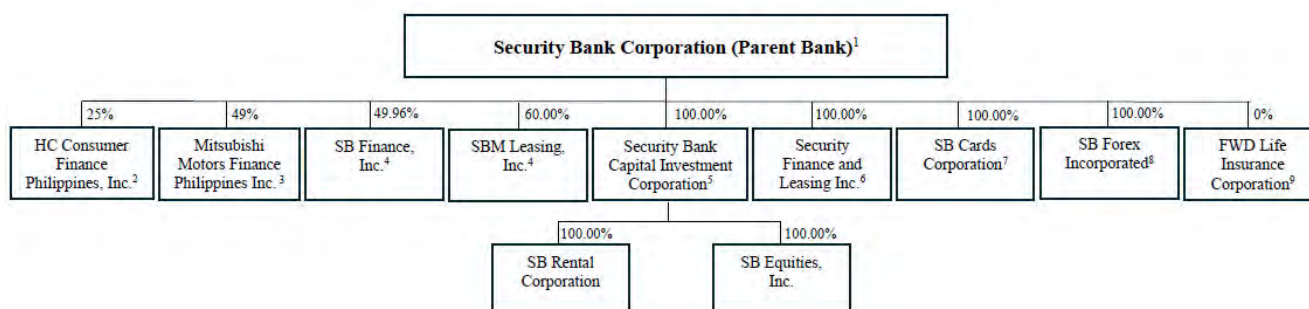
Wholesale Banking - addresses corporates, institutional, and public sector and commercial clients. Services include relationship management, loans, trade, cash management, deposits and investments. It also provides structured financing and advisory services, debt and equity capital raising, project financing, and mergers and acquisitions advisory offered by Security Bank Capital Investment Corporation (Security Bank Capital). Operating leases from SB Rental Corporation (SBRC) and share in net income from SBM Leasing, Inc. (SBML) are also part of the segment.

Business Banking - serves the micro, small and medium enterprises (MSMEs) with holistic propositions covering deposits, loans, cash management, third-party insurance and investments.

Financial Markets - focuses on providing money market, foreign exchange, financial derivatives, debt and equity securities brokerage, as well as the management of the funding operations for the Group. The Group's equity brokerage, SB Equities, is also part of this segment.

Eliminations and Others - This segment includes the Bank's non-reportable segments such as support services and eliminations in accordance with the Bank's group internal reporting. The Group's asset management, trust and fiduciary activities are reported in this segment. Share in net income from HC Consumer Finance Philippines Inc. (HCPH) is also part of this segment.

Subsidiaries, Joint Ventures and an Associate



¹ MUFG owns 20% of voting shares of SBC
Common Shares: Par value is P10.00; Total Outstanding Shares – 753,538,887
Preferred Shares: Par value is P0.10; Total Outstanding Shares – 1,000,000,000

² Associate

³ Joint Venture. Incorporated on January 21, 2025

⁴ Joint Ventures

⁵ Formerly SB Capital Investment Corporation

⁶ With BOD approval in 2024 to shorten corporate life on December 31, 2025, awaiting approval from Securities and Exchange Commission (SEC)

⁷ Corporate term ended on December 31, 2024, for processing of tax clearance

⁸ Corporate term ended on February 28, 2022, with clearance from Bureau of Internal Revenue (BIR) dated February 4, 2026

⁹ With irrevocable power of attorney/proxy to vote certain shares of FWD Life Insurance Corporation

SB Finance, Inc. (SBF), formerly a private development bank incorporated in 1960 as Premiere Development Bank, was renamed Security Bank Savings (“SBS”) after the Bank’s acquisition of its shares in February 2012 and subsequently converted into a financing company after securing regulatory approvals from Bangko Sentral ng Pilipinas (BSP) and SEC in 2017. On September 21, 2022, SEC approved the Amended Articles of Incorporation and By-Laws of the company amending the corporate name from SB Finance Company, Inc to SB Finance, Inc.

On August 8, 2019, the Board of Directors (BOD) of the Bank approved the terms and conditions of the joint venture agreement and other transaction documents necessary to establish a consumer finance joint venture with Bank of Ayudhya Public Company Ltd. (BAY), commonly known as Krungsri, including the sale of 50% of the outstanding shares of SBF to BAY.

On October 20, 2020, after obtaining regulatory approvals in the Philippines and in Thailand, the Joint Venture Agreement (JVA) between the Bank and Krungsri was executed, with the Bank completing the sale of 50% outstanding shares of SBF shares to Krungsri. Accordingly, SBF ceased to be a subsidiary of the Bank. The financial statements of SBF were deconsolidated from the consolidated financial statements of the Group. Under the JVA, the parties agreed to use SBF as a joint venture entity and requires the unanimous consent of both the Bank and Krungsri for any significant decisions made in the ordinary course of business of SBF.

Security Bank Capital Investment Corporation (“Security Bank Capital”) is Security Bank Corporation’s wholly-owned investment banking arm. It provides a wide range of investment banking and financial services aimed at satisfying the diverse financial needs of institutions and individuals. Since the onset of its commercial operations in 1996, Security Bank Capital has participated in a myriad of significant capital raising and advisory services involving conglomerates, top-tier and middle-market clients as well as the government and government owned and controlled corporation.

Even with the backdrop of geopolitical and economic uncertainties domestically and internationally, Security Bank Capital was able to deliver a banner year with its strong financial performance brought about by its expansive presence in major investment banking transactions during the year.

The increased activity in the public fixed income markets for the year 2025 translated into an uptick in Security Bank’s Capital’s presence in the debt capital markets as issuers raised capital for capital expenditure requirements, expansion plans, refinancing maturing debt obligations, and other general corporate purposes. Security Bank Capital acted in joint lead capacities for landmark fixed-income and award winning bond offerings of the country’s largest conglomerates including: Bank of Commerce (P18 billion in February 2025); SM Prime Holdings, Inc. (P25 billion in February 2025 and P17 billion in November 2025, jointly accorded the Best Local Currency Bond in the Philippines 2025 by Alpha Southeast Asia); Filinvest Land, Inc. (P12 billion in March 2025); Aboitiz Power Corporation (P30 billion in July 2025); Petron Corporation (P12 billion in July 2025); SMC Global Power (P10.2 billion in August 2025); Ayala Land Inc. (P8 billion in October 2025, accorded the Best Property Deal 2025 (PH) by Finance Asia); Security Bank Corporation (P21 billion in October 2025) and Metro Pacific Tollways Corporation (P20 billion in December 2025) maiden Peso-denominated fixed rate corporate bonds. Security Bank Capital also continued its support in the government’s capital raising exercises acting as a joint issue manager for the Bureau of the Treasury’s (“BTr”) P300 billion maiden issuance of new ten (10) - year benchmark Fixed Rate Treasury Notes in April 2025 and the BTr’s P210 billion retail treasury bonds (RTB 31) in August 2025. A testament to Security Bank Capital’s continued impact on the public fixed-income markets in 2025 was the recognition from the Philippine Dealing System Holdings Corp. as the Top Corporate Issue Manager/Arranger (2nd Place).

Despite the decreased activity in the equities capital markets hampered by market volatility from geopolitical and economic uncertainties, Security Bank Capital played a key role in the P34.3 billion initial public offering of Maynilad Water Services, Inc., the largest IPO for a Philippine company since Monde Nissin Corporation’s P48.6 billion IPO in 2021. The deal was awarded the Best IPO for Retail Investors in Asia 2025 and Best Equity/IPO Deal of the Year in the Philippines 2025 by Alpha Southeast Asia. Security Bank Capital also supported key perpetual preferred share offerings of its clients acting in a joint lead capacity for the following: Megawide Construction Corporation (P5.27 billion in April 2025 and P3.0 billion in November 2025); Ayala Corporation (P20 billion in June 2025, accorded the Best Equity Deal 2025 (PH) by Finance Asia); Filinvest Development Corporation (P8 billion in August 2025); and San Miguel Corporation (P30 billion in October 2025 and Series 2-J and Series 2-U Exchange in October 2025).

Security Bank Capital also made its mark in lead arranging several big-ticket and award-winning project finance transactions for the year with focus on renewable energy generation spanning solar, wind, and hydro technologies. Such deals include: Terra Solar Philippines Inc. (P150.0 billion in February 2025) and Terra Nueva Inc. (P15.0 billion in November 2025); Citicore Solar Pangasinan Inc. (P4.36 billion in March 2025); Solar Valley Energy Solutions, Inc. (P2.02 billion in October 2025); Astra Solar Energy Corp. (P2.65 billion in October 2025); Olympia Violago Water & Power, Inc. (P55.5 billion in November 2025); and Greenlight Renewables Inc. (P9.75 billion in December 2025). The Terra Solar Philippines Inc. financing is the largest domestic project finance transaction historically. It involved the financing of the world’s largest integrated solar PV and battery energy storage system facility with a capacity of 3,500 MWp solar and 4,500 MWh BESS. In line with the completion of the milestone financing transaction, it was accorded the Best Project Finance Deal for 2025 by Finance Asia. Security Bank Capital’s indelible mark in structured financing for 2025 was affirmed by Euromoney, which recognized the firm as the Philippines’ Best Investment Bank for Financing.

Other notable private debt transactions lead arranged by Security Bank Capital during the year included First Digital Finance Corp. (up to ₱5 billion Corporate Notes in April 2025); Torre Lorenzo Development Corporation (₱1.8 billion Term Loan in April 2025); and the Asialink Group. (CGIF-Guaranteed ₱4.0 billion Corporate Notes in December 2025).

Lastly, Security Bank Capital also continues to support its client's financial advisory requirements in relation to either (i) searching for potential joint venture or strategic partners; (ii) divesting or selling assets/business; and (iii) searching for investment or acquisition opportunities. An example of Security Bank Capital's value-add to its partner companies is its support for Sumitomo Osaka Cement's acquisition of a 15% common equity stake in Philcement Corp., with the share subscription agreement signed in September 2025. Sumitomo Osaka Cement's renewed entry into the Philippines follows its divestment of a 9.22% stake in Holcim Philippines, marking its return to the domestic cement industry after a two-year hiatus.

In line with its strong performance in 2025, Security Bank Capital received numerous institutional honors, complementing the various awards earned by the transactions it helped execute. Noteworthy among these accolades is Security Bank Capital's recognition as the Best Investment Bank in the Philippines by Alpha Southeast Asia in its Asia Best Financial Institution Awards 2025.

INSTITUTIONAL AWARDS AND RECOGNITIONS

- **21st PDS Annual Awards Night**
Investment House Category - Top Corporate Issue Manager/ Arranger (2nd Place)
- **Alpha Southeast Asia Best Financial Institution Awards 2025**
Best Investment Bank in the Philippines
- **Euromoney Awards for Excellence 2025**
Philippines' Best Investment Bank for Financing
- **Finance Asia Awards 2025**
Best Investment Bank | Domestic (Highly Commended)

DEAL AWARDS

Alpha Southeast Asia 2025

- **Best Local Currency Bond in the Philippines 2025**
SM Prime Holdings, Inc.
PHP 25 Bn Fixed Rate Bonds and PHP 17 Bn Fixed Rate Bonds
Joint Lead Underwriter and Joint Bookrunner
- **Best Deal of the Year in the Philippines 2025**
SMC Tollways Corporation
PHP 35 Bn Fixed Rate Bonds
Joint Lead Underwriter and Joint Bookrunner
- **Best IPO for Retail Investors in Asia 2025 and Best Equity/
IPO Deal of the Year in the Philippines 2025**
Maynilad Water Services Inc.
PHP34.3 Bn IPO
Domestic Co-Lead Underwriter

Finance Asia 2025

- **Best Equity Deal 2025 (PH) | Winner**
Ayala Corporation
PHP 20 Bn Preferred Shares Offering
Joint Lead Underwriter and Joint Bookrunner
- **Best Infrastructure Deal 2025 (PH) | Highly Commended**
New NAIA Infrastructure Corp.
PHP52 Bn Senior Term Loan
Arranger
- **Best Structured Finance Deal 2025 (PH) | Winner**
New NAIA Infrastructure Corp.
PHP52 Bn Senior Term Loan
Arranger

- **Best Project Finance Deal 2025 (PH) | Winner**
Terra Solar Philippines, Inc.
PHP150 Bn Senior Term Loan
Arranger
- **Best Property Deal 2025 (PH) | Winner**
Ayala Land Inc.
PHP8 Bn Sustainability Linked Bonds
Joint Lead Underwriter and Joint Bookrunner
- **Best Sustainable Finance Deal 2025 (PH) | Winner**
- **Most Innovative Deal 2025 (PH)|Winner**
Asialink Finance Corporation
USD115 Mn Working Capital Facility
Arranger

Asian Banking & Finance – Corporate Investment and Banking Awards 2025

- **Sustainability-Linked Bond of the Year – PH 2024**
Ayala Land Inc.
PHP 6 Bn Tranche 1 ASEAN Sustainability-Linked Bonds and PHP 8 Bn Tranche 2 ASEAN Sustainability-Linked Bonds
Joint Lead Underwriter and Joint Bookrunner
- **Syndicated Loan of the Year – PH 2024**
3 Barracuda Energy Corporation
PHP 18.23 Bn Project Finance Facility
Mandated Lead Arranger

Global Sustainable Finance Awards 2025

- **Best Sustainability-Linked Bond 2024**
Ayala Land Inc.
PHP 6 Bn Tranche 1 ASEAN Sustainability-Linked Bonds and
PHP 8 Bn Tranche 2 ASEAN Sustainability-Linked Bonds
Joint Lead Underwriter and Joint Bookrunner

The Asset Triple A Awards

Sustainable Infrastructure 2025 (PH)

- **PPP Deal of the Year 2024**
New NAIA Infra Corporation
PHP 80 Bn Syndicated Term Loan Facility
Arranger
- **Renewable Energy Deal of the Year – Solar 2024**
3 Barracuda Energy Corporation
PHP 18.23 Bn Project Finance Facility
Mandated Lead Arranger
- **Green Project of the Year 2024**
Energy Development Corporation
PHP 10 Bn ASEAN Green Bond
Joint Lead Underwriter and Bookrunner

Sustainable Finance 2025 (PH)

- **Best IPO 2024**
Citicore Renewable Energy Corporation
PHP 5.3 Bn Initial Public Offering
Domestic co-lead underwriter
- **Best Sustainability-Linked Financing 2024**
Ayala Land Inc.
PHP 6 Bn Tranche 1 ASEAN Sustainability-Linked Bonds
Joint Lead Underwriter and Joint Bookrunner
- **Best Social Loan – SME 2024**
Asialink Finance Corporation
US115Mn Financing Package

Mandated Lead Arranger

Investment Houses Association of the Philippines 2025

- **Best Equity Deal (Large Cap) 2024**
Citicore Renewable Energy Corporation
PHP 5.3 Bn Initial Public Offering
Domestic co-lead underwriter
- **Deal of the Year (Large Cap) 2024,**
- **Best Project Finance (Large Cap) 2024**
New NAIA Infra Corporation
PHP 80 Bn Syndicated Term Loan Facility
Arranger
- **Best Fixed Income Deal (Large Cap) 2024**
Ayala Land Inc.
PHP 6 Bn Tranche 1 ASEAN Sustainability-Linked Bonds and PHP 8 Bn Tranche 2 ASEAN Sustainability-Linked Bonds
Joint Lead Underwriter and Joint Bookrunner

SB Rental Corporation (SBRC) is a wholly owned subsidiary of SBC through Security Bank Capital. The company serves as the operating lease arm of the Security Bank group, engaged exclusively in operating leases (excluding financial leases) of machineries, equipment, and land-based automotive units with established secondary market value such as cars, vans, pick-ups, trucks, trailers, and similar equipment.

SB Equities, Inc., a subsidiary of Security Bank Capital, was incorporated on August 1, 1987, ranks 6th overall among domestic brokerages in the country in terms of volume turnover according to the Philippine Stock Exchange (PSE) as of December 31, 2025.

SB Cards Corporation (SB Cards) was incorporated on October 9, 1980, as Security Diners International Corporation and formerly also known as Security International Card Corporation. SB Cards acquired the exclusive franchise ownership of Diners Club international credit card in the Philippines. In September 2016, SB Cards sold the Diners Card portfolio to Banco De Oro. The corporate term of SB Cards ended on December 31, 2024.

SBM Leasing, Inc. (SBML), formerly Security Finance, Inc. incorporated on August 1, 1994, is a joint venture leasing and finance company of Security Bank Corporation (60%) and Marubeni Corporation of Japan (40%). SBML specializes in heavy equipment (i.e. construction and mining), finance and services the clientele of Maxima Machineries Inc. (a Marubeni subsidiary and exclusive distributor of Komatsu Trucks and Heavy Equipment in the Philippines) and of Security Bank.

SB Forex, Incorporated (SB Forex) was incorporated on September 27, 1994, to handle the foreign exchange brokerage business of the Bank but has been inactive due to changes in the regulatory environment. The Bank has absorbed the foreign exchange business previously coursed through SB Forex. The operations for this subsidiary were suspended in 2008. The corporate term of SB Forex ended on February 28, 2022.

Security Finance and Leasing Inc. (SFLI) (formerly Landlink Property Investments (SPV-AMC), Inc.), was incorporated in the Philippines primarily to engage third parties to manage, operate, collect and dispose of nonperforming assets acquired from a financial institution. The Company started its commercial operations in February 2020.

Mitsubishi Motors Finance Philippines, Inc. (MMFP) was incorporated and registered with the Philippines Securities and Exchange Commission (SEC) on January 21, 2025 primarily to engage in the business of financing and leasing, principally offering auto loans and finance leasing for Mitsubishi vehicles through credit facilities and loan services, in accordance with applicable SEC regulations. MMFP is a joint venture between Mitsubishi Motors Corporation (MMC), which holds a 51% equity interest, and Security Bank Corporation, which holds the remaining 49%. The joint venture agreement was executed on April 9, 2024 between Mitsubishi Motors Corporation, a Japan-incorporated company, is engaged in the manufacturing, marketing, and sale of automobiles globally and Security Bank Corporation, incorporated in the Philippines, is a leading universal bank that provides a wide range of financial products and services, including retail, commercial, and corporate banking.

HC Consumer Finance Philippines, Inc (HCPH), also known as Home Credit Philippines, was incorporated on January 25, 2013 and commenced commercial operations on October 14, 2013. HCPH is engaged in general financing activities, including the extension of consumer loans, the provision of credit facilities, and the assignment or sale of receivables. HCPH offers in-store financing to eligible retail customers and provides both cash and non-cash, non-collateralized loans for the purchase of consumer goods through point-of-sale (POS) financing arrangements. On November 21, 2018, the Bangko Sentral ng Pilipinas (BSP) granted HCPH an authority to operate as a credit card issuer.

On May 2, 2025, the Bank completed its acquisition of a 25.0% stake in HCPH from MUFG Bank Ltd. (MUFG). Following the transaction, Bank of Ayudhya Public Company Ltd., a subsidiary of MUFG, retained a 75% ownership stake, maintaining the majority shareholder.

(ii) Percentage of Sales or Revenues and Net Income Contributed by Foreign Sales

This is not relevant to the operations of the Group.

(iii) Distribution Network

The Bank's principal office is located along Ayala Avenue, Makati City. As of December 31, 2025, Security Bank had a network of 377 branches, 189 branches of which are located in National Capital Region (NCR) and 188 situated outside NCR.

The Bank also has 655 ATMs which are part of the Bancnet consortium as of December 31, 2025. Of this, 446 are on-site while 209 are off-site.

(iv) Status of Publicly-Announced New Product or Service

All publicly-announced new products or services of the Bank are in commercial distribution.

(v) Competition

The Philippine banking industry is characterized by a highly competitive price and service offerings and high level of regulation. All banks have similar products and compete via differentiation in servicing and targeting specific niches. In 2025, the industry experienced intensified competition alongside increased customer service standards.

There are a total of 22 universal banks in the Philippine banking system, of which 13 are domestic private universal banks, 3 are government banks and 6 are branches/subsidiaries of foreign banks, as of March 2026. In addition, there are 22 commercial banks in the country.

Security Bank has distinguished itself against competition in its 74 years of banking service with its record of financial strength and stability over this period and its service quality to its loyal clientele base. Solid earnings performance coupled with emphasis on asset quality places Security Bank among the top performing banks. In January 2016, Security Bank forged a strategic partnership with The Bank of Tokyo-Mitsubishi UFJ Ltd., now known as MUFG Bank, Ltd. (MUFG). MUFG invested ₱36.9 billion for a 20% stake in Security Bank. This gave Security Bank the unique advantage of being a local independent bank with the global network of MUFG.

(vi) Sources and Availability of Raw Materials and Names of Principal Suppliers

This is not relevant to the operations of the Bank.

(vii) Customer Concentration

The Bank has a diversified customer base with its loan portfolio and deposit mix skewed towards Corporate and Commercial clients in terms of size and Retail clients in terms of count. The Bank is not dependent upon a single customer, the loss of any or more of which would have a material adverse effect on the Bank and its subsidiaries taken as a whole.

(viii) Transactions with and/or Dependence on Related Parties

In the ordinary course of business, the Bank has loan transactions with some subsidiaries and with certain directors, officers, stockholders and related interests. Under the Bank's policies, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.

(ix) Patents, Trademarks, Copyrights, Licenses, Franchises, Concessions and Royalty Agreements Held

For the MasterCard product, the Bank signed a perpetual license agreement with MasterCard International on October 6, 1997.

The Bank has the following active registered trademarks:

- Security Bank App
- Security Bank Business App
- Betterbanking Rewards
- Security Bank Qr Pay
- Better Banking Experience
- Security Bank
- Betterbanking
- Digibanker
- You Deserve Better
- No Verbal Elements (Security Bank Icon)
- Security Bank Enterprise
- Gold Circle Your gateway to priority banking
- BBX
- BBx

All the Bank's trademark registrations are valid for 10 years with expiration years varying from 2027 to 2035. The Bank closely monitors the expiry and renewal dates of registrations to protect and secure its rights to these trademarks.

The Bank has the following registered patents with respective registration dates:

PATENT	REGISTRATION DATE
Cash Remittance System Using Virtual or Electronic Gift Card (eGiftCard)	02-Jul-14
A System for Improving Availability Of Communication Services In A Network-Based Automated Electronic Loan Processing	16-Mar-15

(x) Need for Government Approval of Principal Products or Services

The Group's principal products and services are offered to customers only upon receipt of the necessary regulatory approvals or clearances. The Group strictly complies with the related regulatory requirements such as reserves, liquidity position, loan exposure limits, cap on foreign exchange holdings, provision for losses, anti-money laundering provisions and other reportorial requirements.

(xi) Effect of Existing or Probable Governmental Regulations on the Business

The Group strictly complied with the BSP requirements in terms of capitalization reserves, liquidity position, limits on loan exposure, cap on foreign exchange holdings, provision for losses, anti-money laundering provisions and other reportorial requirements as well as other regulatory agencies such as the Securities and Exchange Commission (SEC), Philippine Stock Exchange (PSE), Philippine Deposit Insurance Corporation (PDIC) and the Bureau of Internal Revenue (BIR), among others as applicable.

(xii) Amount Spent on Research and Development Activities

	2025	2024	2023
Cost (in '000)	₱3,144,261	₱2,583,657	₱1,926,760
Ratio to Revenues	4.70%	4.70%	4.49%

The Bank's research and development activities are mainly driven by investments in new information technology (IT) software. The efficient use of technology is expected to boost productivity, reduce transaction processing costs and improve management decisioning, efficient business communications, and timely risk management. It would also assist in reducing operations at the branch level, thereby allowing branch personnel to focus more on customer service.

(xiii) Costs and Effects of Compliance with Environmental Laws

The Bank is compliant with Environmental Laws pertaining to their industry standards. There are no material costs and effect implications of the compliance on the operations of the Bank.

(xiv) Manpower Complement

In support of the Group's strategic growth initiatives, complement increased from 9,305 in 2024 to 9,524 in 2025.

	2025*	2024*	2023*
Officers	6,833	6,511	5,521
Rank and File	2,691	2,794	2,669
	9,524	9,305	8,190

*Excluding entities not consolidated.

As of December 31, 2025, 8% of the Bank's employees were rank and file employees who are subject to collective bargaining agreements (CBA). The current CBA will expire on August 31, 2026.

The employees receive salaries, bonuses, and usual bank benefits. Aside from these, they have no other compensation plan or arrangement with the Bank. There are no warrants or options held by directors, officers and staff.

(xv) Risk Management

Security Bank's risk management approach supports its mission to enrich lives, empower businesses, and build communities sustainably. In a year marked by continued volatility and evolving market conditions, the Bank remained focused on navigating uncertainty while protecting customers and stakeholders and supporting the Bank's long-term stability.

Effective risk management is both a protective mechanism and a strategic enabler. The Bank's Enterprise Risk Management (ERM) Framework is designed to keep the Group resilient and adaptive, enabling timely responses to emerging risks and opportunities while maintaining financial soundness and meeting stakeholder expectations.

The Bank recognizes that risk extends beyond financial risks to include a broad set of non-financial risks, including environmental, social, technology, conduct, and sustainability-related risks. These are integrated into the Bank's risk management processes in line with regulatory developments and evolving societal expectations.

Risks are primarily owned by business and process owners as the first line of defense, supported by the Risk Management Group (RMG) as the independent second line, and complemented by independent assurance functions as the third line of defense.

Enterprise Risk Management Framework

ERM is an essential component of the Security Bank Group's overall strategy. It provides an end-to-end framework for identifying, assessing, managing, monitoring, and reporting financial and non-financial risks that could affect the Group's ability to achieve its objectives.

The ERM Framework ensures that risk decisions are aligned with strategy, strengthens asset protection, and supports sustainable performance in an increasingly complex operating environment.

The Framework applies across the Security Bank Group, including subsidiaries, with structures adapted to reflect the nature, scale, and complexity of each entity's activities. It clearly delineates the risk management responsibilities of the Board and Management and reflects the Group's commitment to high standards of governance, regulatory compliance, and global best practices.

Governance and Oversight

Board Oversight

The Board of Directors establishes the "tone from the top," setting standards for integrity, ethical conduct, accountability, and control. The Board approves the Bank's risk appetite, oversees the risk profile, and ensures that business direction remains aligned with strategic objectives and risk capacity.

Board oversight is exercised directly and through Board committees, which extends governance into key risk areas and operational matters. The Board and its committees oversee material financial and non-financial risks, including environmental, social, technology, and sustainability-related risks, through defined reporting, escalation, and review mechanisms.

Risk Oversight Committee

Board-level risk oversight is delegated to the Risk Oversight Committee (ROC), which reviews, approves, and oversees the effective implementation of the Bank's ERM Framework.

Key responsibilities include:

- Risk appetite and profile
 - Advises the Board on overall risk appetite
 - Oversees Management's adherence to risk appetite statements, tolerance levels, and limits
 - Monitors and reports the Bank's aggregate risk profile
 - ERM framework and policy oversight
 - Oversees the development and approval of primary risk management policies, frameworks, Risk Appetite Statements, limits, and material changes, and ensures significant risk issues are assessed, treated, monitored, and reported.

- Risk management function
 - Ensures RMG has adequate independence, authority, and resources
 - Oversees appointment, remuneration, performance assessment, and dismissal of the Chief Risk Officer (CRO)
 - Ensures enterprise-wide adherence to the ERM Framework
- Capital and resilience
 - Provides oversight support for ICAAP-related matters, including stress testing
 - Oversees integration of operational resilience principles, including approval of impact tolerances and recovery objectives for Critical Operations
- Outsourcing and subsidiaries
 - Oversees outsourcing risk policies and the work of the Outsourcing Committee
 - Oversees risk management for Trust and subsidiaries, coordinating with subsidiary boards while recognizing each subsidiary board's accountability

Information Security Risk Management Committee

The Information Security Risk Management Committee (ISRMC), a sub-committee of the ROC, focuses on risks arising from technology, information security, business continuity, and operational resilience.

Responsibilities include:

- Oversight and approval of the Information Security Strategic Plan (ISSP), Information Security Program (ISP), and related policies
- Guidance on risk appetite, limits, and controls for technology, information security, and business continuity risks
 - Review of significant risk issues, including residual risks, control effectiveness, incidents, compliance breaches, and remediation progress
- Oversight of contingency, crisis management, business continuity, and disaster recovery plans
- Ensuring adequate resourcing and independence of information security risk management
- Regular reporting to the ROC

Chief Risk Officer and Risk Management Group

The Risk Management Group (RMG), headed by the Chief Risk Officer (CRO), serves as the primary execution and oversight arm of the ROC. The CRO is independent of executive functions, business lines, operations, and revenue-generating activities, and reports directly to the ROC.

RMG maintains a proactive risk management approach supported by robust frameworks, methodologies, and governance processes. Risk management activities cover identification, assessment, mitigation, monitoring, and reporting of risks and are anchored on the Bank's core values of People, Integrity, Empowerment, Innovation, and Execution Excellence (PIEIE).

Risks are primarily owned by business and process owners, with every employee expected to proactively manage risks within their areas of responsibility.

RMG's primary responsibility is to develop and maintain the Risk Management Framework and drive enterprise-wide implementation and adherence. The Bank's risk management approach is based on the end-to-end risk management lifecycle, which is comprised of processes that are used to identify, assess, treat, monitor, and report risks.

Risk Appetite and Limits

The Bank's overall risk appetite is operationalized through policies, product programs, limit structures, and defined accountabilities. The Risk Appetite Policy provides guiding principles for managing risks in support of strategic objectives, financial soundness, stakeholder protection, and regulatory compliance, including BSP requirements.

Both regulatory and internal limits approved by the ROC and the Board are monitored regularly. Utilization and breaches are reported to Senior Management and relevant committees, with timely escalation and corrective actions undertaken as appropriate.

Risk Culture

The Bank promotes a culture of accountability, ownership, ethical conduct, and disciplined risk-taking consistent with strategy and risk appetite. Risk culture reinforces the principle that "risk is everyone's business" and is supported through regular reporting, e-learning modules, and targeted training programs.

Core Principles and Operating Model

The Bank's risk management approach is guided by the following principles:

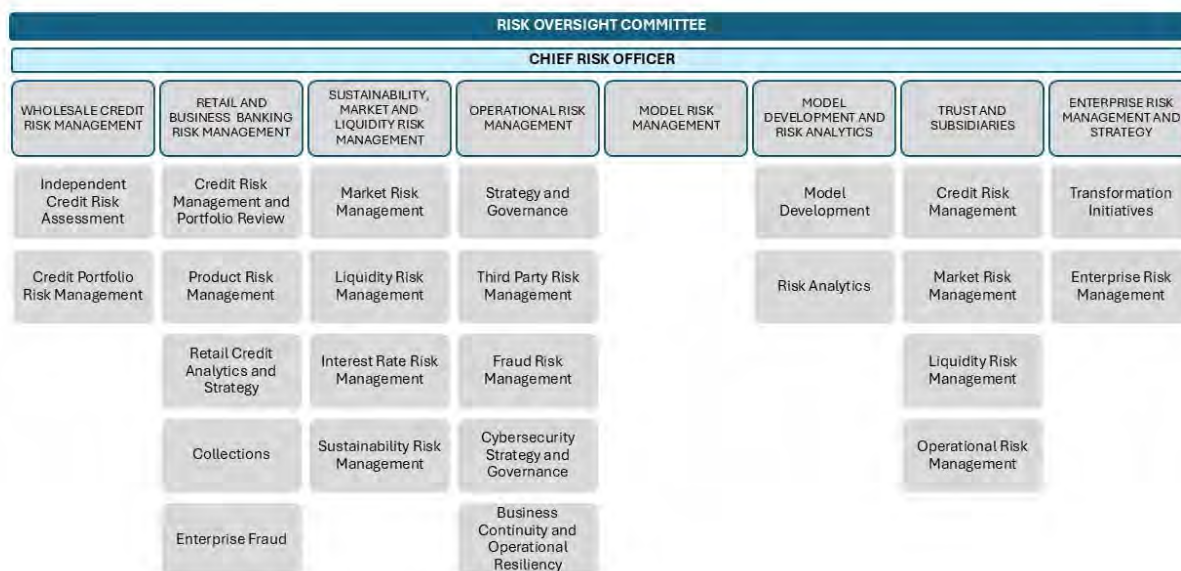
- Commitment to a shared mission, common objectives, core values (PIEIE), and a periodically renewed Code of Conduct
- Application of the three lines of defense model
- Human Capital Management practices that recruit, develop, and retain competent employees

- Delegated authorities that promote empowerment and accountability
- Risk structures that support strong controls, structured reporting, independent review, and active Board oversight
- Recognition that risks can create opportunities when appropriately identified, assessed, and managed

Risk management processes, controls, and infrastructure are designed to keep pace with business growth, transformation initiatives, changes in risk configuration, geographic expansion, mergers and acquisitions, and evolving external risks. Risk data aggregation and reporting are designed to be accurate, complete, timely, and adaptable.

RMG supports the Board and ROC through:

- Development, monitoring, and reporting of risk appetite, including risk appetite statements, policies, limits, and risk exposures
- Assessment, measurement, monitoring, mitigation, and reporting of the Bank's risk-taking and risk management activities
- Provision of independent risk input to strategic and business decisions
- Escalation of material issues
- Oversight of operational resilience for Critical Operations



Risk Management in Action

CREDIT RISK

- **Definition and scope** - Credit risk is the risk of loss arising from a borrower's or counterparty's failure to meet contractual obligations, including non-payment, failed settlement, and default. Credit risk arises from both lending and investment activities.
- **Measurement and controls** - Credit risk is assessed using credit quality ratios, Probability of Default (PD), Expected Credit Loss (ECL), credit classification, concentration analysis, delinquency monitoring, collateral residual risk assessment, and stress testing. Credit facilities are granted primarily based on borrower creditworthiness and repayment capacity, with collateral used as secondary mitigation.
- **Monitoring and reporting** - Monitoring focuses on portfolio-level risk. Reporting to Senior Management and the ROC covers exposures, portfolio quality, concentrations, mitigants, and residual risks.
- **Independent review** - Independent Risk Assessment (IRA) and Credit Risk Review (CRR) provide independent challenges, portfolio quality assessment, trend identification, and early mitigation support.

Risk governance, measurement, and reporting

Credit risk management is governed by Board-approved policies and overseen by the Risk Oversight Committee (ROC), with execution supported by the Risk Management Group (RMG) as the independent second line of defense. Credit risk strategies and processes cover identification, assessment, mitigation, monitoring, and reporting across the credit lifecycle.

Credit risk measurement and monitoring are supported by portfolio-level tools and indicators including PD, ECL, credit classification, concentration analysis, delinquency monitoring, collateral residual risk assessment, and stress testing. Regular reporting covers exposures, portfolio quality, concentrations, mitigants, and residual risks, with escalation of material issues as appropriate.

Independent oversight is provided through IRA and CRR, which deliver independent challenge and support early risk mitigation.

MARKET RISK

Market risk is managed across trading and banking book exposures, including Interest Rate Risk in the Banking Book (IRRBB). Measurement includes market and earnings sensitivity metrics, stress testing, and exposure limits. Monitoring and reporting are provided to Senior Management, ALCO, and the ROC.

2025 enhancements strengthened portfolio-level limits, IRRBB controls, behavioral modeling, and forecasting accuracy.

Risk governance, measurement, and reporting

Market risk is governed through Board-approved policies and limits, with oversight by the Risk Oversight Committee (ROC) and regular management review through the Asset and Liability Committee (ALCO). The independent measurement, monitoring, and reporting of market risk exposures across trading and banking book positions are supported by the Risk Management Group (RMG).

Market risk measurement frameworks include sensitivity measures and stress testing supported by exposure limits, with regular reporting to Senior Management, ALCO, and the ROC, and escalation of limit breaches as appropriate.

Hedging and mitigant effectiveness

Where appropriate, hedging instruments and other mitigants are used to manage interest rate and foreign exchange exposures. The continuing effectiveness of hedges and mitigants is monitored through sensitivity analysis, limit monitoring, and stress testing outcomes, and is supported by periodic model review to ensure approaches remain robust under changing market conditions.

Interest Rate Risk in the Banking Book (IRRBB)

The Bank defines IRRBB as the risk that the Bank's earnings or capital will decline, immediately or over time, due to adverse movements in interest rates. Interest rate risk arises through some specific products with fixed rates or, more generally, because the overall structure of the firm's balance sheet creates an interest rate exposure.

IRRBB management and mitigation

IRRBB is managed as part of the Bank's market risk framework, with oversight through established governance and reporting to Senior Management, the Asset and Liability Committee (ALCO), and the Risk Oversight Committee. IRRBB management strategies include monitoring of risk measures in relation to established limits, re-pricing gap analysis, and the application of behavioral modeling and forecasting methodologies to support risk measurement and decision-making.

Risk mitigation approaches may include the use of hedging and other balance sheet actions where appropriate to manage excessive sensitivity to interest rate movements. Stress testing and outcomes analysis support assessments of resilience under adverse rate scenarios, with periodic reviews of models and methodologies to help ensure measurement approaches remain appropriate as market conditions evolve.

IRRBB measurement and reporting

IRRBB measurement includes market and earnings sensitivity metrics and stress testing. Monitoring and reporting are provided to Senior Management, ALCO, and the Risk Oversight Committee, with utilization against established limits reviewed regularly and escalated as appropriate.

LIQUIDITY RISK

Liquidity risk management covers funding and market liquidity risks and is supported by stress testing, Basel III liquidity ratios, concentration monitoring, and a Contingency Funding Plan. Oversight is provided through ALCO and the ROC.

2025 enhancements updated the CFP, behavioral models, and concentration limits in line with regulatory and market developments.

Risk governance, measurement, and reporting

Liquidity risk is governed through Board-approved policies and monitored against established internal and regulatory limits, with oversight through the Asset and Liability Committee (ALCO) and the Risk Oversight Committee. Liquidity risk strategies and processes include proactive monitoring of funding and market liquidity positions, maintenance and periodic updating of the Contingency Funding Plan, and the use of stress testing to assess resilience under adverse conditions.

Liquidity risk measurement and reporting are supported by Basel III liquidity ratios, concentration monitoring, and stress testing outputs, with regular reporting to ALCO, Senior Management, and the ROC, and escalation of material movements and limit breaches as appropriate.

OPERATIONAL RISK

Operational risk stems from failures of processes, people, systems, or external events. Management of specific risks is documented in SBC frameworks related to information security, business continuity, fraud risk, and third-party risk. Reputational risk and operational resilience continue to be key priorities in line with regulatory expectations.

2025 enhancements strengthened operational resilience, second line of defense assurance reviews, issue management standards, and governance of change-related risk.

Risk governance, measurement, and reporting

Operational risk management is supported by Bank frameworks covering information security, business continuity, fraud risk, third-party risk, reputational risk, and operational resilience. Operational risk strategies and processes focus on risk identification, assessment, mitigation, monitoring, and reporting, supported by structured issue management and second-line oversight.

Operational risk reporting and oversight include regular monitoring of key risk issues, control effectiveness, incidents, and remediation progress through established governance forums, including escalation and reporting mechanisms that support Senior Management and Board committee oversight.

MODEL DEVELOPMENT AND RISK ANALYTICS (MDRA)

The Bank's MDRA team focuses on model development and risk reporting. The Model Development unit designs and governs models, ensuring compliance with enterprise and regulatory standards. Meanwhile, the Risk Analytics unit supports ongoing monitoring and reporting, driving automation and database initiatives to deliver accurate and timely management and regulatory reports.

MODEL RISK

Model risk is managed through a lifecycle framework covering development, validation, approval, testing, monitoring, and recertification.

2025 enhancements strengthened model governance, monitoring frequency, and inventory management, with expanded validation coverage.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT

Environmental and social risks, including climate-related risks, are integrated into the ERM Framework and credit processes and assessed through stress testing, portfolio analysis, and governance oversight.

2025 enhancements included climate stress testing, collaboration with IFC, sustainability training, Philippine Sustainable Finance Taxonomy capacity-building, and IFRS S1 and S2 readiness initiatives.

CONSUMER PROTECTION RISK

Consumer protection risks are managed under the Consumer Protection Risk Management Framework in line with BSP Circular 1160, covering disclosure, fair treatment, data protection, fraud prevention, and effective recourse.

2025 focus and continuous improvement

Across risk categories, 2025 initiatives strengthened independent oversight, monitoring, operational resilience, model risk governance, and sustainability-related risk readiness. These enhancements support disciplined growth, robust controls, and resilience amid evolving regulatory and market conditions.

Capital

The primary objectives of the Group's capital management are to ensure that the Group maintains strong credit ratings and healthy capital ratios in support of its business, and to remain compliant with capital requirements, all while maximizing shareholder value. RMG assists Senior Management through the ALCO by providing the relevant information with respect to the management of all risks related to the Group's assets and liabilities, and the trading and accrual books. The impact of the Group's activities on capital is also monitored by the ALCO with the RMG providing the necessary data to the Committee for assessment. Results of their analysis are reported on a periodic basis to the ROC. Currently, the Bank remains in compliance with the capital requirements of the Basel III Framework. This is largely driven by the Bank's approach to risk and capital management. Minimum capital levels and adequacy ratios as required by regulatory standards are used by the Bank merely as a starting point. Annually, the Bank assesses its current and planned business and risk-taking activities, and their comparison to the BOD's risk appetite taken in the context of macroeconomic and industry developments. This assessment is summarized in the Bank's Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP) document.

The Executive Committee is primarily responsible for driving the Group's ICAAP and ILAAP, working alongside the ROC and other members of Management in implementing the strategic goals as approved by the BOD. In essence, this Committee assesses the Group's capital adequacy relative to its risk profile, understanding capital requirements as scenarios vary or become stressed.

Risk exposures and corresponding capital requirements vis-à-vis current levels are periodically reviewed, ensuring risk and capital are aligned with the Bank's appetite and activities, as well as with regulatory standards.

(b) Additional Requirements as to Certain Issues or Issuers

(i) Debt Issues

Long-term Negotiable Certificates of Deposits (LTNCD)

Issue Date	Maturity Date	Interest Rate	Par Value	Carrying Value	
				December 31, 2025	December 31, 2024
<i>In Thousands</i>					
September 23, 2019	March 23, 2025	4.00%	₱6.06 billion	₱–	₱6,057,503
December 17, 2019	June 17, 2025	4.00%	2.31 billion	–	2,308,263
February 5, 2020	August 5, 2025	4.00%	2.07 billion	–	2,068,019
				₱–	₱10,433,785

Note and Bonds Payable

Issue Date	Maturity Date	Interest Rate	Par Value	Carrying Value	
				December 31, 2025	December 31, 2024
<i>In Thousands</i>					
<u>Fixed Rated Bonds</u>					
July 13, 2023	January 13, 2025	6.43%	₱18.5 billion	₱–	₱18,496,290
August 20, 2024	September 20, 2029	6.05%	20.0 billion	19,883,438	19,856,428
October 29, 2025	October 29, 2030	6.00%	21.0 billion	20,840,127	–
<u>USD Senior Unsecured Notes</u>					
May 9, 2024	May 14, 2029	5.50%	USD 400.0 million	23,277,744	22,842,339
				₱64,001,309	₱61,195,057

(ii) Equity Issues

In the third quarter of 2009, the Security Bank board, PSE and SEC approved the offer of Stock Rights to Eligible Shareholders to raise gross proceeds of approximately ₱2.5 billion. Pursuant to the Rights Issue, 89,285,714 new ordinary shares were offered at ₱28.00 on the basis of approximately one Rights Share for every 3.7 existing shares held on record as of 9:00am of November 5, 2009. The offer period was from November 5-12, 2009. The offer was fully subscribed and total number of shares outstanding after the offer was 418,631,411.

On September 1, 2011, 83,727,102 shares were distributed in relation to 20% stock dividend approved by the Bank's BOD and shareholders on March 29, and May 30, 2011, respectively. Outstanding shares as a result of stock dividend payment was 502,358,513.

On January 2, 2014, 100,472,596 shares were distributed in relation to 20% stock dividend approved by the Bank's BOD and shareholders on March 19 and May 28, 2013, respectively. Outstanding shares as a result of stock dividend distribution were 602,831,109.

In the second quarter of 2014, the BSP and SEC approved the Preferred Shares Rights Offer to Eligible Shareholders to raise gross proceeds of approximately ₱60.3 million. Pursuant to the Rights Issue, 602,831,109 new non-convertible, non-cumulative, non-participating, voting preferred shares were offered at ₱0.10 on the basis of one Preferred Share for every one existing Common Share held on record as of June 16, 2014. The offer period was from June 23 to July 4, 2014. The offer was fully subscribed and total number of preferred shares outstanding after the offer was 602,831,109.

On April 1, 2016, Security Bank issued 150,707,778 new common shares and 200,000,000 new preferred shares to MUFG, representing 20% of total outstanding shares. An additional 197,168,891 preferred shares were also issued to existing Filipino stockholders. Total number of outstanding common shares after the MUFG transaction was 753,538,887 while total number of outstanding preferred shares was 1,000,000,000.

ITEM 2. PROPERTIES

The Bank has its corporate headquarters at 6776 Ayala Avenue, Makati City. The Bank has ownership of approximately 81.22% of the 6776 Ayala Avenue property which is not limited by any mortgage or lien.

The Bank has a network of 377 branches of which 45 are bank-owned premise while the remaining are leased. Most of the lease contracts include renewal options which give the Bank the right to extend the lease for varying periods at terms agreed upon with the lessors. The Bank intends to lease new sites for its 2026 branch expansion initiatives.

ITEM 3. LEGAL PROCEEDINGS

The Bank is a party in legal proceedings which arose from normal business activities. However, management believes that these cases are without merit or that the ultimate liability, if any, resulting therefrom, has no material effect to the Bank's financial position.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There were no matters submitted during the fourth quarter of 2025 to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

ITEM 5. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1) Market Information

The Bank's shares were officially listed and first traded at the PSE on June 8, 1995.

The price performance of the shares for each quarter within the last two years has been as follows:

(Philippine Peso)	High	Low
Quarter-ended Mar 31, 2023	102.80	86.95
Quarter-ended Jun 30, 2023	95.00	81.75
Quarter-ended Sep 30, 2023	86.35	74.60
Quarter-ended Dec 31, 2023	81.00	67.95
Quarter-ended Mar 31, 2024	74.30	67.20
Quarter-ended Jun 30, 2024	73.70	62.15
Quarter-ended Sep 30, 2024	99.25	60.00
Quarter-ended Dec 31, 2024	99.30	75.85
Quarter-ended Mar 31, 2025	86.95	69.50
Quarter-ended Jun 30, 2025	71.90	61.00
Quarter-ended Sep 30, 2025	79.40	67.10
Quarter-ended Dec 31, 2025	74.05	64.20
Quarter-ended Mar 31, 2026	74.50	65.00

2) Holders

The Bank had approximately 1,709 common shareholders and 424 preferred shareholders as of February 28, 2026. Common shares outstanding as of said date stood at 753,538,887 and outstanding Preferred shares stood at 1,000,000,000.

The top 20 Shareholders as of February 28, 2026 are:

Common Shares

	Stockholders Name	No. of Shares	% to Total Voting Shares
1	PCD NOMINEE CORPORATION (FILIPINO)	194,687,892	11.10%
2	THE BANK OF TOKYO - MITSUBISHI UFJ, LTD (NOW KNOWN AS MUFG BANK, LTD.)	150,707,778	8.59%
3	PCD NOMINEE CORPORATION (NON-FILIPINO)	110,192,672	6.28%
4	ASIASEC EQUITIES INC.	103,276,495	5.89%
5	FREDERICK Y. DY	86,865,273	4.95%

	Stockholders Name	No. of Shares	% to Total Voting Shares
6	SOCIAL SECURITY SYSTEM	37,819,602	2.16%
7	DANIEL S. DY	30,229,655	1.72%
8	GOODFAITH EQUITIES CORP.	17,400,462	0.99%
9	GOODWOOD RESOURCES DEVELOPMENT INC	10,166,077	0.58%
10	JAMES HUNG	2,406,708	0.14%
11	SB EQUITIES INC.	1,887,793	0.11%
12	GERALDINE S. DY	1,037,662	0.06%
13	HENRY ONG CHUSUEY OR ANNA LISSA CHUSUEY	700,000	0.04%
14	CAROUSEL HOLDINGS INC.	400,000	0.02%
15	MEPCO EMPLOYEES RETIREMENT	331,709	0.02%
16	SANJIV VOHRA	300,010	0.02%
17	RAFAEL F. SIMPAO, JR.	217,296	0.01%
18	SB EQUITIES INC. FAO L0015	175,902	0.01%
19	CENTRAL COLLEGES OF THE PHILIPPINES	159,214	0.01%
20	CHUA BEE BEE	138,212	0.01%

Preferred Shares

	Stockholders Name	No. of Shares	% to Total Voting Shares
1	FREDERICK Y. DY	335,207,671	19.12%
2	DANIEL S. DY	256,951,638	14.65%
3	THE BANK OF TOKYO - MITSUBISHI UFJ, LTD (NOW KNOWN AS MUFG BANK, LTD.)	200,000,000	11.41%
4	ASIASEC EQUITIES INC.	95,996,204	5.47%
5	SOCIAL SECURITY SYSTEM	37,644,497	2.15%
6	ANASTASIA Y. DY	33,000,000	1.88%
7	GOODWOOD RESOURCES DEVELOPMENT INC.	21,014,591	1.20%
8	GERALDINE S. DY	17,329,149	0.99%
9	SB EQUITIES INC. (FOREIGN)	12,252,527	0.70%
10	SB EQUITIES INC.	5,377,329	0.31%
11	DEUTSCHE BANK AG MANILA OBO A/C 12129924744	3,771,656	0.22%
12	BPI SECURITIES CORPORATION	2,122,173	0.12%
13	HSBC OBO A/C 026-100297-557	1,846,813	0.11%
14	ABACUS SECURITIES CORPORATION	1,771,202	0.10%
15	ASIASEC EQUITIES INC.	1,524,917	0.09%
16	HSBC MANILA OBO A/C 000-595686-550	1,400,000	0.08%
17	DEUTSCHE BANK AG MANILA OBO A/C 12129924742	1,267,172	0.07%
18	SCB OBO RBC INVESTOR SERVICES TRUST CLIENT ACCOUNT	1,260,000	0.07%
19	DEUTSCHE BANK AG MANILA OBO A/C 12129925301	1,190,216	0.07%
20	SBC TRUST DIVISION AS TRUSTEE FOR SECURITY BANK CORPORATION RETIREMENT PLAN	1,140,000	0.07%

3) Dividends

Dividends are declared and paid out of the earned surplus or net profits of the Bank as often and at such times as the BOD may determine and in accordance with the provisions of law and the regulations of the BSP. Cash dividends declared for the two most recent fiscal years are as follows:

Common Shares

Dividend Per Share	Total Dividend Amount	Record Date	Payment Date
₱1.50	₱1.130 billion	April 15, 2024	April 29, 2024
1.50	1.130 billion	November 13, 2024	November 27, 2024
1.50	1.130 billion	April 10, 2025	April 28, 2025
1.50	1.130 billion	November 12, 2025	November 26, 2025

Preferred Shares

Dividend Per Share	Total Dividend Amount	Record Date	Payment Date
₱0.004805	₱1.91 million	March 14, 2024	April 1, 2024
0.0039	2.35 million	June 26, 2024	July 20, 2024
0.004805	1.91 million	March 11, 2025	April 1, 2025
0.0062874	3.79 million	June 26, 2025	July 10, 2025

Security Bank has adopted a dividend policy that will enable the Bank to weather the uncertainties and volatilities in the market; comply with the requirements of Basel III and the BSP; maintain strong credit ratings; minimize the need for capital calls in the medium-term; and provide a capital base for business expansion that will create value over the long-term for all stakeholders. In declaring dividend pay-outs, Security Bank uses a combination of regular and special dividends such that the total dividend pay-out shall range from 15% to 30% of the prior year's NIAT.

Capital structure is managed in the light of changes in economic conditions, risk characteristics of activities and assessment of prospective business directions. Capital management begins with an assessment of regulatory capital and capital adequacy, followed by the determination of the optimal capital structure based on a risk-based capital planning approach, taking into consideration risk appetite, risk exposures, provision of a capital buffer, capital mix, leverage, target return on equity (ROE), opportunities in the capital markets and sustainability.

Recent Sales of Unregistered Securities

There were no sales of unregistered securities within the past three (3) years.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

The following tables present information from the Bank's Consolidated Financial Statements as of December 31, 2025 and 2024, and for the three years ended December 31, 2025, 2024 and 2023 as audited by SGV, independent public accountants.

(in million pesos)

Key Statement of Financial Position Data:

	As of December 31		
	2025	2024	2023
Total Assets	1,194,759	1,129,141	871,509
Total Deposit Liabilities	930,503	801,079	606,531
Loans and Receivables (net)	696,638	677,813	538,329
Total Liquid Assets	441,423	411,060	302,775
Total Earning Assets	1,112,591	1,054,181	795,462
Total Equity	154,230	141,138	136,130

(in million pesos)

Key Statements of Income Data:

	For the Years Ended December 31		
	2025	2024	2023
Interest Income	77,528	62,806	49,095
Interest Expense	27,071	19,084	14,361
Net Interest Income	50,457	43,722	34,734
Other Income	16,475	11,212	8,225
Operating Expenses	39,325	33,084	26,099
Provision for Credit and Impairment Losses	12,762	6,610	4,801
Provision for Income Tax	3,218	4,002	2,953
Net Income	11,628	11,238	9,105
Attributable to Minority Interest	—	—	—
Attributable to Equity Holders of the Parent Company	11,628	11,238	9,105
Earnings per Share (weighted/adjusted)	₱15.42	₱14.91	₱12.08

Key Performance Indicators

The Bank monitors its performance and benchmarks itself with the other players in the banking industry in terms of the following indicators:

Key Performance Indicators:	December 31		
	2025	2024	2023
<u>Capital Adequacy</u>			
Capital to Risk Assets Ratio	13.21%	13.84%	16.19%
<u>Asset Quality</u>			
Non-performing Loan (NPL) Ratio	1.31	1.28	1.37
Non-performing Loan Cover	85.61	80.76	82.13

Key Performance Indicators:	December 31		
	2025	2024	2023
<u>Profitability</u>			
Return on Average Equity	7.87	8.11	6.95
Net Interest Margin	4.66	4.73	4.49
Cost to Income	58.75	60.23	60.75
<u>Liquidity</u>			
Liquid Assets to Total Assets	36.95	36.40	34.74

The manner by which the Bank calculates the above indicators is as follows:

Key Performance Indicator	BSP Prescribed Formula
Capital to Risk Assets Ratio	$\frac{\text{Total Qualifying Capital}}{\text{Market, Credit and Operational Risk Weighted Exposures}}$
Non-performing Loan (NPL) Ratio (Based on Circulars 941 and 1011)	$\frac{\text{Non-performing Loans (net of specific allowance)}}{\text{Gross Loans}}$
Non-performing Loan (NPL) Cover (Based on Circulars 941 and 1011)	$\frac{\text{Allowance for Probable Losses}}{\text{Non-performing Loans (gross of specific allowance)}}$
Liquid Assets to Total Assets	$\frac{\text{Total Liquid Assets}}{\text{Total Assets}}$
Return on Average Equity	$\frac{\text{Net Income (or Loss) after Income Tax} \times 100}{\text{Average Total Capital Accounts}}$
Net Interest Margin	$\frac{\text{Net Interest Income} \times 100}{\text{Average Interest Earning Assets}}$

2025 versus 2024 Results of Operations

Financial Position

Total Assets increased by 5.8% to ₱1.2 trillion on account of increases in Cash and Other Cash Items, Due from Other Banks, Interbank Loans Receivable and Securities Purchased Under Resale Agreements (SPURA) with BSP, Financial Assets at Fair Value through Profit or Loss, Investment Securities at Amortized Cost, Loans and Receivables - Net, Investment in Subsidiaries, Joint Ventures and an Associate, Property, Equipment and Right-of-use - Net, Investment Properties - Net, Deferred Tax Assets and Intangible Assets tempered by decreases in Due from Bangko Sentral ng Pilipinas, Derivative Assets Designated as Hedges, Financial Assets at Fair Value through Other Comprehensive Income and Other Assets.

Increase in **Cash and Other Cash Items** by ₱2.4 billion or 18.2% can be attributed to the Bank's daily operations while decrease in **Due from BSP** by ₱8.5 billion or 24.3% is due to asset-liability management.

Due from Other Banks increased by 6.9% or ₱1.1 billion due to increased level of working balances with counterparty banks. **Interbank Loans Receivable and SPURA with the BSP** increased by ₱19.3 billion or 205.0% due to increased level of placements.

Financial Assets at Fair Value Through Profit or Loss increased by ₱21.1 billion or 125.1% to ₱37.9 billion due to trading-related activities of the Bank. **Derivative Assets Designated as Hedges** amounted to ₱0.3 billion. **Financial Assets at Fair Value through Other Comprehensive Income** decreased by ₱24.2 billion to ₱157.7 billion or 13.3% mainly due to maturity and sale of treasury bonds during the year. **Investment Securities at Amortized Cost** increased to ₱158.4 billion by ₱19.6 billion or 14.2% mainly due to purchases of treasury notes and bills and treasury bonds during the period.

Loans and Receivables increased by 2.8% to ₱696.6 billion from ₱677.8 billion in 2024 primarily driven by the continued expansion in consumer lending and residential mortgages portfolios tempered by the decrease in corporate lending during the period.

Investments in Subsidiaries, Joint Ventures and an Associate represent Parent Company's 60.0% interest in SBM Leasing, Inc. (SBML), 49.96% interest in SB Finance, Inc. (SBFI), 49.0% interest in Mitsubishi Motors Finance Philippines Inc. (MMFP) and 25.0% interest in HC Consumer Finance Philippines Inc. (HCPH). Increase by 523.1% or ₱13.7 billion is mainly due to the first tranche capital injection paid by the Bank to MMFP and investment in HCPH.

Property, Equipment and Right-of-use Assets increased by 20.3% to ₱9.7 billion due to additions during the year, while **Investment Properties** increased by 13.4% to ₱7.1 billion due to additional foreclosures tempered by disposals and depreciation during the period.

Deferred Tax Assets increased by ₱1.5 billion primarily driven by the recognition of DTA on allowance for credit and impairment losses and deferred revenue. **Intangible Assets** grew by 25.8% to ₱8.3 billion mainly due to additions.

Other Assets decreased by 31.4% to ₱6.6 billion from ₱9.6 billion attributable to decreases in cash collateral deposits by ₱2.7 billion and utilization of other investments by ₱1.2 billion.

Total Liabilities increased by 5.3% or ₱52.5 billion to ₱1.0 trillion on account of increases in Deposit Liabilities, Margin Deposits and Cash Letters of Credit, Manager's and Certified Checks Outstanding, Notes and Bonds Payable and Other Liabilities tempered by decreases in Financial Liabilities at Fair Value through Profit or Loss, Derivative Liabilities Designated as Hedges, Bills Payable and Securities Sold Under Repurchase Agreements (SSURA), Acceptances Payable, Income Tax Payable and Accrued Interest, Taxes and Other Expenses.

Deposit Liabilities went up by 16.2% from ₱801.1 billion as of year-end 2024 to ₱930.5 billion mainly contributed by the increases in Time, Demand, and Savings Deposits.

Financial Liabilities at Fair Value through Profit or Loss decreased by 18.0% to ₱1.4 billion. **Derivative Liabilities Designated as Hedges** amounted to ₱3.6 billion. **Bills Payable and SSURA** decreased by 93.2% to ₱6.2 billion attributable to maturities and settlements of the Bank's borrowings from SSURA, local and foreign banks.

Acceptances Payable decreased by 61.7% to ₱0.6 billion. **Margin Deposits and Cash Letters of Credit** increased to ₱2.8 billion. **Manager's and Certified Checks Outstanding** at ₱5.9 billion increased by ₱0.6 billion or 10.5%.

Income Tax Payable decreased by ₱0.4 billion to ₱48.6 million. **Notes and Bonds Payable** increased by ₱2.8 billion or 4.6% mainly due to issuance of 6.0% fixed rate bonds amounting to ₱21.0 billion on October 29, 2025 tempered by settlement of fixed rate bonds amounting to ₱18.5 billion on January 13, 2025. **Accrued Interest, Taxes and Other Expenses** decreased by 12.3% to ₱5.2 billion. **Other Liabilities** went up by 31.4% to ₱20.3 billion.

Total Equity grew by 9.3% to ₱154.3 billion on account of movements in Surplus, Net Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income, Net Unrealized Gain on Subsidiaries and Associate's Financial Assets at Fair Value through Other Comprehensive Income, Cumulative foreign currency translation, and Cost of Hedging Reserve during the period.

Surplus increased by 8.7% due to net income for the period, after accounting for dividends. **Net Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income of the Parent** decreased by 46.6% mainly due to improvement in market valuation of outstanding debt securities. **Net Unrealized Gain on Subsidiaries and Associate' Financial Assets at Fair Value through Other Comprehensive Income** increased by ₱148.3 million primarily attributable to share from HCPH. **Cumulative Foreign Currency Translation loss** increased by ₱40.3 million. **Cost of hedging reserve** amounted to ₱1.2 billion.

The **Capital Adequacy Ratio (CAR)** is 13.21% in December 2025. This is well above BSP minimum requirement of 10%, indicative of the sufficiency of the Bank's capital to support the current level of its risk assets.

Results of Operations

Net income attributable to the Bank's equity holders amounted to ₱11.6 billion for the year ended December 31, 2025 from a year ago level of ₱11.2 billion or an increase of 3.5%. This translates to earnings per share of ₱15.42 from ₱14.91 for the year ended December 31, 2024.

Interest Income ended higher than prior period by 23.44% or ₱14.7 billion. **Interest Income on Loans and Receivables** amounted to ₱58.0 billion from ₱48.4 billion or an increase of 20.0% from the same period last year due to higher volume of loans and receivables on a period-on-period basis. **Interest income on Financial assets at fair value through other comprehensive income and investment securities at amortized cost** increased by 31.7% or ₱4.0 billion on account of higher average balances of fixed-income securities while **Interest income on Financial assets at fair value through profit or loss** increased by ₱0.4 billion due to higher volume of held-for-trading securities in 2025. Increase in **Interest Income on Interbank Loans Receivables and SPURA with the BSP** by 76.5% or ₱0.6 billion, driven by the substantial increase in placements during the period. **Interest income on Deposits with Banks and Others** increased by 48.0% due to increase in volume of margin deposits.

Interest Expense increased by 41.9% or ₱8.0 billion from prior period. **Interest Expense on Derivatives Designated as Hedges** recognized during the year is ₱15.3 billion up by ₱9.7 billion due to higher volume. **Interest Expense on Deposits** decreased by 3.7% or ₱0.3 billion due to maturities of LTNCDs and lower interest rates on time deposits on a period-on-period basis. **Interest Expense on Notes and Bonds Payable, Bills Payable and SSURA and Other Borrowings** decreased by 27.0% or ₱1.8 billion due to lower borrowing transactions during the period. **Interest Expense on Derivative Instruments** increased by ₱0.2 billion. **Interest Expense on Lease Liabilities** increased by 52.6% or ₱52.6 million compared to 2024.

Net Interest Income increased to ₱50.5 billion, up by 15.4% or ₱6.7 billion compared to 2024 on a period-on-period basis.

Other Income increased to ₱16.5 billion, a 46.9% increase, mainly due to increase in **Foreign Exchange Gain (Loss) - Net** of ₱3.0 billion mainly due to more favorable FX movements and client-related foreign currency transactions during the period. **Trading and Securities Gain - Net** increased by ₱1.3 billion mainly due to improved market conditions and favorable valuation movements. **Share in Net Income of Subsidiaries, Joint Ventures and an Associate** increased by ₱745.0 million, primarily due to share in HCPH's net income. **Miscellaneous Income** increased by ₱558.1 million. **Rent Income** increased by ₱429.8 million. **Service Charges, Fees and Commission** decreased by ₱55.1 million from ₱8.9 billion in 2024. **Profit from Assets Sold/Exchanged** decreased by ₱650.4 million on account of lower gains from the acquisition and sale of foreclosed assets during the period.

Operating expenses (excluding provisions for credit and impairment losses) were higher by 18.9%. **Amortization of Software Costs** increased by 55.1% while **Taxes and Licenses** increased by 18.9%. **Depreciation and Amortization, Compensation and Fringe Benefits, Occupancy Costs, and Miscellaneous Expenses** increased by 17.3%, 16.5%, 7.9% and 19.0%, respectively.

Provision for Credit Losses increased by ₱5.8 billion reflecting updates to expected credit loss estimates under PFRS 9 and changes in the loan portfolio. **Provision for (Recovery of) impairment losses** increased by ₱0.3 billion.

Provision for Income Tax decreased by ₱0.8 billion to ₱3.2 billion, driven by higher deferred tax benefit, partly offset by an increase in current income tax.

Total Comprehensive Income for the period ended December 31, 2025 rose to ₱15.5 billion from ₱7.3 billion in 2024, driven by higher net income, lower cost of hedging reserve, and improvement in net unrealized gain on financial assets at fair value through other comprehensive income.

2024 versus 2023 Results of Operations

Financial Position

Total Assets increased by 29.6% to ₱1.1 trillion on account of increases in Due from Other Banks, Interbank Loans Receivable and SPURA with BSP, Financial Assets at Fair Value through Profit or Loss, Derivative Assets Designated as Hedges, Financial Assets at Fair Value through Other Comprehensive Income, Investment Securities at Amortized Cost, Loans and Receivables - Net, Investment in Subsidiaries and Joint Ventures, Property, Equipment and Right-of-use - Net, Investment Properties - Net, Deferred Tax Assets, Intangible Assets, and Other Assets tempered by decreases in Cash and Other Cash Items, and Due from BSP.

Decrease in **Cash and Other Cash Items** by ₱0.8 billion or 5.6% can be attributed to the Bank's daily operations while decrease in **Due from BSP** by ₱10.7 billion or 23.4% is due to asset-liability management.

Due from Other Banks increased by 27.9% or ₱3.3 billion due to increased level of working balances with counterparty banks. **Interbank Loans Receivable and SPURA with the BSP** increased by ₱5.3 billion or 130.2% due to increased level of placements.

Financial Assets at Fair Value Through Profit or Loss increased by ₱5.9 billion or 54.5% to ₱16.8 billion due to trading-related activities of the Bank. **Derivative Assets Designated as Hedges** amounted to ₱0.6 billion. **Financial Assets at Fair Value through Other Comprehensive Income** increased by ₱42.0 billion to ₱181.8 billion or 30.0%, mainly due to purchases of treasury notes and bills and treasury bonds during the year. **Investment Securities at Amortized Cost** increased to ₱138.7 billion by ₱62.6 billion or 82.2% mainly due to purchases of corporate bonds and government securities during the period.

Loans and Receivables increased by 25.9% to ₱677.8 billion from ₱538.3 billion in 2023 primarily attributable to increase in wholesale, retail and MSME loans during the period.

Investments in Subsidiaries and Joint Ventures represent Parent Company's 60.0% interest SBML and 49.96% interest SBF1. Increase by 0.1% or ₱1.5 million is mainly due to increase in share in net income.

Property, Equipment and Right-of-use Assets increased by 25.0% to ₱8.0 billion due to additions during the year, while **Investment Properties** increased by 31.2% to ₱6.3 billion due to real and other properties foreclosed during the year.

Deferred Tax Assets increased by 9.7% from ₱5.7 billion as of year-end 2023 to ₱6.3 billion in 2024. **Intangible Assets** grew by 32.6% to ₱6.6 billion with the additional software costs during the period.

Other Assets increased by 90.9% to ₱9.6 billion from ₱5.0 billion due to increases in cash collateral deposits, other investment, other properties acquired, documentary stamps, and items in process for clearing.

Total Liabilities increased by 34.4% or ₱252.6 billion to ₱988.0 billion on account of increases in Deposit Liabilities, Derivative Liabilities Designated as Hedges, Bills Payable and SSURA, Margin Deposits and Cash Letters of Credit,

Manager's and Certified Checks Outstanding, Notes and Bonds Payable, Accrued Interest, Taxes and Other Expenses, and Other Liabilities tempered by decreases in Financial Liabilities at Fair Value through Profit or Loss, Acceptances Payable, and Income Tax Payable.

Deposit Liabilities went up by 32.1% from ₱606.5 billion as of year-end 2023 to ₱801.1 billion mainly contributed by the increase in Time, Demand, and Savings Deposits.

Financial Liabilities at Fair Value through Profit or Loss decreased by 42.2% to ₱1.7 billion. **Derivative Liabilities Designated as Hedges** amounted to ₱3.8 billion. **Bills Payable and SSURA** increased by 77.6% to ₱91.2 billion due to increase in the Bank's repo transactions during the period.

Acceptances Payable decreased by 40.0% to ₱1.7 billion. **Margin Deposits and Cash Letters of Credit** increased by 195.2% to ₱0.2 billion. **Manager's and Certified Checks Outstanding** at ₱5.3 billion increased by ₱0.1 billion or 2.5%.

Income Tax Payable decreased by ₱0.3 billion from year-end 2023's ₱0.8 billion. **Notes and Bonds Payable** increased by ₱12.2 billion or 25.0% mainly due to issuance of senior unsecured notes amounting to USD 400 million on May 9, 2024 and fixed rate bonds amounting to ₱20.0 billion on August 20, 2024 tempered by settlements of fixed rate bonds amounting to ₱16.0 billion and ₱14.6 billion on January 22 and May 10, 2024, respectively. **Accrued Interest, Taxes and Other Expenses** increased by 22.4% to ₱5.9 billion. **Other Liabilities** went up by 29.8% to ₱15.4 billion.

Total Equity grew by 3.7% to ₱141.1 billion on account of net income during the period tempered by increases in net unrealized loss on debt instruments at fair value through other comprehensive income and cost of hedging reserve.

Surplus increased by 9.0% due to net income for the period, after accounting for dividends. **Net Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income of the Parent** increased by 35.1% due to decline in market valuation of outstanding debt securities. **Cumulative Foreign Currency Translation** decreased by ₱58.7 million. **Cost of hedging reserve** amounted to ₱1.6 billion.

The **CAR** is 13.8% in December 2024. This is well above BSP minimum requirement of 10%, indicative of the sufficiency of the Bank's capital to support the current level of its risk assets.

Results of Operations

Net income attributable to the Bank's equity holders amounted to ₱11.2 billion for the year ended December 31, 2024 from a year ago level of ₱9.1 billion or an increase of 23.4%. This translates to earnings per share of ₱14.91 from ₱12.08 for the year ended December 31, 2023.

Interest Income ended higher than prior period by 27.9% or ₱13.7 billion. **Interest Income on Loans and Receivables** amounted to ₱48.4 billion from ₱38.1 billion or an increase of 26.9% from the same period last year due to higher volume of loans and receivables on a period-on-period basis. **Interest income on Financial assets at fair value through other comprehensive income and investment securities at amortized cost** increased by 45.8% or ₱3.9 billion on account of higher securities portfolio while **Interest income on Financial assets at fair value through profit or loss** decreased by ₱0.3 billion due to lower interest rates and volume in 2024. Decrease in **Interest Income on Interbank Loans Receivables and SPURA with the BSP** by 21.8% or ₱0.2 billion was due to the decrease in volume of placements during the period. **Interest income on Deposits with Banks and Others** increased by 104.3% due to increase in volume of margin deposits.

Interest Expense increased by 32.9% or ₱4.7 billion from prior period. **Interest Expense on Deposits** decreased by 15.9% or ₱1.3 billion primarily from lower rates offered on time deposits. **Interest Expense on Notes and Bonds Payable, Bills Payable and SSURA and Other Borrowings** increased by 18.3% or ₱1.0 billion due to higher borrowing transactions. **Interest Expense on Derivative Instruments** decreased by ₱0.6 billion. **Interest Expense on Derivatives Designated as Hedges** recognized during the year is ₱5.6 billion. **Interest Expense on Lease Liabilities** increased by 23.4% or ₱19.0 million compared to 2023 on a period-on-period basis.

Net Interest Income increased to ₱43.7 billion, up by 25.9% or ₱9.0 billion compared to 2023 on a period-on-period basis.

Other Income rose to ₱11.2 billion, a 36.3% increase, primarily due to ₱2.9 billion increase in **Service Charges, Fees and Commission** from higher fees in bancassurance, credit cards and loans. **Foreign Exchange Loss - Net** decreased by ₱0.3 billion from ₱2.1 billion in 2023. **Rent Income** increased by ₱0.2 billion. **Profit from Assets Sold/Exchanged** decreased by ₱0.3 billion during the period on account of lower gains on acquisition and sale of foreclosed assets. **Share in Net Income of Joint Ventures** decreased by ₱177.7 million to ₱1.9 million from ₱179.6 million of the same period last year. **Securities Trading Gain - net** decreased by ₱5.4 million. **Miscellaneous Income** increased by ₱35.4 million.

Operating expenses (excluding provisions for credit and impairment losses) were higher by 26.8%. **Depreciation and Amortization** increased by 27.7% while **Amortization of Software Costs** increased by 34.1%. **Compensation and Fringe Benefits, Occupancy Costs, Taxes and Licenses** and **Miscellaneous Expenses** increased by 21.6%, 20.7%, 17.9% and 33.2%, respectively.

Provision for Credit Losses increased by ₱2.0 billion as a result of the Bank's proactive stance towards the current economic environment. **Provision for impairment losses** decreased by ₱0.2 billion.

Provision for Income Tax amounting to ₱4.0 billion for the period ended December 31, 2024 increased by ₱1.0 billion mainly due to higher provision for final taxes and lower benefit from deferred income tax tempered by lower current income tax.

Total Comprehensive Income for the period ended December 31, 2024 decreased to ₱7.3 billion from ₱12.5 billion in 2023 on a period-on-period basis on account of net unrealized loss on financial assets at fair value through other comprehensive income and changes in cost of hedging reserve.

2023 versus 2022 Results of Operations

Financial Position

Total Assets increased by 3.47% to ₱871.5 billion on account of increases in Cash and Other Cash Items, Financial Assets at Fair Value through Profit or Loss, Financial Assets at Fair Value through Other Comprehensive Income, Investment Securities at Amortized Cost, Loans and Receivables - Net, Investment in Subsidiaries and Joint Ventures, Property, Equipment and Right-of-use – Net, Investment Properties – Net, Deferred Tax Assets and Intangible Assets tempered by decreases in Due from BSP, Due from Other Banks, Interbank Loans Receivable and SPURA with BSP and Other Assets.

Increase in **Cash and Other Cash Items** by ₱0.8 billion or 5.8% can be attributed to the Bank's daily operations while decrease in **Due from BSP** by ₱17.2 billion or 27.3% is due to asset-liability management. **Due from Other Banks** decreased by 40.2% or ₱8.1 billion due to decreased level of working balances with counterparty banks. **Interbank Loans Receivable and SPURA with the BSP** decreased by ₱23.4 billion or 85.2% due to decreased level of placements.

Financial Assets at Fair Value Through Profit or Loss increased by ₱3.3 billion or 43.9% to ₱10.9 billion due to trading related activities of the Bank. **Financial Assets at Fair Value through Other Comprehensive Income** increased by ₱27.0 billion to ₱139.9 billion or 23.9% mainly due to purchases during the year.

Investment Securities at Amortized Cost increased to ₱76.2 billion by ₱6.9 billion or 10.0% mainly due to purchases of corporate bonds and government securities during the period.

Loans and Receivables increased by 7.1% to ₱538.3 billion from ₱502.6 billion in 2022 primarily attributable to increase in consumer and residential mortgages lending during the period.

Investments in Subsidiaries and Joint Ventures represent Parent Company's 60.0% interest in SBML and 49.96% interest in SBFI. Increased by 7.6% or ₱184.5 million mainly due to increase in share in net income.

Property, Equipment and Right-of-use Assets increased by 21.8% to ₱6.4 billion due to additions during the year, while **Investment Properties** increased by 49.5% to ₱4.8 billion due to real and other properties foreclosed during the year.

Deferred Tax Assets increased by 17.6% from ₱4.9 billion as of year-end 2022 to ₱5.7 billion in 2023. **Intangible Assets** grew by 33.0% to ₱5.0 billion with the additional software costs during the period.

Other Assets decreased by 13.4% to ₱5.0 billion from ₱5.8 billion due to decrease in cash collateral deposits, pension assets and due from brokers tempered by increase in prepaid expenses and rental and security deposits.

Total Liabilities increased by 2.6% or ₱19.0 billion to ₱735.4 billion on account of increases in Deposit Liabilities, Financial Liabilities at Fair Value through Profit or Loss, Bills Payable and Securities Sold Under Repurchase Agreements, Acceptances Payable, Manager's and Certified Checks Outstanding, Income Tax Payable, Notes and Bonds Payable, Accrued Interest, Taxes and Other Expenses and Other Liabilities tempered by decrease in Margin Deposits and Cash Letters of Credit.

Deposit Liabilities went up by 0.1% from ₱605.8 billion as of year-end 2022 to ₱606.5 billion mainly contributed by the increase in Time and Demand Deposits tempered by the LTNCD's maturities during the period amounting to ₱8.6 billion and ₱5.8 billion matured on May 8, 2023 and November 2, 2023, respectively.

Financial Liabilities at Fair Value through Profit or Loss increased by 69.4% to ₱3.0 billion. **Bills Payable and SSURA** increased by 25.5% to ₱51.3 billion due to increase in the Bank's repo transactions during the period.

Acceptances Payable increased by 156.4% to ₱2.8 billion. **Margin Deposits and Cash Letters of Credit** decreased by 10.0% to ₱57.6 million. **Manager's and Certified Checks Outstanding** at ₱5.2 billion increased by ₱1.1 billion or 27.0%.

Income Tax Payable increased to ₱802.1 million from year-end 2022's ₱198.3 million due to higher income tax liability for the 4th quarter of 2023 versus the last quarter of 2022. **Notes and Bonds Payable** increased by ₱1.9 billion or 3.9% mainly due to bond issuance of fixed rate bonds amounting to ₱18.5 billion on July 13, 2023 tempered by maturity of \$300.0 million (₱17.1 billion) senior unsecured notes. **Accrued Interest, Taxes and Other Expenses** increased by 16.6% to ₱4.8 billion. **Other Liabilities** went up by 5.9% to ₱11.9 billion.

Total Equity grew by 8.2% to ₱136.1 billion on account of net income during the period and decrease in net unrealized loss on debt instruments at fair value through other comprehensive income.

Surplus was up by 7.4% due to the net income during the period. **Net Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income of the Parent** decreased by 40.1% due to improved market valuation of outstanding debt securities. **Cumulative Foreign Currency Translation** decreased by ₱23.1 million.

The **CAR** is 16.19% in December 2023. This is well above BSP minimum requirement of 10%, indicative of the sufficiency of the Bank's capital to support the current level of its risk assets.

Results of Operations

Net income attributable to the Bank's equity holders amounted to ₱9.1 billion for the year ended December 31, 2023 from a year ago level of ₱10.6 billion or a decrease of 13.7%. This translates to earnings per share of ₱12.08 from ₱14.00 for the period ended December 31, 2022.

Interest Income ended higher than prior period by 33.6% or ₱12.3 billion. **Interest Income on Loans and Receivables** amounted to ₱38.1 billion from ₱29.7 billion or an increase of 28.5% from the same period last year due to higher volume of Loans & Receivables on a period-on-period basis. **Interest income on Financial assets at fair value through other comprehensive income and investment securities at amortized cost** increased by 46.3% or ₱2.7 billion on account of higher securities portfolio. **Interest income on Financial assets at fair value through profit or loss** increased by ₱544.2 million due to higher interest rates and volume in 2023. Increase in **Interest Income on Interbank Loans Receivables and SPURA with the BSP** by 165.7% or ₱619.8 million was due to the increase in volume of placements during the period. **Deposits with Banks and Others** increased by 17.8% due to increase in volume of transactions.

Interest Expense increased by 91.3% or ₱6.9 billion from prior period. **Interest Expense on Deposits** increased by 62.5% or ₱3.2 billion due to increase in volume and interest rate of deposits on a period-on-period basis. **Interest Expense on Notes and Bonds Payable, Bills Payable and SSURA and Other Borrowings** increased by 175.4% or ₱3.5 billion mainly due to increase in SSURA and issuance of fixed rate bonds amounting to ₱18.5 billion on July 13, 2023 tempered by maturity of \$300.0 million senior unsecured notes. **Interest Expense on Derivative Instruments** increased by ₱205.7 million. **Interest Expense on Lease Liabilities** increased by 13.3% or ₱9.5 million compared to 2022 on a period-on-period basis.

Net Interest Income increased to ₱34.7 billion, 18.8% or grew by ₱5.5 billion compared to 2022 on a period-on-period basis.

Other Income decreased to ₱8.2 billion or a decrease of 20.8% mainly due to decrease in **Foreign Exchange-Net** by ₱3.1 billion and in **Profit from Assets Sold/Exchanged** by ₱285.0 million during the period on account of lower gains on acquisition and sale of foreclosed assets. **Gain on redemption of Investment Securities at Amortized Cost** decreased by ₱4.0 million. **Miscellaneous Income** decreased by ₱22.4 million. **Service Charges, Fees and Commissions** increased by ₱783.0 million or 14.8%, due to higher transaction volumes and the increase in **Share in Net Income of Joint Ventures** by ₱32.2 million is attributable to the Bank's share in the net income of SBM Leasing, Inc. and SBF1 during the period. **Securities Trading Gain** increased by ₱314.4 million.

Operating expenses (excluding provisions for credit and impairment losses) were higher by 13.9%. **Compensation and Fringe Benefits** increased by 18.2%. **Amortization of Software Costs** and **Miscellaneous Expenses** increased by 22.5% and 16.2%, respectively while **Taxes and Licenses** increased by 4.4%. **Depreciation and Amortization** increased by 1.7% while **Occupancy Costs** increased by 5.0%.

Provision for Credit Losses increased by ₱2.0 billion as a result of the Bank's proactive stance towards the current economic environment. **Provision for impairment losses** decreased by ₱72.4 million.

Provision for Income Tax amounting to ₱3.0 billion for the period ended December 31, 2023 decreased by ₱376.1 million, mainly due to higher benefit from deferred income tax.

Total Comprehensive Income for the period ended December 31, 2023 increased to ₱12.5 billion from ₱3.0 billion in 2022 on a period-on-period basis on account of lower net unrealized loss on financial assets at fair value through other comprehensive income tempered by lower net income.

Liquidity

The Bank's liquidity is adequate with a liquid-assets-to-total-assets ratio of 36.95% in 2025, 36.40% in 2024, and 34.74% in 2023. Liquid assets consist of cash and other cash items, due from BSP, due from other banks, interbank loans receivable, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and investment securities at amortized cost.

Events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation

There were no events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

Off-Balance Sheet Transactions, Arrangements, Contingent Obligations and Other relationships of the company with unconsolidated entities or other persons

The Bank has outstanding commitments, contingent liabilities, bank guarantees and tax assessments that arose from the normal course of operations. The Bank does not anticipate losses that will materially affect its financial position and results of operations as a result of these transactions.

The following is a summary of the Group's commitments and contingent liabilities at their equivalent peso contractual amounts:

Group's commitments and contingent liabilities <i>(in million pesos)</i>	2025	2024	2023
Derivatives	₱667,649	₱494,307	₱370,310
Trust department accounts	179,205	154,149	108,625
Unutilized credit limit of credit cardholders	166,821	146,113	89,917
Committed loan line	95,904	57,334	18,784
Unused commercial letters of credit	87,186	81,482	46,506
Spot foreign exchange contracts	4,883	17,934	18,858
Inward bills for collection	452	3,645	1,616
Late deposit/payment received	407	568	308
Outward bills for collection	193	266	232
Financial guarantees with commitment	89	111	254
Outstanding guarantees	—	867	834
Others	—	—	251

Material Commitments for Capital Expenditures

The Bank's commitments for capital expenditures will be funded out of cash flows from operations. This covers investments in electronic systems to comply with regulatory requirements (e.g. electronic money laundering monitoring system), investments in other systems (e.g. credit evaluation system), upgrades of existing systems (e.g. telecommunications system), expansion of the Bank's electronic banking channels, ATM installations, renovation or relocation or branch premises, and investments for new branches.

Material Impact on Income from Continuing Operations

In the normal course of operations, the Bank's activities are affected by changes in interest rates, foreign currency exchange rates and other market changes. The Bank follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates and foreign currency exchange rates are kept within acceptable limits and within regulatory guidelines.

Significant Elements of Income or Loss that did not arise from Continuing Operations

There are no significant elements of income or loss that did not arise from the continuing operations of the Bank.

Seasonal aspects that have a material effect on the financial position or results of operations.

The Bank's financial position or results of operations are not affected by seasonal aspects.

Future Prospects

The Philippine economy's expected growth recovery this year is facing headwinds from the heightened geopolitical risk arising from the escalation of the Middle East conflict. Economic confidence and investor sentiment are being dampened due to the global energy price shock triggered by military retaliations between US-Israel and Iran in which the conflict has spilled over onto several oil-producing Gulf countries. The closure of the Strait of Hormuz has significantly reduced international oil and gas shipping in the region, disrupting about one-fifth of the world's energy supply. The Philippines has been adversely affected by the jump in import costs of oil, gas, and fertilizers due to the energy shock. As a consequence, inflation and inflation expectations are on the rise. Household consumption, which accounts for seventy percent of the country's GDP, is expected to be weighed by accelerating inflationary pressures. Higher input costs would also weigh on corporates and MSMEs. To manage inflation expectations and ensure price stability, there's a view for a shift in monetary policy stance towards tightening or hiking rates in order to address the supply constraints that's induced by the Middle East conflict. Net trade performance in terms of exports and imports of goods and services is expected to be affected as well given the Middle East conflict's impact on international trade flows. The Philippine government has responded by declaring a state of national energy emergency and its fiscal metrics in terms of budget deficit and debt profile are seen to adjust accordingly.

ITEM 7. FINANCIAL STATEMENTS

The consolidated financial statements of the Bank are filed as part of this Form 17-A (please refer to Financial Statements and Supplementary Schedules on page 72).

ITEM 8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

1) External Audit Fees and Services

The aggregate fees billed for each of the last two fiscal years for professional services rendered by the Group's external auditors are summarized as follows:

Nature of Services Rendered	Aggregate Fees ¹ (in thousands)	
	2025	2024
Total audit fees ²	₱12,226	₱10,829
Non-audit services ³		
Other assurance services	55	4,695
Tax services	450	100
All other services	1,494	5,785
	1,999	10,580
	₱14,225	₱21,409

¹Excluding out of pocket expenses and value added tax (VAT)

²Agreed fees for the audit of the Bank's parent and consolidated financial statements and the covered Bank's consolidated subsidiaries' financial statements on which the external auditor expresses opinion. These do not include fees for special purpose audit or review of financial statements.

³Charged or billed fees for non-audit services to the Bank and its related entities over which the Bank has direct or indirect control that are consolidated in the financial statements on which the external auditor expresses an opinion

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

- **Selection of external auditors**
The Audit Committee is responsible for the annual evaluation and selection of the external auditors based on established criteria. The committee recommends the selected auditor to the BOD for approval, ensuring compliance with independence and governance standards.
- **Audit planning and fee approval**
Prior to the commencement of each annual audit, the external auditors present the proposed audit plan—including its scope, key focus areas, and timeline—along with the associated audit fee for the Audit Committee's review and approval. The committee ensures the audit plan aligns with regulatory requirements and the organization's financial reporting objectives.

- **Audit results review and endorsement**

Upon completion of the audit, the Audit Committee reviews the audit findings and financial reporting implications. The committee evaluates key audit matters and endorses the audit results for final approval by the BOD, ensuring transparency and integrity in financial disclosures.

- **Oversight of non-audit services**

The Audit Committee reviews and pre-approves the scope and fees of any non-audit services provided by the external auditors before engagement. The committee assesses whether such services comply with regulatory restrictions, maintain auditor independence, and do not impair the integrity of financial reporting.

2) Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in and disagreements with SGV, the Bank's external auditor, on accounting and financial disclosure.

PART III – CONTROL AND COMPENSATION INFORMATION

ITEM 9. DIRECTORS AND EXECUTIVE OFFICERS OF THE ISSUER

a) Directors

THE BOARD OF DIRECTORS/NOMINEES FOR THE TERM 2026-2027

Name	Position	Date Elected to the Board	Citizenship	Age*
Frederick Y. Dy	Chairman Emeritus	April 4, 1989	Filipino	70
Cirilo P. Noel	Chairman	April 24, 2018	Filipino	69
Diana P. Aguilar	Vice Chairperson	April 26, 2017	Filipino	62
Daniel S. Dy	Director	April 27, 2021	Filipino	39
Masatoshi Komoriya	Director	May 27, 2025	Japanese	56
Maria Cristina A. Tingson	Director	June 27, 2023	Filipino	65
Hirofumi Umeno	Director/ Alliance Segment Head	April 29, 2025	Japanese	49
Lee Meng Teck Victor**	Director/ President & CEO	January 5, 2026	Singaporean	55
Gerard H. Brimo	Independent Director	April 30, 2019	Filipino	74
Enrico S. Cruz	Independent Director	August 1, 2019	Filipino	68
Esther Wileen S. Go	Independent Director	April 27, 2021	Filipino	55
Jose Perpetuo M. Lotilla	Independent Director	April 27, 2021	Filipino	69
Stephen G. Tan	Independent Director	May 7, 2024	Filipino	49
Michael S. Chua	Independent Director	New Nominee	Filipino	59
Mark Dennis Y.C. Joven	Independent Director	New Nominee	Filipino	47

*Age as of February 2026

** Also known as Victor Lee, Victor Lee Meng Teck

FREDERICK Y. DY, 70, Filipino, was elected Chairman Emeritus on April 28, 2015. He served as Chairman of the Board from April 1991 to April 2015 and as Vice Chairman from April 4, 1989 prior to assuming the Chairmanship. Mr. Dy has been Chairman of St. Luke's Medical Center since August 2011.

CIRILO P. NOEL, 69, Filipino, was elected Chairman of the Board on May 7, 2024. He served as Interim Chairman from May 3, 2023 to May 6, 2024 and as Vice Chairman of the Board from April 28, 2020 to May 2, 2023. He was initially elected to the Board on April 24, 2018.

Mr. Noel is Chairman of Peakpower Energy, Inc., Jin Navitas Electric Corporation, Jin Navitas Solaris Inc. (July 2025 commenced operations), Juxtapose Ergo Consultus, Inc. (since April 2019), and Confiar Land Corp. (since September 2021). He previously served as Chairman of Palm Concepcion Power Corporation (since June 2018). He is also a Director of PLC-Globe Telecom, Inc. (since April 2018), PLC-San Miguel Foods and Beverage, Inc. (since September 2018), PLC-Robinsons Retail Holdings (since August 2020), PLC-First Philippine Holdings Corporation (since May 2021), Eton Properties, Inc. (since April 2019), Transnational Diversified Group Holdings (since August 2019), Infinity Energy Trading Systems Pte. Ltd. (formerly Amber Kinetics Holdings Co., Pte. Ltd.) (since March 2018), and LH Paragon Group, Golden ABC (since January 2018).

He is a member of the Board of Trustees of St. Luke's Medical Center Quezon City (since August 2017) and St. Luke's Medical Center College of Medicine (since September 2018). He is also a board member of St. Luke's Medical Center Global City (since August 2017) and St. Luke's Foundation, Inc. (since August 2018), and currently serves as Vice

Chairman of St. Luke's Medical Center Quezon City and Global City, St. Luke's Medical Center College of Medicine, and St. Luke's Foundation, Inc.

Mr. Noel is affiliated with the Makati Business Club, Harvard Law School Association of the Philippines, and Harvard Club of the Philippines. He previously served as Director of Philippine Airlines (2018 to 2019), PLC-PAL Holdings, Inc. (2018 to 2019), and PLC-JG Summit Holdings (2018 to 2021).

Prior to joining the Bank, he held various positions at SGV & Co., including Chairman (2010 to 2017), Managing Partner (2009 to 2010), Vice Chairman and Deputy Managing Director (2004 to 2009), Head of the Tax Division (2001 to 2008), and Partner, Tax Services (1993 to 2017). He served as a member of the Ernst & Young Global Advisory Council for two terms, as EY ASEAN Tax Head and Far East Area Tax Leader (2004 to 2009), and as Presiding Partner of the EY Asia Pacific Council.

He was awarded Honorary Life Membership by the Philippine Institute of Certified Public Accountants in November 2024 and was recognized as Outstanding Professional of the Year in Accountancy by the Professional Regulation Commission in 2019. He was named one of the 75 Most Outstanding UE Alumni by the University of the East in 2021 and received the Accountancy Centenary Award of Excellence from the Professional Regulatory Board of Accountancy in March 2023.

He graduated from the University of the East with a Bachelor of Science degree in Business Administration and obtained his Bachelor of Laws from the Ateneo Law School. He took Master of Laws at Harvard Law School. He is a Harvard International Tax Program fellow and attended the Asian Institute of Management's Management Development Program.

DIANA P. AGUILAR, 62, Filipino, was elected to the Board on April 25, 2017. She previously served as Director of the Bank from November 2010 to April 2016 and was appointed Senior Advisor to the Board from July 2016 to April 2017.

Ms. Aguilar is the Chairperson of the Trust Committee and a member of the Related Party Transactions and Executive Committees. She also serves as Chairperson of Security Bank Capital Investment Corporation since August 2016.

Ms. Aguilar is an investment banker with extensive experience in capital markets transactions and an entrepreneur with businesses in information technology and electronic payments, retail trade, and property management. She was appointed Commissioner of the Social Security System in August 2010 and currently serves as Chairperson of its Risk Management and Actuary Oversight Committee and as a member of its Investment Oversight and Governance Committees.

Her concurrent directorships include First Philippine Holdings Corporation (since March 2025); Philippine Seven Corporation (since July 2025); PLC-Philex Mining Corporation (since February 2024); Science Park of the Philippines, Inc. (since June 2020); Payment One, Inc. (since 2019); Axios Ventures, Inc. (since January 1997); and she is Treasurer of Asian Holdings Corporation (since January 1994). She also serves as an Independent Director and Chairperson of the Audit Committee of Makati Medical Center (since July 2018); Chairperson of the Investments Committee and member of La Salle Institute's International Economic Council in Rome (since October 2022); member of the De La Salle Philippines Investment Committee (since July 2018); and Governor and Vice President of the Employers Confederation of the Philippines (since January 2017).

She previously served as Chairperson of the Board of Trustees of La Salle Greenhills (until December 2025); Director Nominee for SSS in PX Energy Corporation (until January 2025); member of the Board of Trustees of De La Salle Medical and Health Sciences Institute (October 2020 to November 2022); member of the Executive Finance Committee of De La Salle-College of Saint Benilde, Inc. (July 2020 to November 2022); member of the La Salle East Asia Boards LEAD Economic Council and LEAD Investment Board (August 2020 to May 2023); Chairperson of the Finance Committee and Treasurer of La Salle Greenhills (December 2019 to September 2021); Director of PXP Mining Corporation (November 2019 to March 2021); Wenphil Corporation (June 2012 to October 2019); Electronic Commerce Payments, Inc. (2004 to 2019); Ionics, Inc. (December 2016 to August 2019); De La Salle Santiago Zobel (2004 to 2017); PXP Energy Corporation (May 2014 to March 2017); Philippine Seven Corporation (1999 to January 2015); Phoenix Petroleum Philippines, Inc. (2010 to March 2013); Philamlife Tower Management Corporation (2022 to 2024); PSE Capital Markets Development (2013 to 2019); CLSA Exchange Capital Corporation (2001 to 2002); and Jardine Fleming Exchange Capital (1988 to 2001).

Ms. Aguilar's academic background encompasses the fields of International Business, Finance and Computer Science. She earned her Master's degree in International Business and Finance, with honors at Pepperdine University, Malibu, California, and her Bachelor of Science Degree in Computer Studies at De La Salle University, Taft Ave., Manila.

DANIEL S. DY, 39, Filipino, was elected to the Board on April 27, 2021. He is Chairman of the Executive Committee and a member of the Transformation and Technology, and Nominations and Remuneration Committees.

Mr. Dy is a Director of SB Finance, Inc. (since 2021) and HC Consumer Finance Philippines, Inc. (since May 2025).

He previously held various front-office and back-office leadership roles at Security Bank Corporation. Prior to this, he was with the Mortgage-Backed Securities Group of Trust Company of the West in Los Angeles.

He graduated with a Bachelor of Science degree in Economics - Accounting from Claremont McKenna College.

MASATOSHI KOMORIYA, 56, Japanese, was elected to the Board on May 27, 2025. He is a member of the Corporate Governance Committee.

Mr. Komoriya joined The Bank of Tokyo, Ltd. (now known as MUFG Bank, Ltd.) in 1991. He has extensive experience in international business planning across multiple regions, including Europe, the Americas, and Southeast Asia. He currently serves as Managing Executive Officer, Deputy Chief Operating Officer International, Deputy Chief Executive and covers Global Commercial Banking Business Unit at MUFG Bank, Ltd.. He is also a Managing Executive Officer at Mitsubishi UFJ Financial Group, Inc., based in Tokyo, Japan. Prior to his assignment in Global Commercial Banking Unit, he was Deputy Regional Executive for the Americas, Managing Director, Deputy Head of New York Branch (Seconded to MUFG Americas Holding Corp.), as well as a Managing Executive Officer and Deputy COO-I.

Mr. Komoriya earned his bachelor's degree in Faculty of Law in Waseda University (1991), Master of Law in University of Pennsylvania Law School (1996), and New York University, School of Law (1997).

MARIA CRISTINA A. TINGSON, 65, Filipino, was elected to the Board on June 27, 2023. She is Chairperson of the Senior Credit Committee, Vice Chairperson of the Executive Committee, and a member of the Bank's Nominations and Remuneration, Trust, Risk Oversight, and Information Security Risk Management Committees.

Ms. Tingson is a Director of SB Rental Corporation (since May 2014) and a Director of CCT Multipurpose Cooperative (since 2024).

Ms. Tingson previously served as Director of SB Finance (2013 to 2024) and Chairperson of SB Cards Corporation (2019 to 2024). She was Executive Vice President and Retail Banking Segment Head of Security Bank Corporation until December 31, 2022. She was also a member of the Bank's Assets and Liabilities and People Empowerment Committees and an alternate member of the Credit Committee.

Ms. Tingson served as President of SB Cards Corporation (2015-2017). Prior to this, she was Senior Vice President and Head of Corporate Banking until 2013. She joined Security Bank in 1982 as an Account Service Assistant and assumed various positions, including Relationship Manager and Head of Enterprise Risk Management of the Corporate Banking Division, before being appointed Corporate Banking Head in 2009.

Ms. Tingson holds a Bachelor of Arts degree in Business Administration from Maryknoll College.

HIROFUMI UMENO, 49, Japanese, was elected to the Board on April 29, 2025. He is a member of the Bank's Risk Oversight, Senior Credit Committees, and Information Security Risk Management.

Mr. Umeno is an Executive Vice President and Alliance Segment Head (since April 2025). Prior to his current role, he was Senior Vice President and MUFG Business Development Head of Alliance Segment from February 2022 to April 2025.

Mr. Umeno joined The Bank of Tokyo Mitsubishi, Ltd. (now known as MUFG Bank, Ltd.) in 2000. He has broad and extensive banking experience spanning relationship management (Retail, SME and Large Corporate), strategic planning and risk management, as well as substantial global experiences including over 7 years in Singapore.

Mr. Umeno earned his degree in School of Policy Studies from Kwansei Gakuin University (Hyogo, Japan).

LEE MENG TECK VICTOR, 55, Singaporean, is Director and President and Chief Executive Officer of the Bank (effective January 5, 2026). He is the Chairperson of the People Empowerment, Enterprise Control Board, and SBC Retirement Committees, and is a member of the Assets and Liabilities, Executive, Transformation and Technology, and Trust Committees. He is Chairman of SB Finance, Inc. (effective March 5, 2026) and Chairman of Mitsubishi Motors Finance Philippines Inc. (effective February 25, 2026).

Mr. Lee has over 30 years of experience in commercial, SME, consumer, and digital banking, with market coverage across ASEAN, North Asia, South Asia, and the Middle East. Prior to joining the Bank, he served as Chief Executive Officer of CIMB Singapore and Chief Executive Officer of CIMB Group Commercial Banking. He previously held senior leadership roles at Fullerton Financial Holdings (2016–2019), including Executive Vice President and Chief Executive Officer, China, and served as Managing Director at United Overseas Bank Group (2012–2015) and Standard Chartered Bank (2006–2012). Earlier in his career, he held roles at Citibank (1999–2005), Sumitomo Bank (1996–1999), and the Development Bank of Singapore (DBS) (1994–1996).

Mr. Lee holds a Bachelor of Applied Science in Materials Engineering from Nanyang Technological University, Singapore.

INDEPENDENT DIRECTORS

GERARD H. BRIMO, 74, Filipino, was elected to the Board on April 30, 2019. He is the Chairman of the Audit Committee and a member of the Corporate Governance and Nominations and Remuneration Committees.

Mr. Brimo is an Independent Director of Commonwealth Foods, Inc. since 2021.

Mr. Brimo was the Chairman of PLC-Nickel Asia Corporation from 2018 to 2024 and its subsidiary companies: Cagdianao Mining Corporation, Cordillera Exploration Co., Inc., Dinapigue Mining Corporation, and Newminco Pacific Mining Corporation. He was also a Director of Nickel Asia Corporation subsidiaries Rio Tuba Nickel Mining Corporation, Taganito Mining Corporation, and Emerging Power, Inc., and served as Chairman of the Board of Directors of these companies from 2018 to 2024. Mr. Brimo was also a Director and Vice Chairman of Nickel Asia Corporation subsidiary Hinatuan Mining Corporation and was Chairman of the Board thereof from 2018 to 2024.

Prior to his career in mining, Mr. Brimo worked for Citibank for eight years, with his last role as Vice President of the Capital Markets Group in Hong Kong, before joining PLC-Philex Mining Corporation as Vice President-Finance. He served as Chairman and CEO of PLC-Philex Mining Corporation from 1994 until his retirement in December 2003. He served as President of the Chamber of Mines of the Philippines from 1993 to 1995, as Chairman from 1995-2003 and 2017-2021, and as Vice Chairman from 2022-2023.

Mr. Brimo received his Bachelor of Science degree in Business Administration from Manhattan College, USA, and his Master's in Business Management degree from Asian Institute of Management.

ENRICO S. CRUZ, 68, Filipino, was elected to the Board on August 1, 2019. He is the Chairman of the Bank's Risk Oversight Committee, Vice Chairman of the Nominations and Remuneration Committee, Member (Independent–Non-Voting) of the Senior Credit and Executive Committees, and Member of the Information Security Risk Management Committee.

Mr. Cruz is an Independent Director and Vice Chairman of Security Bank Capital Investment Corporation. He is also an Independent Director of Maharlika Investment Corporation, Philippine Dealing & Exchange Corp., PLC-Ayala REIT, Inc., PLC-The Keepers Holdings, Inc., PLC-DITO CME Holdings Corporation, PLC-Robinsons Retail Holdings, Inc., and CIBI Information Inc., and serves as Lead Independent Director of Maxicare Healthcare Corporation and Maxicare Life Insurance Corporation.

Prior to his election to the Board, Mr. Cruz served as Managing Director and Chief Country Officer of Deutsche Bank AG Manila Branch from 2003 to 2019. He joined Deutsche Bank in 1995 as Director and Head of Global Markets. Prior to this, he served as Senior Vice President and Head of Treasury of Citytrust Banking Corporation, an affiliate of Citibank N.A., where he joined in 1979 as an Executive Development Program Trainee and held various roles before being appointed Head of Treasury in 1989.

Mr. Cruz graduated from University of the Philippines with a Bachelor of Science degree in Business Economics and a Master's degree in Business Administration.

ESTHER WILEEN S. GO, 55, Filipino, was elected to the Board on April 27, 2021. She is the Chairperson of the Transformation and Technology and Information Security Risk Management Committees. She is also the Vice Chairperson of the Risk Oversight Committee and a member (Independent–Non-Voting) of the Executive Committee.

Ms. Go is currently the President and Chief Executive Officer of MediLink Network, an electronic network serving the health ecosystem. She is also a Director of Equicom Savings Bank, Inc.; Equicom Health Services, Inc.; Equicom Health Solutions Pte. Ltd., Equicom Medical Inc., Equicom Medical Inc.; and Equicom Shared Services, Inc.; Maxicare Healthcare Corporation; Maxicare Healthcare Corporation; and Maxicare Life Insurance Corporation. Ms. Go is also a Director of ALG Holdings, Inc.; Lexington Healthcare Holdings, Inc.; and Metro Dental Health Services, Inc. She is also a Director and Treasurer of Doctor Anywhere Philippines, Inc.

Ms. Go was a Vice President of CitiGroup New York handling Operations, Product Development, e-Strategy and Implementation, and Payment Innovation. Prior to this, she worked with Booz Allen Hamilton, SM Department Stores, Equitable Card Network, and the US Committee for UNICEF.

Ms. Go holds a Master's degree in Business Administration from Harvard Business School and a Bachelor of Arts degree with double majors in Computer Science and Economics (magna cum laude) from Smith College.

ATTY. JOSE PERPETUO M. LOTILLA, 69, Filipino, was elected to the Board on April 27, 2021. He is the Chairman of the Corporate Governance Committee, the Vice Chairman of the Trust Committee, and a member of the Related Party Transactions Committee.

Atty. Lotilla is currently an Independent Director of PLC-Synergy Grid and Development Philippines, Inc. (since 2019), Philippine Commercial Capital, Inc. (since 2021), and Land Registration Systems, Inc. (since 2023). He is also the Chairman of Carabineros Development, Inc. (since 2019) and the Corporate Secretary of Amber Kinetics Phil. (since 2019). He is Dean of the School of Law of Manuel L. Quezon University (since 2023).

Atty. Lotilla is a member of the Integrated Bar of the Philippines (IBP) and a Special Adviser to the Roman Catholic Diocese of San Jose de Buenavista Antique. He served as Undersecretary for Legal Affairs and Undersecretary in charge of Civil Aviation at the Department of Transportation and Communications (2012-2015). He also served as government representative to the Board of PNOC Petrochemical Corporation for several years.

Prior to joining government, Atty. Lotilla was a Senior Partner at Sycip Salazar Feliciano and Hernandez Law Offices. He became a partner in the firm's Corporate, Special Projects and Banking, Finance and Securities Practice Groups in 1989. He was Corporate Secretary of GD Searle Philippines for many years and a Legal Consultant of San Miguel Corporation. He was an Independent Director of Security Bank Corporation (2002-2012), SB Capital Investment Corporation (2004-2012), and Security Finance, Inc. (2010-2011). He was involved in major mergers and acquisitions, banking, finance, securities, and capital markets transactions in the Philippines.

Atty. Lotilla was a former President, Trustee, and Director of the Philippine Bar Association. He was also a former Chairman of the Committee on Bar Discipline and Governor for Western Visayas of the Integrated Bar of the Philippines. As a banking and finance lawyer, he was rated as the sole band 1 Philippine lawyer for several years by Chambers until he retired from Sycip Law.

Atty. Lotilla graduated from Ateneo de Manila University with a Bachelor of Arts degree in Economics and earned his degree in Bachelor of Laws from University of the Philippines.

DR. STEPHEN G. TAN, 49, Filipino, was elected to the Board on May 7, 2024. He is the Vice Chairman of the Bank's Senior Credit Committee.

He is currently a Senior Pastor at Grace Christian Church of the Philippines and was the President of Grace Christian Church of the Philippines since year 2024. He has spoken at conferences, schools, and churches, throughout North America, Europe, and Asia and has served as a guest lecturer at several seminaries and Bible colleges.

Dr. Tan currently serves on several boards of non-profits and NGOs working toward community transformation such as Wycliffe Philippines (Chairman of the Board), Spartan Scholarships (since 2006), and Center for Community Transformation (since 2023), and educational institutions such as FEBIAS College of the Bible (since 2021), and Dallas Theological Seminary (since 2025).

Dr. Tan previously worked as a management consultant for Deloitte Consulting, consistently ranked as a top performing analyst. He also worked at SBC Communications (now AT&T) as a Manager of Engineering Design and as a Research Assistant in the Solid State Research Group of SMU, with a published article on Semiconductor Microbolometers in the prestigious IEEE journal.

Dr. Tan holds a Doctorate (research focusing on transformational leadership and change management) from Dallas Seminary and a Master of Theology (summa cum laude) degree from the same school. He also has a Bachelor of Science in Electrical Engineering (cum laude) and a Bachelor of Science in Mathematics (cum laude) from Southern Methodist University in Texas.

MICHAEL S. CHUA, 59, Filipino, has over 30 years of experience in financial services. He was the Chief Country Officer of Deutsche Bank - Philippines from 2019 to 2024, and had previously served in senior leadership roles in foreign exchange, fixed income, asset-liability management, transaction banking, and corporate banking in the same institution.

Mr. Chua is currently an Independent Director (since 2025) at AppleOne Group, Inc. where he chairs the board committee on Risk Management and Related Party Transactions, and is a member of the board committees on Audit and on Corporate Governance.

Mr. Chua graduated from Ateneo de Manila University with a degree in Management Engineering (*magna cum laude*) and holds an MBA from the Asian Institute of Management.

ATTY. MARK DENNIS Y.C. JOVEN, 47, Filipino, is a Board Member of Fund for Responding to Loss and Damage (since 2023) and is a Senior Lecturer of the UP College of Law (since 2009). He is likewise an Independent Director of Ryse, Inc. (a subsidiary of Mynt, Inc.), Palawan Pawnshop, Inc., Eight Under Par (Pawnshop Operator), Inc., Paragua

Pawnshop and Financial Services Inc., VG Star Pawnshop and Jewelry Corporation, PPS-PEPP Money Shop Services Corporation and PPS-PEPP Financial Services Corporation.

Atty. Joven has been an Undersecretary (2018-2023) and Assistant Secretary (2016-2018) of the Department of Finance of the Republic of the Philippines. Atty. Joven's past board positions include being a member of the Board of Directors of the following: Philippine National Railway (2018-2023), Manila International Airport Authority (2018-2023), Light Rail Transit Authority (2018-2023), Local Water Utilities Administration (2016-2018), Mactan Cebu Airport Authority (2018-2023), Civil Aviation Authority of the Philippines (2018-2023), Philippine Export Zone Authority (2016-2018); and an Independent Director of Dizon Copper and Silver Mines, Inc. (2006-2008), and Asian Infrastructure Investment Bank (2017-2022).

Atty. Joven has been engaged in the practice of law and accounting and has been a member of the faculty of the UP College of Law for almost two decades.

Atty. Joven graduated *cum laude* from the University of the Philippines with a Bachelor of Science degree in Business Administration and Accountancy and obtained his Bachelor of Laws *cum laude* from the same university. He earned his Master of Public Administration from Harvard Kennedy School and Master of Laws from Harvard Law School. He completed the Senior Fellowship Program in Public Policy from National University of Singapore. He is licensed to practice accounting in the Philippines and a member of both the NY State and Philippine bar.

CORPORATE SECRETARY

ATTY. JOEL RAYMOND R. AYSON, 61, was elected Corporate Secretary on July 29, 2004.

Atty. Ayson is a Partner in Quasha Law (since May 1998 to the present). He is a member of Integrated Bar of the Philippines, President and Past President of the Philippine Bar Association, member of Immigration Lawyers Association of the Philippines and University of the Philippines Law Alumni Association. He is a Founding member of Students Law for Integrity and Democracy-UP College of Law and the UP Association of Political Science Majors.

Atty. Ayson is the Chairman of Unigrowth Resources & Development Corporation and President and Director of Dubor Backtrenmittel Und Apparatebau AG (Philippines), Inc., Vice President and Director of Amtel Trading Corporation and Chairman and President of Ceragon Networks (Philippines), Inc. He is a Director of Quo Vadis Palawan Resort, Inc., Parex Realty Corporation, Trevi Foundations Philippines, Inc., and Konika Minolta Marketing Services (Philippines), Inc., BioSystems Regents & Instruments Inc., Directors Think Tank Manila, Inc., Sound Business Holdings, Inc.

Atty. Ayson is also a Corporate Secretary and Director of IXSFORALL, Inc., Himlayang Pilipino, Inc., Himlayang Pilipino Plans, Inc., Blue Sky Sea Resort Corp., Bohol Agro Marine Development Corp., Artbank Holdings, Inc., Tambuli Development Corp., Metropolitan Philippines Resort Corporation and Corporate Secretary of Lapu Lapu Resort Development, Inc., Bohol Resort Dev., Inc., Lapu Lapu Resort, Nexlogic Telecommunications Network, Inc., SELC-Global Center Philippines Corporation. He is a Resident Agent of Ceragon Network (HK) Ltd., Medical Services of America Inc., Tanis Food Tec BV, Wagenborg Shipping Holdings BV, Dubor RHQ, OTV France Philippines, and Rademaker B.V. He was the Treasurer and Vice President /Director of the Integrated Bar of the Philippines, Makati City Chapter (from 2001-2009) before he assumed his position as President (from 2009 to 2011). He was the Treasurer of Instoremia Philippines, Inc. His practice areas are Corporate Law, Civil Litigation, Administrative Law, Immigration Law, Insurance Law, Regulatory, General Practice and Special Projects.

Atty. Ayson graduated *cum laude* with a degree in Political Science and took post graduate studies of Bachelor of Laws at the University of the Philippines.

ATTY. JOSEPH ANTHONY P. LOPEZ, 45, was elected Assistant Corporate Secretary on July 1, 2025. He is a First Vice President and Head of the Legal Division of Security Bank Corporation. He is likewise the Corporate Secretary of Mitsubishi Motors Finance Philippines Inc., SB Finance, Inc. and SBM Leasing, Inc. Atty. Lopez also previously served as the Corporate Secretary of Security Bank Capital Investment Corporation, SB Rental Corporation and SB Equities, Inc.

Prior to this, Atty. Lopez was a Senior Partner and Head of the Litigation and Dispute Resolution Department of Villaraza & Angangco Law Office. He was likewise an In-House Counsel of Banco De Oro Unibank, Inc. in 2011. He is a member of the Philippine Bar and likewise served in various capacities in the Integrated Bar of the Philippines, Makati Chapter as a Director, Treasurer and Corporate Secretary from 2015-2025.

Atty. Lopez was recognized as a Leading Individual and member of the Hall of Fame in Dispute Resolution by The Legal 500 Asia-Pacific in 2023-2025, as part of The A-List: The Top 100 Page 9 of 26 Annex A Lawyers in the Philippines by the Asian Business Law Journal in 2024 and the Arbitration Power List by The Legal 500 Asia-Pacific in 2023. He was also recognized as a Future Star in Commercial Transactions and Government & Regulatory by Benchmark Litigation in 2020 to 2025, and as part of the 40 Under 40 List of Asia Legal Business by Thomson Reuters recognizing the top 40 legal practitioners in Asia under 40 years of age in 2019. He was also a Member of the Supreme Court's Technical Working Groups for the Rules on Universal Legal Aid Service in 2023 to 2025 and for the Revisions of the Rules of Court on Special Remedies in 2013. He was also the Team Captain of the Philippine Team, the Best Oralist in the National

Rounds, and one of the top oralists in the International Rounds of the 2005 Philip C. Jessup International Law Moot Court Competition held in Washington DC, USA.

Atty. Lopez graduated with a Bachelor of Science degree in Management Engineering from the Ateneo De Manila University Loyola Schools and received a Juris Doctor degree with honors from the Ateneo De Manila University School of Law, where he also received the silver medal for Best Thesis.

b) The Key Officers as of February 28, 2026

Position	Name	Age*	Citizenship
President & Chief Executive Officer	Lee Meng Teck Victor **	55	Singaporean
Executive Vice Presidents	Nerissa Gloria C. Berba	56	Filipino
	Leslie Y. Cham	60	Filipino
	Luz Pilar U. De Guzman	50	Filipino
	Lucose T. Erail	57	Indian
	Joselito E. Mape	63	Filipino
	John Cary L. Ong	52	Filipino
	Rahul S. Rasal	58	Indian
	Hirofumi Umeno ***	49	Japanese
	Price Edward C. Yap	52	Singaporean
	John David G. Yap	48	Singaporean
	Rene Alan M. Aguirre	48	Filipino
	Jason T. Ang	55	Filipino
	Ronald I. Austria	54	Filipino
Senior Vice Presidents	Stephen John Bell	58	British
	Marlette P. Brodett	54	Filipino
	Abigail Marie D. Casanova	51	Filipino
	Charles Malvin T. Ching	48	Filipino
	Anna Christina M. Chinjen	54	Filipino
	Aristotle I. Cruz	54	Filipino
	Criselda Q. De Sagun-Madrid	43	Filipino
	Amaneci Grace R. De Silva	49	Filipino
	Jonathan C. Diokno	53	Filipino
	Pamela S. Edejer	52	Filipino
	Yuko Fujiwara	51	Japanese
	Ma. Paz Victoria R. Gonzalez	58	Filipino
	Irene E. Guban	50	Filipino
	Cristina V. Henson	61	Filipino
	Orencio Andre P. Ibarra III	52	Filipino
	Tomofumi Kawakami	44	Japanese
	Kim O. Lim	54	Filipino
	Maria Carmencita R. Lopez	60	Filipino
	Prakash Sudhakar Mahajan	53	Indian
	Yvonne Joanna P. Marcelo	55	Filipino
Patrick M. Meneses	52	Filipino	
Juan A. Mestas ****	43	Peruvian	
Maria Margarita R. Mirabueno	53	Filipino	
Jorge Lindley S. Ong	53	Filipino	
Allen Alexander P. Reyes	49	Filipino	
Ma. Patricia N. Tan	51	Filipino	
Myla R. Untalan	55	Filipino	
Maris Lou S. Velicaria	53	Filipino	
Balaji B. Vijayan	58	Indian	
Vivek Yadav	50	Australian	

* Age as of February 28, 2026

** Member of the Board, also known as Victor Lee, Lee Meng Teck Victor

*** Member of the Board

**** Also known as Juan Alfredo Mestas Jara

LEE MENG TECK VICTOR, 55, Singaporean, is Director and President and Chief Executive Officer of the Bank (effective January 5, 2026). He is the Chairperson of the People Empowerment, Enterprise Control Board, and SBC Retirement Committees, and is a member of the Assets and Liabilities, Executive, Transformation and Technology, and Trust Committees. He is Chairman of SB Finance, Inc. (effective March 5, 2026) and Chairman of Mitsubishi Motors Finance Philippines Inc. (effective February 25, 2026).

Mr. Lee has over 30 years of experience in commercial, SME, consumer, and digital banking, with market coverage across ASEAN, North Asia, South Asia, and the Middle East. Prior to joining the Bank, he served as Chief Executive Officer of CIMB Singapore and Chief Executive Officer of CIMB Group Commercial Banking. He previously held senior leadership roles at Fullerton Financial Holdings (2016–2019), including Executive Vice President and Chief Executive Officer, China, and served as Managing Director at United Overseas Bank Group (2012–2015) and Standard Chartered

Bank (2006–2012). Earlier in his career, he held roles at Citibank (1999–2005), Sumitomo Bank (1996–1999), and the Development Bank of Singapore (DBS) (1994–1996).

Mr. Lee holds a Bachelor of Applied Science in Materials Engineering from Nanyang Technological University, Singapore.

NERISSA GLORIA C. BERBA, 56, Filipino, is Executive Vice President and Group Head / Chief People Officer of Human Capital Management. She is a member of the Bank's Integrity, Outsourcing, Sustainability, People Empowerment, and SBC Retirement Committees. She is also the Chairperson of the Bank's Occupational Safety and Health Committee.

Prior to this, she was Senior Vice President and Head of Human Resources of The Hongkong and Shanghai Banking Corporation Limited (2018 to 2019); HR Director/Country Head of Deutsche Bank (2015 to 2018); HR Leader in Asia in General Electric (2010 to 2015); Vice President-Talent Acquisition/Career Management in the Bank of the Philippine Islands (February 2010-August 2010); Senior Vice President and Head of HR in GE Money Bank (2006 to 2010); First Vice President and Senior Human Relationship Manager in Standard Chartered Bank (2004 to 2006); Senior Business HR Manager in Philips Electronics and Lighting Inc. (2003 to 2004); Associate/Human Resource Manager in Bo'Le' Associates Ltd. (2000 to 2003); and Human Resource Manager in New Zealand Milk Products, Phils. (1999 to 2000).

She graduated with a Bachelor of Science degree in Psychology from Assumption College.

LESLIE Y. CHAM, 60, Filipino, is Executive Vice President and Head of the Branch Banking Group (since October 1, 2008). He is a member of the Bank's People Empowerment and Occupational Safety & Health Committees. He is also the Vice Chairperson of Anti-Money Laundering & Counter Financing of Terrorism Committee.

He was a Director of SB Finance, Inc., formerly known as Security Bank Savings Corporation (from 2012 to 2020).

He has over 25 years of work experience and has extensive exposure in the fields of Sales, Distribution, Wealth Management, International Banking, Trust and Investment services, and Bancassurance. Before joining the Bank, he served as Senior Vice President and Head of Sales and Distribution of Chinatrust Phils. Commercial Bank Corp. until September 2008. He served in various positions in other institutions, including First Vice President of Standard Chartered Bank (from 1999 to 2003), Vice President of Philippine Commercial International Bank (1997-1999), and Vickers Ballas Asset Management LTD PTE (1995-1997). He was an Assistant Vice President of Citytrust Banking Corporation (1987-1995).

He received a Bachelor of Science degree in Commerce, Major in Marketing Management from De La Salle University and completed with Distinction the one-year course of the Trust Institute Foundation of the Philippines.

LUZ PILAR U. DE GUZMAN, 50, Filipino, is Executive Vice President and Chief Risk Officer.

She is a member of the People Empowerment, Integrity, Sustainability and Outsourcing Committees. She is also the Vice Chairperson of the Product Committee.

Ms. De Guzman brings with her 26 years of work experience from Standard Chartered Bank and Hongkong and Shanghai Banking Corporation in Hong Kong. Prior to joining the Bank, she has well-rounded exposure in risk management for retail and wholesale banking. Her most recent assignment was as Managing Director and Global Head of Business Banking Risk of Standard Chartered Bank.

She is a Certified Public Accountant, Certified Credit Risk Professional and Chartered Financial Analyst. She graduated with a Bachelor of Science degree in Business Administration and Accountancy from University of the Philippines, Quezon City.

LUCOSE T. ERALIL, 57, Indian, is Executive Vice President and Chief Operating Officer. Prior to this, he was the Enterprise Technology and Operations Segment Head from June 28, 2022 to February 29, 2024.

He is a member of the Bank's People Empowerment, Transformation and Technology, Enterprise Control Board, and Product Committees.

Mr. Eralil brings with him 30 years of work experience from Helius Technologies Pte. Ltd., AlphaEI Enterprises Pte. Ltd., Credit Suisse, and NIIT Ltd. He has extensive exposure in the fields of cross-segment banking, product architecture, and transformation management. Prior to joining the Bank, he was a Director, Consulting and Advisory for Helius Technologies Pte. Ltd. Prior to Helius Technologies, he was a Managing Director at Credit Suisse, where he was the Global Head of Technology Operations and member of the Global Technology Operations and a member of the Global Technology Management Team.

He graduated with an Advanced Diploma in Systems Management from National Institute of Information Technology, has Post Graduate Diplomas in Digital Business, Innovation & Design Thinking from the Emeritus Institute of

Management and holds the following certifications: Big Data Analytics and Data Science Foundation, Microsoft Product Specialist, Prince 2 Foundation, and Blockchain for Technical Executives.

JOSELITO E. MAPE, 63, Filipino, is Executive Vice President and Senior Adviser to the Chairman (since February 1, 2023). Prior to this, He was the Chief Administrative Officer from February 2020 to January 2023 and was the Chief Financial Officer from January 2012 to January 31, 2020.

He is a member of the SBC Retirement Committee.

He is a Director of Mitsubishi Motors Finance Philippines, Inc. effective October 29, 2024. He is also a Director of SB Equities, Inc. (since May 2015) and SB Forex, Inc. (since July 2003), and Director/Treasurer of SB Rental Corporation (since May 2014). He is the Treasurer of SBM Leasing, Inc. (since 2011) and Security Finance and Leasing, Inc., and Trustee/Treasurer of Security Bank Foundation, Inc. (since April 2009). He is the Treasurer of Tany Foundation (since October 2018) and an Independent Director of Cityland for Social Progress Foundation, Inc. (since January 2018).

He was a Director of Security Land Corporation (from 2010 to 2015) and SB Finance, Inc. (from 2018 to 2020). Prior to joining the Bank in July 1996, he was a Senior Manager of Cityland Development Corporation's Financial Management Services Division.

He is a Certified Public Accountant and graduated from the University of Santo Tomas (Cum Laude) with a Bachelor of Science degree in Commerce, Major in Accounting.

JOHN CARY L. ONG, 52, Filipino, is Executive Vice President and Wholesale Banking Segment Head. He was the Transaction Banking Group / Channel Network Head from May 2020 to July 2023.

He is a member of the Bank's Assets and Liabilities, People Empowerment, Anti-Money Laundering & Counter Financing of Terrorism, Sustainability Committees and Chairman of Credit Committee, Sub-Committees for Corporate Banking and Commercial Banking Groups.

He is the Chairman of SBM Leasing, Inc. and SB Rental Corporation, Director of Security Bank Capital Investment Corporation and member of its Engagement Underwriting Committee, and acts as SBC Representative in Bancnet.

Prior to this, he was Head of Transaction Banking Center of Union Bank of the Philippines (2016-April 2020); Country Head, Treasury and Trade Solutions (2013-2016) and Client Sales Management Head (2011-2013) in Citibank N.A.; Head of Trade Finance and Cash Management for Corporates (2006-2011); Head of Operations (2005); and Head of Global Markets Operations (2003-2005) in Deutsche Bank AG Manila; and Senior Banking Consultant in Misys International Banking Systems (2000-2003).

He has extensive exposure in the fields of Electronic Payments, Transaction Banking, Treasury, Trade Finance, and Fixed Income Instruments.

He graduated Cum Laude with a bachelor's degree in Legal Management from the Ateneo de Manila University.

RAHUL S. RASAL, 58, Indian, is Executive Vice President and Retail Banking Segment Head.

He is a member of the Bank's Assets and Liabilities, Sustainability and People Empowerment Committees. He is also a Director of Mitsubishi Motors Finance Philippines, Inc. effective October 29, 2024.

Prior to joining the Bank, he held such various positions as Chief Operating Officer & Executive Vice President at Future Generali India Life (2018-2021); Managing Director at Citibank NA (1995-2017).

He graduated with a degree in Engineering and earned his master's degree in Management Studies from Jajmalal Bajaj Institute of Management Studies at the University of Mumbai, India.

HIROFUMI UMENO, 49, Japanese, is Director/Executive Vice President and Alliance Segment Head since April 29, 2025. He was the Senior Vice President and MUFG Business Development Head (February 22, 2022 to April 28, 2025).

He is a member of the Senior Credit, Risk Oversight, Assets and Liabilities and Information Security Risk Management Committees. Prior to joining the Bank, he held the position of Managing Director (2019-2022) and Director (2018-2019) under Mitsubishi UFJ Financial Group Bank, Limited, Singapore. He also held the position of Senior Manager (2012-2018), Manager (2007-2012) and Officer (2000-2001) under The Bank of Tokyo Mitsubishi, Limited.

He earned his degree in School of Policy Studies from Kwasei Gakuin University (Hyogo, Japan).

PRICE EDWARD C. YAP, 52, Singaporean, is the Executive Vice President and Head of Financial Markets Segment, and Treasury Sales Head since August 2025. He previously served as Senior Vice President and Sales Division Head (June 2016 – November 2022), Treasury Sales Head (November 2022 – June 2025), and successively held the roles of

Officer-in-Charge (February – May 2025), Segment Head (June 2025), and Executive Vice President and Segment Head (July – August 2025) of the Financial Markets Segment. Mr. Yap is the Chairman of SB Equities, Inc. and Director of Security Bank Capital Investment Corporation.

He is also a member of the Bank's Sustainability, People Empowerment, SBC Retirement and Assets & Liabilities Committees.

Prior to joining the Bank in 2016, he accumulated 22 years of work experience from Mitsubishi UFJ Securities (Singapore), Ltd. (2011-2015); held various positions in Citigroup, Inc. (2000-2011); and Solid Bank Corporation (1997-2000).

He graduated with a Bachelor of Science degree in Management, major in Legal Management from the Ateneo de Manila University. He earned his master's degree in Business Administration from the Ateneo Graduate School of Business.

JOHN DAVID G. YAP, 48, Singaporean, is Executive Vice President and Segment Head of the Business Banking Segment.

He is a member of the Bank's Assets and Liabilities Committee.

Prior to joining the Bank, he was based in Singapore and held regional leadership roles at Grab Finance (2019-2020), United Overseas Bank (2015-2019); Fullerton Financial Holdings (2010-2015); and Standard Chartered Bank (2005-2010). He started his career in IT in the Philippines from 1999-2003.

He completed his Bachelor of Science degree in Management Information Systems from Ateneo de Manila University. He earned his master's degree in Business Administration from Nanyang Technological University.

RENE ALAN M. AGUIRRE, 48, Filipino, is Senior Vice President and Wealth Segment Head.

Prior joining the Bank, he has over 25 years of experience in banking and financial services in the Philippines, holding senior leadership roles across digital banking, wealth management, and insurance. Most recently, he served as Senior Vice President and Head of Digital Experience at UnionBank of the Philippines (2022–2026), following his role as SVP and Head of Digital Banking and Digital Sales & Marketing at Citibank N.A. Philippines (2019–2022). Prior to this, he was SVP and Head of Wealth Management/Retail Bank/Wealth Products at Citibank (2016–2019), concurrently serving as Director at Citicorp Financial Services and Insurance Services Inc. He also held executive leadership positions at HSBC, including President & CEO of HSBC Savings Bank (2014–2016), President & CEO and previously Deputy CEO of HSBC Insurance Brokers Inc. (2012–2014), and Vice President and Head of Investment Sales/Wealth Management and Segments at HSBC Philippines (2007–2012). He began her career at Citibank Philippines in 1999, progressing from junior roles to Assistant Vice President and Investment Specialist Head (2004–2007).

He graduated with a Bachelor of Science degree in Commerce major in Applied Economics and Management of Financial Institution from De La Salle University, Manila City.

JASON T. ANG, 55, Filipino, is Senior Vice President and Branch Banking Visayas and Mindanao Distribution Head since January 1, 2024.

He joined the Bank in 2007 as First Vice President and Area Head for Visayas and Mindanao and became Region 4 Head under Branch Banking Group until December 31, 2023. Prior to this, he was Vice President and Region Head of International Exchange Bank (1996-2007). Previously, he was with Citytrust Banking Corporation where he held various positions (1991-1996).

He graduated from the Ateneo de Davao University with a Bachelor of Science and Commerce degree, Major in Accounting.

RONALD I. AUSTRIA, 54, Filipino, is Senior Vice President and Branch Banking Luzon Distribution Head since January 1, 2024. He joined the Bank in November 2009 as First Vice President and Area Head and became the Region 2 Head under Branch Banking Group until December 31, 2023.

Prior to this, he served in various positions in Standard Chartered Bank (1999-2008), PCI Bank (1996-1999), Far East Bank and Trust Company (1995-1996), and Citytrust Banking Group (1992-1995).

He holds a Bachelor of Arts degree in Economics from the Ateneo de Manila University.

STEPHEN JOHN BELL, 58, British, is Senior Vice President and Transformation Head (since July 1, 2024). Prior to this, he was the Channel Network Head under Payment Channel Division from August 2, 2021 to June 2024.

Before joining Security Bank, he held various positions including Director at PricewaterhouseCoopers (PWC) Vietnam (2018-2021); Partner at KPISOFT (Malaysia) (2017-2018); Head of Technology (2013-2016) and Senior Program

Director (2011-2013) at ANZ Regional Office APEA (Singapore); Global Head of Product at ANZ Group (Australia) (2009-2011); Global Head of the Program Management Office (PMO) and Head of Asia Product at HSBC Hong Kong (1998-2009); Assistant Vice President at Bank of America (London & Hong Kong) (1994-1998); and Assistance Manager for Electronic Banking and Branch Banking roles at Lloyds Bank in London (1986-1994).

He completed the UK General Certification of Secondary Education from Shenfield Comprehensive.

MARLETTE P. BRODETT, 54, Filipino, is Senior Vice President and Branch Banking Franchise Distribution Head since January 1, 2024. She joined the Bank in 2004 as Senior Assistant Vice President and Area Business Manager and became Region 3 Head under Branch Banking Group until December 31, 2023.

Prior to joining the Bank, she was Vice President and Region Head in Maybank Philippines, Inc. (2003-2004); First Assistant Vice President in Asiatrust Development Bank (2000-2003); and Branch Head with the Bank of the Philippine Islands (1992-2000).

She graduated with a Bachelor of Science degree in Communication Arts from Miriam College.

ABIGAIL MARIE D. CASANOVA, 51, Filipino, is Senior Vice President and SB Finance, Inc.'s President & CEO since April 2020.

She joined the Bank in 2015 as First Vice President. Her last position with the Bank was heading the Consumer Business and Operations Group.

She has extensive exposure in the various areas of the credit cycle for consumer finance, small business loans, and credit cards. She has held key management roles in multinational and domestic banks like Citibank, GE Money, and BDO.

She earned a masters-level Post Graduate Diploma in Global Business at the University of Oxford and graduated with a Bachelor of Science degree in Business Economics (Cum Laude) from the University of the Philippines. She is also a certified Six Sigma Black Belt.

CHARLES MALVIN T. CHING, 48, Filipino, is Senior Vice President and Chief Administrative Officer under Office of the Chief Administrative Office. He is also the Deputy Operations Head effective February 1, 2026.

He is the Chairman of Integrity and Outsourcing Committees, and Vice Chairman of Asset Disposal Committee. He is also the Director of SB Rental Corporation.

Prior to joining the Bank, he was the Director/Chief Operating Officer and headed various units such as Legal Entity Close Manila, Head Office and Branch Reporting at Deutsche Bank Group (2013-2021). He was also Assistant Manager and Deputy Team Lead (2005-2006), Manager and Asia Financial Reporting Production Head (2007-2008), Assistant Vice President and Head Office Migration Lead for Korea (2009), Vice President and Financial Reporting Head Korea and Hongkong (2010-2011), Senior Vice President and Corporate Reporting Production Head (2012 -2013) at Citibank N.A. ROHQ. Corporate Reporting Production Head (2012 -2013) at Citibank N.A. ROHQ.

He graduated with a Bachelor of Science degree in Management Engineering from Ateneo de Manila University.

ANNA CHRISTINA M. CHINJEN, 54, Filipino, is Senior Vice President and Chief Compliance Officer.

She is the Chairman of the Anti-Money Laundering & Counter financing of Terrorism Committee, Vice-Chairman of the Sustainability Committee and member of the Outsourcing, Product and Integrity Committees.

She is also the Chief Compliance Officer of Security Finance And Leasing Inc.

She is the Secretary of the Executive Committee of Association of Bank Compliance Officers, Inc. (ABCOMP). She has 22 years of work experience, with extensive exposure in the field of financial crime compliance, risk management, corporate banking, and payment & cash management implementation.

Prior to joining the Bank, she was with The Hongkong and Shanghai Banking Corporation Limited in various positions including Senior Vice President for Wholesale Banking & Markets Advisory Lead for Financial Crimes Compliance (2017-2019), Anti-Money Laundering Lead (2016-2017), Global Standards Execution Lead (2013-2016), Chief Risk & Administration Officer (2012-2013), Strategy, Planning & Business Management (2009-2012), Vice President for Operations, Solutions and Support (2006-2009), Assistant Vice President and Relationship Manager (2003-2006), Head of Implementation - Payments and Cash Management (2001-2003), Relationship Manager for Non-Borrowing Companies (2000-2001), and Resident Manager (1999-2000).

She graduated with a Bachelor's degree in Business Administration from the University of the Philippines Diliman. She earned her Master's degree in Business Administration from the same university.

ARISTOTLE I. CRUZ, 54, Filipino, is Senior Vice President and Senior Relationship Manager / Team Head 1 under Corporate Banking Group.

Prior to joining the Bank in 2004, he held various positions in Metrobank & Trust Company (2002-2004), Global Business Bank (2000-2002), Bank of the Philippine Islands (2000-2005), Far East Bank & Trust Company (1995-2000), First Bank (1994-1995), and Citibank (1993-1994).

He graduated with a degree in Economics from De La Salle University and earned his Master's degree in Business Administration from the Ateneo Graduate School of Business.

CRISELDA Q. DE SAGUN-MADRID, 43, Filipino, is Senior Vice President and Data Science & AI COE Head under Enterprise Data Office.

Prior to joining the Bank, she held the position of Vice President at Metrobank Bank & Trust Company (2018 to 2023). She also held the position in Vitamin Shoppe Industries as Distribution Analyst from 2012 to 2014 and as Manager of Inventory Control Accuracy from 2015 to 2017; General Manager under Brightcloud, Incorporated from 2008 to 2012; Junior Associate under Mitchell Madison Group from 2005 to 2008.

She graduated with a bachelor's degree in Business Administration and Accountancy from University of the Philippines, Diliman and earned her Master's Degree in Business Analytics from New York University, Stern School of Business.

AMANECI GRACE R. DE SILVA, 49, Filipino, is Senior Vice President and Shared Services CTO under ITG – Change the Bank Group.

She is an advisory member of the Enterprise Control Board Committee.

Prior to joining the Bank, she worked with Banco de Oro Unibank Incorporated for 10 years from January 2013 to June 2023. She also held various positions in Chartis Technology and Operations Management Group from 2006 to 2012; Avon Cosmetics, Incorporated from 2001 to 2006; Systems Standards, Incorporated from 1999 to 2001; Bayan Telecommunications as Account Specialist in 1999.

She graduated with a bachelor's degree in Electronics and Communication Engineering from Saint Louis University.

JONATHAN C. DIOKNO, 53, Filipino, is Senior Vice President and Cash Management Head under Deposits Business Group.

He has extensive exposure in the fields of cash management services, remittance origination and retail banking. Prior to joining the Bank in February 2019, he was First Senior Vice President and Global Filipino Banking Head of Rizal Commercial Banking Corporation (2017-2019). He served in various positions in Banco de Oro (2001-2016), Citibank N.A. (1999-2001), Standard Chartered Bank (1997-1999), and the Bank of the Philippine Islands/Citytrust Banking Corporation (1994-1997).

He graduated with a Bachelor of Science degree in Business Administration from the University of the Philippines.

PAMELA S. EDEJER, 52, Filipino, is Senior Vice President and Assets Business Head. She previously served as First Vice President and Trade Finance Division Head. She is a member of the Credit Committee, CreCom Sub-Committee for Corporate Banking Group and Commercial Banking Group. Prior to joining Security Bank, she was as First Vice President and Trade Product Development Head for United Overseas Bank.

She also brings with her 24 years of work experience from United Overseas Bank, Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Financial Group, BAS Consulting Pte. Ltd., The Australia and New Zealand Banking Group, Philippine National Bank, Development Bank of the Philippines and Rizal Commercial Banking Corporation. She has well-rounded exposure in the fields of product management, trade and supply chain sales, trade operation, relationship management, credit risk, compliance and project management. She successfully completed the Executive Development Program in RCBC which accelerated her career.

She graduated with a Bachelor of Science degree in Business Administration from University of the Philippines – Diliman.

YUKO FUJIWARA, 51, Japanese, is Senior Vice President and Mitsubishi UFJ Financial Group (MUFG) Business Development Head. She is a member of Sustainability Committee.

Prior joining the Bank, she held senior leadership roles at Mitsubishi UFJ Financial Group (MUFG) across Japan, the United States, the United Kingdom, and Hong Kong (1999–2025). She served as Managing Director in Global Commercial Banking Planning (Japan) (2024–2025), Transaction Banking for the Americas (USA) (2022–2024), and Japanese Corporate Banking for the Americas (USA) (2019–2022).

She previously held Director roles in Global Corporate Banking for EMEA (UK) (2016–2019) and in the M&A Finance Office (Japan) (2013–2016). Earlier in her career, she served as Vice President in Corporate Strategic Research (Japan) (2012–2013), Hong Kong (2007–2012), and Syndicated Finance (Japan) (2005–2007), and as Assistant Vice President in Structured Finance (Japan) (2001–2005) and in Japan (1999–2001).

She graduated with Faculty of Law from The University of Tokyo.

MA. PAZ VICTORIA R. GONZALEZ, 58, Filipino, is Senior Vice President and Head of Secured Lending. She was assigned as the Mortgage Banking Head from 2015 to 2023 before her current role.

Prior to joining Security Bank, she worked in various banks for 20 years. She held several positions in BDO Unibank (2009–2010), GE Money Bank (2007–2009), Philippine Savings Bank (2000–2006), Solid Bank (1996–2000), and Bank of Commerce (1990–1996).

She graduated with a bachelor's degree in Commerce major in Marketing Management from De La Salle University.

IRENE E. GUBAN, 50, Filipino, is Senior Vice President and Head of Retail Strategy and Analytics Group.

Prior to joining the Bank, she worked with Eastwest Banking Corporation as Auto Credit Policy & Consumer Lending Cluster Risk Support Head (2016-2018), Standard Chartered Bank as Credit Risk Head (2009 – 2016), GE Money Bank as Portfolio Analytics Head (2008 – 2009), Standard Chartered Bank as Credit Risk Manager (2006-2008), Optimum PTE Solutions as Analyst (2006), and Globe Telecom as Senior Credit Specialist (1996-2006).

She graduated with a bachelor's degree in Mathematics from University of the Philippines, Los Banos and earned her master's degree in Business Administration from Ateneo de Manila Graduate School of Business.

CRISTINA V. HENSON, 61, Filipino, is Senior Vice President and Operations Head.

She is a member of the Bank's Anti-Money Laundering & Counter Financing of Terrorism and Occupational Safety and Health Committees.

She joined the Bank as Bookkeeper in 1988 and assumed various positions in branches and operations, including Service Channels & Support Division Head and Branch Banking Operations Group Deputy Head until her appointment as First Vice President and Operations Head in 2019.

She graduated from Holy Angel University with a Bachelor of Science degree in Accounting.

ORENCIO ANDRE P. IBARRA III, 52, Filipino, is Senior Vice President and Treasury Head.

He is the Chairman of the Bank's Assets and Liabilities Committee.

Prior to this, he was the First Vice President and Head of the ALM and Trading Division. He joined the Bank as Manager in 2000 and assumed various positions in the Treasury Group before he assumed the position of Chief Dealer in 2013. He was also ACI Philippines (The Financial Markets Association Inc.) President in 2017, Vice President in 2016, Secretary in 2015 and a member of the Board of Directors from 2014-2017.

He holds a Bachelor of Arts degree in Management Economics from the Ateneo de Manila University and a master's degree in Business Management from the Asian Institute of Management.

TOMOFUMI KAWAKAMI, 44, Japanese, is Senior Vice President and Senior Relationship Manager / Team Head-Japan Desk.

Prior joining the Bank, he built extensive experience in Japanese corporate and commercial banking across Japan, Vietnam, Thailand, and the Philippines. He served as Director at Mitsubishi UFJ Financial Group Bank, Ltd., Japanese Corporate Banking Division – Manila Branch (2021–2025). He was previously Senior Vice President at Bank of Ayudhya (Krungsri), Japanese Corporate Banking Division, Thailand (2018–2021).

He held Manager roles at Mitsubishi UFJ Financial Group Bank, Ltd. in Corporate Banking, Japan (2015–2018) and Japanese Corporate Banking, Vietnam (2011–2015). He began his career at MUFG Bank as an Associate at the Okubo Branch (2005–2008) and Tsurumi Branch (2008–2011), establishing a strong foundation in corporate banking and relationship management.

He graduated Bachelor's Degree in Commerce from Waseda University.

KIM O. LIM, 54, Filipino, is Senior Vice President and Region Head of Region 1 – West Metro Manila under the Branch Banking Group.

He joined the bank in 2013 as Vice President/Area Head (2013-2017), became Vice President/Region Head in 2017 and First Vice President/Region Head in 2018.

Prior to joining the Bank, he held the position of Retail Branch Head and Area Head (from 2011 to 2013) and Retail Branch Head (2010-2011) under Hongkong Shanghai Banking Corporation Savings Bank. He also held the position of District Manager (2009-2010), Business Manager (2007-2009), Relationship Officer and OIC (2006-2007) and Relationship Officer (2006) under Citibank Savings Incorporation, Customer Service Head (2003-2006), Senior Personal Bank (2002-2003), Reserved Assistant (2000-2002), Policy Analyst (2000), Control Assistant (1995-1999) and Bank Statement Clerk (1993- 1995) under Rizal Commercial Banking Corporation.

He graduated with a Bachelor of Science degree in Commerce, majoring in Accounting from Zamboanga A.E. College.

MA. CARMENCITA R. LOPEZ, 60, Filipino, is Senior Vice President and Head of Trust and Asset Management Group. She is a member of the Trust Committee.

She started to work with the Bank as Department Head of Account Management & Servicing Division last 2002. Prior to this, she worked with 1st Ebank Corp as Senior Manager (1994 – 2002). She graduated with a bachelor's degree in Commerce major in Business Management from De La Salle University.

PRAKASH SUDHAKAR MAHAJAN, 53, Indian, is Senior Vice President and Corp, FMS & MSME CTO under ITG-Change Bank Group.

He is an advisory member of the Enterprise Control Board Committee.

Prior to joining the bank, he held positions as Digital Vice President from NSEIT Limited (2019-2022). He also worked with Helius Technologies Limited (2018-2019), Indus Software Technologies Private Limited (2014-2018), Sakal Media Group (2013-2014), S1 Services, India (2005-2012), Indus Software, India (2002-2005), Intermedia Interactive Solutions, India (2001 – 2002), Octon Technologies Limited (1998-2001), Ajay Metachem Limited (1997-1998). He has extensive exposure in the fields of project management and digital transformation.

He graduated with Bachelor of Mechanical Engineering from Walchand College, India and holds various certifications.

YVONNE JOANNA P. MARCELO, 55, Filipino, is Senior Vice President and Head of Corporate Banking Group.

She is a member of the Bank's Credit Committee and Sub-Committee for Corporate Banking Group.

She joined the Bank in 2001. Prior to her current role, she was a Team Head and Senior Relationship Manager in Corporate Banking Group. She has extensive experience in corporate and project finance in infrastructure, real estate, power and energy, utilities, mining, and other industries. She was Relationship Manager in Far East Bank and Trust Company (1996-2000), Assistant Manager in UnionBank of the Philippines (1995-1996), and Management Trainee and Pro-Manager in Bank of Commerce (1991-1994).

She graduated with a Bachelor of Science degree in Business Economics from the University of the Philippines and earned units for a Master's degree in Business Administration from the Ateneo de Manila University.

PATRICK M. MENESES, 52, Filipino, is Senior Vice President and Chief Data Officer of Enterprise Data Office.

Prior to joining the Bank, he was the Chief Data and Analytics Officer with MDI Novare (2021-2022). He also held the position of ASEAN Director of Business Solutions under SAS Institute Singapore (2018-2021), Senior Engineering Manager under General Motors (2012-2018), Senior Technical Program Manager under Electronic Arts (2010-2012), Senior Technical Manager under SUN Microsystem (1999-2009), Project Manager under Hewlett-Packard (1997-1999) and Operations Manager under UNILAB (1996 -1997).

As an Advanced Analytics Platform Principal at General Motors Company in Austin, Texas, he designed, built, and maintained an Enterprise Data and Analytic service. Lastly, he has extensive experience with Enterprise Data Warehouse builds and roles across other big technology companies in Silicon Valley such as Sun Microsystems and Hewlett Packard. Prior to that, he attended Purdue University at West Lafayette, Indiana, with a focus on Business Management and Communications.

JUAN A. MESTAS, 43, Peruvian, is Senior Vice President and Strategy, Innovation Architecture & Platform Division Head (since March 2025). Prior to this, he was the Strategy, Architecture and Platform Head (March 2024 – February 2025) and Architecture & Integration Head (February 2023- February 2024) and was assigned as IT – Central API Team Head (September 2022-January 2023) under ITG – Change the Bank Group. He is an advisory member of the Enterprise Control Board Committee.

Prior to joining the Bank, he was the Group Head of Enterprise Architecture and Platform under Group 42, UAE (2021-2022). He also held the position of Managing Director under PricewaterhouseCoopers, Singapore (2020), Enterprise Architecture Lead under United Overseas Bank Limited (UOB) Group Bank, Singapore (2017-2019), Senior Manager and Digital Architecture under Allied Irish Banks PLC (AIB Bank) Ireland (2016-2017), Architecture Manager under Deloitte & Touche Europe, the Middle East, and Africa (EMEA) (2011-2016), Regional Director of Microsoft LatAm (2007-2011), Software Architect under Banco Financiero (2004-2006), Oracle HLR Architect under Sixbell, Chile (2002-2004) and Senior Software Engineer under SONDA, Peru (1999-2000).

He graduated with an Engineering degree from Ricardo Palma University in Peru. He also earned his Master's degree in Computer Software Engineering from University of Tarapaca in Chile and holds various certifications.

MARIA MARGARITA R. MIRABUENO, 53, Filipino, is Senior Vice President and Wealth Relationship Management Group Head since August 2024. She joined the bank as Wealth Management Head and First Vice President in 2015.

She is a Director and Corporate Governance Committee member of SB Equities, Inc.

Prior to joining the Bank, she held the position of Citigold Head (2011-2014) and Investment Specialist (2004-2010). She also held the position of Investment Officer under Chinatrust (Philippines) (1999-2002), Investment Officer under ALL Asia Capital & Trust Corporation (1998) and Marketing Assistant under Metrobank (1993-1997).

She completed her Bachelor of Arts degree in Interdisciplinary Studies and her master's degree in Business Administration from Ateneo De Manila University.

JORGE LINDLEY S. ONG, 53, Filipino, is Senior Vice President and Head of Commercial Banking Group.

He is a member of the Bank's Credit Committee and Sub-Committee for Commercial Banking Group.

He joined the Bank in 2007. He was the Head of Kalookan and North Metro Banking Center. Prior to joining the Bank, he was a Senior Relationship Manager in BDO Unibank (1995-2007).

He graduated from the University of Santo Tomas with a Bachelor of Science degree in Commerce.

ALLEN ALEXANDER P. REYES, 49, Filipino, is Senior Vice President and Chief Financial Officer. He is the Chairman of Sustainability Committee and Product Committees and the Vice Chairman of Assets and Liabilities Committee. He is also a member of the Transformation and Technology, People Empowerment, Asset Disposal, Enterprise Control Board, and SBC Retirement Committees.

Prior to rejoining the Bank, he was the Chief Financial Officer of Singlife Philippines. He brings with him 27 years of work experience from Singlife Philippines, Diageo and Security Bank Corporation, Sony Global Business Services, and Deutsche Bank. He has extensive exposure in the fields of Corporate and Business Finance, Process Design and Transformation, Corporate Governance, Business Analysis, and Project Management.

He graduated with a Bachelor of Science in Accountancy from University of Santo Tomas. He also completed the Leading Sustainable Corporations Program from Oxford University.

MA. PATRICIA N. TAN, 51, Filipino, is Senior Vice President and Chief Marketing Officer (since March 1, 2024). She was the Head of Customer Segmentation Group from July 16, 2021 to February 29, 2024.

Prior to joining the Bank in 2013, she served as OFW Segment Head of Philippine National Bank (2006-2013), Marketing Head of Globe Telecom (2004-2006), and Cards Marketing Head of Union Bank of the Philippines (1997-2004).

She graduated with a bachelor's degree in Management of Financial Institutions from De La Salle University.

MYLA R. UNTALAN, 55, Filipino, is Senior Vice President and Head of Retail Channels Group.

Prior to joining the Bank, she brings with her 30 years of work experience from BDO Unibank, RCBC Bankard, AIG Credit Card Company Philippines and Solidbank Corporation. She has well-rounded exposure in digital transformation, data and analytics, project management and business process engineering. Her most recent assignment was as Senior Vice President and Data Protection Officer at BDO Unibank.

She graduated with a bachelor's degree in Commerce major in Accounting from University of Sto. Tomas, Manila.

MARIS LOU S. VELICARIA, 53, Filipino, is Senior Vice President and Retail Credit Operations Head.

Prior joining the Bank, she held various positions in Philippine Savings Bank including Vice President and Collections and Remedial Management Division Head (2015-2016) and Credit Administration Group Head (2012-2015); Assistant

Vice President and Division Head (2008-2012); Senior Manager and Division Head (2006-2008); Manager and Division Head (2004-2006); Senior Assistant Manager and Division Head (2001-2004) of Credit Administration Group. She also held position in Development Bank of Singapore, Philippines as Senior Assistant Manager and Credit Department Unit Head (2000-2001), Assistant Manager and Credit Administration Credit Officer (1997-2000), Official Assistant and Consumer Business and Loans Group Credit Officer (1996-1997) and Staff and Consumer Business and Loans Group Credit Investigator (1995) at CityTrust Banking Corporation.

She graduated with a bachelor's degree in Arts in Philippine Studies from University of the Philippines.

BALAJI B. VIJAYAN, 58, Indian, is Senior Vice President and Retail and Business Banking Risk Management Head (since September 1, 2024). Prior to this, he was the Head of the Retail Credit Risk Management Division from August 2020 to August 2024.

Prior to joining the Bank, he held various positions including Advisor to Retail Risk Directorate of Bank Mandiri-Indonesia (2015-2020); Director and Risk Head for Middle East-Consumer Bank of Citibank N.A.-UAE (2007-2014); Vice President and Risk Head for Bank of Handlowy - Consumer Bank of Citibank N.A.-Poland (2004-2007); Vice President and Risk Head in ABN Amro Bank in Taiwan and Indonesia (1999-2003); Vice President and Credit Policy Head in Citibank N.A.-Indonesia (1997-1999); various positions in Citibank N.A.-India (1990-1996); Account Executive in Ogilvy & Mather Direct in India (1989); and Marketing Executive in Wipro Systems in India (1988). He has extensive exposure in the field of retail credit and fraud risk.

He earned his master's degree in Management from BITS Pilani, India.

VIVEK YADAV, 50, Australian, is Senior Vice President and Retail CTO. He is one of the advisory members of the Enterprise Control, Board Committee. Prior joining the Bank, he has over 25 years of experience in technology and banking across Australia and Singapore. Most recently, he served as Technology Area Lead for Personalization and Digital Sales and Senior Technology Executive at ANZ Bank in Melbourne (2017–2025). Prior to this, he was Head of Technology Solution & Delivery at Standard Chartered Bank, Singapore (2010–2017). Earlier in his career, he held Assistant Vice President roles at Merrill Lynch (2008–2010) and Credit Suisse (2007–2008) in Singapore and worked as a contractor at Credit Suisse through Robert Walters (2006–2007). He began his career as a Consultant/Contractor at Mphasis Singapore (2000–2006), building extensive expertise in technology delivery and financial services systems.

He graduated with a Bachelor of Science in Computer Engineering from North Maharashtra University, India. He also completed his master's degree in Business Administration from the T.A. Pai Management Institute, India.

c) Significant Employees

The Bank values its human resources and considers the entire manpower force as significant employees.

d) Family Relationships

Mr. Daniel S. Dy, Director, is the son of the Bank's Chairman Emeritus, Mr. Frederick Y. Dy.

e) Involvement in Certain Legal Proceedings

To the knowledge and information of the Bank, none of the above-named directors and executive officers have been involved in any material legal proceedings or subject to the following legal proceedings during the past five (5) years:

- a. Bankruptcy petition against any business of which such director was a general partner or executive officer whether at the time of the bankruptcy or within two (2) years prior to that time
- b. Conviction by final judgment, in a criminal proceeding, domestic or foreign or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses, except for a pending proceeding involving Stephen G. Tan. Please refer to Independent Director Certification for details.
- c. To any order, judgment or decree, not subsequently reversed, suspended or vacated of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking services
- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or Foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

f) Certain Relationships and Related Transactions

During the last fiscal year, no director or executive officers of the Bank received any benefit by reason of a contract made with the company, a related corporation, a firm of which the director is a member or a company in which a director has a substantial financial interest.

In the ordinary course of business, the Bank has loan transactions with certain directors, officers, stockholders and related interest (DOSRI). Under Bank policies, these loans are made substantially on the same terms as loans to other individuals and borrowers of comparable risk. Full disclosures for these transactions were made to the Bangko Sentral ng Pilipinas (BSP). The Bank is in full compliance with the BSP regulations on DOSRI loans and transactions. Details on related party transactions are further explained in Notes 32 and 41 of the Audited Financial Statements. The Bank is not a subsidiary of any corporation.

g) Resignation of Directors

No director has informed the registrant in writing that he intends to oppose any action to be taken by the registrant at the Annual Stockholders' Meeting.

ITEM 10. EXECUTIVE COMPENSATION

Information as to the aggregate compensation during the last two fiscal years and to be paid in ensuing fiscal year 2026 to the Bank's CEO and four other most highly compensated executive officers and all other officers and directors as a group are as follows:

Chief Executive Officer and four other most highly compensated executive officers:

	Executive Compensation	Bonuses	Total
2026	₱86,000,000*	₱40,000,000*	₱126,000,000*
2025	73,582,028**	34,635,363**	108,217,391**
2024	79,860,320***	28,827,517***	105,678,837***

*Estimated amount

**Refers to Messrs. Sanjiv Vohra, Lucose Eraili, John Cary L. Ong, Rahul S. Rasal, and Price Edward C. Yap

***Refers to Messrs. Sanjiv Vohra, Eduardo M. Olbes, Arnold Q. Bengco (resigned February 1, 2025), John Cary L. Ong, and Rahul S. Rasal

All officers and directors as a group unnamed:

	Executive Compensation	Bonuses	Total
2026	₱7,250,000,000**	₱2,450,000,000**	₱9,700,000,000**
2025	6,605,645,952	2,311,808,333	8,917,454,285
2024	8,214,929,182	2,680,754,712	7,576,982,839

**Estimated amount

The directors receive fees, bonuses and allowances that are already included in the amounts stated above, with per diem of ₱22.1 million estimated for 2026, ₱18.4 million per diem paid in 2025 and ₱16.5 million per diem paid in 2024. The Directors receive a per diem of ₱50,000.00 for attending Board meetings and ₱10,000.00 – ₱25,000.00 for Committee meetings. For security considerations, the Bank decided to only disclose the amount on an aggregate basis. Aside from the said amounts, they have no other compensation plan or arrangement with the Bank.

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

There are no warrants or options held by the registrant's officers and directors.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

a) Security Ownership of Certain Record and Beneficial Owners

Owners of record of more than 5% of the Bank's voting securities as of February 28, 2026 were as follows:

Title of Class	Name, address or Record Owner/ Beneficial Owner, and relationship with Issuer	Name of Beneficial Owner	Citizenship	No. of Shares Held	% of Total Voting Shares
Common	The Bank of Tokyo - Mitsubishi UFJ. Ltd. (now known as MUFG Bank, Ltd.) Marunouchi, Chiyoda-ku, Tokyo, Japan	BTMU (MUFG Bank, Ltd.)	Non-Filipino	150,707,778	8.59%
Preferred				200,000,000	11.41%
Common	Frederick Y. Dy Security Bank Centre 6776 Ayala Ave., Makati City	Frederick Y. Dy	Filipino	86,865,273*	4.95%
Preferred				335,207,671	19.12%
Common	Daniel S. Dy Security Bank Centre 6776 Ayala Ave., Makati City	Daniel S. Dy	Filipino	30,229,655	1.72%
Preferred				256,951,638***	14.65%
Common	PCD Nominee Corporation Equitable Tower, Paseo de Roxas, Makati City	Various Stockholders Client	Filipino	194,687,692**	11.10%
Common	PCD Nominee Corporation Equitable Tower, Paseo de Roxas, Makati City	Various Stockholders Client	Non-Filipino	110,492,682****	6.30%

*Inclusive of 28,264,524 shares of Frederick Y. Dy lodged with PCD Nominee Corp.

**Net of 28,264,524 shares of Frederick Y. Dy lodged with PCD Nominee Corp. and 30,229,655 shares of Daniel S. Dy of a corporate shareholder of issuer.

***Inclusive of 35,714,994 indirect shares/Shareholder

****Net of 150,707,778 shares of The Bank of Tokyo-Mitsubishi UFJ, Ltd. lodged in PCD Nominee Corp. (Non-Filipino)

PCD Nominee Corporation, now known as Philippine Depository & Trust Corporation (PDTC) is the registered owner of the shares in the books of the Bank's transfer agent, Stock Transfer Service, Inc. The beneficial owners of such shares are PCD's participants, who hold the shares on their behalf or on behalf of their clients. The shares beneficially owned by participants are in individual quantities representing less than 5% of the Bank's voting securities. The participants have the power to decide how the PCD shares are to be voted.

The Member of the Board of Directors, Deputy President - Global Commercial Banking Business Unit and Chief Operating Officer – International has the power to decide on how The Bank of Tokyo Mitsubishi UFJ, LTD (now known as MUFG Bank, Ltd) shares in Security Bank are to be voted.

b) Security Ownership of Directors and Management

I. The following are the number of shares of the Bank's capital stock (all of which are voting shares) owned of record by the directors, key officers of the Bank, and nominees for election as director, as of February 28, 2026:

A. Title of Class: Common Stock

Name of Beneficial Owner	Position	Citizenship	No. of Shares Held	Nature of Beneficial Ownership	% to Total Voting Shares
Frederick Y. Dy	Chairman Emeritus	Filipino	86,865,273	Direct/Indirect	4.95%
Cirilo P. Noel	Chairman	Filipino	10	Indirect	0.00%
Diana P. Aguilar	Vice Chairperson	Filipino	10	Indirect	0.00%
Gerard H. Brimo	Director	Filipino	10	Indirect	0.00%
Enrico S. Cruz	Director	Filipino	187,010	Indirect	0.01%
Daniel S. Dy	Director	Filipino	30,229,655*	Indirect	1.72%
Esther Wileen S. Go	Director	Filipino	10	Indirect	0.00%
Jikyeong Kang	Director	British	10	Indirect	0.00%
Masatoshi Komoriya	Director	Japanese	10	Indirect	0.00%
Jose Perpetuo M. Lotilla	Director	Filipino	3	Direct	0.00%
Napoleon L. Nazareno***	Director	Filipino	10	Indirect	0.00%
Stephen G. Tan	Director	Filipino	10	Indirect	0.00%
Maria Cristina A. Tingson	Director	Filipino	10	Indirect	0.00%
Hirofumi Umeno	Director/Alliance Segment Head	Japanese	10	Indirect	0.00%
Lee Meng Teck Victor	Director/President and CEO	Singaporean	10	Indirect	0.00%
Michael S. Chua	New Nominee	Filipino	10**	Indirect	0.00%
Marck Dennis Y.C. Joven	New Nominee	Filipino	5,000	Indirect	0.00%

*Inclusive of 24,215,490 Indirect shares/Shareholder of a Corporate Shareholder

** as of March 2026

***Deceased dated March 23, 2026

Name of Beneficial Owner	Position	Citizenship	No. of Shares Held	Nature of Beneficial Ownership	% to Total Voting Shares
Joselito E. Mape	Executive VP	Filipino	11,619	Indirect	0.00%
Ronald I. Austria	Senior VP	Filipino	6,600	Indirect	0.00%
Marlette P. Brodett	Senior VP	Filipino	103,890	Indirect	0.01%
Abigail Marie D. Casanova	Senior VP	Filipino	2,340*	Indirect	0.00%
Aristotle I. Cruz	Senior VP	Filipino	200	Indirect	0.00%
Yvonne Joanna P. Marcelo	Senior VP	Filipino	3,700	Indirect	0.00%
Ma. Margarita R. Mirabueno	Senior VP	Filipino	1,080	Indirect	0.00%
Ma. Patricia N. Tan	Senior VP	Filipino	15,000	Indirect	0.00%
John David G. Yap	Executive VP	Singaporean	100,000	Indirect	0.01%

*Shares held by spouse

B. Title of Class: Preferred Stock

Name of Beneficial Owner	Position	Citizenship	No. of Shares Held	Nature of Beneficial Ownership	% to Total Voting Shares
Frederick Y. Dy	Chairman Emeritus	Filipino	335,207,671	Direct	19.12%
Daniel S. Dy	Director	Filipino	256,951,638*	Direct/ Indirect	14.65%

*Inclusive of 35,714,994 Indirect Shares/Shareholder of a Corporate Shareholder of the Issuer

The aggregate number of shares owned of record by all or key officers and directors as a group as of February 28, 2026 is 709,690,779 shares or approximately 40.47% of the Bank's outstanding capital stock.

II. The following are the trading records of the directors, key officers of the Bank, and nominees for election as director as of February 28, 2026:

A. Title of Class: Common Stock

Name of Beneficial Owner	Position	Beginning Balance No. of Shares (as of 03/01/2025)	Movement No. of Shares (from 03/01/2025 to 02/28/2026)	Acquired (A) or Disposed (D)	Ending Balance No. of Shares (as of 02/28/2026)
Frederick Y. Dy	Chairman Emeritus	86,865,273	–	–	86,865,273
Cirilo P. Noel	Chairman	10	–	–	10
Diana P. Aguilar	Vice Chairperson	10	–	–	10
Gerard H. Brimo	Director	10	–	–	10
Enrico S. Cruz	Director	187,010	–	–	187,010
Daniel S. Dy	Director	30,229,655*	–	–	30,229,655
Esther Wileen S. Go	Director	10	–	–	10
Jikyeong Kang	Director	10	–	–	10
Masatoshi Komoriya	Director	–	10	A	10
Jose Perpetuo M. Lotilla	Director	3	–	–	3
Napoleon L. Nazareno***	Director	10	–	–	10
Maria Cristina A. Tingson	Director	10	–	–	10
Stephen G. Tan	Director	10	–	–	10
Hirofumi Umeno	Director/Alliance Segment Head	–	10	A	10
Lee Meng Teck Victor	Director/President & CEO	–	10	A	10
Michael S. Chua	New Nominee	–	10**	A	10
Mark Dennis Y.C. Joven	New Nominee	–	5,000	A	5,000

*Inclusive of 24,215,490 Indirect shares/Shareholder of a Corporate Shareholder

**as of March 2026

***Deceased dated March 23, 2026

Name of Beneficial Owner	Position	Beginning Balance No. of Shares (as of 03/01/2025)	Movement No. of Shares (from 03/01/2025 to 02/28/2026)	Acquired (A) or Disposed (D)	Ending Balance No. of Shares (as of 02/28/2026)
Joselito E. Mape	Executive VP	11,619	–	–	11,619
Ronald I. Austria	Senior VP	–	6,600	A	6,600
Marlette P. Brodett	Senior VP	103,890	–	–	103,890
Abigail Marie D. Casanova	Senior VP	2,340*	–	–	2,340

<i>Name of Beneficial Owner</i>	<i>Position</i>	<i>Beginning Balance No. of Shares (as of 03/01/2025)</i>	<i>Movement No. of Shares (from 03/01/2025 to 02/28/2026)</i>	<i>Acquired (A) or Disposed (D)</i>	<i>Ending Balance No. of Shares (as of 02/28/2026)</i>
Aristotle I. Cruz	Senior VP	200	–	–	200
Maria Carmencita R. Lopez	Senior VP	4,300	4,300	D	–
Yvonne Joanna P. Marcelo	Senior VP	3,700	–	–	3,700
Ma. Margarita R. Mirabueno	Senior VP	1,080	–	–	1,080
Ma. Patricia N. Tan	Senior VP	15,000	–	–	15,000
John David G. Yap	Executive VP	75,000	25,000	A	100,000

*Shares held by spouse

B. Title of Class: Preferred Stock

<i>Name of Beneficial Owner</i>	<i>Position</i>	<i>Beginning Balance No. of Shares (as of 03/01/2025)</i>	<i>Movement No. of Shares (from 03/01/2025 to 02/28/2026)</i>	<i>Acquired (A) or Disposed (D)</i>	<i>Ending Balance No. of Shares (as of 02/28/2026)</i>
Frederick Y. Dy	Chairman Emeritus	335,207,671	–	–	335,207,671
Daniel S. Dy	Director	256,951,638*	–	–	256,951,638

*Inclusive of 35,714,994 Indirect Shares/Shareholder of a Corporate Shareholder of the Issuer

C. Voting Trust Holders of 5% or more

The company is not aware of shareholders holding any Voting Trust Agreement of 5% or more or any such similar agreement.

D. Changes in Control

There has been no change in the control of the Bank since the beginning of its last fiscal year.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

During the last fiscal year, no director or executive officers of the Bank received any benefit by reason of a contract made with the company, a related corporation, a firm of which the director is a member or a company in which a director has a substantial financial interest.

In the ordinary course of business, the Bank has loan transactions with certain directors, officers, stockholders and related interest (DOSRI). Under Bank policies, these loans are made substantially on the same terms as loans to other individuals and borrowers of comparable risk. Full disclosures for these transactions were made to the BSP. The Bank is in full compliance with the BSP regulations on DOSRI loans and transactions. Details on related party transactions are further explained in Note 32 of the Audited Financial Statements. The Bank is not a subsidiary of any corporation.

For the period ended February 28, 2026, there were no material self-dealings or related party transactions by any director which required disclosure.

PART IV – CORPORATE GOVERNANCE

ITEM 13. CORPORATE GOVERNANCE

a. The evaluation system established by the company to measure or determine the level of compliance of the BOD and top-level management with its Manual of Corporate Governance

On an annual basis, the Bank submits to the SEC the Integrated Annual Corporate Governance report (IACGR) which is a tool to publicly disclose the Bank's compliance to the SEC Code of Corporate Governance for Publicly-listed Corporations. It contains all relevant information and disclosures with regard to the Bank's corporate governance policies and practices for the previous year using the "comply or explain" approach". The IACGR is a board approved document and is signed by the Chairman of the Board, all Independent Directors, President CEO, Corporate Secretary and Compliance Officer. It is submitted to the SEC every May 30th, disclosed in the PSE and thereafter published in the Bank's website.

b. Measures being undertaken by the company to fully comply with the adopted leading practices on good corporate governance

The Bank has a Manual of Corporate Governance approved by the Board. Every so often, amendments are made due to changes in requirements brought about by new regulations, internal policy changes or adoption of new best practices. Board approved revisions are submitted to the SEC, disclosed in the PSE and published in the Bank’s website. The last amendment was made on December 9, 2025.

Under the Bank’s Manual of Corporate Governance, the Bank is led by a Board which is the highest authority in matters of governance and in managing the business of the Bank. The Board establishes the vision, strategic objectives, key policies, and procedures for the management of the Bank, as well as the mechanism for monitoring and evaluating management’s performance. The Board also ensures the presence and adequacy of internal control mechanisms for good governance.

The Board is composed of 15 directors, seven of whom are independent directors. The roles of the Chairman and President and CEO are separate and clearly defined while the independent directors are a strong source of independent advice and judgment. They bring considerable knowledge and experience to the Board’s deliberations.

Security Bank Corporation as a bank and publicly listed corporation conducts an annual evaluation to assess the performance and effectiveness of its BOD as a whole, the individual members of the Board, the Chairman, the CEO, the Corporate Secretary, the Board-level Committees, and Management-level Committees pursuant to the requirements of Section 132 of the Manual of Regulations for Banks and SEC Memorandum Circular No. 19, Series of 2016 as duly embodied in the Bank’s Manual on Corporate Governance. This activity is facilitated by the Corporate Governance Committee for the Board as a whole, the Chairman, Corporate Secretary, CEO and Committees while the Nominations and Remuneration Committee is in charge of individual directors and the CEO. Every three years, the assessment is supported by an external facilitator who may be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization.

The Board meets every last Tuesday of the month in accordance with the Bank’s by-laws. A schedule of the Board meetings is presented to the new Board upon their election in April as part of the Organizational Board meeting. In 2025, the Board held a total of 14 meetings.

The attendance record of the Board members for 2025 is as follows:

Board of Directors	Attendance*	Percentage
Frederick Y. Dy	13 of 14 meetings	93%
Cirilo P. Noel	14 of 14 meetings	100%
Diana P. Aguilar	14 of 14 meetings	100%
Daniel S. Dy	14 of 14 meetings	100%
Nobuya Kawasaki**	7 of 7 meetings	100%
Maria Cristina A. Tingson	14 of 14 meetings	100%
Juichi Umeno***	4 of 4 meetings	100%
Sanjiv Vohra	14 of 14 meetings	100%
Gerard H. Brimo	14 of 14 meetings	100%
Enrico S. Cruz	14 of 14 meetings	100%
Jikyeong Kang	14 of 14 meetings	100%
Jose Perpetuo M. Lotilla	14 of 14 meetings	100%
Esther Wileen S. Go	14 of 14 meetings	100%
Napoleon L. Nazareno****	12 of 14 meetings	86%
Stephen G. Tan	14 of 14 meetings	100%
Masatoshi Komoriya****	7 of 7 meetings	100%
Hirofumi Umeno*****	10 of 10 meetings	100%

*Excluding Organizational Meeting

**Term as Director ended 26 May 2025

***Term as Director ended 28 April 2025

****New Director as of 27 May 2025

*****Elected on 29 April 2025

*****Deceased dated March 23, 2026

In compliance with the principles of good corporate governance, the Board has constituted the Executive, Corporate Governance, Audit, Related Party Transactions, Nominations and Remuneration, Risk Oversight, Information Security Risk Management, Senior Credit, Trust, and Transformation and Technology Committees to which it has delegated specific responsibilities.

EXECUTIVE COMMITTEE

Function	<ul style="list-style-type: none"> Exercises the authority of the Board of Directors as delegated by the Board and as may be allowed by law during intervals between meetings of the Board of Directors. Provides oversight of the financial management of the Group, including strategic and financial planning, the budget, capital planning and compliance with regulatory limits with respect to capital, liquidity ratios and other measures as may be required by the relevant regulatory agencies. With the support of the Risk Oversight Committee, provides financial strategic direction to achieve the objective regarding investments, derivative activities, balance sheet management, interest rate, and foreign risk management. Provides strategic direction with regard to liquidity position, including issuance of short- and long-term debt, generation of short- and long-term financial assets. Approves the sale of ROPA, NROPA, Auto and Loan Portfolio as recommended by the Asset Disposal Committee. Approves and endorses Major Expenditures based on Major Expenditures Policy (MEP). Reviews Investor Relations activities. Reviews and monitors the company's debt ratings, dialogue with the credit agencies, and bank credit arrangements.
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Composition	Attendance	Percentage
Daniel S. Dy – Chairman	16	100%
Maria Cristina A. Tingson – Vice Chairperson	16	100%
Cirilo P. Noel	12	75%
Diana P. Aguilar	15	94%
Sanjiv Vohra	16	100%
Enrico S. Cruz (Independent Director – Non-voting)	16	100%
Esther Wileen S. Go (Independent Director – Non-voting)	16	100%

Number of meetings in 2025: 16

Accomplishments	<ul style="list-style-type: none"> Reviewed and endorsed to the Board the strategic initiatives, financial performance, and budget plan. Reviewed monthly and quarterly performance of the Bank and business segments. Assessed impact and proposed mitigation to address various market, competitive, legislative developments on the Bank's financials. Reviewed and updated the Internal Capital Adequacy Assessment Process (ICAAP), Internal Capital Adequacy Assessment Process (ILAAP), and Business Continuity Planning (BCP) in compliance with the Liquidity Coverage Ratio based on BSP prescribed parameters and Bank's parameters. Approved and endorsed to the Board the dividend policy for the Bank's common and preferred shareholders. Assessed, approved, and endorsed to the Board the major expenditures of the Bank on both the strategic and major initiatives. Conducted annual review of the Committee Charter and provided oversight to management level committees for effective management of relevant risk (i.e., Asset Disposal Committee, Asset and Liability Committee, and Product Committee) Approved the following policies, initiatives, programs, among others: Amendments to the Expense and Disbursement Policy, Corporate Travel Management Policy, and Major Expenditure Proposal (MEP) Policy and Approved sales program for ROPA as recommended by the Asset Disposal Committee.
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CORPORATE GOVERNANCE COMMITTEE

Function	<ul style="list-style-type: none"> Oversees the compliance function and assists the BOD in fulfilling its corporate governance responsibilities across a broad range of areas including sustainability Responsible for ensuring the BOD's effectiveness and due observance of corporate governance principles and guidelines.
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Composition	Attendance	Percentage
Jose Perpetuo M. Lotilla – Chairman (Independent Director)	12	100%
Cirilo P. Noel – Vice Chairman	8	67%
Gerard H. Brimo (Independent Director)	12	100%
Nobuya Kawasaki*	3	60%
Masatoshi Komoriya**	7	100%
Napoleon L. Nazareno *** (Independent Director)	10	83%

*Resigned as Member effective 26 May 2025

**Appointed as Member effective 27 May 2025

***Deceased dated March 23, 2026

Number of meetings in 2025: 12

Accomplishments	<ul style="list-style-type: none"> Performed oversight of the Compliance function, including monitoring of implementation of the Compliance Plan covering General Regulations and AML, review of the BSP Report of Examination and assessment of replies and periodic reports of the Compliance Office, evaluation of results of independent compliance testing, updates on policies and Manuals relating to Corporate Governance, Compliance Program and MLPP. Reviewed results of performance evaluation of Compliance Office and Chief Compliance Officer Reviewed administrative cases on quarterly basis Facilitated the completion of the Annual Corporate Governance Training (SEC Requirement) and submission of the Certificates before deadline date. Noted the SBC Executive Training Material with the Board and Sustainability Committee for the training session held in partnership with IFC, which discussed regulators' shifts (<i>e.g., BSP Circulars, ASEAN Taxonomy, IFRS</i>) and national priorities that unlocked growth opportunities in energy, MSMEs, agriculture, and green infrastructure; and delivered insights on governance expectations and global best practices—supporting boards in embedding sustainability into mandates, risk oversight, and long-term value creation. Reviewed and endorsed for Board approval the following: <ul style="list-style-type: none"> Bank's 2024 Integrated Annual Corporate Governance Report (IAGCR) Bank's 2025 Institutional Risk Assessment Reviewed and endorsed for Board approval and/or confirmation of the following updates or amendments to the Bank's Policies, Board and Management Committee Charters: <ul style="list-style-type: none"> Amendments to the Manual of Corporate Governance Amendment and Annual Review of the Corporate Governance Committee Charter Amendments to the Sustainability Framework and Committee Charter Review of the Integrity Committee (IC) Charter including the function of Committee on Corrective Action (CCA) and Committee on Decorum (COD) Updates and Amendments to the SBC Code of Conduct Updates and Amendments to the Personal Investment Policy (PIP) Provided oversight of the following management Sub-Committees: Sustainability, Integrity, Occupational Safety and Health (OSH), and Anti-Money Laundering and Counter Financing of Terrorism (AMLCFT) Committees.
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AUDIT COMMITTEE

Function	Assist the Board in fulfilling its oversight responsibilities on the integrity of the Bank's financial statements and the effectiveness of internal controls and risk management, and compliance with laws and regulation
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Composition	Attendance	Percentage
Gerard H. Brimo – Chairman (Independent Director)	7	100%
Cirilo P. Noel – Vice Chairman	6	86%
Napoleon L. Nazareno* (Independent Director)	7	100%

*Deceased dated March 23, 2026

Number of meetings in 2025: 7

Accomplishments	<p>Financial Reporting</p> <ul style="list-style-type: none"> Reviewed and approved for endorsement annual financial statements and reports audited by external auditors prior to submission to the Board Discussed the external auditor's attestation and report on management's internal control with regards to all critical accounting principles and practices; all alternative treatments of financial information within IFRS/PFRS, GAAP and the PAS that have been discussed with the management and its implications; and reviews the recommendations in the external auditor's management letter <p>External Audit</p> <ul style="list-style-type: none"> Recommended the reappointment of the external auditor for the bank and its subsidiaries and affiliates Discussed with the external auditors the nature, proposed audit scope, approach and expenses of the audit, including fees for audit and approval of 8 non-audit services Reviewed the performance of the external auditors at least annually including technical competence, integrity, independence, objectivity and overall effectiveness of the external audit process. <p>Risk Management and Internal Control</p> <ul style="list-style-type: none"> Reviewed and monitored the adequacy and effectiveness of the internal control system, including risk management, information technology, security and control through reports from Internal audit including significant findings noted, recommendations during the conduct of the internal audit and management's corrective actions Monitored status of whistleblowing cases <p>Internal Audit</p> <ul style="list-style-type: none"> Reviewed and approved the IA charter, annual internal audit risk assessment and plan including any significant change to the audit plan to ensure its conformity with the objectives of the Bank. Monitored and reviewed the effectiveness of performance of internal audit function through the status of accomplishments of internal audit activities including the competence, qualifications, expertise, compensation, budget and performance and remuneration of Chief Audit Executive. Reported to the Board on the performance of internal audit function and significant internal audit findings including management agreed actions.
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	<p>Governance and Compliance</p> <ul style="list-style-type: none"> Reviewed the results of the internal periodic and independent external quality assurance review and monitor the implementation of the Internal Audit Group's action plans to address any recommendations. Ensured that Internal Audit and internal audit service providers comply with sound internal auditing standards such as the Institute of Internal Auditors' International Standard for the Professional Practice of Internal Auditing and other supplemental standards issued by regulatory authorities/government agencies, as well as with relevant code of ethics Discussed result of the annual self-evaluation assessing the performance of the Committee Reviewed and re-assessed the adequacy of the Audit Committee Charter Reviewed and approved SLA with subsidiaries
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RELATED PARTY TRANSACTIONS COMMITTEE

Function	Ensures that transactions with related parties across the Security Bank Group are handled in a sound and prudent manner, with integrity and in compliance with applicable laws and regulations to protect the interest of depositors, creditors, and other stakeholders.
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Composition	Attendance	Percentage
Napoleon L. Nazareno* – Chairman (Independent Director)	10	83%
Jose Perpetuo M. Lotilla – Vice Chairman (Independent Director)	11	92%
Diana P. Aguilar	11	92%

*Deceased dated March 23, 2026

Number of meetings in 2025: 12

Accomplishments	<ul style="list-style-type: none"> Approved updates to the Related Party Transactions (RPT) Policy which is applicable to the Bank and its subsidiaries and affiliates. Reviewed and endorsed material RPT transactions for Board approval ensuring that transactions were conducted in a manner that protected the Bank from any potential conflict of interest and that the terms and conditions given were on an arm's length basis. Noted and endorsed non-material RPT transactions for Board confirmation. Approved the amendment to the RPTC Charter and noted the report on the annual review of the RPTC Charter
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NOMINATIONS AND REMUNERATION COMMITTEE

Function	<ul style="list-style-type: none"> Reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval. Assesses the effectiveness of the Board's processes and procedures in the election and replacement of directors. Establishes a formal and transparent procedure for developing policy on remuneration of directors and officers to ensure that compensation is consistent with the Bank's culture, strategy and the business environment in which the Bank operates.
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Composition	Attendance	Percentage
Jikyeong Kang – Chairperson (Independent Director)	15	100%
Enrico S. Cruz – Vice Chairman (Independent Director)	15	100%
Gerardo H. Brimo (Independent Director)	13	87%
Daniel S. Dy	15	100%
Maria Cristina A. Tingson	14	93%

Number of meetings in 2025: 15

Accomplishments	<ul style="list-style-type: none"> Evaluated and recommended new board membership. Reviewed and approved the following: <ul style="list-style-type: none"> Senior officer new hires Various HR and employee benefits related policies as recommended by the People Empowerment Committee Adequacy of the organizational changes and structure Board and committee assignments Concurrent and interlocking officership and directorships assignments Executive compensation disclosures Updates on Nine-Box Framework Enhancements to Flexible Benefits Program Amendments to the SBC Retirement Plan Rules Annual Review of the Nominations and Remuneration Committee Charter Contact Center Channel Division: 2025 Performance Trends and 2026 Strategic Actions CEO Transition Plan Reviewed manpower reports. Oversight on the transformation of HR system (HeRO) and Employee Value Proposition (EVP).
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	<ul style="list-style-type: none"> Oversight of the People Empowerment and SBC Retirement Committees.
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RISK OVERSIGHT COMMITTEE

Function	<p>The Risk Oversight Committee (ROC) is responsible for the approval and oversight of the Enterprise Risk Management (ERM) framework and program of the Bank and its Subsidiaries, including its implementation by management.</p> <p>The ROC also:</p> <ol style="list-style-type: none"> Approves and oversees adherence to the SBC Group's Risk Appetite Policy, including risk appetite statements, risk appetite levels, and risk tolerance limits. In approving the group's risk appetite, it takes into account the business environment, regulatory landscape, and the group's long-term interests, overall business objectives, and the group's ability to manage risk. Oversees the development, approval and implementation of policies and frameworks pertaining to risk management throughout the group. Defines the organizational responsibilities of the risk management function following the three (3) lines of defense framework. The business line functions represent the first line of defense; the risk management and compliance groups as second line of defense; and the internal audit as third line of defense.
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Composition	Attendance	Percentage
Enrico S. Cruz – Chairman (Independent Director)	14	100%
Esther Wileen S. Go – Vice Chairperson (Independent Director)	14	100%
Cirilo P. Noel	9	64%
Jikyeong Kang (Independent Director)	12	86%
Maria Cristina A. Tingson*	13	93%
Napoleon L. Nazareno*** (Independent Director)	11	79%
Juichi Umeno**	4	80%
Hirofumi Umeno*	7	78%

*Term as Director ended 28 April 2025
 **Appointed as ROC member effective 29 April 2025
 ***Deceased dated March 23, 2026

Number of meetings in 2025: 14

Accomplishments	<ul style="list-style-type: none"> Strengthened the Bank's risk management by enhancing credit, market, liquidity, environmental & social, and operational risk policies/frameworks, including the Enterprise Risk Management Framework and Risk Appetite Policy, to reinforce regulatory alignment, further embed risk culture, and support the Bank's strategic direction. Reviewed and approved core trading activities, risk limits, and business risk oversight measures, thereby upholding disciplined risk-taking practices and ensuring robust market and liquidity risk governance across the institution. Approved various credit, market, liquidity, and operational risk policies to strengthen risk management practices and align with regulatory changes, such as: <ol style="list-style-type: none"> Credit Risk policies across retail, SME/BBS, and wholesale portfolios covering updates to credit assessment standards, scorecard and cut-off strategies, credit test rollouts, and revisions to approving authorities, documentation requirements, and classification and impairment methodologies, among others. Market and Liquidity Risk policies involving updates to trading book and investment limits, enhancements to liquidity and capital trigger frameworks, improvements to IRRBB assumptions, and updates to the Bank's Business Model Policy to support sound balance sheet management. Operational Risk policies comprising updates to the Fraud Risk Management Framework, Business Continuity Management Framework, Crisis Management Framework, Operational Risk Management Framework, Internal Control Framework, and Information Security Policy, among others, complemented by the introduction of the new Operational Resilience Framework. Model development and recalibration initiatives encompassing updates to ECL models, scorecards, risk-measurement methodologies, and Model Risk Management Policies to ensure robust and data-driven quantitative risk oversight. Enhancements to monitoring, limit structures, and reporting for market, liquidity, credit, and operational risks within the Trust Division and subsidiary entities. Approved and endorsed for confirmation of the Board the Contingency Funding Plan, Recovery Plan, and ICAAP-related submissions reinforcing the Bank's overall resilience posture.
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INFORMATION SECURITY RISK MANAGEMENT COMMITTEE

Function	<p>Management Committee (ISRM) is responsible for the oversight and maintenance of the SBC's Information Security Strategic Plan (ISSP) and Information Security Program (ISP). The ISRM ensures that emerging technology and fraud risks associated with customer accounts are addressed through comprehensive and proactive measures. This includes regular reviews, updates, and the implementation of best practices to safeguard the Bank's information assets. Additionally, the committee oversees the management of Information Technology (IT) risks, ensuring that all technological aspects are secure and resilient against potential threats.</p> <p>The ISRM shall also:</p> <ul style="list-style-type: none"> • Oversee, review, and approve the development, implementation, and annual update of SBC's ISSP and ISP, including all related security policies. • Provide guidance in the development of the Bank's policies, risk appetite and limits relevant to the management of technology, information security and business continuity risks, ensuring that current and emerging risk exposures are consistent with the Bank's strategic direction and overall risk appetite. • Receive, review, and provide inputs to reports of significant risk issues identified by management and ensure that said risks are promptly assessed, mitigated, or corrected, and monitored. • Periodically review the Bank's contingency/ crisis management plans, business continuity and disaster recovery plans with Management to ensure operational resiliency. • Ensure that the Information Security Risk Management function has adequate staff and resources and carry out their responsibilities independently, objectively, and effectively. • Mandate risk awareness training for all employees, appropriate to their positions, and ensure these skills are maintained as required.
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Composition	Attendance	Percentage
Esther Wileen S. Go – Chairperson (Independent Director)	11	100%
Napoleon L. Nazareno*** – Vice Chairman (Independent Director)	8	73%
Enrico S. Cruz (Independent Director)	11	100%
Maria Cristina A. Tingson	9	82%
Juichi Umeno**	3	75%
Hirofumi Umeno*	6	86%

*Term as Director ended 28 April 2025

**Appointed as ISRM member effective 29 April 2025

*** Deceased dated March 23, 2026

Number of meetings in 2025: 11

Accomplishments	<ul style="list-style-type: none"> • Approval of the ISSP and ISP to align with the evolving regulatory environment and Bank strategy. • Overseeing Key Risk Indicators (KRIs) intended to measure and aid the management of information security and technology risks. Effective monitoring of identified high and medium-risk items from key business processes, including project and change management activities, to ensure effective risk management and mitigation. • Guiding Management in continuous assessment and adoption of strategies to address evolving threats and vulnerabilities. • Supervised the Bank in maintaining certification compliance with ISO 27001:2022 Information Security Management Systems (ISMS), ensuring adherence to the highest standards of information security. • Guided the implementation of the ISSP and ISP to align with the Bank's business goals and objectives. Areas of key input include the following: <ul style="list-style-type: none"> - Information Security and Technology Risk Management - Application Security / Patch Management - Identity and Access Management - Asset Inventory Management - ATM Security Management - Information Security Projects and continuous improvement - Business Continuity Risk and Program Management • Directed the alignment with the Zero Trust Framework, minimizing security risks and ensuring robust protection of sensitive data and systems throughout the Bank's technology growth. • Supported the Bank's achievement of maintaining the certification compliance with ISO 22301:2019 Business Continuity Management Systems (BCMS). • Reviewed IS/IT and fraud incidents impacting the Bank's operations, challenged root cause, and formulated sustainable action plans to address them.
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SENIOR CREDIT COMMITTEE

Function	The highest credit decision-making body in the Bank and works closely with the ROC in managing the overall credit risk of the Bank. The committee reviews and approves proposals and facilities related to credit, except for Directors, Officers, Stockholders and. Related Interests (DOSRI) and material related party transactions (RPT) accounts. It also approves remedial and/or recovery strategies of the Bank for identified problem loan accounts.
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Composition	Attendance	Percentage
Maria Cristina A. Tingson – Chairperson	49	100%
Stephen G. Tan – Vice Chairman (Independent Director)	48	98%
Sanjiv Vohra	40	82%
Cirilo P. Noel	36	73%
Juichi Umeno*	15	94%
Hirofumi Umeno**	26	79%
Enrico S. Cruz – Independent Director (non-voting)	48	98%

*Term as Director ended 28 April 2025

**Appointed as SCC member effective 29 April 2025

Number of meetings in 2025: 49

Accomplishments	Reviewed and approved credit transactions over authority limits of Credit Committee.
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TRUST COMMITTEE

Functions	The Trust Committee is a special committee that reports directly to SBC's Board and is primarily responsible in overseeing the Trust, IMA and Other Fiduciary businesses of the Bank through its Trust and Asset Management Group (TAMG), including the oversight of investments of funds and assets contributed to and held by these Trust, IMA and Other Fiduciary accounts.
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Composition	Attendance	Percentage
Diana P. Aguilar – Chairperson	6	100%
Jose Perpetuo M. Lotilla - Vice Chairman (Independent Director)	5	83%
Maria Cristina A. Tingson	6	100%
Sanjiv Vohra	3	50%
Maricar R. Lopez – Trust Officer	6	100%

Number of Meetings in 2025: 6

Accomplishments	<p>1. Convened six (6) TC meetings in 2025 and discussed the following matters with end goals that included:</p> <ul style="list-style-type: none"> • Updating the TC on the performance (AUM, Profitability and Business Drivers) of TAMG and allow the TC to recommend processes and ways to improve its profitability and operational efficiency; • Updating the TC on Market conditions, views and outlook of the Investments' Team and giving its recommendation on improving return performance; • Updating the TC of new laws or BSP Regulations that affect the business (e.g. CMEPA Law); • Reviewing TAMG's business model from time to time, considering the product profitability, standard fees and trust products to offer given market developments and industry landscape; • Updating the TC on Compliance and Risk matters arising out of TAMG investment and fiduciary activities; • Updating the TC on the results and status of external, internal and regulatory audit related matters, Account Governance report on document deficiencies, results of administrative and investments' review of accounts managed and administered by TAMG; • Reporting the status of TAMG's sales, account servicing and business initiatives, status of accounts generation, product profitability and the Group's industry ranking; and • Update the TC members on queries raised by the Committee including updates on action items committed by TAMG that were raised and discussed during the previous meeting. <p>2. Approved the following:</p> <p>a. AFS, Budget and Organizational Structure</p> <ul style="list-style-type: none"> ○ TAMG's Audited Financial Statements (Consolidated for Trust, IMA, Other Fiduciary Accounts); and ○ TAMG's 2026 Budget, AUM size, Profitability and Changes in Trust Group's Organizational Structure including manpower count. <p>b. Policies:</p> <ul style="list-style-type: none"> ○ Establishment of a UITF Framework and UITF Committee; ○ Changes in the Group's PSRL and SRL limits; ○ UITF NAVPU Error Threshold of TAMG's Money Market funds; ○ Benchmark of High Dividend Fund; and
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	<ul style="list-style-type: none"> ○ Other amendments and enhancements of TAMG’s policies including amendments to i) Loan Policies/Accreditation of Borrowers; ii) Policies on Loss Monitoring in the Trust Risk Manual and iii) amendments to the Trust Committee Charter. <p>c. New Products: New SB UITFs: i) SB Dollar Money Market Fund and ii) SB Peso Emerging Leaders Equity Fund;</p> <p>d. Related Party Transactions that included:</p> <ul style="list-style-type: none"> ○ SBC as Counterparty and Debt Issuer, including the Fixed Rate Corporate 5-year Bonds; ○ Confiar Land Corporation as Equity Issuer; ○ MUFG as Counterparty; ○ Jobin SQM, Inc. as Borrower; ○ SB Equities as Counterparty; ○ SB Rental as Borrower; and ○ SBM Leasing as Borrower <p>e. BAUs:</p> <ul style="list-style-type: none"> ○ Accreditation of new Debt and Equity Issuers and revalidation of existing Debt, Equity Issuers and ETFs; and ○ Minutes of all Trust Committee Meetings held in 2025. <p>3. Provided guidance to TAMG on the following:</p> <ul style="list-style-type: none"> ● Marketing and sales initiatives, catch-up plans, new products, new regulations and market scanning to help grow the AUM at faster pace; ● Challenges of the Trust and Asset Management business on the back of market trends, competition, market volatilities and how challenges could also be opportunistic for the business; ● Addressing customer and audit concerns and issues; and ● Identified process and policy enhancements from findings on industry and market scan as reported to the Committee.
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TRANSFORMATION AND TECHNOLOGY COMMITTEE

Function	<p>The Transformation and Technology Committee (TTC) oversee the development and implementation of strategy, transformation, innovation and information technology initiatives of the Bank and its subsidiaries and affiliates, in support of the Group’s vision, mission and strategic objectives. Main duties and responsibilities include:</p> <ol style="list-style-type: none"> 1. Advise the Bank in all major strategy, transformation, and information technology initiatives in terms of strategy, culture, process, leadership, technology, and structure. 2. Oversee the strategic transformation, and technology initiatives, including: <ol style="list-style-type: none"> a. Recommending for Board approval the Bank’s Strategy and Transformation Roadmap b. Recommending for Board approval the Bank’s Information technology Architecture and Strategic Plan c. Reviewing proposed strategic, transformation and information technology initiatives and projects for risk, value, potential returns, and support of the Bank’s strategic plans. d. Endorse Major Expenditure Proposals (MEP) related to strategic programs and projects to the Executive Committee (ExCom) and Board. e. Endorse and note all technology-related outsourcing matters for board notation. <i>Note: The Enterprise Control Board (ECB) will approve and endorse technology-related outsourcing agreement before it gets elevated to the TTC.</i> f. Monitoring the implementation and execution of various strategic, transformation and information technology initiatives and projects across the Bank based on goals, cost and benefits defined in the MEP and the SMART goals (Specific, Measurable, Achievable, Relevant, Time-Bound). Scope of programs governed in TTC will be deemed strategic as per classification/definition approved by TTC. 3. Review and approve IT policies. 4. Ensure that a review of IT procedures and standards is performed at least on an annual basis. 5. Report to the Board on the IT performance, status of Strategic projects and associated risks, and other significant issues 6. Appoint members of the Senior Management Team, who will be part of the “Enterprise Control Board (ECB)” that will ensure alignment of the IT projects with the Bank’s Strategic Plan. The TTC shall review and approve the ECB Charter on an annual basis
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Composition	Attendance	Percentage
Esther Wileen S. Go – Chairperson (Independent Director)	13	100%
Jikyeong Kang – Vice Chairperson (Independent Director)	12	92%
Daniel S. Dy	10	77%
Sanjiv Vohra	12	92%
Eduardo M. Olbes* - former Chief Financial Officer	7	88%
Lucose T. Eralil – Chief Operations Officer	12	100%
Allen Alexander Reyes** - Chief Financial Officer	3	60%

*Committee member from January to August 2025

**Appointed as member effective August 2025

Number of Meetings in 2025: 13

Accomplishments	<ul style="list-style-type: none"> • Reviewed proposed strategic, transformation, and information technology initiatives and projects to evaluate risk, value, potential returns, and alignment with the Bank's strategic objectives. • Endorsed Major Expenditure Proposals (MEPs) for strategic programs and projects for approval by the Executive Committee (ExCom) and the Board. • Monitored the implementation and execution of strategic, transformation, and IT initiatives across the Bank, ensuring compliance with defined goals, costs, and benefits outlined in the MEP and SMART objectives (Specific, Measurable, Achievable, Relevant, Time-Bound). • Reviewed and approved IT policies, procedures, guidelines, and standards. • Reported to the Board on IT performance, strategic project status, associated risks, and other significant issues. • Reviewed and approved the amendments of the ECB charter. No major changes to the TTC Charter for 2025. • Endorsed and note all technology-related outsourcing matters for board notation which has been approved by the Enterprise Control Board (ECB)
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c. Any deviation from the company's Manual of Corporate Governance. It shall include a disclosure of the name and position of the person/s involved, and the sanction/s imposed on said individual

The Bank is in full compliance with its Manual of Corporate Governance.

d. Any plan to improve corporate governance of the company

The Group is in full compliance with the provisions of the Board-approved Manual of Corporate Governance which is a compilation of policies on the compliance system, ensuring disclosure and transparency to uphold the rights of the Bank's stakeholders. The Bank's Manual on Corporate Governance is also being reviewed annually or as the need arises for possible revision, to conform with best market practices on corporate governance or comply with new rules and regulations issued by any regulatory body.

Likewise, the Bank complies with the requirements of the SEC, BSP, and PSE as embedded in its responses to the IACGR submitted to the SEC on a yearly basis. The Bank also participates in the Annual ASEAN Corporate Governance Scorecard (ACGS) initiative which assesses and ranks publicly-listed corporations based on its corporate governance practices. In October 2025, the Bank received a three golden arrow recognition award as a testament to its performance in the 2024 assessment.

On April 29, 2025, members of the Board as well as advisors and senior officers of the Bank attended the Annual Corporate Governance Training Program, a four-hour session facilitated by the Institute of Corporate Directors.

The Bank also has a dedicated Corporate Governance head under the Compliance team to help address corporate governance issues.

PART V - EXHIBITS AND SCHEDULES

ITEM 14. EXHIBITS AND REPORTS ON SEC FORM 17-C

(a) Exhibits - Please refer to the Index to Exhibits on page 57.

The other exhibits as indicated in the Exhibit Table of Revised Securities Act Forms are either not applicable to the Bank or require no answer.

(b) Reports on SEC Form 17-C

The following reports on SEC Form 17-C were filed in the last six months of 2025 and in the first quarter of 2026:

DATE	ITEM
7/1/2025	[Amend] Resignation, Promotion, and Change of Designation of Senior Officers
7/29/2025	Press Release entitled "Security Bank announces new CFO and Head of Wealth Segment"
7/29/2025	Retirement, Hiring and Change of Designation of Senior Officers
8/12/2025	Notice of Analysts'/Investors' Briefing
8/12/2025	Resignation and Change of Designation of Senior Officers
8/12/2025	Press Release entitled "Security Bank appoints Jim Yap to lead Financial Markets & Wealth Business Segment"
8/13/2025	Press Release entitled "Security Bank H1-2025 total revenues grew 23% year-on-year to PHP31.6 billion and net profit up 8% to PHP5.9 billion"

DATE	ITEM
8/13/2025	Quarterly Report
8/15/2025	Balance Sheet (Consolidated and Bank Proper) as of June 30, 2025
8/28/2025	[Amend] Security Bank's purchase of 25% ownership stake in HC Consumer Finance Philippines, Inc.
9/5/2025	Resignation and Retirement of Senior Officers
9/22/2025	Press Release entitled "Security Bank offers 5Y peso bonds".
9/30/2025	Press Release entitled " Security Bank announces leadership transition and appointment of next CEO"
10/28/2025	Hiring of a Senior Officer
10/28/2025	Cash Dividend Declaration - Common Shares
10/29/2025	Press Release entitled "Security Bank issues PHP21.0 billion worth of Corporate Bonds due 2030"
11/7/2025	Notice of Analysts'/Investors' Briefing
11/14/2025	Press Release entitled "Security Bank total revenues grew 22% year-on-year to PHP48.8 billion and net profit up 7% to PHP9.1 billion in first nine months of 2025"
11/14/2025	Quarterly Report
11/17/2025	Balance Sheet (Consolidated and Bank Proper) as of September 30, 2025
12/18/2025	Resignation of a Senior Officer
1/2/2026	Change in Directors and/or Officers
1/2/2026	[Amend] Hiring of a Senior Officer
1/14/2026	[Amend] Change in Directors and/or Officers
1/27/2026	Change in Directors and/or Officers
1/27/2026	Notice of Annual Stockholders' Meeting
2/2/2026	Change in Directors and/or Officers
2/20/2026	Change in Directors and/or Officers
2/23/2026	Balance Sheet (Consolidated and Bank Proper) as of December 31, 2025
2/24/2026	Cash Dividend Declaration - Preferred Shares (not listed) and Repricing of Second Tranche of Preferred Shares (not listed)
2/24/2026	Nominees to the Board of Directors of Security Bank Corporation for election by the shareholders on the 28th of April 2026, Annual Stockholders' Meeting
2/25/2026	Notice of Analysts'/Investors' Briefing
3/2/2026	Audited Financial Statements of the Group as of December 31, 2025 and 2024 and for the years ended December 31, 2025, 2024 and 2023
3/2/2026	Press Release entitled "Security Bank delivers 26% growth in operating profit before provisions in 2025. Revenues at PHP66.9B; net profit at PHP11.6B"
3/25/2026	Disclosure of the passing of Mr. Napoleon L. Nazareno, a member of the Board of Directors of Security Bank Corporation

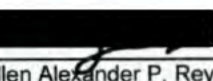
SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on 13 APR 2020


By:




Lee Meng Teck Victor
President & Chief Executive Officer



Allen Alexander P. Reyes
Chief Financial Officer






Joel Raymond R. Ayson
Corporate Secretary



Milarey M. Wee
Controller

13 APR 2020

SUBSCRIBED AND SWORN to before me this _____, affiants exhibiting to me their Passport, as follows:

NAMES	ID NUMBERS	DATE OF ISSUE	PLACE OF ISSUE
Lee Meng Teck Victor		January 22, 2024	Singapore
Allen Alexander P. Reyes		May 17, 2022	Manila City
Joel Raymond R. Ayson		March 19, 2019	Manila City
Milarey M. Wee		May 21, 2019	Manila City

Doc. No. 422
Page No. 14
Book No. VI
Series of 2020

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A _____
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MCLE Compliance No. VIII-0036850; 05-29-2025; Pasig City
20/F SECURITY BANK CENTRE, 6776 AYALA AVE., MAKATI CITY



INDEX TO EXHIBITS

Form 17-A Item 14

Exhibit Number		Page
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(4)	Table of Organization	69

EXHIBIT (1): SUBSIDIARIES AND AFFILIATES OF THE REGISTRANT

Security Bank Corporation's subsidiaries, joint ventures and associate include:

Subsidiaries	Percentage Ownership
Security Bank Capital Investment Corporation (SBCIC) (formerly SB Capital Investment Corporation) ¹	100.00%
SB Rental Corporation (SBRC)	100.00%
SB Equities, Inc. (SBEI)	100.00%
SB Cards Corporation (SBCC) ²	100.00%
SB Forex, Incorporated (SBFI) ³	100.00%
Security Finance and Leasing Inc. (SFLI) (formerly Landlink Property Investments (SPV-AMC), Inc.) ⁴	100.00%
Joint Ventures	
SBM Leasing, Inc. (SBML)	60.00%
SB Finance, Inc. (SBF) (formerly SB Finance Company, Inc.)	49.96%
Mitsubishi Motors Finance Philippines, Inc. (MMFP) ⁵	49.00%
Associate	
HC Consumer Finance Philippines, Inc. (HCPH)	25.00%

¹ With SEC approval on November 12, 2024 to change corporate name

² Corporate term ended on December 31, 2024, for processing of tax clearance

³ Corporate term ended on February 28, 2022, with clearance from BIR dated February 4, 2026

⁴ With BOD approval in 2024 to shorten corporate life on December 31, 2025, awaiting approval from SEC

⁵ Incorporated January 21, 2025

EXHIBIT (2): LIST OF BANK-OWNED BRANCHES AS OF DECEMBER 31, 2025

	BRANCH	ADDRESS
1	ALABANG	235 MONTILLANO ST., ROTONDA ALABANG-MUNTINLUPA MM
2	ANGELES	SBC BUILDING, MC. ARTHUR HIGHWAY, BALIBAGO, ANGELES CITY
3	BACOLOD NORTH DRIVE	SBC BLDG., BS AQUINO DRIVE CORNER HILADO EXTENSION, BACOLOD CITY
4	BAGUIO	SBC BLDG., CORNER CHUGUM AND ABANAO STS., BAGUIO CITY
5	BATANGAS	RIZAL AVENUE NEAR COR. P. ZAMORA ST., BATANGAS CITY
6	BF HOMES - PARANAQUE	SBC BLDG., PRESIDENT'S AVENUE, BF HOMES, PARANAQUE CITY
7	BF PARANAQUE - AGUIRRE	NO. 178 AGUIRRE AVENUE, BF HOMES, PARANAQUE CITY
8	BINAN	NATIONAL HIGHWAY, BARRIO SAN VICENTE, BINAN, LAGUNA
9	CAGAYAN DE ORO - OSMENA	SERGIO OSMENA ST., CAGAYAN DE ORO CITY
10	CAGAYAN DE ORO - VELEZ	A. VELEZ CORNER MONTALBAN ST., CAGAYAN DE ORO CITY
11	COMMONWEALTH	SBC BLDG., LOT 10, BLOCK 9, COMMONWEALTH AVENUE, QUEZON CITY
12	CONCEPCION	612 JP RIZAL ST., CONCEPCION, MARIKINA CITY
13	DAGUPAN	SBC BLDG., MH DEL PILAR ST., DAGUPAN CITY
14	DASMARINAS	GEN. EMILIO AGUINALDO HIGHWAY, DASMARINAS, CAVITE
15	DAVAO - MAIN (MAGSAYSAY)	NO. 358 R. MAGSAYSAY AVENUE, DAVAO CITY
16	DAVAO - MONTEVERDE	MONTEVERDE CORNER BRUNO GEMPESAW STS., DAVAO CITY
17	DAVAO - PANABO	QUEZON BLVD., PANABO CITY, DAVAO DEL NORTE
18	DEL MONTE	G/F SBC BLDG., LOT 19, BLK. 344 DEL MONTE AVE., QUEZON CITY
19	EDSA MAGALLANES	EDSA COR. MAGALLANES AVE., BRGY. MAGALLANES, MAKATI
20	GENERAL SANTOS	LOT 1341 IRENEO SANTIAGO BLVD., GEN. SANTOS CITY
21	GUADALUPE	NO. 2185 MAGSAYSAY ST., GUADALUPE, MAKATI CITY
22	ILIGAN	QUEZON AVENUE CORNER MIGUEL OBACH ST., POBLACION, ILIGAN CITY
23	KALOOKAN	NO. 266 RIZAL AVENUE EXTENSION, BETWEEN 5TH AND 6TH AVE., GRACE PARK, KALOOKAN CITY
24	LIPA	CM RECTO AVENUE, LIPA CITY, BATANGAS
25	MAIN OFFICE BRANCH (MOB)	6776 AYALA AVENUE, MAKATI CITY
26	MALABON	NO. 2 MANAPAT ST CORNER RIZAL AVENUE EXTENSION., MALABON CITY, MM.
27	MEDICAL PLAZA MAKATI	G-103 MEDICAL PLAZA BLDG., DELA ROSA CORNER AMORSOLO STS., MAKATI CITY
28	MONTALBAN	J.P. RIZAL AVE., MANGGAHAN, MONTALBAN, RIZAL
29	NOVALICHES - BAYAN	897 QUIRINO HI-WAY, BRGY. GULOD, NOVALICHES, Q.C.
30	PANDACAN	NO. 2339 PALUMPONG ST., PANDACAN, MANILA
31	PASAY LIBERTAD	LIBERTAD CORNER COLAYCO STS., PASAY CITY
32	PASEO DE ROXAS	CORPORATE BUSINESS CENTER, NO. 151 PASEO DE ROXAS COR. ARNAIZ AVE., M.C
33	ROMAN SQUARE	ROMAN SQUARE BLDG., NO. 979-981 SOLER CORNER ROMAN ST., BINONDO, MANILA
34	ROSARIO	G/F SBC BLDG., GEN. TRIAS DRIVE, ROSARIO, CAVITE
35	SALCEDO	LPL PLAZA BLDG., NO. 124 L. P LEVISTE ST., SALCEDO VILLAGE, MAKATI CITY
36	SAMPALOC	1700 G. TUAZON ST. COR M. DELA FUENTE ST., SAMPALOC, MANILA
37	SAN PEDRO	MABINI STREET, POBLACION, SAN PEDRO, LAGUNA
38	STA. ROSA	BRGY. PULONG, STA. CRUZ, STA. ROSA, LAGUNA
39	SUCAT	SBC BLDG., DR. A. SANTOS AVE. COR. ST. PETER ST., SUCAT, PARANAQUE CITY
40	TAGAYTAY	SBC BLDG., AGUINALDO HIGHWAY, MENDEZ CROSSING, TAGAYTAY CITY
41	TAYTAY - ORTIGAS EXTENSION	SBC BLDG., KM. 23, ORTIGAS AVENUE EXTENSION, TAYTAY, RIZAL
42	TEKTITE	G/F EAST TEKTITE TOWERS, EXCHANGE ROAD., ORTIGAS CENTER, PASIG CITY
43	TUGUEGARAO	A. BONIFACIO CORNER WASHINGTON STS., TUGUEGARAO, CAGAYAN
44	YLAYA - TONDO	NO. 938, YLAYA STREET, TONDO, MANILA CITY
45	ZAMBOANGA	VETERANS AVENUE, ZAMBOANGA CITY.

EXHIBIT (3): LIST OF LEASED BRANCHES AS OF DECEMBER 31, 2025

BRANCH		ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)
1	A. LINAO - PACO	UNITS 1644 AND 1646 ALONG ANGEL LINAO ST., PACO, MANILA	10/26/21	10/25/26	5	909
2	ACROPOLIS	E. RODRIGUEZ JR. AVE. (C-5), LIBIS, QUEZON CITY	04/01/24	03/31/29	5	4,486
3	ADB AVENUE	G/F, AIC EMPIRE TOWER, ADB AVENUE CORNER SAPPHIRE ROAD, ORTIGAS CENTER, PASIG CITY	05/01/22	04/30/27	5	3,010
4	ADRIATICO - FAURA	1326 M. ADRIATICO ST., MANILA	11/01/24	10/31/29	5	3,270
5	ALABANG - ACACIA	G/F KINGSTON TOWER, ACACIA AVE., MADRIGAL BUSINESS PARK, ALABANG, MUNTINLUPA CITY	10/15/21	10/14/26	5	3,773
6	ALABANG - INSULAR	INSULAR LIFE CORPORATE CENTRE, INSULAR LIFE DRIVE, FILINVEST CORPORATE CITY, ALABANG, MUNTINLUPA	04/01/24	03/31/29	5	4,509
7	ALABANG - NORTHGATE	INDO-CHINA DRIVE, NORTHGATE CYBERZONE, FILINVEST, ALABANG, MUNTINLUPA CITY	01/01/21	12/31/25	5	2,403
8	ALICIA - ISABELA	NATIONAL HIGHWAY (MAHARLIKA HIGHWAY), POBLACION, ALICIA, ISABELA	08/01/21	07/31/29	8	947
9	ALI MALL	LEVEL 2 ALIMALL PHASE II, BRGY SOCORRO, CUBAO, QUEZON CITY	10/01/22	09/30/27	5	2,423
10	ANGELES - STO.ROSARIO	Block 14 Lot 12-13 Teresa Ave., Nepo Center, Sto. Rosario, Angeles City	07/16/24	07/15/29	5	2,304
11	ANNAPOLIS - GREENHILLS	G/F GREENHILLS MANSIONS, ANNAPOLIS ST., GREENHILLS, SAN JUAN, MM.	02/01/24	01/31/29	5	3,766
12	ANTIPOLO	M.L Quezon Avenue Extension, San Roque, Antipolo City	05/01/24	04/30/29	5	1,818
13	ARNAIZ AVENUE	920-922 PASAY ROAD, MAKATI CITY	11/15/24	11/14/29	5	2,933
14	ASEANA CITY	ASEANA ONE BUILDING, BRADCO AVENUE, ASEANA CITY, PARAÑAQUE CITY	01/15/21	01/14/26	5	3,261
15	ASEANA SQUARE	UNITS 3 & 4, ASEANA SQUARE BUILDING, MACAPAGAL BLVD., ASEANA CITY, PARAÑAQUE CITY	06/15/22	06/14/27	5	2,627
16	AYALA ALABANG	EL MOLITO BLDG., MADRIGAL BUSINESS PARK, MADRIGAL AVENUE, AYALA ALABANG, MUNTINLUPA CITY	06/01/22	05/31/27	5	10,547
17	AYALA - RUFINO	6797 AYALA AVENUE., MAKATI CITY	10/01/22	09/30/27	5	5,065
18	BACOLOD - LACSON	GROUND FLOOR, INSULAR LIFE BUILDING, LACSON CORNER GALO STREET, BACOLOD CITY	07/01/25	06/30/30	5	1,751
19	BACOLOD - MANDALAGAN	GROUND FLOOR, O RESIDENCES, LACSON STREET, MANDALAGAN, BACOLOD CITY	01/01/21	12/31/25	5	1,071
			01/01/26	12/31/30	5	-
20	BAGUIO BGH ROTONDA	CYA CENTRUM BUILDING, MILITARY CUT-OFF ROAD, BAGUIO CITY	05/01/24	04/30/27	3	1,145
21	BALANGA	CAPITOL DRIVE NEAR CORNER SAMPAGUITA ST., SAN JOSE BALANGA CITY, BATAAN 2100	04/01/17	03/31/27	10	932
22	BALUT	NO. 49 HONORIO LOPEZ BLVD., CORNER ROSARIO NICASIO ST., BALUT, TONDO, MANILA	09/01/22	08/31/27	5	1,461
23	BANAWE - KITANLAD	NOS. 34-36 BANAWE CORNER KITANLAD STS., QUEZON CITY	06/01/25	05/31/30	5	4,104
24	BANAWE-MALAYA (RELOCATION)	MARO RLMC BUILDING, #655 & #663 BANAWE ST., BARANGAY ST. PETER, QUEZON CITY	01/01/23	12/31/27	5	2,178
25	BANAWE - QUEZON AVE.	NO. 247-249 BANAUE STREET, BARANGAY LOURDES, STA. MESA HEIGHTS, QUEZON CITY	11/01/23	10/31/26	3	2,160
26	BANGOY - CHINATOWN	2ND FLOOR, YAHU PLAZA, BANGOY STREET, DAVAO CITY	04/16/21	04/15/26	5	1,667
27	BATINO - CALAMBA	G/F CITY GOLD BLDG., CALAMBA PREMIER INDUSTRIAL PARK COMPLEX - BATINO, CALAMBA, LAGUNA	04/03/23	04/02/26	3	1,194
28	BEL-AIR	NO. 40, JUPITER ST., BEL-AIR, MAKATI CITY	09/08/24	09/07/26	2	1,545
29	MASANGKAY - LA TORRE	1258 MASANGKAY ST. CORNER LA TORRE ST., BARANGAY 263, TONDO, MANILA	10/01/23	09/30/28	5	2,673
30	BF RESORT - LAS PIÑAS	#21 & 23 ONE PRINCEWAY BLDG., BF RESORT DRIVE, BF RESORT VILLAGE, LAS PIÑAS CITY	05/16/22	05/15/26	4	1,704
31	BICUTAN	#39 DONA SOLEDAD AVE., BETTER LIVING, PARAÑAQUE CITY	12/16/23	12/15/33	10	1,173
32	BINONDO	NOS. 463-469 EWAN BLDG., QUINTIN PAREDES ST., BINONDO, MANILA	05/01/21	04/30/26	5	12,839
33	BLUMENTRITT	CHINESE GEN. HOSPITAL, BLUMENTRITT COR. AURORA BLVD., STA. CRUZ, MANILA	09/16/22	09/15/27	5	5,921
34	BOCAUE	MCARTHUR HIGHWAY, WAKAS BOCAUE, BULACAN	02/16/17	03/15/27	10.1	1,382
35	BONI AVENUE	UNIT NO. 3 BONIFACIO RESIDENCES CONDO, 612 BONI AVE. CORNER SIKAP STREET., MANDALUYONG CITY	12/01/25	11/30/30	5	1,598
36	BUENDIA - DIAN	OMRON BUILDING, NO. 40 BUENDIA AVENUE, BRGY. SAN ISIDRO, MAKATI CITY	08/22/22	08/21/27	5	2,819
37	BUKIDNON VALENCIA	SAYRE HIGHWAY, POBLACION, VALENCIA CITY, BUKIDNON	11/22/16	11/21/26	10	1,938
38	BUTUAN	J.C. AQUINO AVE., BUTUAN CITY, AGUSAN DEL NORTE	11/02/21	11/01/26	5	1,405
39	CABANATUAN	DR. D BUILDING, DEL PILAR STREET, CABANATUAN CITY, NUEVA ECIIJA	04/01/25	03/31/30	5	1,483
40	CABANATUAN - MAHARLIKA	KM 112 MAHARLIKA HIWAY, CABANATUAN CITY	06/01/23	05/31/28	5	1,514
41	CALAMBA LISP	MDC BUILDING, NATIONAL HIGHWAY, MALIHAN MANOTO SUBDIVISION, BRGY. REAL, CALAMBA CITY	03/01/16	02/28/26	10	1,055

	BRANCH	ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)
42	CALAMBA CROSSING	NATIONAL HIGHWAY, CROSSING, CALAMBA, LAGUNA	11/01/25	10/31/30	5	2,457
43	CALAPAN	ROXAS DRIVE, BRGY. LUMANGBAYAN, CALAPAN CITY, ORIENTAL MINDORO	12/01/24	12/01/29	5	1,621
44	CALOOCAN-10TH AVE.	UNIT 488-490, RIZAL AVENUE EXT. COR, 10TH AVENUE, CALOOCAN CITY	05/01/25	04/30/30	5	1,718
45	CALOOCAN-A. MABINI	GF, ONE ASTER PLACE, A. MABINI STREET, CALOOCAN CITY	09/04/25	09/03/28	3	1,763
46	CAPITOL HILLS	FAIRWAY RESIDENCES CONDO - CAPITOL HILLS DRIVE CORNER ALPHA ROAD, CAPITOL HILLS, QUEZON CITY	10/01/22	09/30/27	5	3,620
47	CARMELRAY I	THE JUNCTION STRIP MALL WISDOM AVENUE CORNER KNOWLEDGE AVENUE, CARMEL TOWN, CANLUBANG, CALAMBA, LAGUNA	05/01/21	04/30/26	5	1,899
48	CARMELRAY II	UNIT 4, ADMIN. BUILDING, CARMELRAY INDUSTRIAL PARK II, CALAMBA, LAGUNA	04/01/24	03/31/27	3	1,470
49	CARMONA	GROUND FLOOR 88 BUILDING, GOVERNOR'S DRIVE, MADUYA, CARMONA, CAVITE	07/30/21	07/29/26	5	799
50	CATARMAN	G.H. DEL PILAR CORNER MARCOS STS., CATARMAN, NORTHERN SAMAR	09/01/22	08/31/29	7	942
51	CAUAYAN	#076 MAHARLIKA HIGHWAY, CAUAYAN CITY, ISABELA	07/01/16	06/30/26	10	1,296
52	CDO - GEORGE TOWN CYBERMALL	GEORGETOWN CYBERMALL, RODOLFO PELAEZ BLVD., KAUSWAGAN, CAGAYAN DE ORO	08/01/23	07/31/28	5	2,037
53	CDO - LIMKETKAI	1ST LEVEL, EAST CONCOURSE ANNEX BLDG., LIMKETKAI MALL, CAGAYAN DE ORO CITY	08/22/24	07/31/27	2.9	2,694
54	CEBU A.S. FORTUNA	TPR BUILDING, A.S. FORTUNA ST., BANILAD, CEBU CITY	04/25/24	04/25/29	5	1,181
55	CEBU BUSINESS PARK	MINDANAO AVE., CEBU BUSINESS PARK, CEBU CITY	08/15/22	08/14/27	5	5,051
56	CEBU DANA O	PRINCETOWN DANA O, JUAN LUNA STREET, DANA O CITY, CEBU	03/01/24	02/28/26	2	718
57	CEBU JUAN LUNA	PLARIDEL STREET CORNER OSMENA BOULEVARD, CEBU CITY	03/17/23	03/16/26	3	881
58	CEBU MACTAN	ISLAND CENTRAL MACTAN IT COMPLEX, MACTAN ECONOMIC ZONE, M.L. QUEZON NATIONAL HIGHWAY, PUSOK, LAPU-LAPU CITY, CEBU	01/07/22	01/06/27	5	2,063
59	CEBU OSMENA	OSMENA BOULEVARD, CEBU CITY	08/01/24	07/31/29	5	3,360
60	CHINO ROCES - DON BOSCO	2225 CHINO ROCES AVENUE COR DON BOSCO ST., MAKATI	05/01/23	04/30/28	5	2,776
61	CLARK - ANGELES	UNIT 03, GROUND FLOOR, CLARK CENTER 10, BERTHAPHIL III, JOSE ABAD SANTOS AVENUE, CLARK FREEPORT, PHILIPPINES, CLARK FREEPORT ZONE, PHILIPPINES	05/01/19	04/30/29	10	1,658
62	CLARK - MEDICAL CITY	100 GATWICK GATEWAY, SABAH AL-AHMAD, GLOBAL GATEWAY LOGISTICS CITY, INDUSTRIAL ESTATE 5, CLARK FREEPORT ZONE, PAMPANGA	06/16/20	06/15/30	10	2,542
63	CONGRESSIONAL	CONGRESSIONAL AVENUE CORNER EDSA, QUEZON CITY	12/08/25	12/07/30	5	1,965
64	CONGRESSIONAL TOWER	CONGRESSIONAL TOWN CENTER, NO. 23 CONGRESSIONAL AVENUE, BRGY. BAHAY TORO, QUEZON CITY	10/17/23	10/16/28	5	2,036
65	CONNECTICUT	NORTHEAST SQUARE BLDG., #47 CONNECTICUT STREET, NORTHEAST GREENHILLS, SAN JUAN CITY	09/01/22	08/31/32	10	3,262
66	CUBAO	QUEZON THEATER BLDG., GEN. ROXAS ST., ARANETA CENTER, CUBAO, QUEZON CITY	11/01/21	10/31/26	5	2,766
67	DAGUPAN - LUCAO	DAGUPAN-BINMALEY ROAD, LUCAO DISTRICT, DAGUPAN CITY, PANGASINAN	05/01/16	04/30/26	10	1,188
68	DASMARIÑAS - FCIE	GOVERNOR'S DRIVE, DASMARIÑAS, CAVITE	10/01/24	09/30/29	5	1,740
69	DAVAO - BAJADA	BI ZONE - PHASE 2, J. LAUREL AVE., BAJADA, DAVAO CITY	10/01/23	09/30/28	5	2,290
70	DAVAO - LANANG	J.P. LAUREL AVE., INSULAR VILLAGE, PHASE 2, LANANG, DAVAO CITY	07/01/22	06/30/27	5	1,541
71	DAVAO - RIZAL	GF, PHILAM LIFE BUILDING, JP RIZAL STREET, POBLACION DAVAO CITY	04/01/22	03/31/27	5	1,320
72	DAVAO - TORIL	MARS BUILDING, SAAVEDRA STREET, TORIL, DAVAO CITY	05/15/23	05/14/28	5	1,069
		MARS BUILDING, SAAVEDRA STREET, TORIL, DAVAO CITY (expansion area)	10/02/24	05/14/28	3.6	315
73	DELA ROSA	G/F KING'S COURT II BLDG., 2129 PASONG TAMO COR. DELA ROSA STS., MAKATI CITY	04/01/23	03/31/28	5	5,527
74	DIGOS	POBLACION, DIGOS CITY	06/01/23	05/31/28	5	1,202
75	DILIMAN - MATALINO	NO. 24 MATALINO ST., BRGY CENTRAL, DIST IV, QUEZON CITY	07/02/23	07/01/28	5	2,741
76	DIPOLOG	QUEZON AVENUE, DIPOLOG CITY	08/20/13	08/19/28	15	486
77	DIVISORIA	PASILIO A. LEDESMA BLDG., NO. 853 TABORA ST., BINONDO, MANILA	07/01/22	06/30/27	5	1,251
78	DIVISORIA - STO. CRISTO	STO. CRISTO STREET, MANILA	05/02/24	05/02/29	5	1,649
79	DON ANTONIO HEIGHTS	UNIT 2 L24, B6 DON ANTONIO HEIGHTS, HOLY SPIRIT DRIVE, BRGY HOLY SPIRIT, QUEZON CITY	08/05/21	08/04/26	5	2,737

BRANCH	ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)	
80	DUMAGUETE	PORTAL WEST BLDG., SILLIMAN AVE. COR. HIBBARD AVENUE, DUMAGUETE CITY	02/01/24	01/31/27	3	1,780
81	E. RODRIGUEZ	UNIT NO. 6, GF ATHENS TOWER, THE CAPITAL TOWERS, E. RODRIGUEZ SR. AVENUE, QUEZON CITY	04/01/24	03/31/29	5	1,880
82	E. RODRIGUEZ - NEW YORK AVE..	1791 E. RODRIGUEZ SR. AVE., NEAR CORNER NEW YORK STREET., QUEZON CITY	12/01/22	11/30/25	3	2,178
			12/01/25	12/31/30	5	-
83	E. RODRIGUEZ - SLMC	UNITS 104 TO 107 MAB, ST. LUKES MEDICAL CENTER E. RODRIGUEZ SR. AVENUE, QUEZON CITY	06/01/22	05/31/27	5	3,971
84	EASTWOOD	UNIT LG-3-5 TO UNIT LG 3-6, GROUND FLOOR, LE GRAND 3, E-COMMERCE AVENUE, EASTWOOD, QUEZON CITY	05/01/25	04/30/28	3	3,688
85	EDSA CALOOCAN	512 EDSA NEAR CORNER URBANO PLATA ST., CALOOCAN CITY	09/16/24	09/15/29	5	754
86	ELCANO	PSA BLDG. ELCANO CORNER SAN NICOLAS ST., BINONDO, MANILA	03/01/21	02/28/26	5	2,475
87	EMERALD AVENUE	G/F, THE TAIWAN PLACE, EMERALD AVE., ORTIGAS CENTER, PASIG CITY	09/01/24	08/31/29	5	3,428
88	ERMITA	UN AVE. CORNER BOCOBO & CHURUCCA STS., ERMITA, MANILA	07/01/21	06/30/26	5	2,292
89	ESPAÑA BOULEVARD	1880 ESPAÑA BOULEVARD SAMPALOC, MANILA	07/16/21	07/15/26	5	2,242
90	EVANGELISTA QUIAPO	450 EVANGELISTA COR. PATERNO ST., STA. CRUZ, MANILA	02/15/12	02/14/27	15	1,620
91	FAIRVIEW COMMONWEALTH	B2 L21 COMMONWEALTH AVE., FAIRVIEW, QUEZON CITY	10/15/24	10/14/29	5	1,758
92	FORT BONIFACIO - INFINITY	G/F, THE INFINITY TOWER, 26TH ST., FORT BONIFACIO GLOBAL CITY, TAGUIG CITY, MM.	07/15/25	07/14/28	3	4,252
93	FORT BONIFACIO - NET CUBE	G/F, NET CUBE, 3RD AVE. COR. 30TH ST., E' SQUARE ZONE, FORT BONIFACIO, GLOBAL CITY, TAGUIG	09/15/25	09/14/30	5	6,211
94	FORT BONIFACIO - SLMC	G/F MEDICAL ARTS BLDG., SLMC-GLOBAL CITY, FORT BONIFACIO GLOBAL CITY, TAGUIG	08/01/24	07/31/29	5	5,005
95	FORT FAIRWAYS	G/F, FAIRWAYS TOWER, MCKINLEY CORNER 5TH AVENUE, BONIFACIO GLOBAL CITY, TAGUIG CITY	05/01/24	04/30/29	5	2,809
96	FORT GRAND HAMPTONS II	GROUND FLOOR, GRAND HAMPTONS TOWER 2, 1ST AVENUE CORNER 31ST STREET, FORT BONIFACIO GLOBAL CITY, TAGUIG CITY	07/01/24	06/30/29	5	1,989
97	FORT BONIFACIO - NAC TOWER	NAC TOWER, 32ND STREET, BONIFACIO GLOBAL CITY, TAGUIG	03/15/23	03/14/28	5	5,599
98	FORT - PANORAMA	PANORAMA TOWER 34TH ST CORNER LANE A BONIFACIO GLOBAL CITY, TAGUIG CITY	06/01/16	05/30/26	10	4,424
99	FORT TRIANGLE DRIVE - RELOCATION	GF UNIT 103, BRILLIANCE CORPORATE CENTER, 40TH AVENUE CORNER 11TH STREET, BONIFACIO GLOBAL CITY	01/01/25	12/31/29	5	4,703
100	FORT-W CITY CENTER	GF-UNIT B, W CITY CENTER, 7TH AVENUE COR. 30TH STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY	10/16/21	10/15/26	5	10,682
101	FPIP - STO. TOMAS	UNIT 007, G/F OASIS COMMERCIAL CENTER, FPIP - SPECIAL ECONOMIC ZONE, R.S. DIAZ AVENUE, BRGY. STA. ANASTACIA, STO. TOMAS, BATANGAS	07/14/21	07/13/26	5	1,533
102	G. ARANETA AVENUE	NO. 128 G. ARANETA AVENUE. BRGY. DOÑA IMELDA, QUEZON CITY	12/01/23	11/30/26	3	1,823
103	GENERAL SANTOS NATIONAL HIGHWAY	LOT 1341 IRENEO SANTIAGO BLVD., GEN. SANTOS CITY	09/15/17	09/14/27	10	1,033
104	GENERAL TRIAS	G/F DIVINE GRACE MEDICAL HOSPITAL BYPASS ROAD, BRGY. TEJERO, GEN. TRIAS, CAVITE	08/15/22	08/14/27	5	1,412
105	GIL PUYAT	UNIT 101 A, G/F, OPPEN BUILDING, 349 SEN. GIL J. PUYAT AVENUE, MAKATI CITY	02/01/24	01/31/29	5	4,436
106	GRAMERCY	G/F GRAMERCY RESIDENCES, KALAYAAN AVE., MAKATI CITY	02/01/23	01/31/26	3	1,903
107	GREENHILLS WEST	QUADSTAR BLDG., NO. 80 ORTIGAS AVE. GREENHILLS, SAN JUAN	10/01/22	09/30/27	5	2,829
108	GUADALUPE COMMERCIAL COMPLEX	G/F EXCHANGE BLDG.,NO. 107 V.A RUFINO HERRERA BOLANOS & ESTEBAN STS. LEGASPI VILLAGE, MAKATI CITY	12/01/21	11/30/26	5	2,268
109	HERRERA	G/F EXCHANGE BLDG.,NO. 107 V.A RUFINO HERRERA BOLANOS & ESTEBAN STS. LEGASPI VILLAGE, MAKATI CITY	02/19/25	02/18/30	5	4,071
110	H.V. DELA COSTA	G/F ALPHA SALCEDO BLDG., HV DELA COSTA ST., SALCEDO VILLAGE, BRGY. BEL - AIR, MAKATI CITY	08/25/24	08/24/29	5	6,121
111	ILOILO BUSINESS PARK	BPO BUILDING A, FESTIVAL WALK, ILOILO BUSINESS PARK, ILOILO CITY	07/01/21	06/30/26	5	2,931
112	ILOILO - GENERAL LUNA	INSULAR LIFE BUILDING, GENERAL LUNA ST., BRGY. SAN FELIX, MOLO, ILOILO CITY	11/01/20	09/30/26	5.9	1,048
113	ILOILO - IZNART	G/F, JOHN A. TAN BLDG., IZNART ST., ILOILO CITY	12/01/23	11/30/28	5	1,388
114	ILOILO LEDESMA	CHARLY RESOURCES BLDG., CORNER LEDESMA AND QUEZON STS., ILOILO CITY	03/01/21	02/28/26	5	2,352
115	IMUS - RELOCATION	G/F LGC COMMERCIAL BUILDING, PALICO 2, AGUINALDO HIGHWAY, IMUS, CAVITE	09/01/24	09/30/29	5.1	2,323
116	J. ABAD SANTOS	1839 J.ABAD SANTOS ST., TONDO, MANILA	09/01/21	08/31/26	5	1,438
117	JUAN LUNA - BINONDO	514 JUAN LUNA ST., BINONDO, MANILA	07/01/24	06/30/26	2	3,600

	BRANCH	ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)
118	KABANKALAN	MILZA ARCADE 3, J.Y. PEREZ HIGHWAY, BRGY. TALUBANGI, KABANKALAN CITY, NEGROS OCCIDENTAL	04/01/22	03/31/27	5	624
119	KALIBO	NO. 263 ROXAS AVENUE, KALIBO, AKLAN	07/01/25	06/30/30	5	868
120	KAMIAS	1422 KAMIAS RD. CORNER ANONAS EXTENSION, SIKATUNA VILLAGE, Q.C.	01/06/23	01/05/28	5	1,243
121	KARUHATAN	G/F, PRDC BUILDING 257 MC ARTHUR HIGHWAY, KARUHATAN, VALENZUELA CITY	01/01/23	12/31/27	5	1,720
122	KATIPUNAN	G/F TGE XANLAND CONDOMINIUM BUILDING, KATIPUNAN AVENUE, LOYOLA HEIGHTS, QUEZON CITY	04/15/20	12/14/25	5.7	2,759
		GROUND FLOOR, VISTA 309, KATIPUNAN AVENUE, QUEZON CITY (relocation site) - opened on 11/17/25	06/01/25	05/20/30	5	1,688
123	KEYLAND-VALERO	114 VALERO ST., SALCEDO VILLAGE, MAKATI CITY	07/01/25	06/30/30	5	9,946
124	KORONADAL	HOTEL EIGHTY-EIGHT, GROUND FLOOR, GENERAL SANTOS DRIVE, KORONADAL CITY, SOUTH COTABATO	06/16/17	06/15/27	10	1,071
125	LA TRINIDAD	BRGY. PICO, KM. 5 NATIONAL HIGHWAY, LA TRINIDAD, BENGUET	09/02/23	09/01/28	5	2,816
126	LA UNION	G/F KENNY PLAZA, QUEZON AVENUE, SAN FERNANDO CITY, LA UNION	06/06/21	06/05/26	5	900
127	LAGRO	BONANZA PLAZA BLDG., QUIRINO HIGHWAY, LAGRO QUEZON CITY	06/15/24	06/14/29	5	2,039
128	LAOAG	G/F, LC SQUARE, J.P. RIZAL STREET COR. BALINTAWAK, LAOAG CITY	06/01/25	05/31/30	5	1,426
129	LAPU - LAPU	M. L QUEZON NATIONAL HIGHWAY CORNER PATALINHUG AVENUE, PAJO, BRGY. SANGI, LAPU LAPU CITY, CEBU	01/01/25	12/31/27	3	990
130	LEGAZPI	LANDCO BUSINESS PARK, LEGAZPI CITY	04/01/23	03/31/28	5	1,769
131	LEMERY	GF, SOLA GRANDE CENTER, ILUSTRE AVENUE, PALANAS, LEMERY, BATANGAS	03/22/24	03/21/27	3	913
132	LIPA MEDIX HOSPITAL	GF, OLD MAB, LIPA MEDIX HOSPITAL, NATIONAL HIGHWAY, LIPA CITY, BATANGAS	05/01/21	04/30/26	5	2,127
133	LUCENA	DOÑA CRISTINA BLDG., CORNER TAGARO & MERCHANT STS., LUCENA CITY	01/01/23	12/31/25	3	1,559
134	MAGDALENA	NOS. 1025-1027 HLC BLDG., MASANGKAY COR. SOLER STS., BINONDO, MANILA	10/18/22	10/17/27	5	1,548
135	MAKATI AVENUE CONSTELLATION	MAKATI AVENUE CORNER CONSTELLATION STREET., BRGY. BEL - AIR, MAKATI CITY	11/01/25	10/31/30	5	1,966
136	MAKATI AVENUE ZUELLIG	UNIT 2, GROUND FLOOR, ZUELLIG BUILDING, MAKATI AVENUE CORNER PASEO DE ROXAS, MAKATI CITY	03/01/22	02/28/27	5	5,917
137	MALABON - POTRERO	UNITS 8 & 9 G/F MARY GRACE BLDG., 142 MC ARTHUR HIGHWAY, POTRERO, MALABON CITY	02/01/25	01/31/30	5	1,277
138	MALABON - TUGATOG	137 M.H. DEL PILAR ST., BRGY. TUGATOG, MALABON CITY	09/01/25	08/31/30	5	1,132
139	MALATE	M. ADRIATICO CORNER SAN ANDRES ST., MALATE, MANILA	09/01/21	08/31/26	5	891
140	MALINTA	NO. 271 PASO DE BLAS, VALENZUELA CITY	10/01/23	09/30/26	3	755
141	MALOLOS	G/F FELIZA JAZZ BLDG., MC. ARTHUR HIGHWAY, SUMAPANG MATANDA, MALOLOS CITY, BULACAN	05/05/23	05/04/28	5	1,606
142	MANDALUYONG	NO. 360 SHAW CENTER MALL, SHAW BLVD. CORNER NUEVE DE FEBRERO, ADDITION HILLS, MANDALUYONG CITY	10/16/24	10/15/29	5	3,154
143	MANDALUYONG - EDSA	NO. 167 EDSA, MANDALUYONG	04/01/23	03/31/28	5	2,876
144	MANDALUYONG - GREENFIELD	UNITS 7 & 8, LEVEL 1, SOHO CENTRAL, SHAW BOULEVARD., GREENFIELD DISTRICT, MANDALUYONG CITY	05/01/24	05/01/29	5	7,015
145	MANDALUYONG - LIBERTAD	DM GUEVARRA ST. COR. CALBAYOG ST., MANDALUYONG	08/16/23	08/15/26	3	1,383
146	MANDALUYONG - PIONEER	G/F MADISON SQUARE PLAZA, PIONEER CORNER SHERIDAN STREET, MANDALUYONG CITY	12/01/24	11/30/29	5	1,928
147	CEBU MANDAUE	TIPOLO SQUARE, MANDAUE HIGHWAY, TIPOLO, MANDAUE CITY, CEBU	12/15/22	12/14/27	5	1,200
148	MANDAUE NORTH ROAD	NATIONAL HIGHWAY, TABOK, MANDAUE CITY	05/01/22	04/30/27	5	1,553
149	MARIKINA	BAYAN-BAYANAN AVENUE, CONCEPCION, MARIKINA CITY	08/03/21	08/02/26	5	2,866
150	MARIKINA - GIL FERNANDO AVE	B6 L10 ALMON ST., COR GIL FERNANDO AVE, BRGY SAN ROQUE, MARIKINA	04/15/23	04/14/28	5	1,668
151	MARKET MARKET	157-A, G/F, MARKET MARKET MALL, BONIFACIO GLOBAL CITY, TAGUIG, MM.	01/01/25	12/31/25	1	5,351
152	MAYPAJO	APN BLDG., NO. 172 A. MABINI ST., MAYPAJO, KALOOKAN CITY	08/05/23	08/04/26	3	979
153	MCKINLEY HILL	G/F COMMERCE & INDUSTRY PLAZA BLDG., MCKINLEY HILL, FORT BONIFACIO, TAGUIG CITY	02/01/24	01/31/29	5	5,553
154	MEDICAL CITY	G/F MEDICAL ARTS TOWER, THE MEDICAL CITY HOSPITAL., ORTIGAS AVENUE, PASIG CITY	12/05/24	12/03/29	5	3,040
155	MENDIOLA	LA CONSOLACION COLLEGE MANILA, NO. 8 MENDIOLA STREET, SAN MIGUEL, MANILA CITY	10/19/20	10/18/25	5	1,794
			10/19/25	10/18/31	6	472
156	MERALCO AVENUE	G/F SUNTREE TOWER, NO. 13 MERALCO AVENUE, ORTIGAS CENTER, PASIG CITY	11/01/22	10/31/27	5	3,618

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157	MEYCAUAYAN	MEYCAUAYAN COLLEGE BLDG., MC. ARTHUR HIGHWAY, CALVARIO, MEYCAUAYAN, BULACAN	07/22/21	07/21/26	5	972
158	MINDANAO AVENUE	G/F METRO NORTH MEDICAL CENTER & HOSPITAL, MINDANAO AVE., BAHAY TORO, QUEZON CITY	05/01/24	05/01/29	5	1,386
159	MOLINO	G/F EVY BLDG., MOLINO BLVD., MOLINO, BACOR, CAVITE	03/16/11	03/15/26	15	3,037
160	MORGAN SUITES MCKINLEY	GROUND FLOOR, MORGAN SUITES EXECUTIVE RESIDENCES, FLORENCE WAY, MCKINLEY HILL, FORT BONIFACIO, TAGUIG	02/01/24	01/31/27	3	2,954
161	NAGA DIVERSION ROAD	M. ROXAS AVENUE, NAGA CITY, CAMARINES SUR	04/01/23	03/31/26	3	760
162	NAIA TERMINAL 1	2/F ARRIVAL LOBBY, NAIA COMPLEX, PASAY CITY	01/01/25	12/31/25	1	943
163	NAVOTAS	318 NORTHBAY BLVD. SOUTH, NAVOTAS CITY	04/01/24	03/31/27	3	1,179
164	NIEVA	G1 & G2, ASIAN MANSION 2, DELA ROSA COR. NIEVA STS, LEGASPI VILLAGE., MAKATI CITY	12/01/25	11/30/30	5	2,508
165	NINYO AQUINO AVENUE	G/F PAIR - PAGES CENTRE, NAIA COMPLEX., NINYO AQUINO AVE., PARANAQUE CITY	10/01/21	09/30/26	5	2,211
166	NUVO CITY ASPIRE	UNIT D G/F, ASPIRE TOWER AT NUVO CITY, 150 E. RODRIGUEZ JR. AVE., CORNER CALLE INDUSTRIA, BAGUMBAYAN, QUEZON CITY	03/28/24	03/27/29	5	1,891
167	OLONGAPO - RELOCATION	GROUND FLOOR OF JB RICHWELL BUILDING AT RIZAL AVENUE, EAST TAPINAC, OLONGAPO CITY	10/01/25	09/30/30	5	2,668
168	ONE MALL VALENZUELA	6008 GEN. T. DE LEON ST., BRGY. GEN T. DE LEON, VALENZUELA CITY	05/06/22	05/05/27	5	2,656
169	ONGPIN	STRATA GOLD TOWER COND., ONGPIN ST., BINONDO, MANILA	06/15/23	06/14/28	5	4,363
170	ORMOC	NIKO'S ARK BLDG., REAL ST., ORMOC CITY, LEYTE	09/01/24	12/31/25	1.3	983
		AVILES COR. SAN PEDRO STREETS, BARANGAY SOUTH, ORMOC CITY (relocation site) - opened on 07/10/25	01/01/25	12/31/30	6	1,603
171	ORTIGAS	SBC BUILDING, NO. 228 ORTIGAS AVE., GREENHILLS, SAN JUAN, MM.	02/01/24	01/31/29	5	9,653
172	OZAMIS	CAPISTRANO STREET, OZAMIS CITY, 7200 MISAMIS OCCIDENTAL	10/29/21	10/28/26	5	1,051
173	P. GUEVARRA - WILSON	UNIT GF03 METRO POINTE CENTER, P. GUEVARRA COR. N. AVERILLA ST., SAN JUAN	06/28/23	06/27/28	5	1,526
174	PAGADIAN	POBLACION, PAGADIAN CITY	01/01/25	12/31/29	5	720
175	PASAY - TAFT	NO. 1924 TAFT AVENUE CORNER BERNABE STREET., PASAY CITY	09/01/22	08/31/27	5	1,172
176	PASIG BOULEVARD	ELEMENTS BLDG., SHAW BOULEVARD COR ROSEMARIE LANE, BRGY. KAPITOLYO, PASIG CITY	04/01/22	03/31/27	5	798
177	PASIG - C. RAYMUNDO	LOT 1 & 2-A GOOD HARVEST COMPLEX, C. RAYMUNDO AVE., BRGY. CANIOGAN, PASIG CITY	03/16/22	03/15/27	5	1,394
178	PASIG - MABINI	MABINI COR DEL PILAR ST., KAPASIGAN, PASIG CITY	04/15/24	04/14/30	6	1,260
179	PASIG - SANTOLAN	G/F UNIT 101 - A AD CENTER SQUARE, A. RODRIGUEZ CORNER EVANGELISTA, SANTOLAN, PASIG CITY	04/01/23	03/31/26	3	1,300
180	PASIG - MERCEDES AVE.	MERCEDES AVENUE CORNER M. SUAREZ AVENUE (MARKET AVENUE), BRGY. SAN MIGUEL, PASIG CITY	01/01/25	12/31/29	5	1,427
181	PASONG TAMO	G/F NARRA BLDG., PASONG TAMO EXTENSION, MAKATI CITY	09/01/24	09/01/29	5	2,454
182	PLARIDEL	G/F PLAZA PLARIDEL BUILDING, NO. 263 PADILLA ROAD, BANGA 1ST, PLARIDEL BULACAN	04/01/22	03/31/25	3	169
		PLARIDEL-PULILAN DIVERSION ROAD, PLARIDEL, BULACAN - opened on 01/20/25	10/06/24	10/05/34	10	900
183	PUERTO PRINCESA	RIZAL AVENUE, PUERTO PRINCESA CITY, PALAWAN	03/09/25	12/31/40	15.8	1,585
184	QUEZON AVE.	G/F, CAPITOL MEDICAL CENTER BLDG. III, QUEZON AVE. CORNER SCOUT. MAGBANUA, QUEZON CITY	11/16/24	11/15/29	5	2,009
185	QUEZON AVE. - SOUTH TRIANGLE	JR BUILDING, 1520 QUEZON AVENUE, SOUTH TRIANGLE, QUEZON CITY	11/16/23	11/15/26	3	1,140
186	QUIRINO HIGHWAY	NO. 360 QUIRINO HIGHWAY, SANGANDAAN, NOVALICHES, QUEZON CITY	01/16/25	01/15/38	13	2,872
187	REGALADO FAIRVIEW	ANGELUS BLDG., #22 REGALADO AVE., WEST FAIRVIEW, Q.C.	04/02/23	04/01/26	3	1,434
188	REINA REGENTE	NO. 1040 REINA REGENTE ST., BINONDO, MANILA	05/01/22	04/30/27	5	1,407
189	REPOSO - JP RIZAL	1752 N. GARCIA ST., BARANGAY POBLACION, MAKATI	01/15/23	01/14/28	5	1,759
190	RETIRO	RETIRO STREET CORNER MAYON STREET, LA LOMA, QUEZON CITY	09/01/22	11/30/25	3.2	3,463
			12/01/25	11/30/29	4	315
191	ROOSEVELT	ROOSEVELT AVENUE, SFDM, QUEZON CITY	02/01/22	01/31/27	5	1,354
192	ROXAS BOULEVARD	UNIT G4, 1322 GOLDEN EMPIRE TOWER BLDG., ROXAS BOULEVARD COR. PADRE FAURA STREET, ERMITA, MANILA	04/01/24	03/31/29	5	2,739
193	ROXAS CITY	LAWAAN HIGHWAY CORNER SACRED HEART OF JESUS STREET, PUEBLO DE PANAY, LAWAAAN ROXAS CITY	07/01/22	06/30/27	5	585
194	SAN FERNANDO	G/F DOÑA SEVILLA BLDG., MC. ARTHUR HIGHWAY, BRGY. DOLORES, SAN FERNANDO CITY, PAMPANGA	12/01/21	11/30/26	5	1,810
195	SAN FERNANDO - DOLORES	AMHSCO BUILDING, MAC ARTHUR HIGHWAY, DOLORES, SAN FERNANDO CITY, PAMPANGA	10/01/24	09/30/29	5	1,841
196	SAN FERNANDO-SINDALAN	MC SQUARE PLAZA, MCARTHUR HIGHWAY, SINDALAN, SAN FERNANDO CITY, PAMPANGA	01/01/25	12/31/29	5	1,875

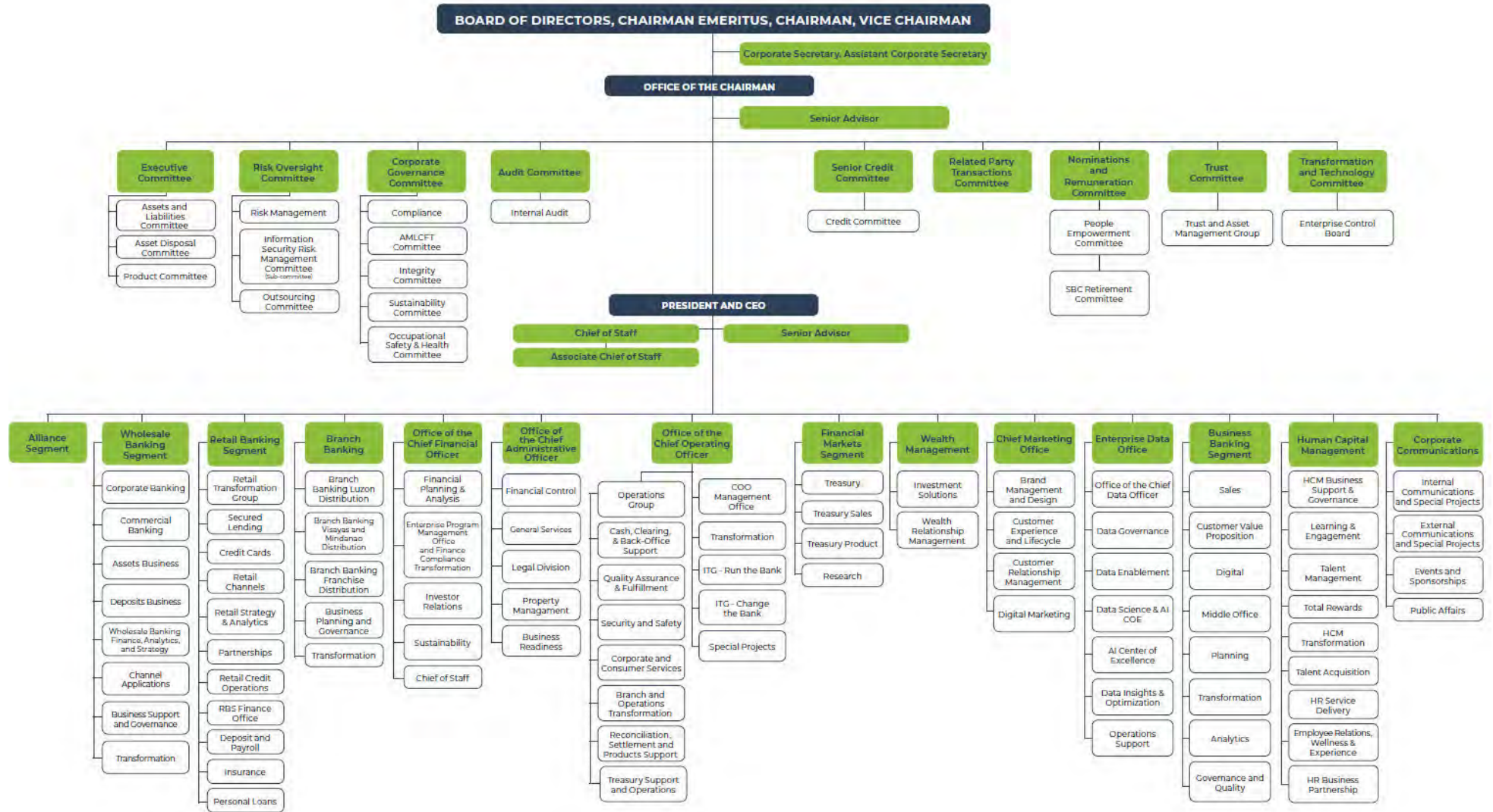
	BRANCH	ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)
197	SAN FRANCISCO - AGUSAN DEL SUR	QUEZON ST., BRGY. DOS, SAN FRANCISCO, AGUSAN DEL SUR	04/23/22	04/22/27	5	883
198	SAN JOSE-NUEVA ECIJA	SBC BUILDING, MAHARLIKA HIGHWAY, BRGY. F.E. MARCOS, SAN JOSE CITY, NUEVA ECIJA	06/16/17	06/15/27	10	1,562
199	SAN JUAN - BLUMENTRITT	ONE ROXAS SQUARE BUILDING, F. ROXAS COR. F. BLUMENTRITT, SAN JUAN CITY	07/01/16	06/30/26	10	2,497
200	SAN MIGUEL AVENUE	NO. 101 MEDICO BLDG., SAN MIGUEL CORNER LOUREDES ST., PASIG CITY	04/15/22	04/14/27	5	2,815
201	SAN PABLO	RIZAL AVENUE CORNER P. ZAMORA STS., SAN PABLO, LAGUNA	07/01/24	06/30/26	2	1,078
202	SAN PEDRO - PACITA COMPLEX	ALLEN BUILDING, NATIONAL HIGHWAY, PACITA COMPLEX, SAN PEDRO, LAGUNA	10/01/21	09/30/26	5	1,330
203	SANTIAGO	G/F FLORA SY BLDG., MAHARLIKA HIGHWAY, VICTORY NORTE, SANTIAGO CITY, ISABELA	03/01/20	02/28/28	8	1,206
204	SILVER CITY	G/F SILVER CITY, TIENDESITAS COMPLEX, FRONTERA VERDE, BRGY. UGONG, PASIG CITY	03/01/21	02/28/26	5	4,199
205	SOLANO	BENIGNO AQUINO AVENUE, POBLACION SOUTH, SOLANO NUEVA VIZCAYA	03/06/25	03/05/30	5	1,687
206	SOLER	G/F, LE MAR BEN BLDG., ALONG SAN BERNARDO ST., STA. CRUZ, MANILA	03/16/22	03/15/27	5	2,026
207	ST. IGNATIUS - KATIPUNAN	NO. 119 KATIPUNAN AVENUE, QUEZON CITY	03/09/22	03/08/27	5	2,756
208	STA. ELENA	3/F, 168 SHOPPING MALL, STA. ELENA ST., BINONDO MANILA	01/01/22	12/31/26	5	2,119
209	STA. MARIA	GOV. F. HALILI AVE., BRGY. BAGABAGUIN, STA. MARIA, BULACAN	07/01/24	06/30/29	5	1,920
210	STA. ROSA - GREENFIELD	LAGUNA CENTRAL - GREENFIELD CITY, DON JOSE, STA ROSA CITY	10/01/21	09/30/26	5	2,671
211	STARMALL LAS PIÑAS	STARMALL, C.V. STARR AVE., PHILAMLIFE VILLAGE, PAMPLONA II, LAS PIÑAS CITY	04/01/22	03/31/27	5	1,700
212	SUBIC	BLOCK 47, RIZAL HWY, CENTRAL BUSINESS DISTRICT, SUBIC BAY FREEPORT ZONE	08/16/25	08/15/30	5	3,196
213	SUCAT-AMAIA STEPS	R106 & 107, UPPER GROUND FLOOR, BLANCA BUILDING, AMAIA STEPS SUCAT, DR. A. SANTOS AVENUE, BRGY. SAN ANTONIO, SUCAT, PARANAQUE	01/27/22	09/30/27	5.7	1,131
214	SUMULONG	G/F SILICON BLDG., NO. 167, SUMULONG HIGHWAY, MAYAMOT, ANTIPOLO CITY	11/01/21	10/31/26	5	2,031
215	SURIGAO	SAN NICOLAS CORNER DIEZ STS., SURIGAO CITY	02/01/24	01/31/27	3	1,520
216	TACLOBAN RIZAL	G/F, ROQSON BLDG., RIZAL AVENUE CORNER BURGOS ST AND RIZAL AVENUE., TACLOBAN CITY	10/01/22	09/30/27	5	2,815
217	TACLOBAN VETERANOS	GF, INSULAR LIFE BUILDING, AVENIDA VETERANOS, TACLOBAN CITY	07/01/21	06/30/26	5	1,043
218	TACURONG	HWG BUILDING ALONG ALUNAN HIGHWAY, TACURONG CITY, SULTAN KUDARAT	06/01/25	05/31/30	5	1,331
219	TAFT - NAKPIL	SM LAZO MEDICAL CLINIC, 1755 TAFT AVENUE COR. NAKPIL STREET, MALATE, MANILA	07/01/22	06/30/27	5	1,603
220	TAFT - VITO CRUZ	UNIT 3 G/F 2 TORRE LORENZON CONDOMINIUM BUILDING, 2444 TAFT AVENUE, MALATE, MANILA	10/01/22	09/30/27	5	3,159
221	TAGBILARAN	NO. 27 CPG AVENUE, TAGBILARAN CITY, BOHOL	11/01/20	01/31/27	6.3	3,188
222	TAGUM - RELOCATION	G/F SG COMPLEX, NATIONAL HIGHWAY, PUROK TANDANG SORA, MAGUGPO POBLACION, TAGUM CITY, DAVAO DEL NORTE	05/01/22	04/30/32	10	1,948
223	TANDANG SORA	400 TANDANG SORA AVE., BARANGAY CULIAT, Q.C.	01/21/23	01/21/26	3	1,437
224	TARLAC	G/F INTELLECT BUILDING, ALONG MACARTHUR HIGHWAY, BRGY. SAN SEBASTIAN, TARLAC CITY	05/01/21	04/30/26	5	1,641
225	TARLAC-TAÑEDO	TANEDO CORNER ZAPIRO STREET, SAN NICOLAS, TARLAC CITY	07/01/16	06/30/26	10	1,157
226	TAYTAY-MANILA EAST	GROUND FLOOR, VERDE ORO EAST PLAZA, MANILA EAST ROAD, TAYTAY, RIZAL	08/01/21	07/31/26	5	1,689
227	TIMOG AVE.	TOYOMA GROUP CENTER BLDG., 22 TIMOG AVE., BRGY. LAGING HANDA, QUEZON CITY	02/01/24	01/31/29	5	2,086
228	TOMAS MORATO	G/F MAINE BLDG., TOMAS MORATO AVENUE, SOUTH TRIANGLE, QUEZON CITY	10/30/24	10/29/29	5	5,536
229	TUGUEGARAO BUNTUN HIWAY	PULSAR COMMERCIAL COMPLEX PLAZA, BUNTUN HIGHWAY, TUGUEGARAO CITY	06/14/24	06/14/29	5	1,216
230	UN AVE.	UNITS 1110 & 1112 DOLMAR BLDG., U.N. AVENUE, PACO, MANILA	08/01/24	07/31/29	5	1,135
231	URDANETA	G/F CSI BLDG., MC. ARTHUR HIGHWAY, BRGY. NANCAYASAN, URDANETA CITY	06/02/23	06/01/28	5	2,015
232	U.S.T.	G/F QUADRICENTENNIAL PAVILLION, UST CPD., ESPANA, MANILA	03/18/23	03/17/28	5	4,362
233	VALENZUELA	KM. 14, MC. ARTHUR HIGHWAY, MALINTA, VALENZUELA CITY	01/16/25	01/15/26	1	2,327
234	VALLE VERDE	E. RODRIGUEZ JR. AVENUE, BAGONG ILOG, PASIG CITY, METRO MANILA	01/01/23	12/31/27	5	1,562
235	VICTORIAS	VICMICO PMC BLDG., OSMEÑA HIGHWAY, VICTORIAS CITY, NEGROS OCCIDENTAL	02/25/23	02/24/26	3	691
236	VIGAN	GF LUISA BUILDING, QUEZON AVENUE BRGY III, VIGAN CITY, ILOCOS SUR	04/01/24	03/31/26	2	1,373

	BRANCH	ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)
237	VISAYAS AVE. - PROJECT 6	53 VISAYAS AVENUE, BRGY VASRA, PROJECT 6, QC.	11/01/23	10/31/28	5	1,541
238	WACK WACK	G/F LEE GARDENS, SHAW BLVD CORNER LEE ST., WACK WACK, MANDALUYONG CITY	07/01/22	06/30/27	5	2,929
239	WEST AVENUE	NO. 4 BULLETIN ST. CORNER WEST AVENUE, QUEZON CITY	05/15/23	05/14/33	10	2,604
240	ZAMBOANGA - CANELAR	MAYOR JALDON ST., BRGY. CANELAR, ZAMBOANGA CITY	01/09/24	01/08/29	5	1,055
241	ANGELES - MCARTHUR HIGHWAY	MCARTHUR HIGHWAY COR. SAN PABLO STREET, ANGELES CITY, PAMPANGA	05/01/23	04/30/28	5	1,899
242	COTABATO CITY	GROUND FLOOR, RO-MA BUILDING #020 SINSUAT AVENUE, POBLACION 6, COTABATO CITY	09/27/24	09/26/25	5	883
			09/27/25	09/25/28	3	295
243	DAVAO - MATINA	GF, PLAZA LUISA II, MATINA IT PARK, MCARTHUR HIGHWAY, MATINA, DAVAO CITY	09/27/23	09/26/26	3	1,607
244	GAMBOA	LUZ BUILDING, 116 GAMBOA STREET, LEGAZPI VILLAGE, MAKATI CITY	11/01/23	10/31/26	3	3,112
245	LIMA	THE OUTLET AT LIPA, LIMA TECHNOLOGY CENTER , BRGY.BUGTONG NA PULO, LIPA CITY, BATANGAS	10/01/25	09/30/28	3	1,507
246	SHANGRI-LA PLAZA EAST WING	UNIT 1001B, LOWER GROUND LEVEL, EAST WING, EDSA, SHAW BLVD. AND ST. FRANCIS ST. MANDALUYONG CITY	09/01/25	08/31/30	5	1,883
247	MALAYAN PLAZA	UNIT G2, GF, MALAYAN PLAZA BUILDING, ADB AVENUE CORNER OPAL ROAD, ORTIGAS CENTER, PASIG CITY	02/01/24	01/31/29	5	4,293
248	PROMENADE - GREENHILLS	UNIT NO. 107 GF, GREENHILLS PROMENADE 3, GREENHILLS SHOPPING CENTER, SAN JUAN CITY	02/21/24	02/28/26	2	4,777
249	ROBINSONS MAGNOLIA	GROUND FLOOR, UNIT 107, 2047 ROBINSONS MAGNOLIA, AURORA BOULEVARD CORNER DOÑA HEMADY AND N. DOMINGO STREETS, NEW MANILA, QUEZON CITY	04/01/25	03/31/30	5	3,283
250	CEBU IT PARK	G/F SHOPS 7 & 8, SKYRISE 4B, CEBU I.T. PARK SUBDIVISION BARANGAY APAS CEBU CITY	11/21/25	11/20/30	5	3,152
251	ILOILO JARO	WESTWOOD BUILDING, #422 E. LOPEZ STREET, BRGY. LUNA JARO, 5000, ILOILO CITY	08/30/20	08/29/30	10	4,309
252	NAGA - RELOCATION	THE RAD ON PANGANIBAN DRIVE, PANGANIBAN DRIVE CORNER BLUMENTRITT STREET, BRGY. TINAGO, NAGA CITY, CAMARINES SUR	07/01/25	06/30/30	5	1,900
253	BALIWAG - RELOCATION	D'EMINENT PLACE, DOÑA REMEDIOS TRINIDAD HIGHWAY PAGALA, BALIWAG BULACAN	07/27/25	07/26/30	5	2,472
254	ETON CENTRIS	C1-1 ETON CENTRIS, QUEZON AVENUE CORNER EDSA, BARANGAY PINYAHAN, QUEZON CITY	02/01/25	01/31/28	3	2,662
255	FORT ICON SHOWROOM	5TH AVENUE CORNER 25TH STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY	12/01/20	11/30/26	6	4,263
256	RUBY ROAD ORTIGAS	GF UNIT 103 JOLLIBEE PLAZA CONDOMINIUM, F, ORTIGAS JR. ROAD, ORTIGAS CENTER, PASIG CITY	05/16/24	05/31/27	3	5,481
257	STA. CRUZ-LAGUNA	GF-08B, GROUND FLOOR, METRO CENTRAL MALL, NATIONAL ROAD, BRGY. LABUIN, STA. CRUZ, LAGUNA	11/16/21	11/15/26	5	750
258	MACAPAGAL BLVD.	GROUND FLOOR, UNIT 105, THE REACH BUILDING ALONG MACAPAGAL BOULEVARD, MOA COMPLEX, PASAY CITY	07/26/22	07/27/27	5	1,839
259	ANTIQUE	POBLACION, MUNICIPALITY OF SAN JOSE, PROVINCE OF ANTIQUE	05/01/23	04/30/33	10	762
260	TAGBILARAN UPTOWN IT HUB	TENANT 4 G/F JLU CENTRE BLOC, TAGBILARAN UPTOWN IT HUB, RAJAH SIKATUNA AVENUE, BRGY. DAMPAS, TAGBILARAN CITY, BOHOL 6300	10/01/22	09/30/27	5	399
261	APARRI	GF A1 & A2, NOVO MALL APARRI, CENTRO 14, APARRI, CAGAYAN	08/31/23	08/30/28	5	1,060
262	PARQAL	UNIT 103, GROUND FLOOR, PARQAL BLDG. 2, ASEANA CITY, PARANAQUE CITY	09/16/23	09/15/28	5	1,502
263	HERMOSA	HERMOSA ECOZONE INDUSTRIAL PARK, BRGY PALIHAN, HERMOSA BATAAN	11/15/23	11/14/28	5	1,644
264	ALAMINOS	RAMOS BLDG, MARCOS AVENUE, BRGY PALAMIS, ALAMINOS PANGASINAN	10/01/23	09/30/28	5	2,430
265	CDO UPTOWN	BLOCK 7 LOT 30, MASTERSON AVENUE, CAGAYAN DE ORO	12/15/23	12/14/28	5	2,267
266	GAPAN	GF FLORES BLDG, MAHARLIKA HIGHWAY/PAN-PHILIPPINE HIGHWAY,GAPAN,NUEVA ECIJA	12/01/23	11/30/28	5	1,536
267	KIDAPAWAN	NATIONAL HIGHWAY , POBLACION, KIDAPAWAN CITY, NORTH COTABATO	10/15/23	10/14/33	10	845
268	CEBU STREETSCAPE	UNIT 1-06, PASEO SATURNINO, MARIA LUISA ROAD, BANILAD, CEBU CITY.	06/01/23	05/31/28	5	922
269	ILIGAN - ANDRES BONIFACIO	EUSEBIO G. TORREVILLAS BUILDING, PUROK 13, ANDRES BONIFACIO AVENUE, SARAY, ILIGAN CITY	12/01/23	11/30/28	5	783
270	DAVAO - NORTH DIVERSION	DAVAO SOUTHGATE CITY COMPLEX, PHIL-JAPAN HIGHWAY, DIVERSION ROAD, BARANGAY COMMUNAL BUHANGIN DISTRICT, DAVAO CITY, DAVAO DEL SUR	10/14/23	10/13/28	5	1,155
271	STA. MESA	#47 P. SANCHEZ ST. CORNER 3RD STREET, BRGY. 605, STA. MESA, MANILA	08/02/23	08/01/28	5	2,660
272	ILIGAN	MAHARLIKA HIGHWAY, CALAMAGUI 2ND, JCU BUILDING, ILIGAN CITY, ISABELA 3300	12/01/23	11/30/28	5	775
273	BINANGONAN	GF, MONO QUADRATIC BLDG., BLOCK 1 LOT 2 BLUERIDGE, MANILA EAST ROAD, BRGY. TAGPOS, BINANGONAN, RIZAL, 1940	06/16/24	06/15/34	10	1,667

	BRANCH	ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)
274	AGOO	322 MAC ARTHUR HIGHWAY, BRGY. SAN ANTONIO, AGOO, LA UNION	07/01/24	06/30/29	5	1,368
275	MATI	RIZAL CORNER MABINI STREET, BRGY. DAHICAN, MATI CITY, DAVAO ORIENTAL	09/01/24	08/31/29	5	2,252
276	TABUNOK	GFM-GFA-2 GAISANO GRAND FIESTA MALL, CEBU SOUTH ROAD, BRGY. TABUNOK, TALISAY CITY, CEBU	05/01/24	04/30/29	5	1,210
277	CALOOCAN-SAMSON ROAD	UNIT NO. 01, GROUND FLOOR, 258 SAMSON ROAD BUILDING, BRGY. SANGANDAAN, CALOOCAN CITY	06/15/24	06/14/29	5	2,451
278	CANDELARIA	MAHARLIKA HIGHWAY COR. ONA ST., CANDELARIA, QUEZON	11/15/24	11/14/29	5	1,008
279	ZAMBOANGA-IPIL	GROUND FLOOR, GAISANO GRAND MALL IPIL, BRGY. VETERANS VILLAGE, IPIL, ZAMBOANGA SIBUGAY	12/18/24	11/30/29	5	1,170
280	BACOLOD-THE UPPER EAST	UNIT A4, ONE REGIS, THE UPPER EAST, BACOLOD CITY, NEGROS OCCIDENTAL	10/01/24	07/31/29	4.8	1,934
281	CEBU-CARCAR	LOT NO. 1 AND 2, BLOCK 2, AWAYAN, POBLACION 3, CARCAR CITY, CEBU	12/20/24	12/19/29	5	1,200
282	CEBU-MINGLANILLA	UPPER GROUND FLOOR, GAISANO GRAND MINGLANILLA, CEBU SOUTH ROAD, MINGLANILLA, CEBU	12/20/24	12/19/30	6	1,767
283	BACOLOD-THE ROW	THE ROW, LACSON ST., BRGY. BATA, BACOLOD CITY, NEGROS OCCIDENTAL	11/01/24	10/31/29	5	1,511
284	DAVAO-CABAGUIO	G/F, FORMER METROPOLIS SUITES, CABAGUIO AVE., DAVAO CITY	09/01/24	08/31/29	5	2,474
285	TACLOBAN-MAHARLIKA HIGHWAY	GF, JURIDEL BUILDING, BRGY. 92, APITONG, TACLOBAN CITY	11/03/24	11/02/29	5	1,080
286	TANDAG	LCP BUILDING, NATIONAL HIGHWAY, NAPO BAG-ONG, TANDAG CITY, SURIGAO DEL SUR	12/01/24	11/30/29	5	2,243
287	MAASIN	GAISANO GRAND MALL MAASIN, BATO-BONTOC ROAD, MAASIN, SOUTHERN LEYTE	12/27/24	12/26/29	5	1,162
288	BATAC	MACARTHUR HIGHWAY, BATAC, ILOCOS NORTE	12/27/24	12/26/29	5	2,640
289	CAINTA	GROUND FLOOR, TCM SQUARE, FELIX AVE., COR. V.V. SOLIVEN AVENUE II, CAINTA, RIZAL	01/02/25	01/01/30	5	2,175
290	SAN MATEO-RIZAL	GF UNITS A & B, L3 GENERAL LUNA STREET AMPID 1 SAN MATEO RIZAL	04/16/25	04/15/30	5	1,794
291	TAGAYTAY-ROTONDA	SPACE # 1002 FORA MALL BARANGAY SILANG JUNCTION EAST AGUINALDO HIWAY, ROTUNDA JUNCTION, TAGAYTAY CITY, CAVITE	03/01/25	04/30/30	5.2	2,641
292	BACOLOD-LOCSIN	GAISANO GRAND CITY CENTRAL BACOLOD, LOCSIN STREET, BRGY. 13, POBLACION, BACOLOD CITY	06/11/25	06/30/30	5.1	886
293	APALIT	MCARTHUR HIGHWAY, APALIT, PAMPANGA	01/01/25	12/31/39	15	1,350
294	TARLAC - CONCEPCION	ORA PLAZA, L. CORTEZ ST, SAN NICOLAS, CONCEPCION TARLAC	02/01/25	01/31/30	5	1,266
295	CAPAS - TARLAC	CAPAS-CONCEPCION RD, BRGY. STO. DOMINGO II, CAPAS, TARLAC	04/01/25	03/31/30	5	1,080
296	CALAMBA - TURBINA	OLIVAREZ PLAZA, PAN PHILIPPINE HI-WAY, MILAGROSA, CALAMBA CITY, LAGUNA	07/21/25	07/20/30	5	1,304
297	TARLAC - PANIQUI	GF, MAGIC STAR MALL, 008 POBLACION NORTE, PANIQUI NEGROS OCCIDENTAL-CADIZ	02/01/25	01/31/30	5	1,310
298	NEGROS OCCIDENTAL-CADIZ	ABELARDE ST., CADIZ CITY, NEGROS OCCIDENTAL	04/11/25	04/10/30	5	900
299	SORSOGON CITY	GF 11& 12 , GAISANO CAPITAL SORSOGON, MAHARLIKA HI-WAY, SORSOGON CITY	07/01/25	06/30/30	5	663
300	ANTIPOLO - COGEO	M.L QUEZON AVENUE EXTENSION, SAN ROQUE, ANTIPOLO CITY	08/01/25	07/31/30	5	864
301	ANGELES - FRIENDSHIP	G/F , BLK. 6 LOT 3-B,TIMOG TRIANGLE, FIL-AM FRIENDSHIP HIWAY COR. POINSETTIA AVE, BARANGAY PAMPANG, ANGELES CITY PAMPANGA	08/15/25	08/15/34	9	1,468
302	NAIC	GF, THE STADIUM, ANTERO SORIANO HI-WAY, BRGY. MUNTING MAPINO NAIC, CAVITE	05/02/25	04/30/30	5	1,263
303	BACOR	GF, MAIN SQUARE, BACOR BOULEVARD, BRGY. BAYANAN, BACOR CITY, CAVITE	03/31/25	03/30/30	5	1,281
304	KAWIT	ROBERTSON PLAZA, UG UNIT B-C, CENTENNIAL ROAD, BARANGAY TABON I, KAWIT, CAVITE	09/01/25	08/31/30	5	732
305	CABUYAO	LOT 4, NATIONAL ROAD, BRGY. POBLACION 2, CABUYAO, LAGUNA	06/01/25	05/01/30	4.9	1,274
306	PAMPANGA - MEXICO	OGN3 PLAZA, JOSE ABAD SANTOS AVE, BRGY. LAGUNDI, MEXICO, PAMPANGA	10/01/25	09/30/30	5	300
307	CEBU - BASAK	CITY TIME SQUARE MACTAN BASAK MARIGONDON ROAD, BARANGAY BASAK, LAPU-LAPU CITY, CEBU	08/01/25	07/31/30	5	692
308	MIDSAYAP	NATIONAL HIGHWAY, POBLACION 5, MIDSAYAP, COTABATO	10/02/25	10/01/30	5	415
309	DAVAO-DAMOSA	UNIT 103, ANFLO CORPORATE CENTER, J.P. LAUREL AVE., BRGY. ALFONSO ANGLIONGTO, DAVAO CITY	08/01/25	07/31/30	5	1,064
310	DAVAO - ECOLAND	UNIT 103, ANFLO CORPORATE CENTER, J.P. LAUREL AVE., BRGY. ALFONSO ANGLIONGTO, DAVAO CITY	09/01/25	08/31/30	5	658
311	CONGRESSIONAL EXTENSION	BRGY. PASONG TAMO, CONGRESSIONAL AVENUE EXTENSION, QUEZON CITY	10/13/25	10/12/35	10	327
312	SUBIC TOWN	209 NATIONAL HIGHWAY, BRGY. ILWAS, SUBIC, ZAMBALES 2209	10/22/25	10/21/30	5	468
313	MABALACAT	MCARTHUR HIWAY, BARANGAY SAN FRANCISCO, MABALACAT, PAMPANGA	10/14/25	10/13/30	5	420

BRANCH		ADDRESS	START OF CONTRACT	END OF CONTRACT	LEASE TERM (YRS)	RENT FOR THE YEAR (P'000)
314	GUAGUA	JOSE ABAD SANTOS AVE., BRGY. SAN ANTONIO, GUAGUA, PAMPANGA	10/26/25	10/25/30	5	540
315	CALBAYOG	NAVARRO ST., (NEAR PAN PHILIPPINE HIGHWAY), BRGY. EAST AWANG, CALBAYOG CITY SAMAR - opened on 12/23/2025	01/13/26	01/12/31	5	-
316	CEBU MAHI	GF, LC105, MAHI CENTER, LOT NO. A2.3A, MEZ 1, BRGY. IBO, LAPU LAPU CITY, CEBU	09/25/25	09/24/30	5	183
317	BATANGAS CITY HIGHWAY	865 BRGY. KUMINTANG ILAYA, NATIONAL ROAD, BATANGAS CITY, BATANGAS	07/15/25	07/14/30	5	1,048
318	CALOOCAN - CAMARIN	METROPLAZA LOT 5, CAMARIN ROAD, BRGY. 173, CALOOCAN CITY	12/30/25	12/29/30	5	132
BRANCH LITE						
1	PORT ROYAL-RADA BRANCH LITE	GROUND FLOOR, PORT ROYAL PLACE, 118 RADA STREET, LEGAZPI VILLAGE, MAKATI CITY	10/01/24	09/30/29	5	1,414
2	CAPITOL COMMONS BRANCH LITE	GROUND LEVEL GL-21A, UNIMART CAPITOL COMMONS, MERALCO AVENUE CORNER SHAW BOULEVARD, BRGY. ORANBO, PASIG CITY	12/01/24	11/30/29	5	1,917
3	TORDESILLAS BRANCH LITE	GF, THREE SALCEDO CONDOMINIUM, BRGY. BEL-AIR, MAKATI CITY	11/01/19	10/31/29	10	5,178
4	CIRCUIT-CITY MAKATI BRANCH LITE	UNIT L2035, LEVEL 2, AYALA MALLS CIRCUIT, CIRCUIT MAKATI HIPPODROMO STREET, CARMONA, MAKATI CITY	10/01/24	09/30/26	2	1,159
5	A. ROCES AVENUE BRANCH LITE	NO. 83 DON A. ROCES AVENUE, BRGY. LAGING HANDA, QUEZON CITY	08/01/25	07/31/30	5	2,533
6	AYALA MALLS MANILA BAY BRANCH LITE	SPACE 2022, 2ND FLOOR, AYALA MALLS MANILA BAY, MACAPAGAL BOULEVARD CORNER ASEANA AVENUE, PARANAQUE CITY	10/01/24	12/31/26	2.2	3,053
7	KATIPUNAN BLUE RIDGE BRANCH LITE	UPPER GROUND FLOOR JSO BUILDING, # 210 KATIPUNAN AVENUE, BARANGAY BLUERIDGE, QUEZON CITY	12/01/25	11/30/30	5	3,413
8	QUEZON AVENUE-WEST TRIANGLE BRANCH LITE	1389 QUEZON AVENUE, QUEZON CITY	03/01/21	02/28/26	5	2,755
9	INTRAMUROS BRANCH LITE	MURALLA STREET CORNER ANDA STREET, INTRAMUROS, MANILA	02/26/23	02/25/28	5	1,866
10	SAN LORENZO PLACE	2F B31-B32 SAN LORENZO PLACE MALL, MAKATI CITY	10/01/24	09/30/27	3	2,554
11	GANDARA	GROUND FLOOR, COMMERCIAL B, LEE TOWER CONDOMINIUM, 921, SABINO PADILLA ST., BARANGAY 295, BINONDO, MANILA	02/15/24	02/14/29	5	2,224
12	PASAY-CORAL WAY	FLY ACE CORPORATE CENTER, CORAL WAY BOULEVARD, PASAY CITY	10/01/24	09/30/29	5	3,769
13	AYALA AVENUE - BRANCH LITE	GF NOBLE SQUARE 6762 AYALA AVENUE, MAKATI CITY.	11/01/24	10/31/29	5	4,253
14	CHINO ROCES YAKAL	2224 CHINO ROCES AVE. CORNER DON BOSCO ST., MAKATI CITY	04/07/25	04/06/30	5	1,714

EXHIBIT (4): TABLE OF ORGANIZATION (AS OF DECEMBER 31, 2025)



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Consolidated Statements of Income for the years ended December 31, 2025, 2024 and 2023	-do-
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**STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**


The management of Security Bank Corporation and Subsidiaries (the Group) and of Security Bank Corporation (the Parent Company) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the years ended December 31, 2025 and 2024, in accordance with prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders for the periods December 31, 2025 and 2024, has audited the consolidated financial statements of the Group and of the Parent Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


[REDACTED]
CIRILO P. NOEL
Chairman of the Board


[REDACTED]
VICTOR LEE MENG TECK
President & Chief Executive Officer


[REDACTED]
ALLEN ALEXANDER P. REYES
Chief Financial Officer

Signed this 24th day of February 2026

SUBSCRIBED AND SWORN to before me this 12 MAR 2026 affiants exhibiting to me their Passport ID as follows:

NAMES	ID NUMBER	DATE OF ISSUE	PLACE OF ISSUE
Cirilo P. Noel	[REDACTED]	January 22, 2018	Muntinlupa City
Victor Lee Meng Teck		January 22, 2024	Singapore
Allen Alexander P. Reyes		May 17, 2022	Manila City

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Series of 2026

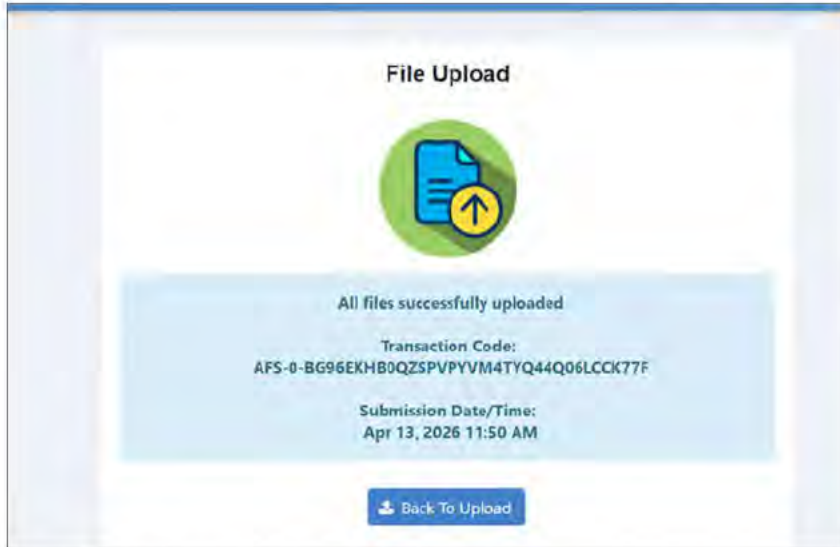


NO

MCLE Compliance Unit, 20/F SECURITY BANK CENTRE, 6776 AYALA AVE., MAKATI CITY

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INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Security Bank Corporation
Security Bank Centre
6776 Ayala Avenue
Makati City

Report on the Consolidated and Parent Company Financial Statements

Opinion

We have audited the consolidated financial statements of Security Bank Corporation and its subsidiaries (the Group) and the parent company financial statements of Security Bank Corporation (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2025 and 2024, and the consolidated and parent company statements of income, consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for each of the three years in the period ended December 31, 2025, and notes to the consolidated and parent company financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2025 and 2024, and their financial performance and their cash flows for each of the three years in the period ended December 31, 2025 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

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

Key Audit Matters

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



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

Applicable to the Audit of the Consolidated and Parent Company Financial Statements

Allowance for Credit Losses on Loans and Receivables

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

Allowance for credit losses on loans and receivables as of December 31, 2025 amounted to ₱18.3 billion for the Group and the Parent Company, respectively. Provision for credit losses on loans and receivables of the Group and the Parent Company in 2025 amounted to ₱12.2 billion.

The disclosures related to the allowance for credit losses on loans and receivables are included in Note 14 to the financial statements.

Audit Response

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

We (a) assessed the Group's and the Parent Company's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place, (c) tested the Group's and the Parent Company's application of internal credit risk rating system by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's and the Parent Company's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, management's strategies in disposing collaterals, write-offs and collateral valuations,



and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) checked the reasonableness of forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge and (h) tested the EIR used in discounting the expected loss.

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

We recalculated impairment provisions on a sample basis. We reviewed the disclosures made in the financial statements.

We involved our internal specialists in the performance of the above procedures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2025, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A, and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

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



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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Reports on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) and Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 174 of the MORB in Note 41 and Revenue Regulations 15-2010 in Note 40 to the financial statements is presented for purposes of filing with the BSP and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of Security Bank Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Miguel U. Ballelos, Jr.

SYCIP GORRES VELAYO & CO.

Miguel U. Ballelos Jr.

Miguel U. Ballelos, Jr.

Partner

CPA Certificate No. 109950

Tax Identification No. 241-031-088

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 109950-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-114-2025, December 16, 2024, valid until December 15, 2027

PTR No. 10765012, January 2, 2026, Makati City

February 24, 2026



SECURITY BANK CORPORATION AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION

	Consolidated		Parent Company	
	December 31			
	2025	2024	2025	2024
	(Amounts in Thousands)			
ASSETS				
Cash and Other Cash Items	₱15,555,919	₱13,165,055	₱15,555,769	₱13,164,915
Due from Bangko Sentral ng Pilipinas (Note 19)	26,584,514	35,104,831	26,584,514	35,104,831
Due from Other Banks (Notes 7 and 32)	16,433,925	15,370,541	16,312,508	15,285,745
Interbank Loans Receivable and Securities Purchased Under Resale				
Agreements with the Bangko Sentral ng Pilipinas (Note 37)	28,646,981	9,393,615	28,646,981	9,393,615
Financial Assets at Fair Value through Profit or Loss (Note 10)	37,871,444	16,821,406	37,871,420	16,821,382
Derivatives Designated as Hedges (Note 11)	289,844	634,928	289,844	634,928
Financial Assets at Fair Value through Other Comprehensive Income (Note 12)	157,668,980	181,836,689	157,615,508	181,790,398
Investment Securities at Amortized Cost (Note 13)	158,371,675	138,733,375	158,371,675	138,733,375
Loans and Receivables (Notes 14 and 32)	696,637,540	677,813,274	695,731,503	678,919,832
Investments in Subsidiaries, Joint Ventures and an Associate (Note 15)	16,366,672	2,626,573	19,420,719	5,277,697
Property, Equipment, and Right-of-Use Assets (Note 16)	9,662,507	8,034,827	5,671,929	5,093,758
Investment Properties (Note 17)	7,126,743	6,282,770	7,126,743	6,282,770
Deferred Tax Assets (Note 28)	7,795,544	6,259,066	7,736,335	6,197,321
Goodwill (Note 4)	841,602	841,602	841,602	841,602
Intangible Assets (Note 18)	8,293,772	6,590,675	8,279,715	6,580,198
Other Assets (Note 18)	6,611,591	9,631,529	6,294,728	9,365,466
TOTAL ASSETS	₱1,194,759,253	₱1,129,140,756	₱1,192,351,493	₱1,129,487,833
LIABILITIES AND EQUITY				
LIABILITIES				
Deposit Liabilities (Notes 19 and 32)				
Demand	₱304,201,099	₱279,240,344	₱305,902,840	₱280,592,335
Savings	155,108,529	140,868,600	155,246,168	140,983,093
Time	471,193,086	370,536,430	471,644,482	370,947,669
Long-term Negotiable Certificates of Deposit	—	10,433,785	—	10,433,785
	930,502,714	801,079,159	932,793,490	802,956,882
Financial Liabilities at Fair Value through Profit or Loss (Note 20)	1,407,466	1,716,047	1,407,466	1,716,047
Derivatives Designated as Hedges (Note 11)	3,625,886	3,841,204	3,625,886	3,841,204
Bills Payable and Securities Sold Under Repurchase Agreements (Note 21)	6,168,985	91,179,648	3,183,985	91,027,982
Acceptances Payable	640,228	1,669,868	640,228	1,669,868
Margin Deposits and Cash Letters of Credit Manager's and Certified Checks Outstanding	2,762,100	169,923	2,762,100	169,923
Income Tax Payable (Note 28)	5,900,819	5,339,433	5,900,819	5,339,433
Notes and Bonds Payable (Note 22)	48,594	456,396	—	411,366
Accrued Interest, Taxes and Other Expenses (Note 23)	64,001,309	61,195,057	64,001,309	61,195,057
Other Liabilities (Note 24)	5,199,651	5,931,126	5,038,007	5,689,994
	20,271,673	15,425,343	18,766,258	14,330,408
TOTAL LIABILITIES	1,040,529,425	988,003,204	1,038,119,548	988,348,164
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY				
Capital stock (Note 26)	7,635,389	7,635,389	7,635,389	7,635,389
Additional paid-in capital (Note 26)	38,524,323	38,524,323	38,551,028	38,551,028
Surplus (Note 26)	113,260,939	104,155,854	113,244,504	104,139,419
Net unrealized loss on financial assets at fair value through other comprehensive income (Note 12)	(3,993,621)	(7,474,013)	(4,001,774)	(7,482,166)
Net unrealized gain on subsidiaries and an associate's financial assets at fair value through other comprehensive income (Notes 12 and 15)	171,061	22,787	171,061	22,787
Cumulative foreign currency translation	(169,945)	(129,650)	(169,945)	(129,650)
Cost of hedging reserve (Note 11)	(1,198,318)	(1,597,138)	(1,198,318)	(1,597,138)
TOTAL EQUITY	154,229,828	141,137,552	154,231,945	141,139,669
TOTAL LIABILITIES AND EQUITY	₱1,194,759,253	₱1,129,140,756	₱1,192,351,493	₱1,129,487,833

See accompanying Notes to Financial Statements.



SECURITY BANK CORPORATION AND SUBSIDIARIES

STATEMENTS OF INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
(Amounts in Thousands, Except Earnings per Share)						
INTEREST INCOME ON						
Loans and receivables (Notes 14 and 32)	₱58,044,698	₱48,387,423	₱38,140,064	₱58,075,916	₱48,526,400	₱38,233,106
Financial assets at fair value through other comprehensive income and investment securities at amortized cost (Note 8)	16,424,698	12,473,753	8,555,245	16,424,698	12,473,753	8,555,245
Financial assets at fair value through profit or loss (Note 8)	1,378,803	959,157	1,303,820	1,378,803	959,157	1,303,820
Interbank loans receivable and securities purchased under resale agreements with the Bangko Sentral ng Pilipinas	1,371,083	776,875	993,763	1,371,083	776,875	993,763
Deposits with banks and others (Note 7)	309,101	208,824	102,195	306,500	205,935	99,181
	77,528,383	62,806,032	49,095,087	77,557,000	62,942,120	49,185,115
INTEREST EXPENSE ON						
Derivatives designated as hedges (Note 11)	15,287,313	5,576,107	–	15,287,313	5,576,107	–
Deposit liabilities (Notes 19 and 32)	6,636,726	6,892,747	8,195,106	6,657,453	6,967,253	8,260,343
Subordinated note, bills payable, securities sold under repurchase agreements, notes and bonds payable, and other borrowings (Note 21)	4,723,356	6,473,708	5,473,221	4,579,705	6,462,660	5,462,681
Derivative instruments (Note 20)	271,284	41,069	612,119	271,284	41,069	612,119
Lease liabilities (Note 16)	152,558	99,955	80,990	152,558	99,955	80,990
	27,071,237	19,083,586	14,361,436	26,948,313	19,147,044	14,416,133
NET INTEREST INCOME	50,457,146	43,722,446	34,733,651	50,608,687	43,795,076	34,768,982
Service charges, fees and commissions (Note 30)	8,865,537	8,920,676	6,067,992	8,253,803	8,415,138	5,510,062
Trading and securities gain - net (Note 9)	1,540,045	283,192	288,555	1,540,949	283,297	288,234
Rent (Notes 17, 32 and 33)	1,361,500	931,694	708,404	92,826	49,896	39,520
Foreign exchange gain (loss) - net	1,221,495	(1,757,330)	(2,092,750)	1,221,403	(1,757,959)	(2,092,766)
Share in net income of subsidiaries, joint ventures and an associate (Note 15)	746,868	1,870	179,565	1,146,959	258,462	480,472
Profit from assets sold/exchanged (Notes 16, 17 and 18)	284,786	935,182	1,211,848	284,816	935,182	1,211,843
Miscellaneous (Note 31)	2,455,034	1,896,891	1,861,458	2,390,292	1,825,870	1,795,526
TOTAL OPERATING INCOME	66,932,411	54,934,621	42,958,723	65,539,735	53,804,962	42,001,873
OPERATING EXPENSES						
Compensation and fringe benefits (Notes 29 and 32)	12,625,662	10,838,573	8,912,812	12,491,521	10,722,974	8,803,147
Provision for credit losses (Note 14)	12,497,125	6,653,742	4,666,194	12,502,734	6,641,481	4,663,189
Taxes and licenses	4,477,984	3,766,397	3,195,408	4,414,739	3,722,953	3,154,014
Depreciation and amortization (Note 16)	3,220,318	2,746,570	2,150,173	2,320,384	2,121,113	1,694,720
Amortization of software costs (Note 18)	1,403,102	904,892	675,041	1,401,733	904,450	674,567
Occupancy costs (Notes 17, 31 and 32)	506,053	469,110	388,520	503,220	463,260	383,003
Provision for (recovery of) impairment losses (Note 17)	265,022	(43,839)	134,680	264,722	(43,839)	134,680
Miscellaneous (Note 31)	17,091,792	14,358,885	10,776,982	16,927,026	14,104,085	10,499,405
TOTAL OPERATING EXPENSES	52,087,058	39,694,330	30,899,810	50,826,079	38,636,477	30,006,725
INCOME BEFORE INCOME TAX	14,845,353	15,240,291	12,058,913	14,713,656	15,168,485	11,995,148
PROVISION FOR INCOME TAX (Note 28)	3,217,761	4,001,863	2,953,475	3,086,064	3,930,057	2,889,710
NET INCOME	₱11,627,592	₱11,238,428	₱9,105,438	₱11,627,592	₱11,238,428	₱9,105,438
ATTRIBUTABLE TO:						
Equity holders of the Parent Company (Notes 26 and 36)	₱11,627,592	₱11,238,428	₱9,105,438			
NET INCOME	₱11,627,592	₱11,238,428	₱9,105,438			
Basic/Diluted Earnings Per Share (Note 36)	₱15.42	₱14.91	₱12.08			

See accompanying Notes to Financial Statements.



SECURITY BANK CORPORATION AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
	(Amounts in Thousands)					
NET INCOME FOR THE YEAR	₱11,627,592	₱11,238,428	₱9,105,438	₱11,627,592	₱11,238,428	₱9,105,438
OTHER COMPREHENSIVE INCOME (LOSS)						
<i>Other Comprehensive Income (Loss) to be Reclassified to Profit or Loss in Subsequent Periods:</i>						
Change in net unrealized gain (loss) on debt instruments at fair value through other comprehensive income, net of tax	3,503,943	(2,029,374)	3,613,590	3,503,943	(2,029,374)	3,613,590
Cumulative translation adjustments	(40,295)	(58,708)	23,072	(40,295)	(58,708)	23,072
Share in changes in fair value of financial assets at FVOCI of an associate (Note 15)	142,923	–	–	142,923	–	–
Changes in cost of hedging reserve, net of tax						
Fair value loss for the year	(11,069,414)	(5,779,218)	–	(11,069,414)	(5,779,218)	–
Loss taken to profit or loss (Note 11)	11,468,234	4,182,080	–	11,468,234	4,182,080	–
Changes in cash flow hedge reserve, net of tax						
Fair value gain for the year	6,216,365	1,325,380	–	6,216,365	1,325,380	–
Amount recycled to profit or loss (Note 11)	(6,216,365)	(1,325,380)	–	(6,216,365)	(1,325,380)	–
	4,005,391	(3,685,220)	3,636,662	4,005,391	(3,685,220)	3,636,662
<i>Other Comprehensive Income (Loss) not to be Reclassified to Profit or Loss in Subsequent Periods:</i>						
Revaluation gain on equity instruments at fair value through other comprehensive income (Note 12)	(23,551)	89,762	90,862	(23,551)	89,762	90,863
Remeasurement loss on defined benefit plans (Notes 15, 26 and 29)	(254,263)	(369,450)	(289,628)	(254,263)	(369,450)	(289,628)
Share in changes in other comprehensive income (loss) of subsidiaries (Note 15)						
Remeasurement loss on defined benefit plans	(2,518)	(3,220)	(5,174)	(2,518)	(3,220)	(5,174)
Revaluation gain on equity instruments at fair value through other comprehensive income	5,351	2,155	4,013	5,351	2,155	4,012
Share in changes in other comprehensive income (loss) of joint ventures (Note 15)						
Remeasurement gain (loss) on defined benefit plans	589	(367)	4,962	589	(367)	4,962
	(274,392)	(281,120)	(194,965)	(274,392)	(281,120)	(194,965)
OTHER COMPREHENSIVE GAIN (LOSS) FOR THE YEAR	₱3,730,999	(₱3,966,340)	₱3,441,697	₱3,730,999	(₱3,966,340)	₱3,441,697
TOTAL COMPREHENSIVE INCOME	₱15,358,591	₱7,272,088	₱12,547,135	₱15,358,591	₱7,272,088	₱12,547,135
ATTRIBUTABLE TO:						
Equity holders of the Parent Company	₱15,358,591	₱7,272,088	₱12,547,135	₱15,358,591	₱7,272,088	₱12,547,135
	₱15,358,591	₱7,272,088	₱12,547,135	₱15,358,591	₱7,272,088	₱12,547,135

See accompanying Notes to Financial Statements.



SECURITY BANK CORPORATION AND SUBSIDIARIES
STATEMENTS OF CHANGES IN EQUITY

Consolidated								
Years Ended December 31, 2025, 2024 and 2023								
Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock (Note 26)	Additional Paid-in Capital (Note 26)	Surplus (Note 26)	Net Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income (Note 12)	Net Unrealized Gain on Subsidiaries' and an Associate's Financial Assets at Fair Value through Other Comprehensive Income (Note 12)	Cumulative Foreign Currency Translation	Cost of Hedging Reserve (Note 11)	Total Equity
Balance at January 1, 2025	P7,635,389	P38,524,323	P104,155,854	(P7,474,013)	P22,787	(P129,650)	(P1,597,138)	P141,137,552
Total comprehensive income for the year	–	–	11,371,400	3,480,392	148,274	(40,295)	398,820	15,358,591
Declaration of cash dividends (Note 26)	–	–	(2,266,315)	–	–	–	–	(2,266,315)
Balance at December 31, 2025	P7,635,389	P38,524,323	P113,260,939	(P3,993,621)	P171,061	(P169,945)	(P1,198,318)	P154,229,828
Balance at January 1, 2024	P7,635,389	P38,524,323	P95,555,339	(P5,534,401)	P20,632	(P70,942)	P–	P136,130,340
Total comprehensive income for the year	–	–	10,865,391	(1,939,612)	2,155	(58,708)	(1,597,138)	7,272,088
Declaration of cash dividends (Note 26)	–	–	(2,264,876)	–	–	–	–	(2,264,876)
Balance at December 31, 2024	P7,635,389	P38,524,323	P104,155,854	(P7,474,013)	P22,787	(P129,650)	(P1,597,138)	P141,137,552
Balance at January 1, 2023	P7,635,389	P38,524,323	P89,004,617	(P9,238,853)	P16,619	(P94,014)	P–	P125,848,081
Total comprehensive income for the year	–	–	8,815,598	3,704,452	4,013	23,072	–	12,547,135
Declaration of cash dividends (Note 26)	–	–	(2,264,876)	–	–	–	–	(2,264,876)
Balance at December 31, 2023	P7,635,389	P38,524,323	P95,555,339	(P5,534,401)	P20,632	(P70,942)	P–	P136,130,340



Parent Company

Years Ended December 31, 2025, 2024 and 2023

	Capital Stock (Note 26)	Additional Paid-in Capital (Note 26)	Surplus (Note 26)	Net Unrealized Loss on Financial Assets at Fair Value through Other Comprehensive Income (Note 12)	Net Unrealized Gain on Subsidiaries' Financial Assets at Fair Value through Other Comprehensive Income (Note 12)	Cumulative Foreign Currency Translation	Cost of Hedging Reserve (Note 11)	Total Equity
Balance at January 1, 2025	₱7,635,389	₱38,551,028	₱104,139,419	(₱7,482,166)	₱22,787	(₱129,650)	(₱1,597,138)	₱141,139,669
Total comprehensive income for the year	–	–	11,371,400	3,480,392	148,274	(40,295)	398,820	15,358,591
Declaration of cash dividends	–	–	(2,266,315)	–	–	–	–	(2,266,315)
Balance at December 31, 2025	₱7,635,389	₱38,551,028	₱113,244,504	(₱4,001,774)	₱171,061	(₱169,945)	(₱1,198,318)	₱154,231,945
Balance at January 1, 2024	₱7,635,389	₱38,551,028	₱95,538,904	(₱5,542,554)	₱20,632	(₱70,942)	₱–	₱136,132,457
Total comprehensive income for the year	–	–	10,865,391	(1,939,612)	2,155	(58,708)	(1,597,138)	7,272,088
Declaration of cash dividends	–	–	(2,264,876)	–	–	–	–	(2,264,876)
Balance at December 31, 2024	₱7,635,389	₱38,551,028	₱104,139,419	(₱7,482,166)	₱22,787	(₱129,650)	(₱1,597,138)	₱141,139,669
Balance at January 1, 2023	₱7,635,389	₱38,551,028	₱88,988,182	(₱9,247,006)	₱16,619	(₱94,014)	₱–	₱125,850,198
Total comprehensive income for the year	–	–	8,815,598	3,704,452	4,013	23,072	–	12,547,135
Declaration of cash dividends	–	–	(2,264,876)	–	–	–	–	(2,264,876)
Balance at December 31, 2023	₱7,635,389	₱38,551,028	₱95,538,904	(₱5,542,554)	₱20,632	(₱70,942)	₱–	₱136,132,457

See accompanying Notes to Financial Statements.



SECURITY BANK CORPORATION AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
(Amounts in Thousands)						
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱14,845,353	₱15,240,291	₱12,058,913	₱14,713,656	₱15,168,485	₱11,995,148
Adjustments for:						
Amortization of cost of hedging (Note 11)	15,287,313	5,576,107	–	15,287,313	5,576,107	–
Provision for credit losses (Note 14)	12,497,125	6,653,742	4,666,194	12,502,734	6,641,481	4,663,189
Depreciation and amortization (Note 16)	3,220,318	2,746,570	2,150,173	2,320,384	2,121,113	1,694,720
Amortization of software costs (Note 18)	1,403,102	904,892	675,041	1,401,733	904,450	674,567
Amortization of premium on financial assets at fair value through other comprehensive income and investment securities at amortized cost (Notes 12 and 13)	519,931	588,060	557,747	519,931	588,060	557,747
Amortization of discount on LTNCD, notes and bonds payable, and lease liabilities (Notes 16, 19 and 22)	255,528	296,970	362,423	255,330	296,970	362,423
Share in net income of subsidiaries, joint ventures and an associate (Note 15)	(746,868)	(1,870)	(179,565)	(1,146,959)	(258,462)	(480,472)
Provision for (recovery of) impairment losses (Notes 16,17 and 18)	265,022	(43,839)	134,680	264,722	(43,839)	134,680
Loss (gain) on disposal of financial assets at FVTOCI (Notes 9 and 12)	(621,474)	(609,266)	132,350	(621,474)	(609,266)	132,350
Profit from assets sold/exchanged (Notes 16, 17 and 18)	(284,786)	(935,182)	(1,211,848)	(284,816)	(935,182)	(1,211,843)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Loans and receivables (Note 14)	(34,063,740)	(148,025,402)	(41,542,654)	(32,056,802)	(147,885,054)	(43,106,425)
Derivative assets designated as hedges	(4,976,740)	(2,959,406)	–	(4,976,740)	(2,959,406)	–
Financial assets at FVTPL (Note 10)	(21,050,038)	(5,935,056)	(3,319,779)	(21,050,038)	(5,935,056)	(3,319,779)
Interbank loans receivable and SPURA	1,017,981	(567,985)	1,998,013	1,017,981	(567,985)	1,998,013
Due from other banks	(220)	89	(279)	(170)	172	(241)
Other assets	1,732,089	(4,477,144)	(635,519)	1,789,757	(4,370,271)	(610,482)
Increase (decrease) in the amounts of:						
Deposit liabilities (Note 19)	139,857,340	194,530,001	15,045,591	140,270,392	194,156,699	15,254,485
Derivative liabilities designated as hedges	(9,649,050)	(1,539,941)	–	(9,649,050)	(1,539,941)	–
Accrued interest, taxes and other expenses (Note 23)	(983,218)	713,724	691,206	(906,248)	597,402	609,590
Manager's and certified checks outstanding	561,386	130,547	1,105,816	561,386	130,547	1,105,816
Margin deposits and cash letters of credit	2,592,177	112,355	(6,378)	2,592,177	112,355	(6,378)
Acceptances payable	(1,029,640)	(1,112,865)	1,697,470	(1,029,640)	(1,112,865)	1,697,470
Financial liabilities at FVTPL (Note 20)	(308,581)	(1,252,659)	1,215,888	(308,581)	(1,252,659)	1,215,888
Other liabilities (Note 24)	4,195,081	3,258,454	1,313,582	3,789,733	2,987,525	2,136,881
Net cash generated from (used in) operations	124,535,391	63,291,187	(3,090,935)	125,256,711	61,811,380	(4,502,653)
Income taxes paid	(5,438,909)	(4,417,122)	(3,474,324)	(5,313,314)	(4,343,487)	(3,414,471)
Net cash provided by (used in) operating activities	119,096,482	58,874,065	(6,565,259)	119,943,397	57,467,893	(7,917,124)

(Forward)



	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
	(Amounts in Thousands)					
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of:						
Financial assets at FVTOCI (Note 12)	(P70,514,188)	(P106,942,674)	(P57,299,480)	(P70,514,188)	(P106,942,674)	(P57,299,480)
Investment securities at amortized cost (Note 13)	(79,837,800)	(80,795,402)	(12,600,658)	(79,837,800)	(80,795,402)	(12,600,658)
Property and equipment (Note 16)	(3,382,865)	(3,131,894)	(2,471,040)	(1,227,507)	(1,554,541)	(1,132,039)
Software costs (Note 18)	(3,144,261)	(2,583,657)	(1,926,760)	(3,139,012)	(2,581,519)	(1,926,659)
Investment in joint ventures and an associate (Note 15)	(11,611,165)	–	–	(11,611,165)	–	–
Proceeds from:						
Disposals or maturities of financial assets at FVTOCI (Notes 9 and 12)	98,658,826	63,966,403	32,869,002	98,658,826	63,966,403	32,869,002
Disposals, redemptions or maturities of investment securities at amortized cost (Note 13)	61,115,517	19,357,629	4,552,693	61,115,517	19,357,629	4,552,693
Disposals of investment properties and chattel mortgages	1,737,081	1,065,169	961,502	1,737,081	1,064,394	961,502
Disposals of property and equipment	340,528	148,261	343,414	129,710	21,187	299,260
Dividends received from subsidiaries and joint venture (Note 15)	10,946	–	–	10,946	13,000	–
Net cash used in investing activities	(6,627,381)	(108,916,165)	(35,571,327)	(4,677,592)	(107,451,523)	(34,276,379)
CASH FLOWS FROM FINANCING ACTIVITIES						
Settlements of:						
Bills payable and securities sold under repurchase agreements (Note 37)	(286,964,332)	(660,613,634)	(724,538,355)	(286,964,332)	(660,609,468)	(724,485,855)
Notes and bonds payable (Note 37)	(18,500,000)	(30,600,000)	(17,056,500)	(18,500,000)	(30,600,000)	(17,056,500)
LTNCD (Note 37)	(10,440,000)	–	(14,381,000)	(10,440,000)	–	(14,381,000)
Proceeds from:						
Bills payable and securities sold under repurchase agreements (Note 37)	202,386,400	698,376,629	736,658,375	199,553,067	698,286,629	736,658,375
Issuance of notes and bonds payable (Notes 22 and 37)	20,835,295	41,968,599	18,352,354	20,835,295	41,968,599	18,352,354
Payments of lease liabilities (Note 16)	(1,060,919)	(882,988)	(748,610)	(1,060,919)	(882,988)	(744,244)
Cash dividends paid (Note 26)	(2,266,315)	(2,264,096)	(2,273,063)	(2,266,315)	(2,264,096)	(2,273,063)
Net cash provided by (used in) financing activities	(96,009,871)	45,984,510	(3,986,799)	(98,843,204)	45,898,676	(3,929,933)
Effect of exchange rate differences	(1,258,914)	660,402	186,996	(1,258,916)	662,300	191,616
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	15,200,316	(3,397,188)	(45,936,389)	15,163,685	(3,422,654)	(45,931,820)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	13,165,055	13,947,069	13,180,172	13,164,915	13,946,944	13,180,047
Due from Bangko Sentral ng Pilipinas	35,104,831	45,821,155	63,011,416	35,104,831	45,821,155	63,011,416
Due from other banks	15,370,541	12,022,007	20,097,291	15,285,745	11,962,662	20,033,377
Interbank loans receivable and securities purchased under resale agreements with the Bangko Sentral ng Pilipinas	6,833,615	2,080,999	23,518,740	6,833,615	2,080,999	23,518,740
	P70,474,042	P73,871,230	P119,807,619	P70,389,106	P73,811,760	P119,743,580

(Forward)



	Consolidated			Parent Company		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
	(Amounts in Thousands)					
CASH AND CASH EQUIVALENTS						
AT END OF YEAR						
Cash and other cash items	₱15,555,919	₱13,165,055	₱13,947,069	₱15,555,769	₱13,164,915	₱13,946,944
Due from Bangko Sentral ng Pilipinas	26,584,514	35,104,831	45,821,155	26,584,514	35,104,831	45,821,155
Due from other banks	16,433,925	15,370,541	12,022,007	16,312,508	15,285,745	11,962,662
Interbank loans receivable and securities purchased under resale agreements with the Bangko Sentral ng Pilipinas	27,100,000	6,833,615	2,080,999	27,100,000	6,833,615	2,080,999
	₱85,674,358	₱70,474,042	₱73,871,230	₱85,552,791	₱70,389,106	₱73,811,760
OPERATIONAL CASH FLOWS FROM INTEREST AND DIVIDENDS						
Interest received	₱77,441,490	₱60,386,181	₱48,562,000	₱77,476,425	₱60,522,591	₱48,648,260
Interest paid	28,073,931	18,391,927	14,026,707	27,983,138	18,457,927	14,085,829
Dividends received	1,863	3,165	3,395	–	1,382	1,612

See accompanying Notes to Financial Statements.



SECURITY BANK CORPORATION AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Security Bank Corporation (the Parent Company) is a domestic corporation registered with the Securities and Exchange Commission (SEC) in 1951 and was listed in the Philippine Stock Exchange (PSE) in 1995. The Parent Company's head office is located at Security Bank Centre, 6776 Ayala Avenue, Makati City.

The Parent Company was incorporated on May 8, 1951 and started its operations as a commercial bank on June 18, 1951. On May 30, 2000, the Board of Directors (BOD) of the Parent Company approved its Amended Articles of Incorporation to extend the corporate term of the Parent Company, which expired on May 8, 2001, for another 50 years. On February 19, 2001, the SEC approved such amendment.

With the effectivity of Section 11 of Republic Act (RA) No. 1132, otherwise known as "Revised Corporation Code of the Philippines" on February 23, 2019, corporations existing before its enactment are deemed to have perpetual term. Accordingly, the Parent Company's corporate term is considered perpetual.

In 1994, the Parent Company was approved by the Bangko Sentral ng Pilipinas (BSP) to operate as a universal bank, allowing it to expand its financial services and revenue sources.

The Parent Company provides expanded commercial banking services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury, foreign exchange and trust services. In addition, the Parent Company is licensed to engage in financial derivatives to service the requirements of its customers and as a means of reducing and managing the Parent Company's foreign exchange and interest rate exposures.

The Parent Company and its subsidiaries, joint ventures, and an associate (collectively referred to as the "Group"), which are all incorporated in the Philippines, are engaged in the following businesses:

Subsidiaries, Joint Ventures and an Associate	Principal place of business	Line of Business	Effective Percentage of Ownership	
			December 31, 2025	December 31, 2024
Security Bank Capital Investment Corporation (SBCIC) (formerly SB Capital Investment Corporation) ¹	18 th floor, Security Bank Centre, 6776 Ayala Avenue, Makati City	Investment house	100.00	100.00
SB Equities, Inc. (SBED)	18 th floor, Security Bank Centre, 6776 Ayala Avenue, Makati City	Stock brokerage	100.00	100.00
SB Rental Corporation (SBRC)	4th floor, Security Bank Centre, 6776 Ayala Avenue, Makati City	Rental/Leasing	100.00	100.00
SB Cards Corporation (SBCC) ²	Diners Club Center, 114 Valero St. Salcedo Village, Makati City	Credit card operations	100.00	100.00
Security Finance and Leasing Inc. (SFLI) (formerly Landlink Property Investments (SPV-AMC), Inc. (LPII)) ³	Security Bank Centre, 6776 Ayala Avenue, Makati City	Financing	100.00	100.00
SB Forex, Incorporated (SBFI) ⁴	Security Bank Centre, 6776 Ayala Avenue, Makati City	Foreign exchange services	100.00	100.00
SBM Leasing, Inc. (SBML) ⁵	4th floor, Security Bank Centre, 6776 Ayala Avenue, Makati City	Financing	60.00	60.00
SB Finance, Inc. (SBF) (formerly SB Finance Company, Inc.) ⁵	Keyland Arnaiz Building, 849 Antonio Arnaiz Avenue, Legaspi Village, Makati City 1229	Financing	49.96	49.96
Mitsubishi Motors Finance Philippines Inc. (MMFP) ⁶	6797 Ayala Avenue, Makati City	Financing	49.00	–
HC Consumer Finance Philippines, Inc. (HCPH) ⁷	14 th , 15 th and 20 th floor Ore Central, 31 st St cor. 9 th Ave Bonifacio Global City Taguig City	Financing	25.00	–

¹ With SEC approval on November 12, 2024 to change corporate name

² Corporate term ended on December 31, 2024, for processing of tax clearance

³ With BOD approval in 2024 to shorten corporate life on December 31, 2025, awaiting approval from SEC

⁴ Corporate term ended February 28, 2022, with clearance from BIR dated February 4, 2026

⁵ Joint Ventures

⁶ Joint Venture. Incorporated on January 21, 2025

⁷ Associate



The Parent Company is the ultimate parent company of the Group.

On April 8, 2024, the Executive Committee as delegated by the BOD of the Parent Company, approved a joint venture agreement with Mitsubishi Motors Corporation (Mitsubishi Motors) of Japan. The agreement establishes Mitsubishi Motors Finance Philippines Inc. (MMFP) and provides for a capital injection totaling to ₱4.0 billion, to be paid in tranches. Pursuant to the agreement, the Parent Company holds a 49.0% ownership stake in MMFP, while Mitsubishi Motors holds a 51.0% ownership stake. On November 26, 2024, upon fulfillment of certain closing conditions, the Parent Company paid the first tranche of capital injection amounting to ₱1.25 billion. MMFP was incorporated on January 21, 2025 and started commercial operations in April 2025.

On May 2, 2025, the Bank completed its acquisition of a 25.0% stake in HC Consumer Finance Philippines, Inc. (HCPH), also known as Home Credit Philippines, from MUFG Bank Ltd. (MUFG). The transaction was executed for a base price of ₱10.4 billion, with an additional adjustment of ₱1.2 billion finalized on August 28, 2025. This brought the total consideration to ₱11.6 billion, reflecting the change in HCPH's net asset value between December 31, 2023 and April 30, 2025. The Bank of Ayudhya Public Company Ltd. (Krungsri), a subsidiary of MUFG, retained a 75% ownership stake, maintaining the majority shareholder. The acquisition has received clearance from the BSP.

2. Material Accounting Policy Information

Basis of Preparation

The accompanying financial statements include the financial statements of the Parent Company and its subsidiaries.

The accompanying financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at Fair Value through Profit or Loss (FVTPL), financial assets at Fair Value through Other Comprehensive Income (FVTOCI) and derivative assets and liabilities designated as hedges that have been measured at fair value. The carrying values of recognized loans and receivables and investment securities at amortized cost that are hedged items in fair value hedges, and otherwise carried at amortized cost, are adjusted to record changes in fair value attributable to the risks that are being hedged. The financial statements are presented in Philippine Peso and all values are rounded to the nearest thousand peso (₱000) except when otherwise indicated.

The financial statements of the Parent Company include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of the RBU and the FCDU is the Philippine Peso and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine Peso, which is the Parent Company's presentation currency. The financial statements individually prepared for these units are combined after eliminating inter-unit accounts.

The consolidated financial statements provide comparative information in respect of the previous period.

Each entity in the Group determines its own functional currency and the items included in the financial statements of each entity are measured using that functional currency. The functional currency of each of the Parent Company's subsidiaries is the Philippine Peso.



Statement of Compliance

The accompanying financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis of Consolidation

The consolidated financial statements of the Group are prepared for the same reporting period as the subsidiaries, using consistent accounting policies.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies used in line with those used by the Group. All significant intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full at consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- derecognizes the carrying amount of any non-controlling interests;
- derecognizes the cumulative translation differences recorded in equity;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss; and
- 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.



Changes in Accounting Policies

Except for these new and amended standards which were adopted as of January 1, 2025, the accounting policies adopted are consistent with those of previous financial year.

The adoption of the following amendment did not have a significant impact on the consolidated financial statements of the Group:

- Amendments to PAS 21, *Lack of Exchangeability*

Fair Value Measurement

For measurement and disclosure purposes, the Group determines the fair value of an asset or liability at initial measurement or at each statement of financial position date.

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

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

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

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

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

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

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

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



For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

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

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy (see Note 6).

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Regular way purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market, except for derivatives, are recognized on the settlement date. Settlement date is the date on which the transaction is settled by delivery of the assets that are the subject of the agreement. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Group, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that it is delivered by the Group. Deposits, amounts due from banks and customers, loans and receivables and spot transactions are recognized when cash is received by the Group or advanced to the borrowers.

Derivatives are recognized on trade date - the date that the Group becomes a party to the contractual provisions of the instrument. Trade date accounting refers to (a) the recognition of an asset to be received and the liability to pay for it on the trade date, and (b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Initial recognition of financial instruments

All financial assets and financial liabilities are recognized initially at fair value plus any directly attributable cost of acquisition or issue, except in the case of financial assets and financial liabilities at FVTPL.

'Day 1' difference

Where the transaction price is different from the fair value based on other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group immediately recognizes the difference between the transaction price and the fair value of the instrument (a 'Day 1' difference) in the statements of income unless it qualifies for recognition as some other type of asset or liability. In cases where data used is not observable, the difference between the transaction price and model value is only recognized in the statements of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the 'Day 1' difference amount.

Classification and Measurement of Financial Assets

For purposes of classifying financial assets, an instrument is an 'equity instrument' if it is a non-derivative and meets the definition of 'equity' from the point of view of the issuer (under PAS 32, *Financial Instruments: Presentation*), except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial instruments are 'debt instruments'.



Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- the expected frequency, value and timing of sales are also important aspects of the Group's assessment

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

For the purpose of the SPPI test, principal is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL.

Financial assets at amortized cost

Debt financial assets are measured at amortized cost if both of the following conditions are met:

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

Debt financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method less any impairment in value, with the interest calculated recognized as 'Interest income' in the statements of income. The Group classified 'Cash and other cash items (COCI)', 'Due from BSP', 'Due from other banks', 'Interbank loans receivable and Securities purchased under resale agreements (SPURA) with



the BSP', 'Investment securities at amortized cost', 'Loans and receivables', and cash collateral deposits and security deposits (included under 'Other assets') as financial assets at amortized cost.

The Group may irrevocably elect at initial recognition to classify a debt financial asset that meets the amortized cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the debt financial asset been measured at amortized cost.

Financial assets at FVTPL

Debt financial assets that do not meet the amortized cost criteria, or that meet the criteria but the Group has chosen to designate as at FVTPL at initial recognition, are measured at fair value through profit or loss.

Equity investments are classified as at FVTPL, unless the Group designates an investment that is not held for trading as at FVTOCI at initial recognition.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The Group's financial assets at FVTPL include government securities, private bonds and equity securities held for trading purposes, debt and hybrid instruments that do not meet the amortized cost criteria, and equity investments not designated as at FVTOCI.

As of December 31, 2025 and 2024, the Group has not designated any debt instrument that meets the amortized cost criteria as at FVTPL.

Financial assets at FVTPL are carried at fair value and gains and losses on these instruments are recognized as 'Trading and securities gain - net' in the statements of income. Interest earned on these investments is reported in the statements of income under 'Interest income' while dividend income is reported in the statements of income under 'Miscellaneous income' when the right of payment has been established. Quoted market prices, when available, are used to determine the fair value of these financial instruments. If a financial asset at FVTPL has a bid and ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value. If quoted market prices are not available, their fair values are estimated based on market observable inputs. For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques.

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the Bankers Association of the Philippines (BAP) closing rate at the statement of financial position date. The foreign exchange component forms part of its fair value gain or loss. For financial assets classified as at FVTPL, the foreign exchange component is recognized in the statements of income. For foreign currency-denominated debt instruments classified as at amortized cost, the foreign exchange gains and losses are determined based on the amortized cost of the asset and are recognized in the statements of income.

Equity instruments at FVTOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading.



Equity investments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for sale or disposal costs. Gains and losses arising from changes in fair value are recognized in OCI and accumulated in 'Net unrealized loss on financial assets at FVTOCI' in the statements of financial position. Where the asset is disposed of, the cumulative gain or loss previously recognized in 'Net unrealized loss on financial assets at FVTOCI' is not reclassified to profit or loss but is reclassified to 'Surplus'. Equity instruments at FVTOCI are not subject to an impairment assessment.

As of December 31, 2025 and 2024, the Group has designated certain equity instruments that are not held for trading as at FVTOCI on initial application of PFRS 9 (see Note 12).

Dividends earned on holding these equity instruments are recognized in the statements of income when the Group's right to receive the dividends is established in accordance with PFRS 9, unless the dividends clearly represent recovery of a part of the cost of the investment. Dividends earned are recognized under 'Miscellaneous income' in the statements of income.

Debt instruments at FVTOCI

The Group applies this category under PFRS 9 of debt instruments measured at FVTOCI when both of the following conditions are met:

- the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset meet the SPPI test.

Debt instruments at FVTOCI are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Derivative instruments

The Parent Company uses derivative instruments such as cross-currency swaps, interest rate swaps, foreign currency forward contracts, options on foreign currencies and bonds and interest rate futures. These derivatives are entered into as a service to customers and as a means for reducing or managing the Parent Company's respective foreign exchange and interest rate exposures, as well as for trading purposes. Such derivative instruments are initially recorded at fair value and carried as financial assets at FVTPL when their fair value is positive and as financial liabilities at FVTPL when their fair value is negative.

Any gains or losses arising from changes in fair value of derivative instruments (except for foreign exchange contracts) are recognized as 'Trading and securities gain - net'. For foreign exchange contracts, changes in fair value are recognized in 'Foreign exchange gain (loss) - net' in the statements of income.

Interest income is recognized in the statements of income if the "receive leg" is higher than the "pay leg" of interest-earning derivatives. Interest expense is recognized in the statements of income if the "pay leg" is higher than the "receive leg" of interest-bearing derivatives.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of PFRS 9 (e.g., financial liabilities and non-financial host contracts) are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.



The Group assesses the existence of an embedded derivative on the date it first becomes a party to the contract, and performs re-assessment only where there is a change to the contract that significantly modifies the contractual cash flows.

As of December 31, 2025 and 2024, the Parent Company's hybrid financial instruments are classified as at FVTPL (see Note 10).

Reclassification of financial assets

The Group can reclassify financial assets if the objective of its business model for managing those financial assets changes. The Group is required to reclassify the following financial assets:

- from amortized cost to FVTPL if the objective of the business model changes so that the amortized cost criteria are no longer met; and
- from FVTPL to amortized cost if the objective of the business model changes so that the amortized cost criteria start to be met and the instrument's contractual cash flows meet the amortized cost criteria; and
- from FVTOCI to amortized cost if the objective of the business model changes so that the fair value criteria are no longer met but the amortized cost criteria are still met and the instrument's contractual cash flows meet the amortized cost criteria.

Reclassification of financial assets designated as at FVTPL or equity financial assets at FVTOCI at initial recognition is not permitted.

A change in the objective of the Group's business model must be effected before the reclassification date. The reclassification date is the beginning of the next reporting period following the change in the business model.

Hedge Accounting

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when the risk being hedged is the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- Cash flow hedges when the risk being hedged is the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment; and
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Parent Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged, and how the Parent Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an 'economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.



- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Parent Company actually hedges and the quantity of the hedging instrument that the Parent Company actually uses to hedge that quantity of hedged item.

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI as cash flow hedge reserve (see Note 11), while any ineffective portion is recognized immediately in the statements of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

For cash flow hedges, to calculate the change in fair value of the hedged item attributable to the hedged risk, the Parent Company uses the hypothetical derivative method. The hypothetical derivative method involves establishing a notional derivative that would be the ideal hedging instrument for the hedged exposure (normally an interest rate swap or forward contract with no unusual terms and a zero fair value at inception of the hedge relationship). The fair value of the hypothetical derivative is then used as a proxy for the net present value of the hedged future cash flows against which changes in value of the actual hedging instrument are compared to assess effectiveness and measure ineffectiveness.

When foreign exchange swap contracts are used in hedging relationships, the Parent Company can designate the instrument in its entirety or exclude the forward element by designating the spot element only. The forward element in a foreign exchange swap contract is the difference between the spot and forward prices. When only the spot element is designated, the Parent Company has a choice to apply the cost of hedging accounting to the excluded forward element. In applying the cost of hedging accounting to the forward element of the foreign exchange swap contract, the change in the fair value of the forward element is recognized in OCI and accumulated in a separate component of equity. In case of a time period-related hedged item, the forward element that exists at inception is amortized from the separate component of equity to profit or loss on a systematic and rational basis. The unamortized portion of the cost of hedging is presented under 'Cost of hedging reserve' in the statements of financial position. The amortization of the forward element is presented under 'Interest expense on derivatives designated as hedges' in the statements of income.

The amounts accumulated in OCI under cash flow hedge reserve are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied. For any other cash flow hedges, the amount accumulated in OCI under cash flow hedge reserve is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

When the Parent Company discontinues hedge accounting for a cash flow hedge, it must account for the amount that has been accumulated in the cash flow hedge reserve as follows: (a) the amount remains in accumulated OCI if the hedged future cash flows are still expected to occur or (b) the amount is immediately reclassified to profit or loss as a reclassification adjustment if the hedged future cash flows are no longer expected to occur. Any amount immediately reclassified to profit or loss as a reclassification adjustment is presented under 'Foreign exchange gain (loss) - net' in the statements of income.



As of December 31, 2025, the Parent Company has foreign exchange swap contracts where the spot element has been designated as hedging instruments in cash flow hedges (see Note 11).

Impairment of Financial Assets

The Group and the Parent Company record the allowance for expected credit losses for all loans and receivables and other debt financial assets not held at FVTPL, together with loan commitments and financial guarantee contracts, all referred to as 'financial instruments'. Equity instruments are not subject to impairment under PFRS 9.

Expected Credit Loss (ECL) represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances are measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk (SICR) since initial recognition (General Approach). The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that result from all possible default events over the expected life of a financial instrument.

Staging assessment

A three-stage approach for impairment of financial assets is used, based on whether there has been a significant deterioration in the credit risk of a financial asset. These three stages then determine the amount of impairment to be recognized.

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all financial instruments which have not experienced a SICR since initial recognition or is considered of low credit risk as of the reporting date. The criteria for determining whether an account should be assessed under Stage 1 are as follows: (i) current including past due up within the cure period of up to 30 days; or (ii) unclassified. Both (i) and (ii) are applicable to wholesale, business and retail loans. The Group recognizes a 12-month ECL for Stage 1 financial instruments.
- Stage 2 is comprised of all financial instruments which have experienced a SICR as of reporting date compared to initial recognition. A SICR is generally deemed present in accounts with: (i) 31 days up to 90 days past due; (ii) especially mentioned; (iii) substandard; or (iv) with score below defined threshold. For wholesale loans, this includes small accounts with Borrower Risk Rating of 10. For credit cards, score cut-offs is 580. For home loans, 3-notch downgrade in score is considered as Stage 2. The Group recognizes a lifetime ECL for Stage 2 financial instruments.

For credit-impaired financial instruments:

- Stage 3 is comprised of all financial assets that have objective evidence of impairment as a result of one or more loss events that have occurred after initial recognition with a negative impact on the estimated future cash flows of a loan or a portfolio of loans. The Group's criteria for Stage 3 accounts are generally aligned with the definition of "default" which is explained in the next paragraph. The Group recognizes a lifetime ECL for Stage 3 financial instruments.



Definition of “default” and “restored”

The Group classifies loans, investments, receivables, or any financial asset as in default when it is credit impaired, becomes past due on its contractual payments for more than 90 days, considered non-performing, under litigation or is classified as doubtful or loss. As part of a qualitative assessment of whether a customer is in default, the Group considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e., restored) if there is sufficient evidence to support that full collection is probable and payments are received for at least six months.

Credit risk at initial recognition

The Group uses internal credit assessment and approvals at various levels to determine the credit risk of exposures at initial recognition. Assessment can be quantitative or qualitative and depends on the materiality of the facility or the complexity of the portfolio to be assessed.

For accounts originated before the transition date, an approximation of the initial probability of default (PD) at origination was utilized. Average PD per portfolio was used as approximated initial PD at origination. Average of the Point-in-Time PDs was used since most of the accounts were booked in the same year.

Modification

In certain circumstances, the Group modifies the original terms and conditions of a credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments and accrual of interest and charges.

Significant increase in credit risk (SICR)

The assessment of whether there has been a significant increase in credit risk is based on an increase in the probability of a default occurring since initial recognition. The SICR criteria vary by portfolio and include quantitative changes in probabilities of default and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's internal credit assessment, the borrower or counterparty is determined to require close monitoring or with well-defined credit weaknesses.

Or, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower except as provided by law. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert to recognizing a 12-month ECL.

ECL parameters and methodologies

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

The PD is an estimate of the likelihood of default over a 12-month horizon for Stage 1 or lifetime horizon for Stages 2 and 3. The PD for each individual instrument is modelled based on historic data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segments its credit exposures based on homogenous



risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts and materiality of the segment as compared to the total portfolio.

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It makes use of defaulted accounts that have either been identified as cured, restructured, or liquidated. The Group segmented its LGD based on homogenous risk characteristics and calculated the corresponding averages based on security.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.

Forward-looking information

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

The key forward-looking economic variables used in each of the economic scenarios for the ECL calculations are GDP changes in inventory, current prices, Business outlook index on the macroeconomy – Real Estate, Unemployment Rate, Industry NPL of Universal Banks and Parent Company's Wholesale Banking Segment (WBS) Loan Portfolio NPL Rate.

Debt instruments measured at FVTOCI

The ECLs for debt instruments measured at FVTOCI do not reduce the carrying amount of these financial assets in the statements of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets are measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

Consumer loans and credit card receivables

The Group does not limit its exposure to credit losses to the contractual notice period, but instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities. Based on past experience and the Group's expectations, the period over which the Group calculates ECLs for these products is based on the remaining term.

Restructured loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered as past due but remains adversely classified until the account has established sufficient track record of payment. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur.



Financial Liabilities

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Financial liabilities held for trading include:

- derivative liabilities that are not accounted for as hedging instruments;
- obligations to deliver financial assets borrowed by a short seller (i.e., an entity that sells financial assets it has borrowed and does not yet own);
- financial liabilities that are incurred with an intention to repurchase them in the near term (e.g., a quoted debt instrument that the issuer may buy back in the near term depending on changes in its fair value); and
- financial liabilities that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent pattern of short-term profit-taking.

Management may designate a financial liability as at FVTPL upon initial recognition when the following criteria are met, and designation is determined on an instrument-by-instrument basis:

- The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognizing gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

Financial liabilities at FVTPL are recorded in the statements of financial position at fair value. Changes in fair value of financial instruments are recorded in 'Trading and securities gain - net' in the statements of income. Interests incurred are recorded in 'Interest expense' in the statements of income.

Bills payable and other borrowed funds

Bills payable and other borrowed funds are issued financial instruments or their components, which are not financial liabilities at FVTPL. They are classified as such when the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

Derivative liabilities

Derivative liabilities are recognized initially and subsequently measured at fair value with changes in fair value recognized in the statements of income, unless designated as an accounting hedge.



Derecognition of Financial Assets and Liabilities

Financial assets

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

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset, but has transferred control over the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

The Group considers both qualitative and quantitative factors in assessing whether a modification of financial asset is substantial or not. When assessing whether a modification is substantial, the Group considers the following factors, among others:

- change in currency
- introduction of an equity feature
- change in counterparty
- if the modification results in the asset no longer considered SPPI

The Group also performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statements of income.

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be originated as credit impaired.



Financial liabilities

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

Financial Guarantees

In the ordinary course of business, the Parent Company provides financial guarantees. Financial guarantees are initially recognized in the financial statements at fair value, and the initial fair value is amortized over the life of the financial guarantee in accordance with PFRS 15. The financial guarantee is subsequently carried at the higher of the amount of loss allowance determined in accordance with the expected credit loss model and the amount initially recognized, less when appropriate, the cumulative amount of income recognized in accordance with PFRS 15.

Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position, if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to either settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the statements of financial position.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents consist of 'COCI', 'Due from BSP', 'Due from other banks', and 'Interbank loans receivable and SPURA with the BSP' that are convertible to known amounts of cash, with original maturities of three months or less from dates of placements and that are subject to insignificant risk of changes in value. 'Due from BSP' includes the statutory reserves required by the BSP which the Parent Company considers as cash equivalents wherein drawings can be made to meet cash requirements.

Repurchase and Reverse Repurchase Agreements

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

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

Foreign Currency Translation

Transactions and balances

For financial reporting purposes, the foreign currency-denominated assets and liabilities in the RBU are translated into their equivalents in Philippine Pesos based on the Bankers Association of the Philippines (BAP) closing rate, prevailing at the statement of financial position date and foreign currency-denominated income and expenses, at the prevailing exchange rate at the date of transaction. Foreign exchange differences arising from revaluation and translation of foreign-currency denominated assets and liabilities are credited to or charged against operations in the year in which the rates change.



Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

FCDU

As at the reporting date, the assets and liabilities of the FCDU of the Parent Company are translated into the Parent Company's presentation currency (the Philippine Peso) at BAP closing rate prevailing at the statements of financial position date, and its income and expenses are translated at BAP weighted average rate (BAPWAR) for the year. Exchange differences arising on translation to the presentation currency are taken to the statements of comprehensive income under 'Cumulative translation adjustment'. Upon disposal of the FCDU or upon actual remittance of FCDU profits to RBU, the deferred cumulative amount recognized in the statements of comprehensive income is recognized in the statements of income.

Investments in Subsidiaries, Joint Ventures and an Associate

Investment in subsidiaries

Subsidiaries pertain to all entities over which the Group has control.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group's investment in joint ventures represents its 60.0% interest in SBML, 49.96% interest in SBF and 49.0% interest in MMFP.

The considerations made in determining joint control are similar to those necessary to determine control over subsidiaries.

Investment in an associate

An associate pertains to an entity over which the Group and the Parent Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The Group's investment in an associate represents its 25.0% interest in HCPH.

The Group and the Parent Company's investment in its subsidiaries, joint ventures and an associate are accounted for using the equity method of accounting. Under the equity method, investments are initially recognized at cost. Subsequently, the carrying amount of each investment is adjusted to reflect the Group and the Parent Company's share in the net assets of the investee after the date of acquisition. Any goodwill arising on the acquisition of a subsidiary, joint venture, or an associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The statements of income include the Group and the Parent Company's share of the results of operations of the subsidiary, joint venture, or an associate. Any change in OCI of the investee is presented as part of the Group and the Parent Company's OCI. In addition, any share in changes directly recognized in the equity of the investee is reflected, when applicable, in the Group and the Parent Company's statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group or the Parent Company and a joint venture or an associate are eliminated to the extent of Group or Parent Company's interest in the joint venture or associate.



The aggregate of the Group's share in profit or loss of its subsidiaries, joint ventures and an associate is presented on the face of the statements of income under 'Share in net income of subsidiaries, joint ventures and an associate' and represents profit or loss after tax and non-controlling interests in the subsidiaries, joint ventures and an associate.

The financial statements of the subsidiaries and joint venture are prepared for the same reporting period as the Group. Although the Group's MMFP joint venture has a statutory reporting period ending March 31, for consolidation purposes the Group uses financial information covering the twelve-month period ended December 31 to align with the Group's reporting date. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group and the Parent Company determine whether it is necessary to recognize an impairment loss on its investment in subsidiaries, joint ventures and an associate. At each statement of financial position date, the Group and the Parent Company determines whether there is objective evidence that the investment in subsidiaries, joint ventures and an associate is impaired. If there is such evidence, the Group and the Parent Company calculate the amount of impairment as the difference between the recoverable amount of the subsidiaries, joint ventures and an associate and their carrying value, then recognizes the loss in the statements of income.

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

Transfer of business from subsidiary to the Parent

The Parent Company accounts for the transfer as if it has effectively received a distribution that it accounts for at the fair value of the business received. Any excess in the fair value of the net assets received over the consideration is recognized in the statements of income. This reflects the assets acquired and liabilities assumed at their fair value, including goodwill, which will be measured as at the date of the transfer. These transfers have no effect on the consolidated financial statements.

Property and Equipment

Land is stated at cost less any impairment in value. Depreciable properties including building and improvements, furniture, fixtures and equipment, transportation equipment and leasehold improvements are stated at cost less accumulated depreciation and amortization, and any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance are charged against operations in the year in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment. When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any impairment in value are removed from the accounts, and any resulting gain or loss is reflected as income or loss in the statements of income.



Depreciation is computed using the straight-line method based on the estimated useful life (EUL) of the depreciable assets. The range of EUL of property and equipment follows:

	Years
Building and improvements	20
Furniture, fixtures and equipment	3-5
Transportation equipment	5
Leasehold improvements	5-15

Leasehold improvements are amortized over the applicable EUL of the improvements or the terms of the related leases, whichever is shorter.

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

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts (see accounting policy on Impairment of Non-financial Assets).

Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term, as follows:

	Years
Buildings and improvements	2 to 15
Transportation equipment	2 to 3

Investment Properties

Investment properties are measured initially at cost including transaction costs. An investment property acquired through an exchange transaction is measured at fair value of the asset acquired unless the fair value of such an asset cannot be measured in which case the investment property acquired is measured at the carrying amount of asset given up. Any gain or loss on exchange is recognized in the statements of income. Foreclosed properties are classified under 'Investment properties' upon:

- entry of judgment in case of judicial foreclosure;
- execution of the Sheriff's Certificate of Sale in case of extra-judicial foreclosure; or
- notarization of the Deed of Dacion in case of payment in kind (*dacion en pago*).

Real properties acquired

Depreciable real properties acquired are carried at cost, which is the fair value at acquisition date, less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. Transaction costs, which include non-refundable capital gains tax and documentary stamp tax, incurred in connection with foreclosure are capitalized as part of the cost of the real properties acquired.



The Group applies the cost model in accounting for investment properties. Depreciation is computed on a straight-line basis over the EUL of 10 years. The EUL and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of real properties acquired.

The carrying values of the real properties acquired are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets are written down to their recoverable amounts (see accounting policy on Impairment of Non-financial Assets).

Investments in real estate

Investments in real estate consist of investments in land and building. Investments in land are carried at cost less impairment in value. Building is carried at cost less accumulated depreciation and impairment in value. All costs that are directly attributable to the acquisition and development of property are capitalized, including borrowing costs incurred to finance the property development. Depreciation is computed on a straight-line basis over 10-15 years.

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

Other Properties Acquired

Other properties acquired include chattel mortgage properties acquired in settlement of loan receivables. The Group applies the cost model in accounting for other properties acquired. Under the cost model, these assets are carried at cost, which is the fair value at acquisition date, less accumulated depreciation and any impairment in value.

Depreciation is computed on a straight-line basis over the EUL of 3 years. The EUL and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of other properties acquired.

The carrying values of the other properties acquired are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts (see accounting policy on Impairment of Non-financial Assets).

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

Intangible Assets

Intangible assets consist of software costs, exchange trading right and branch licenses. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Group.



Software costs

Costs related to software purchased by the Group for use in operations are amortized on a straight-line basis over 3 to 10 years. The amortization period and the amortization method for software cost are reviewed periodically to be consistent with the changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset. The amortization expense on software costs is recognized in the statements of income.

Exchange trading right

The exchange trading right of SBEI is an intangible asset regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate cash inflows. It is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the Philippine Stock Exchange shares) less impairment in value. SBEI does not intend to sell the exchange trading right in the near future.

Branch licenses

Branch licenses have been acquired and granted by the BSP, and capitalized on the basis of the cost incurred to acquire and bring to use in operation. Branch licenses are determined to have indefinite useful lives and are tested for impairment annually.

The carrying values of intangible assets with definite useful lives are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amounts (see accounting policy on Impairment of Non-financial Assets).

Business Combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in 'Miscellaneous expense' in the statements of income.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and is within the scope of PFRS 9 is measured at fair value with changes in fair value either in profit or loss or as a change to OCI. If the contingent consideration is not within the scope of PFRS 9, it is measured in accordance with the appropriate PFRS Accounting Standards. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.



If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that if known, would have affected the amounts recognized as at that date. The measurement period is the period from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one (1) year.

Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the Group assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of assets acquired over the aggregate consideration transferred, then the gain is recognized in statements of income.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash Generating Unit (CGU) or a group of CGUs, which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes, and is not larger than an operating segment in accordance with PFRS 8.

Where goodwill has been allocated to a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed of in this circumstance is measured based on the relative values of the disposed operation and the portion of the CGU retained.

When an entity reorganizes its reporting structure in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated, the goodwill shall be reallocated to the units affected. This reallocation shall be performed using a relative value approach similar to that used when an entity disposes of an operation within a cash-generating unit, unless the entity can demonstrate that some other method better reflects the goodwill associated with the reorganized units.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized in the statements of income.

Impairment of Non-financial Assets

Non-financial assets include property, equipment and right-of-use assets, investment properties, investment in subsidiaries, joint ventures and an associate, software costs, goodwill, exchange trading right, branch licenses and other properties acquired.



Property, equipment and right-of-use assets, investments in subsidiaries, joint ventures and an associate, investment properties, and other properties acquired

The Group assesses at each statement of financial position date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use (VIU). Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators. Any impairment loss is charged to operations in the year in which it arises.

An assessment is made at each statement of financial position date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statements of income. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Intangible assets - branch licenses, exchange trading rights and software costs

Intangible assets with indefinite useful lives are tested for impairment annually at each statement of financial position date either individually or at the CGU level, as appropriate or when circumstances indicate that the intangible asset may be impaired. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statements of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods.

Income Taxes

Current income tax

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statements of financial position date.



Deferred tax

Deferred tax is provided on all temporary differences at the statements of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits from excess minimum corporate income tax (MCIT) over regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and carry-forward of unused MCIT and unused NOLCO can be utilized except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable income will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Revenue Recognition

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



PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The five-step model is as follows:

- a. Identify the contract(s) with a customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligation in the contract
- e. Recognize revenue when (or as) the entity satisfies a performance obligation

The standard requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The following specific recognition criteria must also be met before revenue is recognized.

Revenues within the scope of PFRS 15:

Service charges and penalties

Service charges and penalties are recognized only upon collection or accrued when there is reasonable degree of certainty as to its collectibility.

Fees and commissions

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

Fees earned for the provision of services over a period of time are accrued over that period.

Loan commitment fees are recognized as earned over the term of the credit lines granted to each borrower. However, loan commitment fees for loans that are likely to be drawn are deferred (together with any incremental costs) and recognized as an adjustment to the EIR on the loan.

Fees received in connection with the issuance of credit cards are deferred and amortized on a straight-line basis over the period the cardholder is entitled to use the card.

b. Bancassurance fees

Non-refundable access fees are recognized on a straight-line basis over the term of the period of the provision of the access.

Refundable access fees and milestone fees are recognized in reference to the stage of achievement of the milestones.

c. Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as underwriting fees, corporate finance fees, and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria. Loan syndication fees are recognized in the statements of income when the syndication has been completed, and the Group retains no part of the loans for itself or retains part at the same EIR as for the other participants.

Discounts earned and awards revenue on credit cards

Discounts received are taken up as income upon receipt from member establishments of charges arising from credit availments by the Group's cardholders and other credit card companies' cardholders when the Group is acting as an acquirer. These discounts are computed based on certain agreed rates and are deducted from the amounts remitted to the member establishments.



Award credits under customer loyalty programs are accounted for as a separately identifiable component of the transaction in which they are granted. The fair value of the consideration received in respect of the initial sale is allocated based on the estimated stand-alone selling prices. The amount allocated to the loyalty programs is deferred under 'Other Liabilities' in the statements of financial position and recognized as revenue when the award credits are redeemed. Income generated from customer loyalty programs is recognized in 'Service charges, fees and commissions' in the statements of income.

Other income

Income from the sale of services is recognized upon completion of service. Income from sale of properties is recognized upon completion of earnings process and the collectibility of the sales price is reasonably assured under 'Profit from assets sold/exchanged' in the statements of income.

Revenues outside the scope of PFRS 15:

Interest income

Interest on interest-bearing financial assets at FVTPL and Held-for-Trading (HFT) investments are recognized based on the contractual rate. Interest on financial instruments measured at amortized cost and FVTOCI are recognized based on the effective interest method of accounting.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

The EIR is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the EIR, the Group estimates cash flows from the financial instrument (e.g., prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the EIR, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized thereafter using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Trading and securities gain - net

Results arising from trading activities include all gains and losses from changes in fair value of financial assets and financial liabilities at FVTPL, gains and losses from disposal of debt securities at FVTOCI, and any ineffectiveness recognized on accounting hedges. The costs of investment securities sold are determined using the weighted average cost method.

Dividend income

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

Rental income

Rental income arising on leased premises is accounted for on a straight-line basis over the lease terms on ongoing leases.

Recovery on charged-off assets

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



Expense Recognition

Expenses are recognized when decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably. Expenses are recognized when incurred.

Operating expenses

Operating expenses constitute costs which arise in the normal business operation and are recognized when incurred.

Taxes and licenses

This includes all other taxes, local and national, including gross receipts taxes (GRT), documentary stamp taxes, real estate taxes, licenses and permit fees and are recognized when incurred.

Pension Cost

The Parent Company and certain subsidiaries have a non-contributory defined benefit plan that defines the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The Group's retirement cost is determined using the projected unit credit method. The retirement cost is generally funded through payments to a trustee-administered fund, determined by periodic actuarial calculations.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statements of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest income or expense in the statements of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise and are closed to surplus at the end of the year. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both



the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

Leases

Group as lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest (included in 'Interest expense on lease liabilities') and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to the lease of low-value assets (that is, those with value of less than ₱250,000). Lease payments on short-term leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statements of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as 'Interest expense' in the statements of income.

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements except if the possibility of an outflow of assets embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.



Debt Issuance Costs

Issuance, underwriting and other related costs incurred in connection with the issuance of debt instruments are deferred and amortized over the terms of the instruments using the effective interest method. Unamortized debt issuance costs are included in the carrying amount of the debt instrument in the statements of financial position.

Earnings Per Share

Basic earnings per share (EPS) is computed by dividing the net income for the year attributable to equity holders of the Parent Company, after deducting dividends declared to preferred shareholders, by the weighted average number of common shares outstanding during the year, adjusted retrospectively for stock dividends declared and stock rights exercised during the year, if any.

Diluted EPS is calculated by dividing the net income attributable to common shareholders by the weighted average number of common shares outstanding during the year adjusted for the effects of any dilutive potential common shares.

Equity

Capital stock is measured at par value for all shares issued and outstanding. When the shares are sold at a premium, the difference between the proceeds and the par value is credited to 'Additional paid-in capital'. Direct costs incurred related to equity issuance, such as underwriting, accounting and legal fees, printing costs and taxes are chargeable to 'Additional paid-in capital'. If the additional paid-in capital is not sufficient, the excess is charged against 'Surplus'. When the Group issues more than one class of stock, a separate account is maintained for each class of stock and the number of shares issued.

Surplus represents accumulated earnings of the Group less dividends declared.

Surplus reserves represent the portion of net profits from the Parent Company's trust business equivalent to 10.0%, which is appropriated in compliance with existing BSP regulations. The yearly appropriation is required until the surplus reserve equals 20.0% of the Parent Company's regulatory capital.

Dividends on Common Shares and Preferred Shares

Cash dividends on common shares and preferred shares are recognized as a liability and deducted from equity when approved by Parent Company's BOD. Stock dividends are deducted from equity when approved by the BOD and by the shareholders of the Parent Company. Dividends declared during the year but paid or issued after the statement of financial position date are accounted for as subsequent events.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. If the Group changes the structure of its internal organization in a manner that causes the composition of its reportable segments to change, the corresponding information for earlier periods, including interim periods, shall be restated unless the information is not available and the cost to develop it would be excessive. Financial information on business segments is presented in Note 35.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Parent Company acts in a fiduciary capacity such as nominee, trustee or agent.



Events after the Reporting Period

Post-year-end events that provide additional information about the Group's position at the statement of financial position date (adjusting event) are reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Standards Issued but Not Yet Effective

Standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below. The listing consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have a significant impact on the consolidated financial statements.

Effective beginning on or after January 1, 2026

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*

The amendments add illustrative examples to several PFRS Accounting Standards intended to improve the reporting of climate-related and other uncertainties in the financial statements, particularly to address stakeholders' concerns about consistency of information within the general-purpose financial reports and sufficient information on climate-related risks and other uncertainties in the financial statements.

The examples address topics such as materiality judgements, significant judgements and estimates, and aggregation and disaggregation.

The illustrative examples are not an integral part of PFRS Accounting Standards and, as such, do not have an effective date or transition requirements. However, an entity is expected to be entitled to sufficient time to implement any changes to align the information disclosed in its financial statements with the illustrative examples. Determining how much time is sufficient is a matter of judgement that depends on an entity's particular facts and circumstances. Nonetheless, an entity would be expected to implement any changes on a timely basis.

- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*

The amendments clarify that a financial liability is derecognized on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. They also introduce an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features. Furthermore, the amendments clarify the treatment of non-recourse assets and contractually linked instruments.

- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*

The amendments only apply to contracts that reference nature-dependent electricity such as contracts to buy or sell nature-dependent electricity, as well as financial instruments that reference such electricity. This amendment cannot be applied by analogy to other contracts, items or transactions.



The amendments clarify the application of the ‘own-use’ requirements for in-scope contracts, amend the designation requirements for a hedge item in a cash flow hedging relationship for in-scope contracts and include new disclosure requirements.

- Annual Improvements to PFRS Accounting Standards - Volume 11

The amendments are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversight or conflicts between the requirements in the Accounting Standards. The following is the summary of the Standards involved and their related amendments.

- Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*

The amendments included in paragraphs B5 and B6 of PFRS 1 cross references to the qualifying criteria for hedge accounting in paragraph 6.4.1(a), (b) and (c) of PFRS 9. These are intended to address potential confusion arising from an inconsistency between the wording in PFRS 1 and the requirements for hedge accounting in PFRS 9.

- Amendments to PFRS 7, *Gain or Loss on Derecognition*

The amendments updated the language of paragraph B38 of PFRS 7 on unobservable inputs and included a cross reference to paragraphs 72 and 73 of PFRS 13.

- Amendments to PFRS 9

- Lessee Derecognition of Lease Liabilities

The amendments to paragraph 2.1 of PFRS 9 clarified that when a lessee has determined that a lease liability has been extinguished in accordance with PFRS 9, the lessee is required to apply paragraph 3.3.3 and recognize any resulting gain or loss in profit or loss.

- Transaction Price

The amendments to paragraph 5.1.3 of PFRS 9 replaced the reference to ‘transaction price as defined by PFRS 15 *Revenue from Contracts with Customers*’ with ‘the amount determined by applying PFRS 15’. The term ‘transaction price’ in relation to PFRS 15 was potentially confusing and so it has been removed. The term was also deleted from Appendix A of PFRS 9.

- Amendments to PFRS 10, *Determination of a ‘De Facto Agent’*

The amendments to paragraph B74 of PFRS 10 clarified that the relationship described in B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor.

- Amendments to PAS 7, *Cost Method*

The amendments to paragraph 37 of PAS 7 replaced the term ‘cost method’ with ‘at cost’, following the prior deletion of the definition of ‘cost method’.



Effective beginning on or after January 1, 2027

- PFRS 17, *Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

- PFRS 18, *Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1 Presentation of Financial Statements and responds to investors' demand for better information about companies' financial performance. The new requirements include:

- Required totals, subtotals and new categories in the statement of profit or loss
- Disclosure of management-defined performance measures
- Guidance on aggregation and disaggregation

- PFRS 19, *Subsidiaries without Public Accountability*

The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS accounting standards. The application of the standard is optional for eligible entities.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*

The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.



Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS Accounting Standards requires the Group to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosures of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as 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.

The following are the critical judgments and key assumptions that have a significant impact risk of material adjustment to the carrying amount of assets and liabilities within the next financial year:

Judgments

a. Leases – determining lease term and discount rate

Judgment is applied in assessing reasonably certain extension and termination options, considering economic incentives and operational requirements. The incremental borrowing rate is used where implicit rates cannot be determined.

Determination of the lease term for lease contracts with renewal and termination options (Bank as a lessee)

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control that affects its ability to exercise or not to exercise the



option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization of the leased asset).

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ('IBR') to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific adjustments (such as the subsidiary's stand-alone credit rating, or to reflect the terms and conditions of the lease).

b. Classification of financial assets - business model test

Determination of the business model considers how portfolios are managed, evaluated and funded. Reviews of HTC portfolios and governance thresholds are conducted periodically.

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match expected cash outflows and maintain adequate level of high-quality liquid assets while maintaining a strategic portfolio of financial assets for trading activities.

The Group's business model can be to hold financial assets to collect contractual cash flows even when sales of certain financial assets occur. PFRS 9, however, emphasizes that if more than an infrequent number of sales are made out of a portfolio of financial assets carried at amortized cost and those sales are more than insignificant in value (either individually or in aggregate), the entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows.

In making this judgment, the Group considers the circumstances surrounding the disposal as well as the requirements of BSP Circular No. 1011, *Guidelines on the adoption of PFRS 9*. For changes in business models, the Group considers whether the internal and external changes that triggered the change in business model are significant to the Group and are demonstrable to third parties.

In April 2024, the Parent Company undertook a holistic review of its business models as part of its established policy. Enhancements were made at this point, and subsequently in July 2024, to define certain terms (i.e., significance, frequency, increase in credit deterioration), to revise the list of permitted sales under the HTC business model and to clarify existing governance processes covering sales and/or derecognition of financial assets under the HTC business model as well as changes in, abandonment of, or reestablishment of the Parent Company's business models.

c. Cash flow characteristics test

The Group evaluates whether cash flows represent SPPI. Features inconsistent with basic lending arrangements result in FVTPL classification.



In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of these financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

d. Hedge accounting

Judgment is exercised over designation, identification of highly probable forecast transactions, and measurement of ineffectiveness, including Credit Valuation Adjustment (CVA) and Debit Valuation Adjustment (DVA).

Part of the Parent Company's risk management strategies is to mitigate the foreign currency risk arising from the revaluation of the foreign currency denominated loan from FCDU/inter-book payable to FCDU in the RBU book. The Bank's risk management objective is to designate the spot element of the foreign exchange swap contract under the swap investment product to hedge the foreign currency risk associated with the revaluation of the foreign currency denominated loan from FCDU/inter-book payable to FCDU in the RBU book. The forward element of the foreign exchange swap contract shall be subject to cost of hedging accounting.

The Bank employs both qualitative and quantitative methods to assess the effectiveness of the hedge. The effectiveness assessment performed at the inception of the hedge, at each reporting date, and upon a significant change in circumstances relevant to the hedge.

Critical terms matching applied to qualitatively assess the economic relationship between the hedging instrument and the hedged item. All critical terms of the foreign currency denominated loans from FCDU/inter-book payable/s to FCDU and foreign exchange swap contracts are matched. Specifically, there is a 1:1 relationship in terms of nominal amount of the hedging instrument and the hedged item during the relevant period.

A source of ineffectiveness in the hedges is the incorporation of the counterparty's credit risk (i.e., CVA) and Bank's own credit risk (i.e., DVA) in measuring the value of foreign exchange swaps as required by PFRS 13, *Fair Value Measurement*, but is not to be reflected in the measurement of the hedged item.

The Parent Company's hedge accounting policies include an element of judgment and estimation, in respect of the existence of highly probable cash flows for inclusion within the cash flow hedge. Estimates of future interest rates and the general economic environment will influence the availability and timing of suitable hedged items, with an impact on the effectiveness of the hedge relationships. Details of the Parent Company's hedging transactions are described in Note 11.

e. Consolidation, joint ventures and an associate

The Group exercises judgment in determining whether it has control, joint control or significant influence over its investees, taking into account the structure and legal form of the arrangements, the terms of the contractual agreements, and the rights and obligations arising from these arrangements.

The Group has determined that it controls and consolidates the subsidiaries in which it owns majority of the shares. The Group considers that the following criteria are all met, including:

- An investor has the power over an investee;



- The investor has exposure, or rights to variable returns from its involvement with the investee; and
- The investor has the ability to use its power over the investee to affect the amount of the investor's return.

The Group has a Joint Venture Agreement (JVA) with Marubeni Corporation (Marubeni) where the Parent Company owns 60.0% of SBML. Under the JVA, the parties agreed to use SBML as a joint venture entity and requires the unanimous consent of both the Parent Company and Marubeni for any significant decisions made in the ordinary course of business of SBML.

The Group also has a JVA with The Bank of Ayudhya Public Company Ltd. (Krungsri) where the Parent Company owns 49.96% of SBF. Under the JVA, the parties agreed to use SBF as a joint venture entity and requires the unanimous consent of both the Parent Company and Krungsri for any significant decisions made in the ordinary course of business of SBF.

The Group has (after considering the structure and form of the arrangement, the terms agreed by the parties in the contractual arrangements and the Group's rights and obligations arising from the arrangements) classified its interest in SBML and SBF under PFRS 11. Based on the foregoing, the Group accounts for its investment in SBML and SBF using the equity method.

As disclosed in Note 1, the Group also entered into an additional joint venture during the year through its 49.0% investment in MMFP. In evaluating this arrangement, the Group assessed the decision-making rights granted by the governing agreements, including whether key operating and financing policies require the participation of both shareholders. Because the relevant activities of MMFP can be directed only through the joint agreement of the parties, and neither shareholder can unilaterally control these activities, management concluded that the Group has joint control over MMFP. Accordingly, the investment is accounted for as a joint venture using the equity method.

Furthermore, as also disclosed in Note 1, the Group acquired a 25.0% non-controlling interest in HCPH during the year. The Group applies significant judgment in assessing whether it holds significant influence over an investee and considers the following:

- Representation in the BOD or equivalent governing body of the investee;
- Participation in the policy-making processes, including participation in decisions about dividends or other distributions;
- Material transactions between the investor and the investee;
- Interchange of material personnel;
- Joint voting agreement with other investors; or
- Provision of essential technical information

Based on these considerations, management assessed that the Group has significant influence over HCPH and accounted for the investment as an associate using the equity method.

f. Contingencies

Judgment is required to determine whether obligations exist, whether outflows are probable, and whether amounts can be reliably estimated.

The Group is currently involved in various legal proceedings, claims and assessments. The estimate of the probable costs for the resolution of these claims and assessments has been developed in consultation with outside counsel handling the Group's defense in these matters and is based on an analysis of potential results. The Group currently does not believe that these



proceedings will have a material adverse effect on the financial statements. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings (see Note 34).

Estimates

a. Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined using valuation techniques such as discounted cash flow analysis and standard option pricing models for some derivative instruments. Where valuation techniques are used to determine fair values, they are reviewed by qualified personnel independent of the area that created them. All financial models are reviewed before they are used and to the extent practicable, financial models use only observable data, however, areas such as credit risk (both own and counterparty) volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. Refer to Note 6 for the fair value measurements of financial instruments.

b. Impairment of financial assets

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- Internal credit grading model, which assigns PDs to the individual grades
- Criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime CL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as GDP changes in inventory, current prices, Business outlook index on the macroeconomy - Real Estate, Unemployment Rate, Industry NPL of Universal Banks and Parent Company's WBS Loan Portfolio NPL Rate
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models
- Segmentation of the portfolio, where the appropriate model or ECL approach is used

The ECL models and all ECL-related policies are assessed and approved by the Risk Oversight Committee (ROC) and the BOD.

Model calibration or the process of improving the accuracy of ECL model to reflect the as-built status and actual operating conditions shall be performed at least annually. These will require the following approvals:

- ECL Steering Committee consisting of the Business Segment Heads, Chief Financial Officer and Chief Risk Officer, for changes in the model estimates
- the ROC for changes in model assumptions or inputs with material increase or decrease on portfolio-level ECL of at least 10% or ₱200.0 million.



In 2025, the Bank implemented new ECL models for both the Auto Loan portfolio and a segment of the WBS portfolio. For Auto Loans, the estimation was replaced by an enhanced model to better capture borrower behavior and improve PD prediction, with LGD based on blended recovery from ROPA and cash payments. For the WBS segment, the Bank likewise introduced a revised PD model to align with the unique characteristics of the portfolio and the Bank's observed default experience.

In 2024, the Bank implemented new ECL models for the Home Loan portfolio. The vintage default rate methodology in 2023 was replaced by an enhanced model to better capture the behavior of borrowers and predict PD. The LGD is based on the blended recovery from ROPA and cash payments.

In 2024, the Bank updated its ECL scenario probability weights from 60% Base, 30% Bad, and 10% Good to 50% Base, 30% Bad, and 20% Good to reflect improving macroeconomic conditions while maintaining prudent consideration of downside risks. The same probability weights were retained in 2025, as management assessed that the economic outlook and risk environment remained consistent with the prior year's assumptions.

In 2025 and 2024, changes in the model estimates and/or assumptions as a result of calibration were accordingly assessed and approved by the ECL Steering Committee and/or the ROC.

The ECL models and all ECL-related policies are assessed and approved by the ROC and the BOD.

The gross carrying amounts of financial assets and the related allowance for credit losses are disclosed in Notes 7, 12, 13 and 14.

c. Recognition of deferred tax assets

The Group reviews the carrying amounts of deferred tax assets at each statement of financial position date and reduces it to the extent that it is no longer probable that sufficient future taxable income will be available to allow all or part of the deferred tax assets to be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies. The recognized net deferred tax assets and unrecognized deferred tax assets of the Group and the Parent Company are disclosed in Note 28.

d. Impairment of non-financial assets

Investments in subsidiaries, joint ventures and an associate and other non-financial assets

The Parent Company and SBCIC assess impairment on its investments in subsidiaries, joint ventures and an associate whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Among others, the factors that the Parent Company and SBCIC consider important which could trigger an impairment review on its investments include the following:

- deteriorating or poor financial condition;
- recurring net losses; and
- significant changes with an adverse effect on the subsidiary, joint venture or an associate have taken place during the period, or will take place in the near future, in the technological, market, economic, or legal environment in which the subsidiary, joint venture or an associate operates.



The Group assesses impairment on other non-financial assets (i.e., ‘Property, equipment and right-of-use assets’, ‘Investment properties’, ‘Software costs’, and ‘Other properties acquired’) whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

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

The Group recognizes an impairment loss whenever the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is computed based on the higher of the asset’s fair value less cost to sell or VIU. Recoverable amounts are estimated for individual nonfinancial assets or, if it is not possible, for the CGU to which the nonfinancial asset belongs.

The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

As of December 31, 2025 and 2024, the carrying values of the Parent Company’s investments in subsidiaries, joint ventures and an associate are disclosed in Note 15.

The carrying values of the Group’s and the Parent Company’s non-financial assets (other than ‘Goodwill’) follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Property, equipment and right-of-use assets (Note 16)	₱9,662,507	₱8,034,827	₱5,671,929	₱5,093,758
Investment properties (Note 17)	7,126,743	6,282,770	7,126,743	6,282,770
Software costs (Note 18)	6,841,072	5,137,675	6,834,715	5,135,198
Branch licenses (Note 18)	1,445,000	1,445,000	1,445,000	1,445,000
Other properties acquired (Note 18)	926,797	989,931	926,797	989,931
Exchange trading right (Note 18)	7,700	8,000	–	–

The provision for (recovery of) impairment losses on non-financial assets of the Group and the Parent Company are disclosed in Notes 16 and 17.

Intangible assets with indefinite useful life

Intangible assets with indefinite useful lives such as exchange trading right and branch licenses are tested for impairment annually at statement of financial position date either individually or at the cash generating unit level, as appropriate. Impairment is determined by assessing the recoverable amount of the CGU (or group of CGUs) to which the intangible assets relate. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statements of income.

The recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a three-year period. Key assumptions in VIU calculation of CGUs are most sensitive to discount rates and growth rates used to project cash flows.



Goodwill

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the statements of income. The carrying value of goodwill is disclosed in Note 4.

e. Estimated useful lives of property, equipment and right-of-use assets, investment properties, software costs and other properties acquired

The Group reviews on an annual basis the estimated useful lives of property, equipment and right-of-use assets, depreciable investment properties, software costs and other properties acquired based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological developments and market behavior. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property and equipment, depreciable investment properties, software costs and other properties acquired would decrease their respective balances and increase the recorded depreciation and amortization expense.

The following are the carrying values of depreciable property, equipment and right-of-use assets, investment properties, software costs and other properties acquired:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Property, equipment and right-of-use assets (Note 16)*	₱9,197,492	₱7,569,812	₱5,206,914	₱4,628,743
Investment properties (Note 17)*	3,262,187	3,057,994	3,262,187	3,057,994
Software costs (Note 18)	6,841,072	5,137,675	6,834,715	5,135,198
Other properties acquired (Note 18)	926,797	989,931	926,797	989,931

*Excludes land

f. Pension benefits

The cost of defined benefit pension plans and other post-employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The present value of the defined benefit obligation of the Group and the Parent Company are disclosed in Note 29.

In determining the appropriate discount rate, Management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates.



Further details about the assumptions used are provided in Note 29.

Employee entitlements to annual leaves are recognized as a liability when they are accrued to the employees. The undiscounted liability for leaves expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period. As of December 31, 2025 and 2024, accrual for other employee benefit obligations and expenses included under 'Accrued other expenses payable' (included under 'Accrued interest, taxes and other expenses' in the statements of financial position) amounted to ₱2.0 billion and ₱1.7 billion, respectively, in 2025 and 2024 for the Group and the Parent Company (see Note 23).

4. **Goodwill**

Impairment Testing of Goodwill

In 2012, goodwill acquired through business combination has been allocated to Security Bank Savings (SBS) as the CGU. In 2015, the entire goodwill was reallocated to the Branch Banking Group (BBG) as a result of the integration of SBS to the Parent Company. As of December 31, 2025 and 2024, the carrying amount of goodwill amounted to ₱841.6 million and there was no impairment loss recognized in 2025 and 2024.

The recoverable amount of the CGU has been determined based on a VIU calculation using cash flow projections from financial budgets approved by senior management covering a three-year period. Key assumptions in VIU calculation of CGUs are most sensitive to discount rates and growth rates used to project cash flows. Future cash flows and growth rates were based on experiences and strategies developed and prospects. The discount rate used for the computation of the net present value is the cost of equity and was determined by reference to a comparable entity. In 2025 and 2024, the pre-tax discount rate applied to cash flow projections is 11.54% and 11.53%, respectively, while the growth rate used to extrapolate cash flows beyond the three-year period is 5.00% and 6.00%, respectively.

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

5. **Financial Risk Management Objectives and Policies**

Introduction

Integral to the Parent Company's value creation process is risk management. It therefore operates based on an Enterprise Risk Management (ERM) Framework to address the risks it faces in its banking activities, including (a) credit; (b) liquidity; (c) market; (d) operational; and (e) sustainability. Exposures across these risk areas are regularly identified, assessed, treated, monitored and reported to Senior Management, the ROC and the BOD.

Risk Management Structure

Board of Directors

The BOD directs the Parent Company's over-all risk management strategy. The risk management processes of the subsidiaries are the separate responsibilities of their respective BOD. The BOD performs an oversight function on the Parent Company's implementation of its risk policies through various committees that it has created as follows:



Executive Committee

The Executive Committee oversees the strategy, financial, liquidity and capital management of the Group. It exercises the authority of the BODs as delegated by the Board and as may be allowed by law during intervals between meetings of the BODs.

Risk Oversight Committee

The ROC approves and oversees the Enterprise Risk Management (ERM) framework and program of the Parent Company and Subsidiaries, including its implementation by management. It also approves and oversees adherence to the Parent Company and Subsidiaries' Risk Appetite Policy, including risk appetite statements, risk appetite levels, and risk tolerance limits. Furthermore, it oversees the development, approval, and implementation of risk management policies and frameworks as well as define the organizational responsibilities of the risk management function following the three (3) lines of defense framework.

Corporate Governance Committee

The Corporate Governance Committee assists the BOD in fulfilling its corporate governance responsibilities, including the approval and oversight of the implementation of the corporate governance framework. The Committee is responsible for monitoring the Board's effectiveness and ensuring adherence to established corporate governance principles and guidelines.

Audit Committee

The Audit Committee assists the Board in fulfilling its oversight responsibilities on the integrity of the Bank's financial statements and evaluates the adequacy and effectiveness of internal controls and risk management, and compliance with laws and regulations.

Senior Credit Committee

The Senior Credit Committee is the highest credit decision-making body in the Bank and works closely with the ROC in managing the overall credit risk of the Bank. The committee reviews and approves proposals and facilities related to credit, except for Directors, Officers, Stockholders and Related Interests (DOSRI) and material related party transactions (RPT) accounts. It also approves remedial and/or recovery strategies of the Bank for identified problem loan accounts.

Related Party Transactions Committee

The Related Party Transactions Committee assists the BOD in fulfilling its oversight responsibilities in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors and other stakeholders.

Nominations and Remuneration Committee

The Nominations and Remuneration Committee reviews and evaluates the qualifications of, and makes recommendations regarding all persons nominated to the Board, as well as key personnel and their appointments requiring Board approval. The Committee also assesses the effectiveness of the Board's processes and procedures for the election and replacement of directors. It likewise establishes a formal and transparent procedure for developing policies on the remuneration of directors and officers to ensure that compensation is consistent with the Bank's culture, strategy, and operating business environment, including consideration of the potential of directors and officers.

Trust Committee

The Trust Committee is primarily responsible for overseeing the Trust, IMA and Other Fiduciary businesses of the Bank through its Trust and Asset Management Group (TAMG), including the oversight of investments of funds and assets contributed to and held by these Trust, IMA and Other Fiduciary accounts.



Transformation and Technology Committee

The Transformation and Technology Committee oversees the development and implementation of strategy, transformation, innovation and information technology initiatives of the Bank and its subsidiaries and affiliates, in support of the Group's vision, mission and strategic objectives.

The Parent Company's organizational structure includes the Risk Management Group (RMG), which is responsible for driving the following risk management processes of the Group:

- Independent assessment, measurement, monitoring and reporting of the Group's risk-taking activities; and
- Formulation, review and recommendation of risk-related policies and control structures.

Nevertheless, the Group's risk management framework adopts the basic tenet that risks are owned by the respective business and process owners. Everyone in the organization is therefore expected to proactively manage the risks inherent to their respective areas by complying with the Group's risk management framework, policies and standards.

The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries have their own risk management procedures 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.

Risk Measurement and Reporting

The Parent Company's risks are measured using various methods compliant with Basel III standards. The Parent Company also runs worst case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Expected credit loss models are developed and maintained by the RMG. These models are used as a tool for the Parent Company's risk management process and management reporting systems. The applicable results of the calculations are used as the basis for the assessment of expected credit losses.

Monitoring and controlling risks are primarily performed based on limits established by the Parent Company. These limits reflect the business strategy and market environment of the Parent Company as well as the level of risk that the Parent Company is willing to take. In addition, the Parent Company monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

For all levels throughout the Parent Company, specifically tailored risk reports are prepared and distributed in order to ensure that all business divisions have access to extensive, necessary and up-to-date information. These reports include aggregate credit exposure, credit metric forecasts, limit exceptions, Value-at-Risk (VaR), liquidity ratios and risk profile changes.

Credit Risk Management prepares detailed reporting of risks per credit classification, payment status, industry, loan tenor, and other measures of portfolio quality. Senior management assesses the appropriateness of allowance for credit losses periodically or as the need arises. The ROC and the heads of the concerned business units receive comprehensive portfolio quality reports which are designed to provide the necessary information to assess and conclude on the credit risks of the Parent Company.

In the case of market risk, a monthly report is presented to the ROC on the utilization of market limits and liquidity, plus other risk developments.



Information compiled from businesses is examined and processed in order to analyze, control and identify risks early. This information is assessed and deliberated by the heads of each business unit, the ROC and the BOD.

Risk Mitigation

The Parent Company uses various risk mitigation practices to manage different types of risks, such as credit, market, operational, liquidity, and sustainability, among others. Generally, these include: establishing and reviewing risk limits and policies by considering the risk appetite, strategy and objectives of the Bank, as well as the regulatory requirements and industry best practices; implementing and enforcing these limits by using effective monitoring and reporting systems, and by escalating and resolving any limit breaches or policy violations; and conducting regular and ad hoc stress testing.

Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Parent Company's performance to developments affecting a particular borrowing group, industry or geographic location.

The Parent Company manages concentration risks by setting exposure limits to borrowing groups, industries, countries, and where appropriate, on products and facilities. These limits are reviewed as the need arises, but at least annually.

To avoid excessive concentrations of risks, the Parent Company's policies and procedures include specific guidelines to focus on maintaining a diversified portfolio. Identified concentrations of risks are controlled and managed accordingly.

Credit Risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to perform its obligations during the life of the transaction. This includes risk of non-payment by borrowers or issuers, failed settlement of transactions, and default on contracts.

The Parent Company drives credit risk management fundamentally via its Credit Policy Manual (CPM), the provisions of which are regularly reviewed and updated to reflect changing regulations and risk conditions. The CPM defines the principles and parameters governing credit activities, ensuring that each account's creditworthiness is thoroughly understood and regularly reviewed. Lending units assume overall responsibility for the management of credit exposures while middle and back-office functions are clearly defined to provide independent checks and balance to credit risk-taking activities. A system of approving and signing limits ensures adequate senior management involvement for larger and more complex transactions. Large exposures of the Group are kept under rigorous review as these are subjected to stress testing and scenario analysis to assess the impact of changes in market conditions or key risk factors (examples are economic cycles, interest rate, liquidity conditions or other market movements) on its profile and earnings.

The risk management structure of policies, accountabilities and responsibilities, controls and senior management involvement is similarly in place for non-performing assets.

Derivative financial instruments

Credit risk in respect of derivative financial instruments is limited to those with positive fair values, which are included under 'Financial assets at FVTPL'. As a result, the maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts in the statements of financial position.



Credit-related commitments

The Parent Company makes available to its customers guarantees which may require the Parent Company to make payments on their behalf and enter into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Parent Company to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Parent Company to similar risks to loans and these are mitigated by the same control processes and policies. This also includes the unutilized credit limit of the Group's credit card customers.

Maximum exposure to credit risk of on-balance sheet credit risk exposures with collaterals held or other credit enhancements

The tables below show the maximum exposure to on-balance sheet credit risk exposures of the Group and the Parent Company after taking into account any collaterals held or other credit enhancements (amounts in millions):

	Consolidated				
	Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial Effect of Collateral	Associated ECL*
December 31, 2025					
Credit risk exposure relating to on-balance sheet assets					
SPURA with BSP	P27,100	P27,100	P-	P27,100	P-
Receivable from customers - net (exclusive of SBEI):					
Corporate lending	438,876	106,025	351,384	87,492	9,681
Consumer lending	82,423	85,706	32,145	50,278	2,351
Small business lending	562	379	239	323	70
Residential mortgages	107,026	103,700	37,579	69,447	474
Credit card receivables - individual	57,230	-	57,230	-	5,539
Receivable from customers - net (SBEI):					
Corporate	388	9,862	36	352	-
Individual	76	927	4	72	-
Other receivables	10,057	317	9,807	250	233
	P723,738	P334,016	P488,424	P235,314	P18,348

*Amount deducted from gross amount to reflect carrying amount

	Consolidated				
	Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial Effect of Collateral	Associated ECL*
December 31, 2024					
Credit risk exposure relating to on-balance sheet assets					
SPURA with BSP	P3,941	P3,941	P-	P3,941	P-
Receivable from customers - net (exclusive of SBEI):					
Corporate lending	455,982	92,624	379,954	76,028	9,817
Consumer lending	63,971	48,869	34,079	29,892	1,803
Small business lending	540	436	169	371	35
Residential mortgages	98,149	89,788	38,227	59,922	807
Credit card receivables - individual	49,522	-	49,522	-	3,509
Receivable from customers - net (SBEI):					
Corporate	173	1,022	152	21	-
Individual	47	1,137	18	29	-
Other receivables	9,429	176	9,252	177	341
	P681,754	P237,993	P511,373	P170,381	P16,312

*Amount deducted from gross amount to reflect carrying amount



	Parent Company				
	Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial Effect of Collateral	Associated ECL*
December 31, 2025					
Credit risk exposure relating to on-balance sheet assets					
SPURA with BSP	₱27,100	₱27,100	₱-	₱27,100	₱-
Receivable from customers – net (exclusive of SBEI):					
Corporate lending	438,875	106,025	351,384	87,491	9,680
Consumer lending	82,422	85,705	32,144	50,278	2,351
Small business lending	562	379	239	323	70
Residential mortgages	107,026	103,700	37,579	69,447	474
Credit card receivables - individual	57,230	-	57,230	-	5,539
Other receivables	9,617	190	9,427	190	199
	₱722,832	₱323,099	₱488,003	₱234,829	₱18,313

*Amount deducted from gross amount to reflect carrying amount

	Parent Company				
	Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial Effect of Collateral	Associated ECL*
December 31, 2024					
Credit risk exposure relating to on-balance sheet assets					
SPURA with BSP	₱3,941	₱3,941	₱-	₱3,941	₱-
Receivable from customers – net (exclusive of SBEI):					
Corporate lending	457,868	92,624	381,840	76,028	9,817
Consumer lending	63,969	48,867	34,079	29,890	1,803
Small business lending	540	436	169	371	35
Residential mortgages	98,149	89,788	38,227	59,922	807
Credit card receivables - individual	49,522	-	49,522	-	3,509
Other receivables	8,872	109	8,763	109	301
	₱682,861	₱235,765	₱512,600	₱170,261	₱16,272

*Amount deducted from gross amount to reflect carrying amount

The maximum exposure to credit risks for the other financial assets is limited to the carrying value as of December 31, 2025 and 2024.

Credit card receivables and receivables of SBEI are presented separately for the purpose of identifying receivables that are subjected to different credit risk rating systems.

Other receivables include accrued interest receivable, accounts receivable, sales contracts receivable and dividend receivable.

Risk concentrations of the maximum exposure to credit risk

The Group considers loans and receivables as highly concentrated when Herfindahl-Hirschman Index (HHI) reaches above 1,800. The maximum acceptable HHI set by the Group for its loan concentration is 1,000 to 1,800, which means moderately concentrated. HHI is a measure of concentration, calculated by squaring the share of each loan segment to total loan portfolio and then summing the resulting numbers. In addition, the Group limits its total exposure to most industry segments at 15.0% each of the total credit risk exposure and complies with regulatory caps set by the BSP such as 25% real estate limit.



The distribution of financial assets and off-balance sheet items by industry sector of the Group and the Parent Company, before taking into account collateral held or other credit enhancements (maximum exposure) follows (amounts in millions):

	Consolidated				Total
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Others***	
December 31, 2025					
Public administration and defense; compulsory social security	P7,235	P294,125	P-	P524	P301,884
Activities of households as employers; undifferentiated goods and services and producing activities of households for own use****	116,840	-	-	166,896	283,736
Real estate activities	168,860	16,503	-	6,488	191,851
Electricity, gas, stream and air conditioning supply	110,314	503	-	61,288	172,105
Wholesale and retail trade; repair of motor vehicles and motorcycles	113,732	500	-	24,844	139,076
Financial and insurance activities	22,492	32,170	72,641	8,261	135,564
Transportation and storage	32,840	4,179	-	20,708	57,727
Manufacturing	34,101	1,443	-	12,735	48,279
Water supply, sewerage, waste management and remediation activities	11,171	-	-	33,754	44,925
Construction	25,291	-	-	7,682	32,973
Information and communication	19,040	1,268	-	2,389	22,697
Professional scientific and technical services	6,802	-	-	1,139	7,941
Agriculture, forestry and fishing	6,838	-	-	67	6,905
Others	21,082	3,511	-	4,500	29,093
	P696,638	P354,202	P72,641	P351,275	P1,474,756
December 31, 2024					
Public administration and defense; compulsory social security	P9,966	P273,123	P-	P541	P283,630
Activities of households as employers; undifferentiated goods and services and producing activities of households for own use****	93,637	-	-	146,114	239,751
Real estate activities	168,359	17,060	-	2,648	188,067
Electricity, gas, stream and air conditioning supply	97,133	476	-	57,982	155,591
Wholesale and retail trade; repair of motor vehicles and motorcycles	115,361	657	-	26,855	142,873
Financial and insurance activities	33,325	36,046	63,598	9,040	142,009
Transportation and storage	25,227	3,235	-	17,161	45,623
Manufacturing	48,757	1,712	-	10,955	61,424
Water supply, sewerage, waste management and remediation activities	10,670	-	-	3,294	13,964
Construction	26,013	-	-	7,092	33,105
Information and communication	21,606	1,262	-	2,361	25,229
Professional scientific and technical services	6,847	-	-	19	6,866
Agriculture, forestry and fishing	8,827	-	-	444	9,271
Others	12,085	4,455	-	5,313	21,853
	P677,813	P338,026	P63,598	P289,819	P1,369,256

* Consists of Financial assets at FVTPL and FVTOCI, Investment securities at amortized cost, and Derivatives designated as hedges

** Consists of Due from BSP, Due from other banks, Interbank loans receivables and SPURA and Cash collateral deposits (included in 'Other assets')

*** Consists of Contingent liabilities relating to inward and outward bills for collections, outstanding guarantees, letters of credit, unutilized credit limit of credit card holders, committed loan lines, security deposits and financial guarantees with commitment

**** Excludes loans and receivables on real estate or dwelling units which are considered production activities and classified under "Real estate"



	Parent Company				Total
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Others***	
December 31, 2025					
Public administration and defense; compulsory social security	₱7,235	₱294,125	₱-	₱524	₱301,884
Activities of households as employers; undifferentiated goods and services and producing activities of households for own use****	116,761	-	-	166,896	283,657
Real estate activities	168,853	16,503	-	6,488	191,844
Electricity, gas, stream and air conditioning supply	110,284	503	-	61,288	172,075
Wholesale and retail trade; repair of motor vehicles and motorcycles	113,710	500	-	24,844	139,054
Financial and insurance activities	21,880	32,131	72,519	8,261	134,791
Transportation and storage	32,774	4,179	-	20,708	57,661
Manufacturing	34,086	1,443	-	12,735	48,264
Water supply, sewerage, waste management and remediation activities	11,171	-	-	33,754	44,925
Construction	25,270	-	-	7,682	32,952
Information and communication	19,032	1,268	-	2,389	22,689
Professional scientific and technical services	6,800	-	-	1,139	7,939
Agriculture, forestry and fishing	6,836	-	-	67	6,903
Others	21,040	3,496	-	4,502	29,038
	₱695,732	₱354,148	₱72,519	₱351,277	₱1,473,676
December 31, 2024					
Public administration and defense; compulsory social security	₱9,966	₱273,123	₱-	₱541	₱283,630
Activities of households as employers; undifferentiated goods and services and producing activities of households for own use****	93,634	-	-	146,114	239,748
Real estate activities	168,358	17,060	-	2,648	188,066
Electricity, gas, stream and air conditioning supply	97,105	476	-	57,982	155,563
Wholesale and retail trade; repair of motor vehicles and motorcycles	115,344	657	-	26,855	142,856
Financial and insurance activities	32,748	36,015	63,513	9,040	141,316
Transportation and storage	25,203	3,235	-	17,161	45,599
Manufacturing	48,744	1,712	-	10,955	61,411
Water supply, sewerage, waste management and remediation activities	10,670	-	-	3,294	13,964
Construction	25,965	-	-	7,092	33,057
Information and communication	21,604	1,262	-	2,361	25,227
Professional scientific and technical services	6,847	-	-	19	6,866
Agriculture, forestry and fishing	8,827	-	-	444	9,271
Others	13,905	4,440	-	5,313	23,658
	₱678,920	₱337,980	₱63,513	₱289,819	₱1,370,232

* Consists of Financial assets at FVTPL and FVTOCI, Investment securities at amortized cost, and Derivatives designated as hedges

** Consists of Due from BSP, Due from other banks, Interbank loans receivables and SPURA and Cash collateral deposits (included in 'Other assets')

*** Consists of Contingent liabilities relating to inward and outward bills for collections, outstanding guarantees, letters of credit, unutilized credit limit of credit card holders, committed loan lines, security deposits and financial guarantees with commitment

**** Excludes loans and receivables on real estate or dwelling units which are considered production activities and classified under "Real estate"

For details of the composition of the loans and receivables portfolio, refer to Note 14.

Offsetting of financial assets and financial liabilities

The Parent Company has various derivative financial instruments with various counterparties transacted under the International Swaps and Derivatives Association (ISDA) which are subject to enforceable master netting agreements. Under the agreements, the Parent Company has the right to settle its derivative financial instruments either: (1) upon election of the parties; or (2) in the case of default and insolvency or bankruptcy. The Parent Company, however, has no intention to net settle or to gross settle the accounts simultaneously. Also, the enforceability of netting upon default is contingent on a future event, and so the offsetting criteria under PAS 32 are not met. Consequently,



the gross amount of the derivative asset and the gross amount of the derivative liability are presented separately in the Parent Company's statements of financial position.

Cash collaterals have also been received from and pledged to the counterparties for the net amount of exposures from the derivative financial instruments. These cash collaterals do not meet the offsetting criteria under PAS 32 since it can only be set off against the net amount of the derivative asset and derivative liability in the case of default and insolvency or bankruptcy, in accordance with an associated collateral arrangement.

The Parent Company has entered into sale and repurchase agreements with various counterparties that are accounted for as collateralized borrowing. The Parent Company has also entered into a reverse sale and repurchase agreements with various counterparties that are accounted for as a collateralized lending. These transactions are subject to a global master repurchase agreement with a right of set-off only against the collateral securities upon default and insolvency or bankruptcy and therefore do not meet the offsetting criteria under PAS 32. Consequently, the related SSURA is presented separately from the collateral securities in the Parent Company's statements of financial position.

The table below presents the recognized financial instruments of the Group and the Parent Company that are offset, or subject to enforceable master netting agreements or other similar arrangements but not offset, as at December 31, 2025 and 2024, taking into account the effects of over-collateralization.

	Gross amounts of recognized financial instruments [a]	Gross amounts set-off in accordance with the PAS 32 offsetting criteria [b]	Net amount presented in statements of financial position [c]=[a]-[b]	Effect of remaining rights of set-off that do not meet PAS 32 offsetting criteria		Net exposure [e]=[c]-[d]
				Financial instruments [d]	Financial collateral	
2025						
Financial Assets						
Derivative assets						
(Notes 6, 10 and 11)	P1,568,539	P-	P1,568,539	P1,112,672	P-	P455,867
SPURA (Note 37)	27,100,000	-	27,100,000	-	27,100,000	-
Derivatives Designated as Hedges (Note 11)	289,844	-	289,844	289,844	-	-
	P28,958,383	P-	P28,958,383	P1,402,516	P27,100,000	P455,867
Financial Liabilities						
Derivative liabilities						
(Notes 6, 11 and 20)	P1,407,466	P-	P1,407,466	P1,112,672	P-	P294,794
SSURA (Note 21)	2,851,571	-	2,851,571	-	3,409,170	-
Derivatives Designated as Hedges (Note 11)	3,625,886	-	3,625,886	289,844	-	3,336,042
	P7,884,923	P-	P7,884,923	P1,402,516	P3,409,170	P3,630,836
2024						
Financial Assets						
Derivative assets						
(Notes 6, 10 and 11)	P1,531,397	P-	P1,531,397	P1,056,335	P-	P475,062
SPURA (Note 37)	3,941,367	-	3,941,367	-	3,941,367	-
Derivatives Designated as Hedges (Note 11)	634,928	-	634,928	634,928	-	-
	P6,107,692	P-	P6,107,692	P1,691,263	P3,941,367	P475,062
Financial Liabilities						
Derivative liabilities						
(Notes 6, 11 and 20)	P1,716,047	P-	P1,716,047	P1,056,335	P-	P659,712
SSURA (Note 21)	67,898,043	-	67,898,043	-	75,384,639	-
Derivatives Designated as Hedges (Note 11)	3,841,204	-	3,841,204	634,928	-	3,206,276
	P73,455,294	P-	P73,455,294	P1,691,263	P75,384,639	P3,865,988

Collateral and other credit enhancements

The amount and type of collateral required depends on the assessment of the credit risk of the borrower or counterparty. The Group follows guidelines on the acceptability of types of collateral and valuation parameters.



The main types of collateral obtained are as follows:

- For corporate accounts - cash, guarantees, securities and physical collaterals (e.g., real estate, chattels, inventory, etc.); as a general rule, commercial, industrial and residential lots are preferred.
- For retail lending - mortgages on residential properties and financed vehicles.

Management monitors the market value of real property collateral every two years or if there is a trigger event, whichever comes earlier, and as needed for marketable securities to preserve collateral cover. The existing market value of collateral is considered during the review of the credit facilities and adequacy of the allowance for credit losses.

It is the Parent Company's policy to dispose of assets acquired in an orderly fashion. The proceeds from the sale of the foreclosed assets (classified as 'Investment properties' in the statements of financial position) are used to reduce or repay the outstanding claim. In general, the Parent Company does not use repossessed properties for business.

Credit quality per class of financial assets

In compliance with BSP Circular No. 855, the Parent Company has developed and continually reviews and calibrates its internal risk rating system for credit exposures aimed at uniformly assessing its credit portfolio in terms of risk profile. Where appropriate, it obtains security, enters into master netting agreements, and limits the duration of exposures to maintain and even further enhance the quality of the Parent Company's credit exposures.

The credit quality of financial assets is monitored and managed using internal ratings and where available, external ratings.

The credit quality of trading and financial investment securities is generally monitored through internal ratings except for foreign entities which use external ratings of eligible external credit rating institutions. Credit exposures to foreign corporations and foreign financial institutions are limited to entities that are rated investment grade. The minimum acceptable risk rating is BBB- stable (for S&P) and Baa3 (for Moody's).

Presented below is the credit risk rating table of S&P & Moody's:

Agency		Investment Grade								
S&P	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
Moody's	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3

Agency		Non-Investment Grade						
S&P		BB+	BB	BB-	B+	B	B-	Below B-
Moody's		Ba1	Ba2	Ba3	B1	B2	B3	Below B3

In the Bank's mapping of risk ratings of its asset classes, S&P and Moody's investment grade ratings and BB+/Ba1 are considered high grade, BB/Ba2 down to B-/B3 ratings are considered medium grade, and below B-/B3 ratings are considered low grade.

For loan exposures, the credit quality is generally monitored using its internal credit risk ratings system. It is the Parent Company's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates management to focus on major potential risk and the comparison of credit exposures across all lines of business, demographics and products. The rating system is supported by a variety of financial analytics, combined with an assessment of qualitative factors such as management and market information to provide the main inputs for the measurement of credit or



counterparty risk. Other variables that may impact the borrower's creditworthiness but are not yet factored into the baseline rating are considered in the model overlay to arrive at the final PD. All PD ratings are tailored with various categories and are derived in accordance with the Group's rating policy. The attributable risk ratings are assessed and updated regularly.

The Group uses PD Ratings to classify the credit quality of its receivables portfolio. This is currently undergoing upgrade to enhance credit evaluation parameters across different market segments and achieve a more sound and robust credit risk assessment. The description of the loan grades used by the Group for receivable from customers, except credit card receivables and receivables of SBEI, are as follows:

Wholesale Banking Segment Scorecards

The Parent Company has two Wholesale Banking Segment scorecards, differentiated according to the revenue size of the borrower: Big Accounts scorecard for borrowers with at least ₱2.0 billion in revenue size, and Small Accounts scorecard for borrowers with less than ₱2.0 billion revenue size. Both scorecards are mapped to an 11-grade scale masterscale with each grade having a corresponding PD.

High Grade (PD Rating of 1 to 7)

Accounts in this category have a low probability of defaulting on their obligations over the next 12 months. A comfortable degree of stability and diversity can be found in these borrowers.

Medium Grade (PD Rating of 8 to 9)

The PD of accounts in this category is slightly higher than high grade borrowers. Accounts whose financial ratios exhibit an amount of buffer though somewhat limited. These accounts can withstand minor economic weaknesses but may suffer if conditions deteriorate in a significant way and therefore, default risk is present under such adverse conditions. Repayment ability is more or less assured if economic and industry conditions remain stable.

Low Grade (PD Rating of 10 to 11)

Accounts for which default risk are very much present and those that have defaulted already are included in this category.

For SBEI's receivable portfolio, the Group classifies accounts that are neither past due nor impaired as follows:

High Grade – receivables from counterparties with no history of default and with apparent ability to settle the obligation. In case of receivables from customers, the outstanding amount must be more than 200.0% secured by collateral.

Medium Grade – receivable from counterparties with no history of default, with apparent ability to settle the obligation and the outstanding amount must be 100.0% – 200.0% secured by collateral.

Low Grade – receivable from counterparties with history of default and partially secured or unsecured accounts.

Unrated – Receivables from employees and refundable deposits.

For Auto Loan receivables, the Parent Company classifies accounts that are neither past due nor impaired as follows:

High Grade – Accounts with behavioral score >752



Medium Grade – Accounts with behavioral score >679-752; or with behavioral score >565-679 and uses 0 Delinquency Segment scorecard.

Low Grade – Accounts with behavioral score >565-679 and uses 0+ Delinquency Segment scorecard; or with behavioral score <=564.

Unrated – Accounts with no behavioral score such as new bookings.

For Credit Card receivables, the Parent Company classifies accounts that are neither past due nor impaired as follows:

High Grade – Accounts with behavioral score >715.

Medium Grade – Accounts with behavioral score >580-715.

Low Grade – Accounts with score <=580.

Unrated – Accounts which are inactive in the last 12 months; too early or not enough information to rate.

For Business Banking and Home Loan receivables, scorecards are used to determine the PD of the account. The Parent Company classifies accounts that are neither past due nor impaired as follows:

High Grade (PD Rating of <1%)

Accounts in this category have a low probability of defaulting on their obligations over the next 12 months. A comfortable degree of stability and diversity can be found in these borrowers.

Medium Grade (PD Rating of 1% to 10%)

The PD of accounts in this category is slightly higher than high grade borrowers. These accounts can withstand minor economic weaknesses but may suffer if conditions deteriorate in a significant way and therefore, default risk is present under such adverse conditions. Repayment ability is more or less assured if economic and industry conditions remain stable.

Low Grade (PD Rating of 10+% and above)

Accounts for which an assumed default risk is present.

Unrated – Accounts which are unrated and 0-30 Days Past Due

For the other products in the consumer loans portfolio, the Group is currently building a separate credit rating system to enhance credit evaluation parameters across different market segments and achieve a more sound and robust credit risk assessment. Accounts which are neither past due nor impaired are presented as unrated.

The tables below show the credit quality by class of financial assets (gross of allowance for credit losses and net of unearned discounts and deferred credits) of the Group and the Parent Company.



As of December 31, 2025 and 2024, all investment securities are classified as Stage 1.

	Consolidated				Total
	Neither Past Due nor Individually Impaired				
	High Grade	Medium Grade	Low Grade	Unrated	
December 31, 2025					
Financial assets at FVTPL:					
HFT investments:					
Government securities	P35,917,085	P-	P-	P-	P35,917,085
Private bonds	385,796	-	-	-	385,796
Total HFT investments	36,302,881	-	-	-	36,302,881
Derivative assets:					
Currency forwards	964,065	-	-	433,298	1,397,363
Cross-currency swaps	422	-	-	130,308	130,730
Interest rate swaps	40,446	-	-	-	40,446
Total derivative assets	1,004,933	-	-	563,606	1,568,539
Total financial assets at FVTPL	P37,307,814	P-	P-	P563,606	P37,871,420
Derivative assets designated as hedges	P-	P-	P-	P289,844	P289,844
Financial assets at FVTOCI:					
Treasury notes and bills	P94,702,994	P-	P-	P-	P94,702,994
Treasury bonds	61,262,306	-	-	-	61,262,306
Private bonds	1,100,866	-	-	-	1,100,866
Total	P157,066,166	P-	P-	P-	P157,066,166
Financial assets at amortized cost (excluding loans and receivables)					
Due from BSP	P26,584,514	P-	P-	P-	P26,584,514
Due from other banks	16,435,455	-	-	-	16,435,455
Interbank loans receivable and SPURA	28,650,000	-	-	-	28,650,000
Investment securities at amortized cost					
Private bonds	45,525,489	-	-	10,867,066	56,392,555
Treasury notes and bills	53,202,243	-	-	-	53,202,243
Treasury bonds	48,855,581	-	-	-	48,855,581
Total	147,583,313	-	-	10,867,066	158,450,379
Total	219,253,282	-	-	10,867,066	230,120,348
Total	P413,627,262	P-	P-	P11,720,516	P425,347,778
December 31, 2024					
Financial assets at FVTPL:					
HFT investments:					
Government securities	P14,308,570	P-	P-	P-	P14,308,570
Private bonds	704,653	-	-	276,762	981,415
Total HFT investments	15,013,223	-	-	276,762	15,289,985
Derivative assets:					
Currency forwards	P957,977	P-	P-	P487,759	P1,445,736
Interest rate swaps	52,607	-	-	-	52,607
Cross-currency swaps	-	-	-	31,421	31,421
Bond forwards and options	1,633	-	-	-	1,633
Total derivative assets	1,012,217	-	-	519,180	1,531,397
Total financial assets at FVTPL	P16,025,440	P-	P-	P795,942	P16,821,382
Derivative assets designated as hedges	P-	P-	P-	P634,928	P634,928
Financial assets at FVTOCI:					
Treasury notes and bills	P95,392,729	P-	P-	P-	P95,392,729
Treasury bonds	84,484,049	-	-	-	84,484,049
Private bonds	1,333,343	-	-	-	1,333,343
Total	P181,210,121	P-	P-	P-	P181,210,121
Financial assets at amortized cost (excluding loans and receivables)					
Due from BSP	P35,104,831	P-	P-	P-	P35,104,831
Due from other banks	15,371,879	-	-	-	15,371,879
Interbank loans receivable and SPURA	9,393,617	-	-	-	9,393,617
Investment securities at amortized cost					
Private bonds	49,537,866	-	-	10,565,046	60,102,912
Treasury bonds	33,468,084	-	-	-	33,468,084
Treasury notes and bills	45,229,516	-	-	-	45,229,516
Total	128,235,466	-	-	10,565,046	138,800,512
Total	188,105,793	-	-	10,565,046	198,670,839
Total	P385,341,354	P-	P-	P11,995,916	P397,337,270



	Parent Company				Total
	Neither Past Due nor Individually Impaired				
	High Grade	Medium Grade	Low Grade	Unrated	
December 31, 2025					
Financial assets at FVTPL:					
HFT investments:					
Government securities	P35,917,085	P-	P-	P-	P35,917,085
Private bonds	385,796	-	-	-	385,796
Total HFT investments	36,302,881	-	-	-	36,302,881
Derivative assets:					
Currency forwards	964,065	-	-	433,298	1,397,363
Cross-currency swaps	422	-	-	130,308	130,730
Interest rate swaps	40,446	-	-	-	40,446
Total derivative assets	1,004,933	-	-	563,606	1,568,539
Total financial assets at FVTPL	P37,307,814	P-	P-	P563,606	P37,871,420
Derivative assets designated as hedges	P-	P-	P-	P289,844	P289,844
Financial assets at FVTOCI					
Treasury notes and bills	P94,702,994	-	-	-	P94,702,994
Treasury bonds	61,262,306	-	-	-	61,262,306
Private bonds	1,100,866	-	-	-	1,100,866
	P157,066,166	-	-	-	P157,066,166
Financial assets at amortized cost (excluding loans and receivables)					
Due from BSP	P26,584,514	P-	P-	P-	P26,584,514
Due from other banks	16,313,837	-	-	-	16,313,837
Interbank loans receivable and SPURA	28,650,000	-	-	-	28,650,000
Investment securities at amortized cost					
Private bonds	45,525,489	-	-	10,867,066	56,392,555
Treasury notes and bills	53,202,243	-	-	-	53,202,243
Treasury bonds	48,855,581	-	-	-	48,855,581
	147,583,313	-	-	10,867,066	158,450,379
	219,131,664	-	-	10,867,066	229,998,730
	P413,505,644	P-	P-	P11,720,516	P425,226,160
December 31, 2024					
Financial assets at FVTPL:					
HFT investments:					
Government securities	P14,308,570	P-	P-	P-	P14,308,570
Private bonds	704,653	-	-	276,762	981,415
Total HFT investments	15,013,223	-	-	276,762	15,289,985
Derivative assets:					
Currency forwards	957,977	-	-	487,759	1,445,736
Interest rate swaps	52,607	-	-	-	52,607
Cross-currency swaps	-	-	-	31,421	31,421
Bond forwards and options	1,633	-	-	-	1,633
Total derivative assets	1,012,217	-	-	519,180	1,531,397
Total financial assets at FVTPL	P16,025,440	P-	P-	P795,942	P16,821,382
Derivative assets designated as hedges	P-	P-	P-	P634,928	P634,928
Financial assets at FVTOCI					
Treasury notes and bills	P95,392,729	P-	P-	P-	P95,392,729
Treasury bonds	84,484,049	-	-	-	84,484,049
Private bonds	1,333,343	-	-	-	1,333,343
	P181,210,121	P-	P-	P-	P181,210,121
Financial assets at amortized cost (excluding loans and receivables)					
Due from BSP	P35,104,831	P-	P-	P-	P35,104,831
Due from other banks	15,286,901	-	-	-	15,286,901
Interbank loans receivable and SPURA	9,393,617	-	-	-	9,393,617
Investment securities at amortized cost					
Private bonds	49,537,866	-	-	10,565,046	60,102,912
Treasury bonds	33,468,084	-	-	-	33,468,084
Treasury notes and bills	45,229,516	-	-	-	45,229,516
	128,235,466	-	-	10,565,046	138,800,512
	188,020,815	-	-	10,565,046	198,585,861
	P385,256,376	P-	P-	P11,995,916	P397,252,292



The tables below show the credit quality by class of loans and receivables (gross of allowance for credit losses and net of unearned discounts and deferred credits) of the Group and the Parent Company.

	Consolidated			
	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Receivable from customers:				
Corporate lending				
Neither past due nor impaired				
High grade	P192,993,623	P-	P-	P192,993,623
Medium grade	178,736,588	6,863,384	-	185,599,972
Low grade	31,972,560	23,599,974	-	55,572,534
Past due but not impaired	-	1,234,134	-	1,234,134
Past due and impaired	-	-	13,154,854	13,154,854
	403,702,771	31,697,492	13,154,854	448,555,117
Consumer lending (excluding credit card receivables)				
Neither past due nor impaired				
High grade	57,636,370	45,264	-	57,681,634
Medium grade	14,484,447	21,195	-	14,505,642
Low grade	7,847,996	54,374	-	7,902,370
Unrated	304,441	-	-	304,441
Past due but not impaired	-	1,875,267	-	1,875,267
Past due and impaired	-	-	2,506,201	2,506,201
	80,273,254	1,996,100	2,506,201	84,775,555
Small business lending				
Neither past due nor impaired				
High grade	15,000	-	-	15,000
Medium grade	456,690	4,203	-	460,893
Low grade	16,460	29,444	-	45,904
Past due but not impaired	-	21,340	-	21,340
Past due and impaired	-	-	88,465	88,465
	488,150	54,987	88,465	631,602
Residential mortgages				
Neither past due nor impaired				
High grade	71,443,845	38,892	-	71,482,737
Medium grade	29,616,811	118,335	-	29,735,146
Low grade	560,897	1,049,208	-	1,610,105
Past due but not impaired	-	1,830,890	-	1,830,890
Past due and impaired	-	-	2,841,399	2,841,399
	101,621,553	3,037,325	2,841,399	107,500,277
Credit card receivables – individual				
Neither past due nor impaired				
High grade	12,472,724	177,757	-	12,650,481
Medium grade	42,718,280	896,062	-	43,614,342
Low grade	8,933	1,347,681	-	1,356,614
Unrated	300,794	-	-	300,794
Past due but not impaired	-	2,043,524	-	2,043,524
Past due and impaired	-	-	2,803,337	2,803,337
	55,500,731	4,465,024	2,803,337	62,769,092
Receivable from customers (SBEL)				
Neither past due nor impaired				
High grade	89,998	-	-	89,998
Low grade	375,354	-	-	375,354
Past due but not impaired	-	64	-	64
	465,352	64	-	465,416
Total receivable from customers	642,051,811	41,250,992	21,394,256	704,697,059
Other receivables				
Neither past due nor impaired				
High grade	6,586,241	589	-	6,586,830
Medium grade	1,449,830	30,084	-	1,479,914
Low grade	257,349	122,813	-	380,162
Unrated	1,144,473	-	-	1,144,473
Past due but not impaired	-	125,171	-	125,171
Past due and impaired	-	-	572,152	572,152
	9,437,893	278,657	572,152	10,288,702
Other assets*				
Neither past due nor impaired				
High grade	1,607,178	-	-	1,607,178
	P653,096,882	P41,529,649	P21,966,408	P716,592,939

*Consists of cash collateral and security deposits



	Consolidated			
	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Receivable from customers:				
Corporate lending				
Neither past due nor impaired				
High grade	P234,835,555	P-	P-	P234,835,555
Medium grade	155,610,318	8,582,851	-	164,193,169
Low grade	33,499,939	18,170,733	-	51,670,672
Past due but not impaired	-	286,857	-	286,857
Past due and impaired	-	-	14,812,116	14,812,116
	423,945,812	27,040,441	14,812,116	465,798,369
Consumer lending (excluding credit card receivables)				
Neither past due nor impaired				
High grade	15,689,682	4,212	-	15,693,894
Medium grade	31,456,102	236,463	-	31,692,565
Low grade	227,232	402,366	-	629,598
Unrated	14,875,378	551,977	-	15,427,355
Past due but not impaired	-	885,126	-	885,126
Past due and impaired	-	-	1,445,995	1,445,995
	62,248,394	2,080,144	1,445,995	65,774,533
Small business lending				
Neither past due nor impaired				
High grade	26,275	-	-	26,275
Medium grade	435,687	5,000	-	440,687
Low grade	18,041	34,470	-	52,511
Past due and impaired	-	-	54,698	54,698
	480,003	39,470	54,698	574,171
Residential mortgages				
Neither past due nor impaired				
High grade	76,026,011	31,761	-	76,057,772
Medium grade	11,698,342	56,597	-	11,754,939
Low grade	7,122,484	619,011	-	7,741,495
Past due but not impaired	-	1,244,508	-	1,244,508
Past due and impaired	-	-	2,156,967	2,156,967
	94,846,837	1,951,877	2,156,967	98,955,681
Credit card receivables – individual				
Neither past due nor impaired				
High grade	12,906,765	100,303	-	13,007,068
Medium grade	35,586,630	748,052	-	36,334,682
Low grade	10,336	602,334	-	612,670
Unrated	66,722	-	-	66,722
Past due but not impaired	-	1,379,131	-	1,379,131
Past due and impaired	-	-	1,630,695	1,630,695
	48,570,453	2,829,820	1,630,695	53,030,968
Receivable from customers (SBEL)				
Neither past due nor impaired				
High grade	10,815	-	-	10,815
Medium grade	17,075	-	-	17,075
Low grade	190,410	-	-	190,410
Past due but not impaired	-	1,436	-	1,436
	218,300	1,436	-	219,736
Total receivable from customers	630,309,799	33,943,188	20,100,471	684,353,458
Other receivables				
Neither past due nor impaired				
High grade	6,478,326	22,992	-	6,501,318
Medium grade	1,296,197	12,231	-	1,308,428
Low grade	540,987	99,353	-	640,340
Unrated	717,156	9,956	-	727,112
Past due but not impaired	-	61,262	-	61,262
Past due and impaired	-	-	533,399	533,399
	9,032,666	205,794	533,399	9,771,859
Other assets*				
Neither past due nor impaired				
High grade	4,237,071	-	-	4,237,071
	P643,579,536	P34,148,982	P20,633,870	P698,362,388

*Consists of cash collateral and security deposits



	Parent Company			
	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Receivable from customers:				
Corporate lending				
Neither past due nor impaired				
High grade	P192,993,623	P-	P-	P192,993,623
Medium grade	178,736,588	6,863,384	-	185,599,972
Low grade	31,972,560	23,599,974	-	55,572,534
Past due but not impaired	-	1,234,134	-	1,234,134
Past due and impaired	-	-	13,154,854	13,154,854
	403,702,771	31,697,492	13,154,854	448,555,117
Consumer lending (excluding credit card receivables)				
Neither past due nor impaired				
High grade	57,636,370	45,264	-	57,681,634
Medium grade	14,484,447	21,195	-	14,505,642
Low grade	7,847,996	54,374	-	7,902,370
Unrated	302,366	-	-	302,366
Past due but not impaired	-	1,875,267	-	1,875,267
Past due and impaired	-	-	2,506,201	2,506,201
	80,271,179	1,996,100	2,506,201	84,773,480
Small business lending				
Neither past due nor impaired				
High grade	15,000	-	-	15,000
Medium grade	456,690	4,203	-	460,893
Low grade	16,460	29,444	-	45,904
Past due but not impaired	-	21,340	-	21,340
Past due and impaired	-	-	88,465	88,465
	488,150	54,987	88,465	631,602
Residential mortgages				
Neither past due nor impaired				
High grade	71,443,845	38,892	-	71,482,737
Medium grade	29,616,811	118,335	-	29,735,146
Low grade	560,897	1,049,208	-	1,610,105
Past due but not impaired	-	1,830,890	-	1,830,890
Past due and impaired	-	-	2,841,399	2,841,399
	101,621,553	3,037,325	2,841,399	107,500,277
Credit card receivables - individual				
Neither past due nor impaired				
High grade	12,472,724	177,757	-	12,650,481
Medium Grade	42,718,280	896,062	-	43,614,342
Low grade	8,933	1,347,681	-	1,356,614
Unrated	300,794	-	-	300,794
Past due but not impaired	-	2,043,524	-	2,043,524
Past due and impaired	-	-	2,803,337	2,803,337
	55,500,731	4,465,024	2,803,337	62,769,092
Total receivable from customers	641,584,384	41,250,928	21,394,256	704,229,568
Other receivables				
Neither past due nor impaired				
High grade	6,445,940	589	-	6,446,529
Medium grade	1,293,690	30,084	-	1,323,774
Low Grade	257,349	122,813	-	380,162
Unrated	1,099,589	-	-	1,099,589
Past due but not impaired	-	123,424	-	123,424
Past due and impaired	-	-	441,589	441,589
	9,096,568	276,910	441,589	9,815,067
Other assets*				
Neither past due nor impaired				
High grade	1,608,401	-	-	1,608,401
	P652,289,353	P41,527,838	P21,835,845	P715,653,036

*Consists of cash collateral and security deposits



	Parent Company			
	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Receivable from customers:				
Corporate lending				
Neither past due nor impaired				
High grade	₱236,721,889	₱-	₱-	236,721,889
Medium grade	155,610,318	8,582,851	-	164,193,169
Low grade	33,499,939	18,170,733	-	51,670,672
Past due but not impaired	-	286,857	-	286,857
Past due and impaired	-	-	14,812,116	14,812,116
	425,832,146	27,040,441	14,812,116	467,684,703
Consumer lending (excluding credit card receivables)				
Neither past due nor impaired				
High grade	15,689,682	4,212	-	15,693,894
Medium grade	31,456,102	236,463	-	31,692,565
Low grade	227,232	402,366	-	629,598
Unrated	14,872,771	551,977	-	15,424,748
Past due but not impaired	-	885,126	-	885,126
Past due and impaired	-	-	1,445,995	1,445,995
	62,245,787	2,080,144	1,445,995	65,771,926
Small business lending				
Neither past due nor impaired				
High grade	26,275	-	-	26,275
Medium grade	435,687	5,000	-	440,687
Low grade	18,041	34,470	-	52,511
Past due but not impaired	-	-	-	-
Past due and impaired	-	-	54,698	54,698
	480,003	39,470	54,698	574,171
Residential mortgages				
Neither past due nor impaired				
High grade	76,026,011	31,761	-	76,057,772
Medium grade	11,698,342	56,597	-	11,754,939
Low grade	7,122,484	619,011	-	7,741,495
Past due but not impaired	-	1,244,508	-	1,244,508
Past due and impaired	-	-	2,156,967	2,156,967
	94,846,837	1,951,877	2,156,967	98,955,681
Credit card receivables - individual				
Neither past due nor impaired				
High grade	12,906,765	100,303	-	13,007,068
Medium Grade	35,586,630	748,052	-	36,334,682
Low grade	10,336	602,334	-	612,670
Unrated	66,722	-	-	66,722
Past due but not impaired	-	1,379,131	-	1,379,131
Past due and impaired	-	-	1,630,695	1,630,695
	48,570,453	2,829,820	1,630,695	53,030,968
Total receivable from customers	631,975,226	33,941,752	20,100,471	686,017,449
Other receivables				
Neither past due nor impaired				
High grade	6,429,740	22,991	-	6,452,731
Medium grade	1,296,197	12,231	-	1,308,428
Low Grade	139,524	99,353	-	238,877
Unrated	628,605	9,956	-	638,561
Past due but not impaired	-	61,056	-	61,056
Past due and impaired	-	-	474,753	474,753
	8,494,066	205,587	474,753	9,174,406
Other assets*				
Neither past due nor impaired				
High grade	4,238,303	-	-	4,238,303
	₱644,707,595	₱34,147,339	₱20,575,224	₱ 699,430,158

*Consists of cash collateral and security deposits



The following table provides the analysis of the Group and the Parent Company's restructured receivables by class (included in the preceding table for the credit quality by class of financial assets) as of December 31, 2025 and 2024:

	Consolidated and Parent Company			
	December 31, 2025			
	Stage 1	Stage 2	Stage 3	Total
Corporate lending				
Neither past due nor impaired				
Medium grade	₱1,099,561	₱398,611	₱-	₱1,498,172
Low Grade	743,847	4,071,447	-	4,815,294
Past due but not impaired	-	7,287	-	7,287
Past due and impaired	-	-	5,021,158	5,021,158
	1,843,408	4,477,345	5,021,158	11,341,911
Consumer lending				
Neither past due nor impaired				
High grade	32,425	26,148	-	58,573
Medium grade	240,328	2,529	-	242,857
Low Grade	65,292	15,993	-	81,285
Unrated	480,129	-	-	480,129
Past due but not impaired	-	62,843	-	62,843
Past due and impaired	-	-	119,141	119,141
	818,174	107,513	119,141	1,044,828
Small business lending				
Neither past due nor impaired				
Medium grade	28	-	-	28
Low Grade	-	13,524	-	13,524
Past due and impaired	-	-	33,937	33,937
	28	13,524	33,937	47,489
Residential mortgages				
Neither past due nor impaired				
High grade	238,531	18,996	-	257,527
Medium grade	603,058	78,760	-	681,818
Low Grade	6,804	13,534	-	20,338
Past due but not impaired	-	129,206	-	129,206
Past due and impaired	-	-	161,953	161,953
	848,393	240,496	161,953	1,250,842
	₱3,510,003	₱4,838,878	₱5,336,189	₱13,685,070

	Consolidated and Parent Company			
	December 31, 2024			
	Stage 1	Stage 2	Stage 3	Total
Corporate lending				
Neither past due nor impaired				
Medium grade	₱314,214	₱-	₱-	₱314,214
Low Grade	878,083	2,811,696	-	3,689,779
Past due but not impaired	-	-	-	-
Past due and impaired	-	-	5,070,531	5,070,531
	1,192,297	2,811,696	5,070,531	9,074,524
Consumer lending				
Neither past due nor impaired				
High grade	46,882	-	-	46,882
Medium grade	149,832	13,675	-	163,507
Low Grade	5,649	3,799	-	9,448
Unrated	269,072	14,093	-	283,165
Past due but not impaired	-	40,323	-	40,323
Past due and impaired	-	-	131,687	131,687
	471,435	71,890	131,687	675,012
Small business lending				
Past due and impaired	-	-	28,193	28,193
Residential mortgages				
Neither past due nor impaired				
High grade	933,679	20,296	-	953,975
Medium grade	109,680	16,344	-	126,024
Low Grade	45,981	22,835	-	68,816

(Forward)



Consolidated and Parent Company				
December 31, 2024				
	Stage 1	Stage 2	Stage 3	Total
Past due but not impaired	P-	P29,659	P-	P29,659
Past due and impaired	-	-	156,180	156,180
	1,089,340	89,134	156,180	1,334,654
	P2,753,072	P2,972,720	P5,386,591	P11,112,383

Impairment assessment

The Group calculates ECLs based on sophisticated models utilizing its scorecards for the following portfolios:

- Wholesale Banking Segment loans
- Business Banking Segment loans
- Retail Banking Segment loans
- The treasury, trading and interbank relationships (such as investment securities not held for trading, due from other banks, interbank loans and cash collateral deposits)

The Group groups these exposures into smaller homogeneous portfolios, based on a combination of internal and external characteristics of the loans. It includes, but not limited to, product type, property type, geographic location, internal grade, exposure value, utilization and collateral type, as applicable.

Liquidity Risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

More broadly, liquidity risk is defined as the current and prospective risk to earnings or capital arising from a bank's inability to meet its obligations when they come due without incurring unacceptable losses or costs. Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources.

Liquidity risk is monitored and managed mainly using liquidity gap capped by the approved Maximum Cumulative Outflows (MCO) limits, regular stress testing, and compliance to Basel III liquidity ratios. A Contingency Funding Plan (CFP) is likewise in place to ensure readiness for identified liquidity crisis situation.

The Parent Company's Asset and Liability Committee (ALCO) is directly responsible for market and liquidity risk exposures. ALCO regularly monitors the Parent Company's positions and sets the appropriate transfer pricing rate to effectively manage movements of funds across business activities.

Analysis of financial instruments by remaining contractual maturities

The table below shows the maturity profile of the Group's and the Parent Company's financial instruments, based on the Group's and the Parent Company's internal methodology that manages liquidity based on remaining contractual undiscounted cash flows.

Financial assets

Maturity profile of financial assets held for liquidity purposes is shown below. Analysis of equity and debt securities at FVTPL into maturity groupings is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realized.



Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date, except for deposits which are based on expected withdrawals. When a counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Group can be required to pay.

	Consolidated						Total
	On Demand	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	
December 31, 2025							
Financial Assets							
Financial assets at FVTPL:							
HFT investments:							
Government securities	P35,917,085	P-	P-	P-	P-	P-	P35,917,085
Private bonds	385,796	-	-	-	-	-	385,796
Equity Securities	24	-	-	-	-	-	24
Total HFT investments	36,302,905	-	-	-	-	-	36,302,905
Derivatives	-	300,916	302,737	567,611	110,651	319,170	1,601,085
Total financial assets at FVTPL	36,302,905	300,916	302,737	567,611	110,651	319,170	37,903,990
Derivatives designated as hedges	-	289,844	-	-	-	-	289,844
Financial assets at FVTOCI	-	3,486,605	5,967,417	15,635,085	3,870,919	201,495,154	230,455,180
Financial assets at amortized cost:							
COCI and due from BSP	42,140,433	-	-	-	-	-	42,140,433
Due from other banks	16,435,456	-	-	-	-	-	16,435,456
Interbank loans receivable and SPURA with BSP	-	27,121,062	10,763	1,543,050	41,200	-	28,716,075
Investment securities at amortized cost	-	8,047,904	1,142,767	6,752,176	5,619,787	165,679,317	187,241,951
Receivable from customers and other receivables	210,926	166,372,714	41,262,063	86,590,309	50,277,931	617,451,398	962,165,341
Total financial assets at amortized cost	58,786,815	201,541,680	42,415,593	94,885,535	55,938,918	783,130,715	1,236,699,256
Total financial assets	P95,089,720	P205,619,045	P48,685,747	P111,088,231	P59,920,488	P984,945,039	P1,505,348,270
Financial Liabilities							
Deposit liabilities:							
Demand	P304,201,099	P-	P-	P-	P-	P-	P304,201,099
Savings	155,108,529	-	-	-	-	-	155,108,529
Time	-	88,167,317	119,028,930	14,384,245	19,427,114	245,949,588	486,957,194
LTNCD	-	-	-	-	-	-	-
Total deposit liabilities	459,309,628	88,167,317	119,028,930	14,384,245	19,427,114	245,949,588	946,266,822
Financial liabilities at FVTPL	-	305,138	163,067	567,826	208,456	179,063	1,423,550
Derivatives designated as hedges	-	913,093	1,514,549	1,198,244	-	-	3,625,886
Bills payable and SSURA	-	1,073,839	1,611,267	3,364,144	73,501	120,197	6,242,948
Notes and bonds payable	-	311,136	311,136	1,244,543	1,866,816	75,196,646	78,930,277
Acceptances payable	-	418,874	86,687	58,605	76,062	-	640,228
Margin deposits and cash letters of credit	-	2,762,100	-	-	-	-	2,762,100
Manager's and certified checks outstanding	5,900,819	-	-	-	-	-	5,900,819
Accrued interest, expense and other liabilities	-	19,767,990	49,984	212,884	244,629	1,341,662	21,617,149
Total financial liabilities	P465,210,447	P113,719,487	P122,765,620	P21,030,491	P21,896,578	P322,787,156	P1,067,409,779

	Consolidated						Total
	On Demand	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	
December 31, 2024							
Financial Assets							
Financial assets at FVTPL:							
HFT investments:							
Government securities	P14,308,570	P-	P-	P-	P-	P-	P14,308,570
Private bonds	981,415	-	-	-	-	-	981,415
Equity Securities	24	-	-	-	-	-	24
Total HFT investments	15,290,009	-	-	-	-	-	15,290,009
Derivatives	-	553,819	211,572	369,777	228,079	189,513	1,552,760
Total financial assets at FVTPL	15,290,009	553,819	211,572	369,777	228,079	189,513	16,842,769
Derivatives designated as hedges	-	277,232	69,729	283,811	4,156	-	634,928
Financial assets at FVTOCI	-	2,359,511	1,103,278	6,468,706	13,482,102	232,030,279	255,443,876
Financial assets at amortized cost:							
COCI and due from BSP	48,269,886	-	-	-	-	-	48,269,886
Due from other banks	15,370,541	-	-	-	-	-	15,370,541
Interbank loans receivable and SPURA with BSP	-	6,849,822	16,206	113,998	104,599	2,568,025	9,652,650
Investment securities at amortized cost	-	555,594	4,210,194	6,163,921	10,073,369	145,830,850	166,833,928
Receivable from customers and other receivables	-	164,290,253	53,482,980	87,027,546	48,481,144	525,198,441	878,480,364
Total financial assets at amortized cost	63,640,427	171,695,669	57,709,380	93,305,465	58,659,112	673,597,316	1,118,607,369
Total financial assets	P78,930,436	P174,886,231	P59,093,959	P100,427,759	P72,373,449	P905,817,108	P1,391,528,942

(Forward)



	Consolidated						Total
	On Demand	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	
Financial Liabilities							
Deposit liabilities:							
Demand	P279,240,344	P-	P-	P-	P-	P-	P279,240,344
Savings	140,868,600	-	-	-	-	-	140,868,600
Time	-	81,720,638	107,845,720	33,046,554	59,379,052	105,068,920	387,060,884
LTNCD	-	34,779	34,779	8,444,307	2,081,806	-	10,595,671
Total deposit liabilities	420,108,944	81,755,417	107,880,499	41,490,861	61,460,858	105,068,920	817,765,499
Financial liabilities at FVTPL	-	779,541	588,263	220,358	71,112	65,700	1,724,974
Derivatives designated as hedges	-	499,435	660,401	1,143,371	1,537,997	-	3,841,204
Bills payable and SSURA	-	29,524,061	22,148,197	34,409,005	3,797,979	2,379,248	92,258,490
Notes and bonds payable	-	18,800,126	204,804	819,214	1,228,821	51,496,150	72,549,115
Acceptances payable	-	1,302,940	362,911	4,017	-	-	1,669,868
Margin deposits and cash letters of credit	-	169,923	-	-	-	-	169,923
Manager's and certified checks outstanding	5,339,433	-	-	-	-	-	5,339,433
Accrued interest, expense and other liabilities	-	17,015,514	66,905	247,137	324,708	1,475,156	19,129,420
Total financial liabilities	P425,448,377	P149,846,957	P131,911,980	P78,333,963	P68,421,475	P160,485,174	P1,014,447,926

	Parent Company						Total
	On Demand	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	
December 31, 2025							
Financial Assets							
Financial assets at FVTPL:							
HFT investments:							
Government securities	P35,917,085	P-	P-	P-	P-	P-	P35,917,085
Private bonds	385,796	-	-	-	-	-	385,796
Equity Securities	-	-	-	-	-	-	-
Total HFT investments	36,302,881	-	-	-	-	-	36,302,881
Derivatives	-	300,916	302,737	567,611	110,651	319,170	1,601,085
Total financial assets at FVTPL	36,302,881	300,916	302,737	567,611	110,651	319,170	37,903,966
Derivatives Designated as Hedges	-	289,844	-	-	-	-	289,844
Financial assets at FVTOCI	-	3,433,133	5,967,417	15,635,085	3,870,919	201,495,154	230,401,708
Financial assets at amortized cost:							
COCI and due from BSP	42,140,283	-	-	-	-	-	42,140,283
Due from other banks	16,313,837	-	-	-	-	-	16,313,837
Interbank loans receivable and SPURA with BSP	-	27,121,062	10,763	1,543,050	41,200	-	28,716,075
Investment securities at amortized cost	-	8,047,904	1,142,767	6,752,176	5,619,787	165,679,317	187,241,951
Receivable from customers and other receivables	-	165,644,469	41,261,980	86,590,196	50,277,724	617,449,847	961,224,216
Total financial assets at amortized cost	58,454,120	200,813,435	42,415,510	94,885,422	55,938,711	783,129,164	1,235,636,362
Total financial assets	P94,757,001	P204,837,328	P48,685,664	P111,088,118	P59,920,281	P984,943,488	P1,504,231,880

Financial Liabilities							
Deposit liabilities:							
Demand	P305,902,840	P-	P-	P-	P-	P-	P305,902,840
Savings	155,246,168	-	-	-	-	-	155,246,168
Time	-	88,618,713	119,028,930	14,384,245	19,427,114	245,949,588	487,408,590
LTNCD	-	-	-	-	-	-	-
Total deposit liabilities	461,149,008	88,618,713	119,028,930	14,384,245	19,427,114	245,949,588	948,557,598
Financial liabilities at FVTPL	-	305,138	163,067	567,826	208,456	179,063	1,423,550
Derivatives designated as hedges	-	913,093	1,514,549	1,198,244	-	-	3,625,886
Bills payable and SSURA	-	778,839	11,267	2,344,144	3,501	120,197	3,257,948
Notes payable	-	311,136	311,136	1,244,543	1,866,816	75,196,646	78,930,277
Acceptances payable	-	418,874	86,687	58,605	76,062	-	640,228
Margin deposits and cash letters of credit	-	2,762,100	-	-	-	-	2,762,100
Manager's and certified checks outstanding	5,900,819	-	-	-	-	-	5,900,819
Accrued interest, expense and other liabilities	-	18,422,053	46,796	173,300	227,508	1,166,421	20,036,078
Total financial liabilities	P467,049,827	P112,529,946	P121,162,432	P19,970,907	P21,809,457	P322,611,915	P1,065,134,484



	Parent Company						Total
	On Demand	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	
December 31, 2024							
Financial Assets							
Financial assets at FVTPL:							
HFT investments:							
Government securities	P14,308,570	P-	P-	P-	P-	P-	P14,308,570
Private bonds	981,415	-	-	-	-	-	981,415
Equity Securities	-	-	-	-	-	-	-
Total HFT investments	15,289,985	-	-	-	-	-	15,289,985
Derivatives	-	553,819	211,572	369,777	228,079	189,513	1,552,760
Total financial assets at FVTPL	15,289,985	553,819	211,572	369,777	228,079	189,513	16,842,745
Derivatives Designated as Hedges	-	277,232	69,729	283,811	4,156	-	634,928
Financial assets at FVTOCI	-	2,313,220	1,103,278	6,468,706	13,482,102	232,030,279	255,397,585
Financial assets at amortized cost:							
COCI and due from BSP	48,269,746	-	-	-	-	-	48,269,746
Due from other banks	15,285,745	-	-	-	-	-	15,285,745
Interbank loans receivable and SPURA with BSP	-	6,849,822	16,206	113,998	104,598	2,568,025	9,652,649
Investment securities at amortized cost	-	555,594	4,210,194	6,163,921	10,073,369	145,830,850	166,833,928
Receivable from customers and other receivables	-	165,359,018	53,482,910	87,027,446	48,480,989	525,195,889	879,546,252
Total financial assets at amortized cost	63,555,491	172,764,434	57,709,310	93,305,365	58,658,956	673,594,764	1,119,588,320
Total financial assets	P78,845,476	P175,908,705	P59,093,889	P100,427,659	P72,373,293	P905,814,556	P1,392,463,578
Financial Liabilities							
Deposit liabilities:							
Demand	P280,592,335	P-	P-	P-	P-	P-	P280,592,335
Savings	140,983,093	-	-	-	-	-	140,983,093
Time	-	82,131,877	107,845,720	33,046,554	59,379,052	105,068,920	387,472,123
LTNCD	-	34,779	34,779	8,444,307	2,081,806	-	10,595,671
Total deposit liabilities	421,575,428	82,166,656	107,880,499	41,490,861	61,460,858	105,068,920	819,643,222
Financial liabilities at FVTPL	-	779,541	588,263	220,358	71,112	65,700	1,724,974
Derivatives Designated as Hedges	-	499,435	660,401	1,143,371	1,537,997	-	3,841,204
Bills payable and SSURA	-	30,746,269	21,377,030	34,210,797	3,447,535	2,325,192	92,106,823
Notes payable	-	18,800,126	204,804	819,214	1,228,821	51,496,150	72,549,115
Acceptances payable	-	1,302,940	362,911	4,017	-	-	1,669,868
Margin deposits and cash letters of credit	-	169,923	-	-	-	-	169,923
Manager's and certified checks outstanding	5,339,433	-	-	-	-	-	5,339,433
Accrued interest, expense and other liabilities	-	15,813,856	62,012	235,258	316,411	1,360,608	17,788,145
Total financial liabilities	P426,914,861	P150,278,746	P131,135,920	P78,123,876	P68,062,734	P160,316,570	P1,014,832,707

The table below shows the contractual expiry by maturity of the Group's and the Parent Company's contingent liabilities and commitments (gross of allowance for credit losses).

	On Demand	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	Total
December 31, 2025							
Unutilized credit limit of credit card holders	P166,820,860	P-	P-	P-	P-	P-	P166,820,860
Committed loan line	35,638,972	1,768,000	3,482,240	12,708,236	42,306,848	-	95,904,296
Unused commercial letters of credit	8,709,128	6,881,591	6,135,736	22,128,924	17,928,794	25,401,400	87,185,573
Inward bills for collection	188,630	169,434	93,751	-	-	-	451,815
Outward bills for collection	179,492	6,926	6,095	-	-	-	192,513
Financial guarantees with commitment	15,696	2,348	13,570	8,845	36,449	12,310	89,218
	P211,552,778	P8,828,299	P9,731,392	P34,846,005	P60,272,091	P25,413,710	P350,644,275
December 31, 2024							
Unutilized credit limit of credit card holders	P146,113,130	P-	P-	P-	P-	P-	P146,113,130
Committed loan line	16,806,647	-	3,031,910	6,695,960	30,799,765	-	57,334,282
Unused commercial letters of credit	7,853,035	10,455,901	12,834,122	20,286,370	21,040,588	9,012,167	81,482,183
Outstanding guarantees	866,900	-	-	-	-	-	866,900
Inward bills for collection	496,984	298,752	132,085	2,717,025	-	-	3,644,846
Outward bills for collection	265,777	-	-	-	-	-	265,777
Financial guarantees with commitment	46,131	253	930	9,128	29,657	25,400	111,499
	P172,448,604	P10,754,906	P15,999,047	P29,708,483	P51,870,010	P9,037,567	P289,818,617



Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Group classifies exposures to market risk into either trading or non-trading portfolios and manages those portfolios separately.

The Group manages its market risk exposures through various established structures, processes and measurement tools.

- The Treasury Group is responsible for managing proprietary trading activities, overseeing liquidity, and controlling interest rate risk within the banking book (IRRBB). The Group also ensures strict adherence to risk limits approved by the ROC.
- The RMG performs regular monitoring of compliance with policies, procedures and risk limits and accordingly makes recommendations, where appropriate.
- The ALCO is the senior decision-making body for the management of all market risks related to asset and liability management, and trading and accrual books.

The market risk measurement models are subjected to periodic back testing to ensure validity of market assumptions used.

Market Risk in the Trading Book

Market risk is the risk to earnings or capital arising from adverse movements in factors that affect the market value of instruments, products, and transactions in an institution's trading book portfolio, both on- and off-balance sheet. Market risk arises from market making, dealing, or position-taking in instruments and structures, or through strategies that are sensitive to movements in interest rates, foreign exchange rates, credit spreads, and equities and commodities prices.

Risk management tools utilized by the Parent Company are as follows:

- Loss limits
- Position and duration limits, where appropriate
- Mark-to-market valuation
- Value-at-Risk (VaR) limits
- Stress testing

Additional risk monitoring tools were likewise adopted to manage under fluid market environment. The tools include sensitivity analyses to identify vulnerabilities in terms of profit or loss and capital erosion, as well as closely tracking early warning indicators to proactively identify emerging risks.

Value-at-Risk

The Parent Company measures VaR in order to estimate if the market value of an asset or of a portfolio of assets is likely to change over a certain time period as market factors change.

VaR computation is a two-step process which involves calculation of the changes in the relevant risk factors then computing for the corresponding impact on the exposure's value. A risk factor is defined as a variable that causes a change in the value of a financial instrument or a portfolio of financial instruments.

a. VaR Methodology

The Parent Company uses a Historical Model approach to calculate VaR for all products. Unlike parametric methods, the historical approach does not put specific assumptions on the distribution (ex. normality assumption) of the historical returns. Instead, the Historical Model estimates VaR using historical changes in market factors to construct an empirical distribution of potential profits



and losses, and then reading off the loss that is exceeded at a specified confidence level and period. The Parent Company employs Historical Model using a Taylor expansion composed of “Greek” sensitivities (Delta and Gamma) characterizing market behavior.

b. VaR Parameters

The Group uses one-year historical observations consisting of 365 data points with a 99% confidence level and a 1-day holding period. This implies 99% confidence level that the portfolio will not lose more than the calculated VaR over the next day.

The VaR figures are backtested against actual and hypothetical profit and loss to validate the robustness of the VaR model. Likewise, to complement the VaR measure, the Parent Company performs stress tests wherein the trading portfolios are valued under extreme market scenarios not covered by the confidence interval of the VaR model.

Since VaR is an integral part of the Parent Company’s market risk management, VaR limits are set annually for all financial trading activities based on its risk appetite level. Exposures are then monitored daily against the established VaR limits.

The following table provides the VaR summary of the Parent Company as of December 31, 2025 and 2024 (amounts in millions):

Stand-alone VaR	FX and FX Swaps	Fixed Income	Interest Rate Swap Agreements*	Other Derivatives
As of Dec 31, 2025	6.12	47.19	5.08	4.82
2025-Highest	75.35	113.82	55.22	5.34
2025-Lowest	2.55	32.35	2.19	0.11
2025-Average Daily	25.59	76.13	26.52	2.24

**Includes interest rate swap transactions of same currency, e.g., PHP fix/float, and cross currency swaps, e.g., USD/PHP fix/fix*

Stand-alone VaR	FX and FX Swaps	Fixed Income	Interest Rate Swap Agreements*	Other Derivatives
As of Dec. 31, 2024	24.74	48.39	6.93	0.11
2024-Highest	64.04	117.66	65.70	2.17
2024-Lowest	8.72	21.52	2.25	0.01
2024-Average Daily	21.61	64.07	27.35	0.91

**Includes interest rate swap transactions of same currency, e.g., PHP fix/float, and cross currency swaps, e.g., USD/PHP fix/fix*

The Parent Company’s trading in fixed income securities together with the interest rate swaps are exposed to movements in interest rates. Foreign exchange swaps and other derivatives such as options and gold forwards are exposed to multiple risk factors including foreign exchange rates, interest rates, and sometimes even the volatility of these factors, e.g., for options, the volatility of the FX rates are also being traded.

The high and low of the total portfolio may not equal to the sum of the individual components as the high and low of individual portfolios may have occurred on different trading days.

Market Risk in the Non-Trading Book

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. The Bank defines IRRBB as the risk that the Bank’s earnings or capital will decline, immediately or over time, due to adverse movements in interest rates



The Parent Company follows a prudent policy on managing its assets and liabilities so as to ensure that exposure to fluctuations in interest rates is kept within acceptable limits. Management of IRRBB entails identifications of risks in the banking book, modelling of balance sheet account behavior, measurement of interest rate gap, estimation of Earnings-at-Risk (EaR), interest rate stress-testing, calculation of change in Economic Value of Equity (EVE), reporting to ALCO, the ROC and the BOD, model validation and maintenance, and regular audit.

a. Repricing Gap

Interest rate risk exposures are monitored through a repricing gap schedule, which highlights mismatches between the repricing dates of assets and liabilities. Accounts are allocated into time buckets according to their next repricing dates, with model-based assumptions applied to specific balance sheet items. For instance, models are employed to assess core and non-core portions of non-maturing deposits, evaluate early redemption risks associated with time deposits, and manage prepayment risks related to loans.

Gap analysis is used to assess sensitivity to market interest rate changes, where a positive gap indicates greater assets than liabilities repricing within a period, potentially benefiting net interest income during rising rates but limiting growth if rates fall.

b. Earnings Approach

EaR is a key measure of IRRBB and is calculated as the change in accrual income over the next 12 months resulting from potential change in the yield curve. The take-off point for the EaR calculation is the Bank’s repricing gap model. To manage repricing risk, the Parent Company sets a limit on the EaR measure.

The following tables set forth, for the period indicated, the sensitivity of the Parent Company’s net interest income to reasonably possible changes in interest rates with all other variables held constant:

Currency	2025				2024			
	PHP		USD		PHP		USD	
Changes in interest rates (in basis points)	+100	-100	+100	-100	+100	-100	+100	-100
Change in annualized net interest income*	(P2,452)	P2,452	(P36)	P36	(P1,483)	P1,483	(P798)	P798

*Amounts in millions

The Parent Company recognizes that this metric assumes a “business-as-usual” scenario and, therefore, do not show potential losses under a “stress” scenario. To address this limitation, the Parent Company performs regular stress testing to test its ability to cope with adverse changes in interest rates under different stress scenarios. This process involves applying interest rate shocks of different magnitudes to the current repricing gap positions in the balance sheet. Stress-testing involves yield curve shifts based on economic forecasts and regulatory guidelines.

c. Economic Value Approach

The Economic Value Approach is utilized by the Parent Company to measure exposure to interest rate risk, specifically assessing the potential impact of changes in market rates on the economic value of its balance sheet. Within this framework, Delta EVE (Economic Value of Equity) serves as a principal metric quantifying the sensitivity of economic value to fluctuations in interest rates. Delta EVE is determined by calculating the present value of all expected asset cash flows and deducting the present value of all expected liability cash flows. This approach provides a comprehensive evaluation of how interest rate movements may affect the long-term value of the Parent Company’s financial position.



Delta EVE is designed to complement the Earnings at Risk (EaR) metric, which focuses on the potential short-term variability in net interest income. While EaR addresses immediate earnings impacts, Delta EVE evaluates longer-term implications for capital adequacy that may result from changes in interest rates. Collectively, these risk measures provide a holistic view of the Parent Company's interest rate risk profile.

The Parent Company's assessment methodology for Delta EVE is largely anchored in the standardized framework set forth by the Basel Committee on Banking Supervision, thereby ensuring adherence to established international regulatory standards and best practices. As of December 31, 2025 and December 31, 2024, the Parent Company's Delta EVE is at 11.78% and 14.51%, respectively, arising from parallel shock up interest rate scenario.

The following tables set forth the asset-liability gap position of the Group and of the Parent Company as of December 31, 2025 and 2024:

	Consolidated					Total
	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	
December 31, 2025						
Rate-sensitive Financial Assets						
Financial assets at FVTPL:						
HFT investments:						
Government securities	P35,917,085	P-	P-	P-	P-	P35,917,085
Private bonds	385,796	-	-	-	-	385,796
Total HFT investments	36,302,881	-	-	-	-	36,302,881
Derivative assets	-	-	5,303	-	165,873	171,176
Total financial assets at FVTPL	36,302,881	-	5,303	-	165,873	36,474,057
Financial assets at FVTOCI	2,814,918	5,298,438	13,143,967	246,021	135,616,294	157,119,638
Financial assets at amortized cost - gross of allowance:						
Due from BSP and other banks and Interbank loans receivable and SPURA with the BSP	70,129,970	-	1,500,000	40,000	-	71,669,970
Investment securities at amortized cost	7,369,525	400,072	3,818,156	1,290,000	145,572,626	158,450,379
Receivable from customers and other receivables	162,373,624	37,471,710	73,207,268	32,048,565	409,884,594	714,985,761
Total financial assets at amortized cost	239,873,119	37,871,782	78,525,424	33,378,565	555,457,220	945,106,110
Total rate-sensitive assets	278,990,918	43,170,220	91,674,694	33,624,586	691,239,387	1,138,699,805
Rate-sensitive Financial Liabilities						
Deposit liabilities	546,245,964	118,026,030	12,299,678	15,450,591	238,480,451	930,502,714
Financial liabilities at FVTPL	27	558	3,013	968	130,391	134,957
Bills payable and SSURA	1,060,338	1,600,000	3,351,125	70,000	87,522	6,168,985
Notes and bonds payable	-	-	-	-	64,001,309	64,001,309
Total rate-sensitive liabilities	547,306,329	119,626,588	15,653,816	15,521,559	302,699,673	1,000,807,965
Asset-Liability Gap	(P268,315,411)	(P76,456,368)	P76,020,878	P18,103,027	P388,539,714	P137,891,840
December 31, 2024						
Rate-sensitive Financial Assets						
Financial assets at FVTPL:						
HFT investments:						
Government securities	P14,308,570	P-	P-	P-	P-	P14,308,570
Private bonds	981,415	-	-	-	-	981,415
Total HFT investments	15,289,985	-	-	-	-	15,289,985
Derivative assets	-	-	2,394	4,410	77,224	84,028
Total financial assets at FVTPL	15,289,985	-	2,394	4,410	77,224	15,374,013
Financial assets at FVTOCI	1,549,072	298,016	3,323,778	8,886,102	167,199,444	181,256,412
Financial assets at amortized cost - gross of allowance:						
Due from BSP and other banks and Interbank loans receivable and SPURA with the BSP	57,310,145	-	50,000	10,000	2,500,000	59,870,145
Investment securities at amortized cost	-	3,587,464	3,700,724	6,504,642	125,007,682	138,800,512
Receivable from customers and other receivables	176,730,354	50,148,989	75,532,236	33,009,967	358,703,771	694,125,317
Total financial assets at amortized cost	234,040,499	53,736,453	79,282,960	39,524,609	486,211,453	892,795,974
Total rate-sensitive assets	250,879,556	54,034,469	82,609,132	48,415,121	653,488,121	1,089,426,399
Rate-sensitive Financial Liabilities						
Deposit liabilities	500,529,737	106,825,498	39,460,278	58,188,379	96,075,267	801,079,159
Financial Liabilities at FVTPL	-	-	-	-	54,023	54,023
Bills payable and SSURA	29,142,910	21,900,243	34,068,037	3,720,748	2,347,710	91,179,648
Notes and bonds payable	18,496,290	-	-	-	42,698,767	61,195,057
Total rate-sensitive liabilities	548,168,937	128,725,741	73,528,315	61,909,127	141,175,767	953,507,887
Asset-Liability Gap	(P297,289,381)	(P74,691,272)	P9,080,817	(P13,494,006)	P512,312,354	P135,918,512



	Parent Company					Total
	Within 30 Days	31 to 60 Days	61 to 180 Days	181 to 360 Days	Over 360 Days	
December 31, 2025						
Rate-sensitive Financial Assets						
Financial assets at FVTPL:						
HFT investments:						
Government securities	P35,917,085	P-	P-	P-	P-	P35,917,085
Private bonds	385,796	-	-	-	-	385,796
Total HFT investments	36,302,881	-	-	-	-	36,302,881
Derivative assets	-	-	5,303	-	165,873	171,176
Total financial assets at FVTPL	36,302,881	-	5,303	-	165,873	36,474,057
Financial assets at FVTOCI						
Financial assets at amortized cost - gross of allowance:						
Due from BSP and other banks and Interbank loans receivable and SPURA with the BSP	70,008,351	-	1,500,000	40,000	-	71,548,351
Investment securities at amortized cost	7,369,525	400,072	3,818,156	1,290,000	145,572,626	158,450,379
Receivable from customers and other receivables	161,434,453	37,471,627	73,207,155	32,048,357	409,883,043	714,044,635
Total financial assets at amortized cost	238,812,329	37,871,699	78,525,311	33,378,357	555,455,669	944,043,365
Total rate-sensitive assets	277,876,656	43,170,137	91,674,581	33,624,378	691,237,836	1,137,583,588
Rate-sensitive Financial Liabilities						
Deposit liabilities	548,536,740	118,026,030	12,299,678	15,450,591	238,480,451	932,793,490
Financial Liabilities at FVTPL	27	559	3,013	968	130,390	134,957
Bills payable and SSURA	765,338	-	2,331,125	-	87,522	3,183,985
Notes and bonds payable	-	-	-	-	64,001,309	64,001,309
Total rate-sensitive liabilities	549,302,105	118,026,589	14,633,816	15,451,559	302,699,672	1,000,113,741
Asset-Liability Gap	(P271,425,449)	(P74,856,452)	P77,040,765	P18,172,819	P388,538,164	P137,469,847
December 31, 2024						
Rate-sensitive Financial Assets						
Financial assets at FVTPL:						
HFT investments:						
Government securities	P14,308,570	P-	P-	P-	P-	P14,308,570
Private bonds	981,415	-	-	-	-	981,415
Total HFT investments	15,289,985	-	-	-	-	15,289,985
Derivative assets	-	-	2,394	4,410	77,224	84,028
Total financial assets at FVTPL	15,289,985	-	2,394	4,410	77,224	15,374,013
Financial assets at FVTOCI						
Financial assets at amortized cost - gross of allowance:						
Due from BSP and other banks and Interbank loans receivable and SPURA with the BSP	57,225,349	-	50,000	10,000	2,500,000	59,785,349
Investment securities at amortized cost	-	3,587,464	3,700,724	6,504,641	125,007,683	138,800,512
Receivable from customers and other receivables	177,800,235	50,148,454	75,532,136	33,009,812	358,701,218	695,191,855
Total financial assets at amortized cost	235,025,584	53,735,918	79,282,860	39,524,453	486,208,901	893,777,716
Total rate-sensitive assets	251,818,350	54,033,934	82,609,032	48,414,965	653,485,569	1,090,361,850
Rate-sensitive Financial Liabilities						
Deposit liabilities	502,407,461	106,825,498	39,460,277	58,188,379	96,075,267	802,956,882
Financial Liabilities at FVTPL	-	-	-	-	54,023	54,023
Bills payable and SSURA	30,365,118	21,129,077	33,869,829	3,370,304	2,293,654	91,027,982
Notes and bonds payable	18,496,290	-	-	-	42,698,767	61,195,057
Total rate-sensitive liabilities	551,268,869	127,954,575	73,330,106	61,558,683	141,121,711	955,233,944
Asset-Liability Gap	(P299,450,519)	(P73,920,641)	P9,278,926	(P13,143,718)	P512,363,858	P135,127,906

The following table provides for the average EIRs by period of repricing (or by period of maturity if there is no repricing) of the Group and of the Parent Company as of December 31, 2025 and 2024:

	Consolidated			Parent Company		
	Less than 3 months	3 months to 1 year	Greater than 1 year	Less than 3 months	3 months to 1 year	Greater than 1 year
December 31, 2025						
Peso						
Financial Assets						
Due from BSP	4.63%	-	-	4.63%	-	-
Due from banks	1.67%	-	-	1.67%	-	-
Interbank loans	9.00%	8.39%	-	9.00%	8.39%	-
Investment securities*	4.19%	4.11%	5.53%	4.19%	4.11%	5.53%
Loans and receivables	8.31%	8.87%	8.59%	8.31%	8.87%	8.59%

(Forward)



	Consolidated			Parent Company		
	Less than 3 months	3 months to 1 year	Greater than 1 year	Less than 3 months	3 months to 1 year	Greater than 1 year
Financial Liabilities						
Deposit liabilities**	2.85%	3.12%	3.46%	2.85%	3.12%	3.46%
LTNCD	–	–	–	–	–	–
Bills payable and SSURA	–	–	8.00%	–	–	8.00%
Notes payable	–	–	6.23%	–	–	6.23%
USD						
Financial Assets						
Due from banks	1.44%	–	–	1.44%	–	–
Investment securities*	3.42%	4.38%	4.54%	3.42%	4.38%	4.54%
Loans and receivables	5.36%	5.14%	6.24%	5.36%	5.14%	6.24%
Financial Liabilities						
Deposit liabilities**	0.79%	0.49%	3.62%	0.79%	0.49%	3.62%
Bills payable	–	–	5.33%	–	–	5.33%
Notes payable	–	–	5.83%	–	–	5.83%

December 31, 2024

Peso

Financial Assets

Due from BSP	–	–	–	–	–	–
Due from banks	2.64%	–	–	2.64%	–	–
Interbank loans	–	9.87%	7.54%	–	9.87%	7.54%
Investment securities*	6.02%	4.47%	5.26%	6.02%	4.47%	5.26%
Loans and receivables	8.17%	8.28%	8.36%	8.17%	8.28%	8.36%

Financial Liabilities

Deposit liabilities**	3.80%	3.75%	3.79%	3.80%	3.75%	3.79%
LTNCD	2.59%	4.59%	0.00%	2.59%	4.59%	0.00%
Bills payable and SSURA	6.13%	–	8.00%	6.13%	–	8.00%
Notes payable	–	–	6.23%	–	–	6.23%

USD

Financial Assets

Due from banks	1.77%	–	–	1.77%	–	–
Investment securities*	0.87%	5.44%	4.50%	0.87%	5.44%	4.50%
Loans and receivables	5.20%	4.10%	5.76%	5.20%	4.10%	5.76%

Financial Liabilities

Deposit liabilities**	0.79%	0.49%	3.62%	0.79%	0.49%	3.62%
Bills payable	5.16%	5.33%	4.52%	5.16%	5.33%	4.52%
Notes payable	–	–	5.83%	–	–	5.83%

* Consists of Financial assets at FVTPL, Financial assets at FVTOCI and Investment securities at amortized cost

** Consists of Investment savings account and Time deposits

Equity Price Risk

Equity price risk is the risk that the fair values of equities will decrease as a result of changes in the levels of equity indices and the value of individual stocks. As of December 31, 2025 and 2024, this risk originates from the open stock positions of SB Equities. The Bank has no significant equity price risk as of December 31, 2025 and 2024.

The Group, except for SBEI, has no equity securities classified under Financial assets at FVTOCI as of December 31, 2025 and December 31, 2024 which are affected by changes in the PSEi as these securities are mainly golf and club shares.

Currency Risk

Currency risk is the risk to earnings or capital arising from adverse movements in foreign exchange rates. The Group maintains open positions in multiple currencies across both trading and non-trading books, and fluctuations in the exchange rates expose the Group to foreign exchange risk.

In managing foreign currency exposures within the banking book, foreign currency-denominated deposits are generally used to fund the Parent Company's foreign currency-denominated loan and investment portfolio in the FCDU. The Group's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines.



The following tables summarize the Group's and the Parent Company's exposure to currency risk as of December 31, 2025 and 2024. Included in the tables are the Group's and the Parent Company's assets and liabilities at carrying amounts, categorized by currency (amounts in Philippine Peso thousands equivalent and excludes FCDU USD-denominated instruments).

	2025			2024		
	USD	Others*	Total	USD	Others*	Total
Financial Assets						
Cash and cash equivalents	₱8	₱387,510	₱387,518	₱6	₱236,997	₱237,003
Due from other banks	4,940,180	7,405,311	12,345,491	4,351,970	3,828,170	8,180,140
Loans and receivables	2,971,744	1,781,614	4,753,358	4,766,617	779,063	5,545,680
Other assets	24	–	24	5	–	5
Total financial assets	7,911,956	9,574,435	17,486,391	9,118,598	4,844,230	13,962,828
Financial Liabilities						
Deposit liabilities	–	6,562,910	6,562,910	–	5,103,756	5,103,756
Bills payable and SSURA	(32)	192	160	(30)	153	123
Acceptances payable	583,558	56,670	640,228	1,663,958	5,910	1,669,868
Margin deposits and cash letters of credit	–	2,492	2,492	14,461	2,457	16,918
Accrued interest, taxes and other expenses	34,701	36,205	70,906	7,019	2,123	9,142
Other liabilities	37,154	342	37,496	421,190	6,297	427,487
Total financial liabilities	655,381	6,658,811	7,314,192	2,106,598	5,120,696	7,227,294
Currency Swaps and Forwards	363,088,133	187,236	363,275,369	293,701,660	1,683,385	295,385,045
Net Exposure	₱370,344,708	₱3,102,860	₱373,447,568	₱300,713,660	₱1,406,919	₱302,120,579

* Consists of Euro, British pound, Australian dollar, Canadian dollar, Hong Kong dollar, Singapore dollar, New Zealand dollar, Swiss franc, Japanese yen, Danish kroner, Thai baht, Chinese yuan, and South Korean won

Information relating to the Parent Company's currency derivatives are disclosed in Notes 6 and 11. The Parent Company has outstanding cross-currency swaps with notional amount of USD2.4 billion and USD12.8 million as of December 31, 2025 and 2024, respectively, and foreign currency forward transactions with notional amount of USD2.2 billion (bought) and USD2.2 billion (sold) as of December 31, 2025, and USD6.5 billion (bought) and USD1.5 billion (sold) as of December 31, 2024. The impact of the range of reasonably possible changes in the US Dollar-Philippine Peso exchange rate (except those in the FCDU books) on the Parent Company's non-consolidated pre-tax income in 2025 and 2024 has been included in the VaR summary per product line.

Operational Risk

Operational risk is the probability of loss arising from fraud, unauthorized activities, errors, omissions, system failures, cyber incidents or from external events. This is the broadest risk type encompassing product development and delivery, operational processing, systems development, computing systems, complexity of products and services, and the internal control environment.

Operational Risk Management is considered a critical element in the Bank's commitment to sound management and corporate governance. Under the Bank's operational risk management framework, business units are provided extensive guidance on the comprehensive identification and effective assessment of their operational risks and the corresponding controls to promote a forward-looking culture of risk management. This is complemented by continuous focus on issue management to address identified weaknesses, as well as by enhanced incident response capability to ensure preparedness in the event of significant risk occurrences.

Group policies and frameworks have been developed and implemented covering key areas such as technology risks, business continuity, fraud, and information security, as well as new risk areas like social media, environmental, social, and governance (ESG), and reputational risk. Guidelines and tools have also been enhanced for key operational risk activities such as Issue Management, Incident and Loss Reporting and Key Risk Indicators to improve reporting and oversight of the Bank's operational risk environment. The Risk and Control Self-Assessment process has also been updated to ensure effective identification, assessment, mitigation and monitoring of operational risks by the risk owners in the first line of defense.



There remains increased focus on operational resilience, with ongoing reviews of business continuity plans and crisis management playbooks, and planned upgrades to critical systems as part of IT disaster recovery efforts.

Increased digitalization in response to customer needs has been accompanied by enhanced alignment of the Bank's risk assessment and technology project management processes. Security controls were strengthened to mitigate cybersecurity and external fraud risks, particularly within the online banking services. Security awareness programs for both customers and staff have likewise been enhanced. Finally, third-party experts are contracted to assess and guide further improvements to both cybersecurity maturity and incident response capability. These measures are intended to address information security, fraud, resiliency, and other operational risks.

Sustainability Risk

Environmental & Social Risk Management (ESRM) is the identification, measurement, assessment, monitoring and reporting of environmental and social risks associated with the Bank's lending and investment activities, and its operations. The Bank has incorporated environmental and social factors into the lending process and customer dialogue to align with its policies. The Bank recognizes the consequences of failing to appropriately manage ESG issues can directly impact its reputation, its operations, and the communities where the Bank and its clients operate.

6. Fair Value Measurement

The following table provides the fair value hierarchy lending of the Group's and the Parent Company's assets and liabilities measured at fair value and those for which fair values should be disclosed:

	Consolidated				
	Carrying Value	Total	Fair Value		
Quoted Prices in active market (Level 1)			Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
December 31, 2025					
Assets Measured at Fair Value					
Financial assets at FVTPL:					
HFT investments:					
Government securities	P35,917,085	P35,917,085	P28,049,698	P7,867,387	P-
Private bonds	385,796	385,796	144,744	241,052	-
Equity securities	24	24	-	24	-
Total HFT investments	36,302,905	36,302,905	28,194,442	8,108,463	-
Derivative assets:					
Currency forwards	1,397,363	1,397,363	-	1,397,363	-
Cross-currency swaps	130,730	130,730	-	130,730	-
Interest rate swaps	40,446	40,446	-	40,446	-
Total derivative assets	1,568,539	1,568,539	-	1,568,539	-
Total financial assets at FVTPL	37,871,444	37,871,444	28,194,442	9,677,002	-
Derivative assets designated as hedges	289,844	289,844	-	289,844	-
Financial assets at FVTOCI:					
Treasury notes and bills	94,702,994	94,702,994	57,215,122	37,487,872	-
Treasury bonds	61,262,306	61,262,306	46,151,737	15,110,569	-
Private bonds	1,100,866	1,100,866	-	1,100,866	-
Equity securities	602,814	602,814	-	602,814	-
	157,668,980	157,668,980	103,366,859	54,302,121	-
	P195,830,268	P195,830,268	P131,561,301	P64,268,967	P-

(Forward)



	Consolidated				
	Carrying Value	Total	Fair Value		
			Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which Fair Values are Disclosed					
Financial Assets					
Financial assets at amortized cost:					
Investment securities at amortized cost:					
Private bonds	₱56,316,655	₱56,929,319	₱25,369,876	₱31,559,443	₱-
Treasury notes and bills	53,202,243	54,007,781	21,944,879	32,062,902	-
Treasury bonds	48,852,777	49,559,066	43,143,794	6,415,272	-
Total investment securities at amortized cost	158,371,675	160,496,166	90,458,549	70,037,617	-
Receivable from customers:					
Corporate lending	439,263,681	445,938,157	-	-	445,938,157
Consumer lending	139,729,087	140,467,227	-	-	140,467,227
Small business lending	561,635	563,355	-	-	563,355
Residential mortgages	107,026,121	108,777,008	-	-	108,777,008
Total receivable from customers	686,580,524	695,745,747	-	-	695,745,747
Other receivables	10,057,016	10,057,016	-	-	10,057,016
Other assets	631,757	555,814	-	-	555,814
Total financial assets at amortized cost	855,640,972	866,854,743	90,458,549	70,037,617	706,358,577
Non-financial Assets					
Investment properties	7,126,743	10,464,046	-	-	10,464,046
	₱862,767,715	₱877,318,789	₱90,458,549	₱70,037,617	₱716,822,623
Liabilities Measured at Fair Value					
Financial liabilities at FVTPL:					
Derivative liabilities:					
Currency forwards	₱1,220,929	₱1,220,929	₱-	₱1,220,929	₱-
Cross-currency swaps	89,302	89,302	-	89,302	-
Foreign currency options	51,580	51,580	-	51,580	-
Interest rate swaps	45,655	45,655	-	45,655	-
Total financial liabilities at FVTPL	1,407,466	1,407,466	-	1,407,466	-
Derivative liabilities designated as hedges	3,625,886	3,625,886	-	3,625,886	-
	₱5,033,352	₱5,033,352	-	₱5,033,352	-
Liabilities for which Fair Values are Disclosed					
Deposit liabilities excluding LTNCD	₱930,502,714	₱930,360,309	-	-	₱930,360,309
Notes and bonds payable	64,001,309	63,665,202	-	-	63,665,202
Bills payable and SSURA	6,168,985	6,490,507	-	-	6,490,507
	₱1,000,673,008	₱1,000,516,018	₱-	₱-	₱1,000,516,018

	Consolidated				
	Carrying Value	Total	Fair Value		
			Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2024					
Assets Measured at Fair Value					
Financial assets at FVTPL:					
HFT investments:					
Government securities	₱14,308,570	₱14,308,570	₱4,964,110	₱9,344,460	₱-
Private bonds	981,415	981,415	523,055	458,360	-
Equity securities	24	24	-	24	-
Total HFT investments	15,290,009	15,290,009	5,487,165	9,802,844	-
Derivative assets:					
Currency forwards	1,445,736	1,445,736	-	1,445,736	-
Cross-currency swaps	31,421	31,421	-	31,421	-
Interest rate swaps	52,607	52,607	-	52,607	-
Bond forwards and options	1,633	1,633	-	1,633	-
Total derivative assets	1,531,397	1,531,397	-	1,531,397	-
Total financial assets at FVTPL	16,821,406	16,821,406	5,487,165	11,334,241	-
Derivative assets designated as hedges	634,928	634,928	-	634,928	-
Financial assets at FVTOCI:					
Treasury notes and bills	95,392,729	95,392,729	31,909,047	63,483,682	-
Treasury bonds	84,484,049	84,484,049	45,985,577	38,498,472	-
Private bonds	1,333,343	1,333,343	-	1,333,343	-
Equity securities	626,568	626,568	-	626,568	-
	181,836,689	181,836,689	77,894,624	103,942,065	-
	₱199,293,023	₱199,293,023	₱83,381,789	₱115,911,234	₱-

(Forward)



	Consolidated				
	Carrying Value	Total	Fair Value		
			Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which Fair Values are Disclosed					
Financial Assets					
Financial assets at amortized cost:					
Investment securities at amortized cost:					
Private bonds	P60,038,556	P59,706,775	P19,752,547	P39,954,228	P-
Treasury notes and bills	45,229,516	45,489,856	14,958,892	30,530,964	-
Treasury bonds	33,465,303	33,437,894	19,905,125	13,532,769	-
Total investment securities at amortized cost	138,733,375	138,634,525	54,616,564	84,017,961	-
Receivable from customers:					
Corporate lending	456,154,331	462,587,153	-	-	462,587,153
Consumer lending	113,539,703	113,831,876	-	-	113,831,876
Small business lending	539,543	540,441	-	-	540,441
Residential mortgages	98,148,557	99,006,692	-	-	99,006,692
Total receivable from customers	668,382,134	675,966,162	-	-	675,966,162
Other receivables	9,431,140	9,431,140	-	-	9,431,140
Other assets	508,068	444,096	-	-	444,096
Total financial assets at amortized cost	817,054,717	824,475,923	54,616,564	84,017,961	685,841,398
Non-financial Assets					
Investment properties	6,282,770	8,761,853	-	-	8,761,853
	P823,337,487	P833,237,776	P54,616,564	P84,017,961	P694,603,251
Liabilities Measured at Fair Value					
Financial liabilities at FVTPL:					
Derivative liabilities:					
Currency forwards	P1,643,806	P1,643,806	P-	P1,643,806	P-
Foreign currency options	17,450	17,450	-	17,450	-
Interest rate swaps	54,023	54,023	-	54,023	-
Bonds forward	768	768	-	768	-
Total financial liabilities at FVTPL	1,716,047	1,716,047	-	1,716,047	-
Derivative liabilities designated as hedges	3,841,204	3,841,204	-	3,841,204	-
	P5,557,251	P5,557,251	P-	P5,557,251	P-
Liabilities for which Fair Values are Disclosed					
Deposit liabilities excluding LTNCD	P790,645,374	P791,082,908	P-	P-	P791,082,908
Notes Payable	61,195,057	62,311,815	-	-	62,311,815
LTNCD	10,433,785	10,445,084	-	-	10,445,084
Bills payable and SSURA	91,179,648	90,904,801	-	-	90,904,801
	P953,453,864	P954,744,608	P-	P-	P954,744,608

	Parent Company				
	Carrying Value	Total	Fair Value		
			Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2025					
Assets Measured at Fair Value					
Financial assets at FVTPL:					
HFT investments:					
Government securities	P35,917,085	P35,917,085	P28,049,698	P7,867,387	P-
Private bonds	385,796	385,796	144,744	241,052	-
Total HFT investments	36,302,881	36,302,881	28,194,442	8,108,439	-
Derivative assets:					
Currency forwards	1,397,363	1,397,363	-	1,397,363	-
Cross-currency swaps	130,730	130,730	-	130,730	-
Interest rate swaps	40,446	40,446	-	40,446	-
Total derivative assets	1,568,539	1,568,539	-	1,568,539	-
Total financial assets at FVTPL	37,871,420	37,871,420	28,194,442	9,676,978	-
Derivative assets designated as hedges	289,844	289,844	-	289,844	-
Financial assets at FVTOCI:					
Treasury notes and bills	94,702,994	94,702,994	57,215,122	37,487,872	-
Treasury bonds	61,262,306	61,262,306	46,151,737	15,110,569	-
Private bonds	1,100,866	1,100,866	-	1,100,866	-
Equity securities	549,342	549,342	-	549,342	-
	157,615,508	157,615,508	103,366,859	54,248,649	-
	P195,776,772	P195,776,772	P131,561,301	P64,215,471	P-



	Parent Company				
	Fair Value				
	Carrying Value	Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets for which Fair Values are Disclosed					
Financial Assets					
Financial assets at amortized cost:					
Investment securities at amortized cost:					
Private bonds	P56,316,655	P56,929,319	P25,369,876	P31,559,443	P-
Treasury notes and bills	53,202,243	54,007,781	21,944,879	32,062,902	-
Treasury bonds	48,852,777	49,559,066	43,143,794	6,415,272	-
Total investment securities at amortized cost	158,371,675	160,496,166	90,458,549	70,037,617	-
Receivable from customers:					
Corporate lending	438,875,259	445,549,735	-	-	445,549,735
Consumer lending	139,652,113	140,390,253	-	-	140,390,253
Small business lending	561,635	563,355	-	-	563,355
Residential mortgages	107,026,121	108,777,008	-	-	108,777,008
Total receivable from customers	686,115,128	695,280,351	-	-	695,280,351
Other receivables	9,616,375	9,616,375	-	-	9,616,375
Other assets	632,979	556,890	-	-	556,890
Total financial assets at amortized cost	854,736,157	865,949,782	90,458,549	70,037,617	705,453,616
Non-financial Assets					
Investment properties	7,126,743	10,464,046	-	-	10,464,046
	P861,862,900	P876,413,828	P90,458,549	P70,037,617	P715,917,662
Liabilities Measured at Fair Value					
Financial liabilities at FVTPL:					
Derivative liabilities:					
Currency forwards	P1,220,929	P1,220,929	P-	P1,220,929	P-
Cross-currency swaps	89,302	89,302	-	89,302	-
Foreign currency options	51,580	51,580	-	51,580	-
Interest rate swaps	45,655	45,655	-	45,655	-
Total financial liabilities at FVTPL	1,407,466	1,407,466	-	1,407,466	-
Derivative liabilities designated as hedges	3,625,886	3,625,886	-	3,625,886	-
	P5,033,352	P5,033,352	P-	P5,033,352	P-
Liabilities for which Fair Values are Disclosed					
Deposit liabilities excluding LTNCD	P932,793,490	P932,651,085	P-	P-	P932,651,085
Notes and bonds payable	64,001,309	63,665,202	-	-	63,665,202
Bills payable and SSURA	3,183,985	3,505,507	-	-	3,505,507
	P999,978,784	P999,821,794	P-	P-	P999,821,794

	Parent Company				
	Fair Value				
	Carrying Value	Total	Quoted Prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2024					
Assets Measured at Fair Value					
Financial assets at FVTPL:					
HFT investments:					
Government securities	P14,308,570	P14,308,570	P4,964,110	P9,344,460	P-
Private bonds	981,415	981,415	523,055	458,360	-
Total HFT investments	15,289,985	15,289,985	5,487,165	9,802,820	-
Derivative assets:					
Currency forwards	1,445,736	1,445,736	-	1,445,736	-
Cross-currency swaps	31,421	31,421	-	31,421	-
Interest rate swaps	52,607	52,607	-	52,607	-
Bond forwards and options	1,633	1,633	-	1,633	-
Total derivative assets	1,531,397	1,531,397	-	1,531,397	-
Total financial assets at FVTPL	16,821,382	16,821,382	5,487,165	11,334,217	-
Derivative assets designated as hedges	634,928	634,928	-	634,928	-
Financial assets at FVTOCI:					
Treasury notes and bills	95,392,729	95,392,729	31,909,047	63,483,682	-
Treasury bonds	84,484,049	84,484,049	45,985,577	38,498,472	-
Private bonds	1,333,343	1,333,343	-	1,333,343	-
Equity securities	580,277	580,277	-	580,277	-
	181,790,398	181,790,398	77,894,624	103,895,774	-
	P199,246,708	P199,246,708	P83,381,789	P115,864,919	P-



	Parent Company				
	Carrying Value	Total	Fair Value		
Quoted Prices in active market (Level 1)			Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Assets for which Fair Values are Disclosed					
Financial Assets					
Financial assets at amortized cost:					
Investment securities at amortized cost:					
Private bonds	₱60,038,556	₱59,706,775	₱19,752,547	₱39,954,228	₱-
Treasury notes and bills	45,229,516	45,489,856	14,958,892	30,530,964	-
Treasury bonds	33,465,303	33,437,894	19,905,125	13,532,769	-
Total investment securities at amortized cost	138,733,375	138,634,525	54,616,564	84,017,961	-
Receivable from customers:					
Corporate lending	457,868,045	464,300,867	-	-	464,300,867
Consumer lending	113,490,525	113,782,699	-	-	113,782,699
Small business lending	539,543	540,441	-	-	540,441
Residential mortgages	98,148,557	99,006,692	-	-	99,006,692
Total receivable from customers	670,046,670	677,630,699	-	-	677,630,699
Other receivables	8,873,162	8,873,162	-	-	8,873,162
Other assets	509,301	445,173	-	-	445,173
Total financial assets at amortized cost	818,162,508	825,583,559	54,616,564	84,017,961	686,949,034
Non-financial Assets					
Investment properties	6,282,770	8,761,853	-	-	8,761,853
	₱824,445,278	₱834,345,412	₱54,616,564	₱84,017,961	₱695,710,887
Liabilities Measured at Fair Value					
Financial liabilities at FVTPL:					
Derivative liabilities:					
Currency forwards	₱1,643,806	₱1,643,806	₱-	₱1,643,806	₱-
Foreign currency options	17,450	17,450	-	17,450	-
Interest rate swaps	54,023	54,023	-	54,023	-
Bonds forward	768	768	-	768	-
Total financial liabilities at FVTPL	1,716,047	1,716,047	-	1,716,047	-
Derivative liabilities designated as hedges	3,841,204	3,841,204	-	3,841,204	-
	₱5,557,251	₱5,557,251	₱-	₱5,557,251	₱-
Liabilities for which Fair Values are Disclosed					
Financial liabilities at amortized cost:					
Deposit liabilities excluding LTNCD	₱792,523,097	₱792,960,631	₱-	₱-	₱792,960,631
Notes Payable	61,195,057	62,311,815	-	-	62,311,815
LTNCD	10,433,785	10,445,084	-	-	10,445,084
Bills payable and SSURA	91,027,982	90,753,134	-	-	90,753,134
	₱955,179,921	₱956,470,664	₱-	₱-	₱956,470,664

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations, without any adjustments for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models, the instruments are included in Level 2. Instruments included in Level 3 include those for which there is currently no active market.

During the years ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The methods and assumptions used by the Group in estimating the fair value of its financial instruments are:

COCI, due from BSP and other banks and interbank loans receivable and SPURA with the BSP
The carrying amounts approximate fair values considering that these accounts consist mostly of overnight deposits and floating rate placements.



Debt securities

Fair values are generally based upon quoted market prices, if available. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.

Equity securities

Fair values of quoted equity securities are based on quoted market prices. Fair values of unquoted equity securities are derived based on the adjusted net asset value method.

Receivable from customers and sales contracts receivable (included under 'Other receivables')

Fair values of loans and receivables are estimated using the discounted cash flow methodology, using the Group's current incremental lending rates for similar types of loans and receivables.

Other receivables - Accounts receivable and accrued interest receivable

Carrying amounts approximate fair values given their short-term nature.

Investment properties

Fair value of investment properties is determined by independent or in-house appraisers using the market data approach. Valuations were derived based on recent sales of similar properties in the investment properties and taking into account the economic conditions prevailing in the vicinity of the time the valuations were made and comparability of similar properties sold with the property being valued. Significant unobservable inputs in determining fair values include the following:

Location	Location of comparative properties whether on a main road, or secondary road. Road width could also be a consideration if data is available. Generally, properties located along a main road are superior to properties located along a secondary road.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of the lot size differences on land value.
Time element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investor's perceptions of the market over time, in which case, the current data is superior to historic data.
Discount	Generally, asking prices in advertisements posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.

Other financial assets

The carrying amounts approximate fair values due to their short-term nature.



Derivative instruments (included under FVTPL and designated as hedges)

Derivative products are valued using valuation techniques using market observable inputs including foreign exchange rates and interest rate curves prevailing at the statements of financial position date. For interest rate swaps, cross-currency swaps and foreign exchange contracts, discounted cash flow model is applied. This valuation model discounts each cash flow of the derivatives at a rate that is dependent on the tenor of the cash flow.

Deposit liabilities (demand and savings deposits excluding long-term deposits)

The carrying amounts approximate fair values considering that these are due and demandable.

Long-term negotiable certificates of deposit (LTNCD) and subordinated note

Fair values of LTNCD and subordinated note are estimated using adjusted quoted market prices of comparable investments. The adjustments on market quoted prices are unobservable inputs.

Other financial liabilities

For accrued interest and other expenses and other financial liabilities, the carrying amounts approximate fair values due to their short-term nature.

The significant unobservable input used in the fair value measurement of the Group's financial assets and financial liabilities is credit-adjusted rates for similar types of financial instruments. Significant increases (decreases) in the credit-adjusted rates would result in a significantly lower (higher) fair value measurement.

7. Due from Other Banks

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Foreign banks	₱14,023,774	₱12,116,519	₱14,023,775	₱12,116,518
Local banks	2,411,681	3,255,360	2,290,062	3,170,383
	16,435,455	15,371,879	16,313,837	15,286,901
Allowance for credit losses				
Balance at beginning of year	1,338	1,442	1,156	1,263
Provision for (recovery of) credit losses (Note 14)	220	(89)	170	(172)
Foreign exchange adjustment	(28)	(15)	3	65
	1,530	1,338	1,329	1,156
	₱16,433,925	₱15,370,541	₱16,312,508	₱15,285,745

In 2025 and 2024, 'Due from other banks' were carried at Stage 1 and there were no transfers into and out of Stage 1.

Nominal annual interest rate ranges on the Group's and the Parent Company's due from other banks follow:

	2025	2024	2023
Peso-denominated	0.03%-0.40%	0.05%-0.40%	0.03%-0.45%
Foreign currency-denominated	0.03%-3.44%	0.03%-2.80%	0.03%-2.90%



Total interest income on ‘Due from other banks’ earned by the Group amounted to ₱221.5 million, ₱206.3 million and ₱85.8 million for the years ended December 31, 2025, 2024 and 2023, respectively, while total interest income on ‘Due from other banks’ earned by the Parent Company amounted to ₱220.6 million, ₱205.9 million and ₱85.8 million for the years ended December 31, 2025, 2024 and 2023, respectively, included in ‘Interest income on deposits with banks and others’ in the statements of income.

8. Interest Income on Financial Investments

This account consists of interest income on:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Investment securities at amortized cost (Note 13)	₱8,557,698	₱5,715,338	₱3,503,872	₱8,557,698	₱5,715,338	₱3,503,872
Financial assets at FVTOCI (Note 12)	7,867,000	6,758,415	5,051,373	7,867,000	6,758,415	5,051,373
	16,424,698	12,473,753	8,555,245	16,424,698	12,473,753	8,555,245
Financial assets at FVTPL (Note 10):						
Held-for-trading	1,070,935	651,734	515,820	1,070,935	651,734	515,820
Derivatives	307,868	307,423	788,000	307,868	307,423	788,000
	1,378,803	959,157	1,303,820	1,378,803	959,157	1,303,820
	₱17,803,501	₱13,432,910	₱9,859,065	₱17,803,501	₱13,432,910	₱9,859,065

Ranges of annual fixed interest on financial investments follow:

	2025	2024	2023
Peso-denominated			
HFT investments	3.38% to 11.25%	2.63% to 18.25%	2.38% to 12.38%
Investment securities at amortized cost	3.60% to 8.75%	3.44% to 8.75%	3.44% to 8.63%
Debt financial assets at FVTOCI	2.88% to 9.25%	2.63% to 18.25%	2.38% to 9.25%
Foreign currency-denominated			
HFT investments	1.95% to 9.50%	1.38% to 9.38%	1.38% to 10.63%
Investment securities at amortized cost	1.19% to 5.75%	1.19% to 5.75%	1.00% to 7.39%
Debt financial assets at FVTOCI	1.38% to 5.65%	1.38% to 10.63%	0.13% to 10.63%

9. Trading and Securities Gain - Net

Net gains (losses) from trading/disposal of investment securities and derivatives follow:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Financial assets at FVTOCI (Note 12)	₱621,474	₱609,266	(₱132,350)	₱621,474	₱609,266	(₱132,350)
Financial assets at FVTPL:						
Held-for-trading investments (Note 10)	829,369	(88,385)	(23,836)	830,273	(88,280)	(24,157)
Derivatives (Note 11)	89,202	(237,689)	444,741	89,202	(237,689)	444,741
	918,571	(326,074)	420,905	919,475	(325,969)	420,584
	₱1,540,045	₱283,192	₱288,555	₱1,540,949	₱283,297	₱288,234



10. Financial Assets at Fair Value Through Profit or Loss

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Held-for-trading:				
Government securities	₱35,917,085	₱14,308,570	₱35,917,085	₱14,308,570
Private bonds	385,796	981,415	385,796	981,415
Equity securities	24	24	–	–
	36,302,905	15,290,009	36,302,881	15,289,985
Derivative assets (Note 11):				
Currency forwards	1,397,363	1,445,736	1,397,363	1,445,736
Cross-currency swaps	130,730	31,421	130,730	31,421
Interest rate swaps	40,446	52,607	40,446	52,607
Bonds forwards and options	–	1,633	–	1,633
	1,568,539	1,531,397	1,568,539	1,531,397
	₱37,871,444	₱16,821,406	₱37,871,420	₱16,821,382

As of December 31, 2025 and 2024, 'Financial assets at FVTPL' include net unrealized loss of ₱117.9 million and ₱146.9 million, respectively, for the Group and the Parent Company.

Fair value gains or losses on financial assets at FVTPL (other than foreign exchange contracts) are included in 'Trading and securities gain - net' in the statements of income (see Note 9). Fair value gains or losses on foreign exchange contracts are included in 'Foreign exchange gain (loss) - net' in the statements of income (see Note 6).

As of December 31, 2025 and 2024, certain government securities were pledged as collateral for SSURA (see Note 21).

11. Derivative Transactions

Derivatives Not Designated as Hedges

The following tables set out the information about the Group's and the Parent Company's derivative financial instruments not designated as hedges and the related fair values:

	2025			2024		
	Notional Amounts	Derivative Asset (Note 10)	Derivative Liability (Note 20)	Notional Amounts	Derivative Asset (Note 10)	Derivative Liability (Note 20)
Forward exchange bought	USD2,219,537	₱984,662	₱384,970	USD6,541,124	₱673,946	₱1,333,986
Forward exchange sold	USD2,222,187	412,701	835,959	USD1,546,934	771,790	309,820
Interest rate swaps	₱11,822,950	40,446	45,655	₱9,417,166	52,607	54,023
Warrants	USD250,258	–	–	USD250,258	–	–
Cross-currency swaps	USD2,381,343	130,730	89,302	USD12,812	31,421	–
Foreign currency options	USD15,750	–	51,580	USD8,000	–	17,450
Bonds forward	USD–	–	–	USD11,000	1,633	768
		₱1,568,539	₱1,407,466		₱1,531,397	₱1,716,047



The movements in the Group's and the Parent Company's derivative financial instruments follow:

	2025	2024
Derivative Assets (Note 10)		
Balance at beginning of year	₱1,531,397	₱922,356
Fair value changes during the year	49,279	927,971
Settled transactions	(12,137)	(318,930)
Balance at end of year	₱1,568,539	₱1,531,397
Derivative Liabilities (Note 20)		
Balance at beginning of year	₱1,716,047	₱2,968,706
Fair value changes during the year	(513,238)	(1,750,223)
Additions (settled) transactions	204,657	497,564
Balance at end of year	₱1,407,466	₱1,716,047

Fair value changes of derivatives other than forward contracts amounting to ₱0.1 billion gain and ₱0.6 billion gain in 2025 and 2024, respectively, are recognized as 'Trading and securities gain - net' in the statements of income (see Note 9), while fair value changes on forward contracts amounting to ₱0.4 billion gain in 2025 and ₱2.1 billion gain in 2024 are recognized as 'Foreign exchange gain (loss) - net' in the statements of income.

As of December 31, 2025 and 2024, the Parent Company has positions in the following types of derivatives:

Forwards

Forward contracts are contractual agreements to buy or sell a specified instrument at a specific price and date in the future. Forwards are customized contracts transacted in the over-the-counter market.

Swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as interest rate, foreign currency rate or equity index.

Interest rate swaps relate to contracts taken out by the Parent Company with other financial institutions in which the Parent Company either receives or pays a floating rate in return for paying or receiving, respectively, a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

In a currency swap, the Parent Company pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross-settled.

Interest rate futures

Futures contract is a contractual agreement made on a futures exchange to buy or sell particular assets at a predetermined price in the future. Futures contracts standardize the quality and quantity of the underlying asset.

Foreign currency options

Foreign currency options are contractual agreements that give the holder the right, but not the obligation, to buy or sell a specific amount of foreign currency at a predetermined exchange rate (strike price) on or before a certain date (expiration date).



Derivative financial instruments held or issued for trading purposes

The Parent Company's derivative trading activities relate to deals with customers which are normally laid off with counterparties. The Parent Company may also take positions with the expectation of generating profit from favorable movements in prices and rates on indices. Also included under this heading are any derivatives which do not meet hedge accounting requirements.

Derivatives Designated as Hedges

In March 2024, the Parent Company entered into hedging transactions, particularly cash flow hedges, to hedge its exposure to variability in future cash flows arising from foreign currency risk associated with its inter-book liabilities in the RBU books. The following table shows the summary of the hedging transactions of the Parent Company designated as cash flow hedges and the related balances as of December 31, 2025 (amounts in thousands):

Hedged Item	Hedging Instrument	Notional Amount	Derivative Asset	Derivative Liability	Cash Flow Hedge Reserve	Cost of Hedging Reserve, Net of Tax	Total Hedge Reserve, Net of Tax
December 31, 2025							
Cash short position in the RBU books	Spot element of FX swap contract	\$6,168,329	₱289,844	₱3,625,886	₱-	(₱1,198,318)	(₱1,198,318)
December 31, 2024							
Cash short position in the RBU books	Spot element of FX swap contract	\$4,036,767	₱634,928	₱3,841,204	₱-	(₱1,597,138)	(₱1,597,138)

As of December 31, 2025 and 2024, the Parent Company assessed the hedging relationships to be effective.

The amortization of the forward element of the foreign exchange swap contracts, which is accounted for as cost of hedging and presented under 'Interest expense on derivatives designated as hedges' in the statements of income amounted to ₱15.3 billion and ₱5.6 billion for the periods ended December 31, 2025 and 2024, respectively. The effective portion of changes in the spot element of the hedging instruments, amounting to gain of ₱8.3 billion in 2025 and ₱1.8 billion in 2024, was initially recognized in cash flow hedge reserve and subsequently recycled to profit or loss to offset the foreign exchange revaluation gains or losses on the hedged inter-book liabilities in the RBU books recognized in profit or loss during the same periods.

12. Financial Assets at Fair Value through Other Comprehensive Income

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Debt instruments				
Treasury notes and bills	₱94,702,994	₱95,392,729	₱94,702,994	₱95,392,729
Treasury bonds	61,262,306	84,484,049	61,262,306	84,484,049
Private bonds	1,100,866	1,333,343	1,100,866	1,333,343
	157,066,166	181,210,121	157,066,166	181,210,121
Equity instruments				
Golf and club shares	549,342	580,277	549,342	580,277
PSE shares	53,472	46,291	-	-
	602,814	626,568	549,342	580,277
	₱157,668,980	₱181,836,689	₱157,615,508	₱181,790,398



An analysis of changes in the fair value of debt instruments and the corresponding ECL allowances follow:

	2025	2024
Fair value at beginning of year	₱181,210,121	₱139,339,764
New assets originated or purchased	70,514,188	106,942,674
Disposals or maturities	(98,641,552)	(63,357,137)
Amortization of premium or discount	(620,762)	(756,346)
Change in fair value	4,269,894	(1,885,425)
Foreign exchange and other adjustments	334,277	926,591
	₱157,066,166	₱181,210,121
ECL allowance at beginning of year	₱25,203	₱7,146
Provision for credit losses (Note 14)	(10,683)	17,966
Foreign exchange and other adjustments	245	91
	₱14,765	₱25,203

In 2025 and 2024, debt instruments at FVTOCI were carried at Stage 1 and there were no transfers into and out of Stage 1.

As of December 31, 2025 and 2024, Peso-denominated debt financial assets at FVTOCI amounted to ₱129.5 billion and ₱138.4 billion, respectively.

As of December 31, 2025 and 2024, USD-denominated debt financial assets at FVTOCI amounted to ₱27.6 billion and ₱42.8 billion, respectively.

As of December 31, 2025 and 2024, certain treasury bond securities were pledged as collateral for SSURA (see Note 21).

As of December 31, 2025 and 2024, government securities included under 'Financial Assets at Fair Value through Other Comprehensive Income' with a total face value amounting to ₱1.9 billion and ₱1.5 billion, respectively, were deposited with the BSP in compliance with the requirements of the General Banking Law relative to the Parent Company's trust functions (see Note 27).

PSE shares were obtained by SBEI in 2001 as a result of the demutualization of its membership shares in the stock exchange. These investments are being held for long-term strategic purposes. SBEI designated these equity securities as financial assets at FVTOCI as management believes that this provides a more meaningful presentation for medium or long-term strategic investments, rather than reflecting changes in fair value immediately in the statements of income. The Group also adopted the same classification for its investments in golf and club shares.

The movements in 'Net unrealized loss on financial assets at FVTOCI' follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Balance at beginning of year	(₱7,451,226)	(₱5,513,769)	(₱7,459,379)	(₱5,521,922)
Unrealized gain (loss) for the year	4,246,183	(1,346,157)	4,246,183	(1,346,157)
Amount realized in profit or loss*	(617,517)	(591,300)	(617,517)	(591,300)
Balance at end of year	(₱3,822,560)	(₱7,451,226)	(₱3,830,713)	(₱7,459,379)

*includes expected credit losses



13. Investment Securities at Amortized Cost

This account consists of investments by the Parent Company in:

	2025	2024
Private bonds	₱56,392,555	₱60,102,912
Treasury notes and bills	53,202,243	45,229,516
Treasury bonds	48,855,581	33,468,084
	158,450,379	138,800,512
Allowance for credit losses	78,704	67,137
	₱158,371,675	₱138,733,375

As of December 31, 2025 and 2024, certain treasury notes and bills, private and treasury bonds were pledged as collateral for SSURA (see Note 21).

An analysis of changes in the gross carrying amount, and the corresponding ECLs, is as follows:

	2025	2024
Gross carrying amount at beginning of year	₱138,800,512	₱76,207,263
New assets originated or purchased	79,837,800	80,795,402
Assets matured	(61,115,524)	(19,357,629)
Amortized premium	100,831	168,286
Foreign exchange adjustments	826,760	987,190
	₱158,450,379	₱138,800,512
Allowance for credit losses		
ECL allowance at beginning of year	₱67,137	₱51,179
Provision for credit losses (Note 14)	11,062	15,010
Foreign exchange and other adjustment	505	948
	₱78,704	₱67,137

In 2025 and 2024, investment securities at amortized cost were carried at Stage 1 and there were no transfers into and out of Stage 1.

14. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Receivable from customers:				
Corporate lending*	₱449,817,730	₱466,916,282	₱449,429,307	₱468,629,918
Consumer lending**	149,180,531	119,811,209	149,101,463	119,761,564
Residential mortgages***	107,636,829	99,239,675	107,636,829	99,239,675
Small business lending****	631,807	574,433	631,807	574,433
	707,266,897	686,541,599	706,799,406	688,205,590
Less unearned discounts and deferred credits	2,569,838	2,188,141	2,569,838	2,188,141
	704,697,059	684,353,458	704,229,568	686,017,449

(Forward)



	Consolidated		Parent Company	
	2025	2024	2025	2024
Accrued interest receivable (Note 32)	₱8,467,579	₱8,380,686	₱8,467,403	₱8,386,826
Accounts receivable (Note 32)	1,627,230	1,279,582	1,153,771	675,989
Sales contracts receivable	193,893	111,591	193,893	111,591
	714,985,761	694,125,317	714,044,635	695,191,855
Less allowance for credit losses	18,348,221	16,312,043	18,313,132	16,272,023
	₱696,637,540	₱677,813,274	₱695,731,503	₱678,919,832

*Corporate loans with exposures greater than ₱15.0 million

**Consist of credit card receivables, auto loans, business banking loans, and other consumer loan products

***Consist of home loans and contract-to-sell (CTS) loans

****Corporate loans with exposures less than ₱15.0 million

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to corporate lending follow:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2025	₱424,994,909	₱27,045,025	₱14,876,348	₱466,916,282
Newly originated assets that remained in Stage 1 as at yearend	228,308,984	-	-	228,308,984
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	25,170,124	3,949,973	29,120,097
Assets derecognized or repaid (excluding write offs)	(246,375,519)	(21,967,216)	(6,184,885)	(274,527,620)
Transfers to Stage 1	2,071,307	(2,071,307)	-	-
Transfers to Stage 2	(3,506,151)	3,611,419	(105,268)	-
Transfers to Stage 3	(780,888)	(43,774)	824,662	-
Amounts written off	-	-	(13)	(13)
	₱404,712,642	₱31,744,271	₱13,360,817	₱449,817,730
ECL allowance as at January 1, 2025	₱625,825	₱200,990	₱8,989,922	₱9,816,737
Provision for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	203,123	-	-	203,123
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	319,418	1,294,887	1,614,305
Transfers to Stage 1	60,332	(60,332)	-	-
Transfers to Stage 2	(18,065)	53,196	(35,131)	-
Transfers to Stage 3	(953)	(158)	1,111	-
Other movements*	(363,780)	51,630	(971,695)	(1,283,845)
	(119,343)	363,754	289,172	533,583
Amounts written off	-	-	(13)	(13)
Foreclosures and other adjustments	-	-	(669,589)	(669,589)
	₱506,482	₱564,744	₱8,609,492	₱9,680,718

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2024	₱343,598,609	₱29,014,018	₱14,082,979	₱386,695,606
Newly originated assets that remained in Stage 1 as at yearend	275,896,134	-	-	275,896,134
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	20,619,489	1,746,498	22,365,987
Assets derecognized or repaid (excluding write offs)	(196,920,920)	(16,535,319)	(4,248,471)	(217,704,710)
Transfers to Stage 1	3,080,847	(3,080,847)	-	-
Transfers to Stage 2	(631,816)	753,200	(121,384)	-
Transfers to Stage 3	(27,945)	(3,725,516)	3,753,461	-
Amounts written off	-	-	(336,735)	(336,735)
	₱424,994,909	₱27,045,025	₱14,876,348	₱466,916,282

(Forward)



	Consolidated			Total
	Stage 1	Stage 2	Stage 3	
ECL allowance as at January 1, 2024	P191,739	P438,665	P8,944,305	P9,574,709
Provision for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	316,126	-	-	316,126
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	89,603	1,134,588	1,224,191
Transfers to Stage 1	86,979	(86,979)	-	-
Transfers to Stage 2	(996)	11,171	(10,175)	-
Transfers to Stage 3	-	(132,359)	132,359	-
Other movements*	31,977	(119,111)	(580,707)	(667,840)
	434,086	(237,675)	676,065	872,476
Amounts written off	-	-	(336,735)	(336,735)
Foreclosures and other adjustments	-	-	(293,713)	(293,713)
	P625,825	P200,990	P8,989,922	P9,816,737

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Parent Company			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount as at January 1, 2025	P426,708,829	P27,044,741	P14,876,348	P468,629,918
Newly originated assets that remained in Stage 1 as at yearend	228,308,984	-	-	228,308,984
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	25,170,124	3,949,973	29,120,097
Assets derecognized or repaid (excluding write offs)	(248,477,862)	(21,966,932)	(6,184,885)	(276,629,679)
Transfers to Stage 1	2,071,307	(2,071,307)	-	-
Transfers to Stage 2	(3,506,151)	3,611,419	(105,268)	-
Transfers to Stage 3	(780,888)	(43,774)	824,662	-
Amounts written off	-	-	(13)	(13)
	P404,324,219	P31,744,271	P13,360,817	P449,429,307

ECL allowance as at January 1, 2025	P625,825	P200,912	P8,989,922	P9,816,659
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	202,262	-	-	202,262
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	319,418	1,294,887	1,614,305
Transfers to Stage 1	60,332	(60,332)	-	-
Transfers to Stage 2	(18,065)	53,196	(35,131)	-
Transfers to Stage 3	(952)	(159)	1,111	-
Other movements*	(363,780)	51,709	(971,330)	(1,283,401)
	(120,203)	363,832	289,537	533,166
Amounts written off	-	-	(13)	(13)
Foreclosures and other adjustments	-	-	(669,953)	(669,953)
	P505,622	P564,744	P8,609,493	P9,679,859

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Parent Company			Total
	Stage 1	Stage 2	Stage 3	
Gross carrying amount as at January 1, 2024	P345,254,083	P29,013,846	P14,082,979	P388,350,908
Newly originated assets that remained in Stage 1 as at yearend	275,723,721	-	-	275,723,721
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	20,619,204	1,746,499	22,365,703
Assets derecognized or repaid (excluding write offs)	(196,690,061)	(16,535,146)	(4,248,472)	(217,473,679)
Transfers to Stage 1	3,080,847	(3,080,847)	-	-
Transfers to Stage 2	(631,816)	753,200	(121,384)	-
Transfers to Stage 3	(27,945)	(3,725,516)	3,753,461	-
Amounts written off	-	-	(336,735)	(336,735)
	P426,708,829	P27,044,741	P14,876,348	P468,629,918

ECL allowance as at January 1, 2024	P191,739	P438,664	P8,944,305	P9,574,708
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	316,126	-	-	316,126
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	89,525	1,134,588	1,224,113
Transfers to Stage 1	86,979	(86,979)	-	-
Transfers to Stage 2	(996)	11,171	(10,175)	-
Transfers to Stage 3	-	(132,359)	132,359	-
Other movements*	31,977	(119,110)	(580,707)	(667,840)
	434,086	(237,752)	676,065	872,399
Amounts written off	-	-	(336,735)	(336,735)
Foreclosures and other adjustments	-	-	(293,713)	(293,713)
	P625,825	P200,912	P8,989,922	P9,816,659

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages



An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to consumer lending follow:

	Stage 1	Consolidated Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2025	P111,671,540	P5,027,634	P3,112,035	P119,811,209
Newly originated assets that remained in Stage 1 as at yearend	79,707,618	-	-	79,707,618
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	3,215,014	1,486,520	4,701,534
Assets derecognized or repaid (excluding write offs)	(43,618,561)	(1,894,975)	(537,477)	(46,051,013)
Transfers to Stage 1	1,090,301	(1,050,302)	(39,999)	-
Transfers to Stage 2	(3,700,011)	3,740,867	(40,856)	-
Transfers to Stage 3	(7,999,260)	(2,368,221)	10,367,481	-
Amounts written off	-	-	(8,988,817)	(8,988,817)
	P137,151,627	P6,670,017	P5,358,887	P149,180,531
ECL allowance as at January 1, 2025	P2,048,450	P1,218,648	P2,045,746	P5,312,844
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	1,687,732	-	-	1,687,732
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	384,388	380,395	764,783
Transfers to Stage 1	203,479	(181,920)	(21,559)	-
Transfers to Stage 2	(184,251)	213,525	(29,274)	-
Transfers to Stage 3	(758,022)	(867,933)	1,625,955	-
Other movements*	(349,713)	1,037,645	8,716,004	9,403,936
	599,225	585,705	10,671,521	11,856,451
Amounts written off	-	-	(8,988,817)	(8,988,817)
Foreclosures and other adjustments	-	-	(290,004)	(290,004)
	P2,647,675	P1,804,353	P3,438,446	P7,890,474

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Stage 1	Consolidated Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2024	P70,113,496	P4,086,824	P3,007,037	P77,207,357
Newly originated assets that remained in Stage 1 as at yearend	64,012,540	-	-	64,012,540
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	1,031,190	4,102,973	5,134,163
Assets derecognized or repaid (excluding write offs)	(16,931,003)	(1,080,768)	(3,883,493)	(21,895,264)
Transfers to Stage 1	950,974	(904,300)	(46,674)	-
Transfers to Stage 2	(3,202,464)	3,289,911	(87,447)	-
Transfers to Stage 3	(3,272,003)	(1,395,223)	4,667,226	-
Amounts written off	-	-	(4,647,587)	(4,647,587)
	P111,671,540	P5,027,634	P3,112,035	P119,811,209
ECL allowance as at January 1, 2024	P2,455,185	P492,289	P1,786,707	P4,734,181
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	1,426,013	-	-	1,426,013
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	194,948	219,495	414,443
Transfers to Stage 1	261,439	(204,574)	(56,865)	-
Transfers to Stage 2	(99,579)	166,568	(66,989)	-
Transfers to Stage 3	(72,069)	(75,366)	147,435	-
Other movements*	(1,922,539)	644,783	4,884,186	3,606,430
	(406,735)	726,359	5,127,262	5,446,886
Amounts written off	-	-	(4,647,587)	(4,647,587)
Foreclosures and other adjustments	-	-	(220,636)	(220,636)
	P2,048,450	P1,218,648	P2,045,746	P5,312,844

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages



	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2025	P111,623,046	P5,026,482	P3,112,036	P119,761,564
Newly originated assets that remained in Stage 1 as at yearend	79,676,282	-	-	79,676,282
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	3,215,014	1,486,520	4,701,534
Assets derecognized or repaid (excluding write offs)	(43,617,799)	(1,893,822)	(537,479)	(46,049,100)
Transfers to Stage 1	1,090,301	(1,050,302)	(39,999)	-
Transfers to Stage 2	(3,700,011)	3,740,867	(40,856)	-
Transfers to Stage 3	(7,999,260)	(2,368,221)	10,367,481	-
Amounts written off	-	-	(8,988,817)	(8,988,817)
	P137,072,559	P6,670,018	P5,358,886	P149,101,463
ECL allowance as at January 1, 2025	P2,048,032	P1,218,589	P2,045,747	P5,312,368
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	1,687,729	-	-	1,687,729
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	384,388	380,395	764,783
Transfers to Stage 1	203,479	(181,920)	(21,559)	-
Transfers to Stage 2	(184,251)	213,525	(29,274)	-
Transfers to Stage 3	(757,922)	(867,933)	1,625,855	-
Other movements*	(349,407)	1,037,704	8,715,642	9,403,939
	599,628	585,764	10,671,059	11,856,451
Amounts written off	-	-	(8,988,817)	(8,988,817)
Foreclosures and other adjustments	-	-	(289,543)	(289,543)
	P2,647,660	P1,804,353	P3,438,446	P7,890,459

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2024	P70,037,243	P4,076,447	P3,007,037	P77,120,727
Newly originated assets that remained in Stage 1 as at yearend	63,965,767	-	-	63,965,767
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	1,030,038	4,102,974	5,133,012
Assets derecognized or repaid (excluding write offs)	(16,856,471)	(1,070,391)	(3,883,493)	(21,810,355)
Transfers to Stage 1	950,974	(904,300)	(46,674)	-
Transfers to Stage 2	(3,202,464)	3,289,911	(87,447)	-
Transfers to Stage 3	(3,272,003)	(1,395,223)	4,667,226	-
Amounts written off	-	-	(4,647,587)	(4,647,587)
	P111,623,046	P5,026,482	P3,112,036	P119,761,564
ECL allowance as at January 1, 2024	P2,454,601	P492,256	P1,786,919	P4,733,776
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	1,426,199	-	-	1,426,199
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	194,889	219,495	414,384
Transfers to Stage 1	261,439	(204,573)	(56,866)	-
Transfers to Stage 2	(99,579)	166,568	(66,989)	-
Transfers to Stage 3	(72,069)	(75,366)	147,435	-
Other movements*	(1,922,559)	644,815	4,884,511	3,606,767
	(406,569)	726,333	5,127,586	5,447,350
Amounts written off	-	-	(4,647,587)	(4,647,587)
Foreclosures and other adjustments	-	-	(221,171)	(221,171)
	P2,048,032	P1,218,589	P2,045,747	P5,312,368

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to residential mortgages lending follow:

	Consolidated and Parent			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2025	P95,084,695	P1,972,362	P2,182,618	P99,239,675
Newly originated assets that remained in Stage 1 as at yearend	25,796,407	-	-	25,796,407
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	810,588	178,842	989,430
Assets derecognized or repaid (excluding write offs)	(16,544,321)	(772,761)	(1,071,601)	(18,388,683)
Transfers to Stage 1	405,218	(324,808)	(80,410)	-
Transfers to Stage 2	(1,815,242)	1,827,858	(12,616)	-
Transfers to Stage 3	(1,192,568)	(464,279)	1,656,847	-
	P101,734,189	P3,048,960	P2,853,680	P107,636,829

(Forward)



	Consolidated and Parent			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at January 1, 2025	P420,651	P72,283	P314,189	P807,123
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	155,169	-	-	155,169
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	13,433	8,415	21,848
Transfers to Stage 1	55,219	(54,613)	(606)	-
Transfers to Stage 2	(102,164)	102,166	(2)	-
Transfers to Stage 3	(90,147)	(10,359)	100,506	-
Other movements*	(240,580)	(98,499)	(64,469)	(403,548)
	(222,503)	(47,872)	43,844	(226,531)
Foreclosures and other adjustments	-	-	(106,436)	(106,436)
	P198,148	P24,411	P251,597	P474,156

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Consolidated and Parent			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2024	P79,587,619	P2,422,425	P1,654,451	P83,664,495
Newly originated assets that remained in Stage 1 as at yearend	27,775,209	-	-	27,775,209
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	554,662	158,929	713,591
Assets derecognized or repaid (excluding write offs)	(11,215,294)	(1,161,194)	(537,132)	(12,913,620)
Transfers to Stage 1	807,530	(679,042)	(128,488)	-
Transfers to Stage 2	(1,090,556)	1,094,866	(4,310)	-
Transfers to Stage 3	(779,813)	(259,355)	1,039,168	-
	P95,084,695	P1,972,362	P2,182,618	P99,239,675

ECL allowance as at January 1, 2024	P433,293	P31,322	P393,491	P858,106
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	210,817	-	-	210,817
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	9,166	9,361	18,527
Transfers to Stage 1	38,629	(12,305)	(26,324)	-
Transfers to Stage 2	(8,777)	9,074	(297)	-
Transfers to Stage 3	(5,283)	(4,825)	10,108	-
Other movements*	(248,028)	39,851	39,317	(168,860)
	(12,642)	40,961	32,165	60,484
Foreclosures and other adjustments	-	-	(111,467)	(111,467)
	P420,651	P72,283	P314,189	P807,123

*includes changes in assumptions and payments

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to small business lending follow:

	Consolidated and Parent			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2025	P480,203	P39,470	P54,760	P574,433
Newly originated assets that remained in Stage 1 as at yearend	430,749	-	-	430,749
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	43,943	37,495	81,438
Assets derecognized or repaid (excluding write offs)	(412,236)	(28,875)	(13,702)	(454,813)
Transfers to Stage 1	5,000	(5,000)	-	-
Transfers to Stage 2	(5,450)	5,450	-	-
Transfers to Stage 3	(10,000)	-	10,000	-
	P488,266	P54,988	P88,553	P631,807

ECL allowance as at January 1, 2025	P280	P363	P33,985	P34,628
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	115	-	-	115
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	117	31,924	32,041
Transfers to Stage 1	8	(8)	-	-
Transfers to Stage 2	-	-	-	-
Transfers to Stage 3	-	-	-	-
Other movements*	(179)	(253)	3,615	3,183
	(56)	(144)	35,539	35,339
	P224	P219	P69,524	P69,967

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages



	Consolidated and Parent			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2024	P472,776	P61,247	P51,781	P585,804
Newly originated assets that remained in Stage 1 as at yearend	448,200	-	-	448,200
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	26,018	2,466	28,484
Assets derecognized or repaid (excluding write offs)	(429,469)	(50,589)	(7,997)	(488,055)
Transfers to Stage 1	4,230	(4,230)	-	-
Transfers to Stage 2	(7,024)	7,024	-	-
Transfers to Stage 3	(8,510)	-	8,510	-
	P480,203	P39,470	P54,760	P574,433
ECL allowance as at January 1, 2024	P68	P32	P35,298	P35,398
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	212	-	-	212
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	28	69	97
Transfers to Stage 1	12	(12)	-	-
Transfers to Stage 2	(28)	28	-	-
Transfers to Stage 3	-	-	-	-
Other movements*	16	287	(1,382)	(1,079)
	212	331	(1,313)	(770)
	P280	P363	P33,985	P34,628

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to other receivables (includes accrued interest receivable, sales contracts receivable and accounts receivable) follow:

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2025	P9,030,791	P207,656	P533,412	P9,771,859
Newly originated assets that remained in Stage 1 as at yearend	6,083,053	-	-	6,083,053
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	48,583	138,469	187,052
Assets derecognized or repaid (excluding write offs)	(5,537,300)	(3,703)	(134,323)	(5,675,326)
Transfers to Stage 1	37,671	(36,593)	(1,078)	-
Transfers to Stage 2	(79,085)	79,357	(272)	-
Transfers to Stage 3	(68,410)	(16,643)	85,053	-
Amounts written off	(28,827)	-	(49,109)	(77,936)
	P9,437,893	P278,657	P572,152	P10,288,702
ECL allowance as at January 1, 2025	P26,438	P8,249	P306,024	P340,711
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	14,754	-	-	14,754
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	2,727	33,233	35,960
Transfers to Stage 1	2,017	(9)	(2,008)	-
Transfers to Stage 2	-	1	(1)	-
Transfers to Stage 3	(1,438)	(135)	1,349	(224)
Other movements*	(12,479)	1,838	(58,408)	(69,049)
	2,854	4,422	(25,835)	(18,559)
Amounts written off	-	-	(77,113)	(77,113)
Foreclosures and other adjustments	-	-	(12,133)	(12,133)
	P29,292	P12,671	P190,943	P232,906

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2024	P6,833,521	P411,803	P590,579	P7,835,903
Newly originated assets that remained in Stage 1 as at yearend	6,509,189	-	-	6,509,189
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	102,949	162,686	265,635
Assets derecognized or repaid (excluding write offs)	(4,272,310)	(235,147)	(267,758)	(4,775,215)
Transfers to Stage 1	53,704	(50,821)	(2,883)	-
Transfers to Stage 2	(44,012)	44,817	(805)	-
Transfers to Stage 3	(49,301)	(65,945)	115,246	-
Amounts written off	-	-	(63,653)	(63,653)
	P9,030,791	P207,656	P533,412	P9,771,859

(Forward)



	Consolidated			
	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at January 1, 2024	P25,632	P8,651	P280,458	P314,741
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	7,915	-	-	7,915
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	2,687	117,988	120,675
Transfers to Stage 1	2,300	(1,111)	(1,189)	-
Transfers to Stage 2	(708)	831	(123)	-
Transfers to Stage 3	(1,571)	(2,940)	4,511	-
Other movements*	(7,130)	131	(18,742)	(25,741)
	806	(402)	102,445	102,849
Amounts written off	-	-	(63,653)	(63,653)
Foreclosures and other adjustments	-	-	(13,226)	(13,226)
	P26,438	P8,249	P306,024	P340,711

*includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2025	P8,492,201	P207,450	P474,755	P9,174,406
Newly originated assets that remained in Stage 1 as at yearend	5,600,917	-	-	5,600,917
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	47,532	87,820	135,352
Assets derecognized or repaid (excluding write offs)	(4,887,216)	(3,703)	(126,753)	(5,017,672)
Transfers to Stage 1	37,671	(36,593)	(1,078)	-
Transfers to Stage 2	(79,085)	79,357	(272)	-
Transfers to Stage 3	(67,920)	(17,133)	85,053	-
Amounts written off	-	-	(77,936)	(77,936)
	P9,096,568	P276,910	P441,589	P9,815,067

ECL allowance as at January 1, 2025	P26,418	P8,143	P266,684	P301,245
Provisions for (recovery of) credit losses	-	-	-	-
Newly originated assets which remained in Stage 1 at yearend	14,754	-	-	14,754
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	2,727	33,233	35,960
Transfers to Stage 1	2,017	(9)	(2,008)	-
Transfers to Stage 2	-	1	(1)	-
Transfers to Stage 3	(1,433)	(28)	1,461	-
Other movements*	(12,919)	1,837	(52,115)	(63,197)
	2,419	4,528	(19,430)	(12,483)
Amounts written off	-	-	(77,936)	(77,936)
Foreclosures and other adjustments	-	-	(12,135)	(12,135)
	P28,837	P12,671	P157,183	P198,691

* includes changes in assumptions, payments and impact on ECL of exposures transferred between stages

	Parent Company			
	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount as at January 1, 2024	P6,472,319	P411,803	P590,579	P7,474,701
Newly originated assets that remained in Stage 1 as at yearend	6,008,367	-	-	6,008,367
Newly originated assets that moved to Stage 2 and Stage 3 as at yearend	-	100,885	82,794	183,679
Assets derecognized or repaid (excluding write offs)	(3,949,013)	(235,147)	(244,528)	(4,428,688)
Transfers to Stage 1	53,704	(50,821)	(2,883)	-
Transfers to Stage 2	(44,012)	44,817	(805)	-
Transfers to Stage 3	(49,164)	(64,087)	113,251	-
Amounts written off	-	-	(63,653)	(63,653)
	P8,492,201	P207,450	P474,755	P9,174,406

ECL allowance as at January 1, 2024	P25,126	P8,459	P254,303	P287,888
Provisions for (recovery of) credit losses				
Newly originated assets which remained in Stage 1 at yearend	7,951	-	-	7,951
Newly originated assets which moved to Stage 2 and Stage 3 at yearend	-	2,580	95,340	97,920
Transfers to Stage 1	2,300	(1,111)	(1,189)	-
Transfers to Stage 2	(708)	831	(123)	-
Transfers to Stage 3	(1,571)	(2,747)	4,318	-
Other movements*	(6,680)	131	(9,038)	(15,587)
	1,292	(316)	89,308	90,284
Amounts written off	-	-	(63,653)	(63,653)
Foreclosures and other adjustments	-	-	(13,274)	(13,274)
	P26,418	P8,143	P266,684	P301,245

* includes changes in assumptions, payments and impact on ECL of exposures transferred between stages



Receivable from customers consist of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Loans	P631,570,922	P610,353,620	P631,103,431	P612,017,611
Credit card receivables	64,325,312	53,988,365	64,325,312	53,988,365
Customers' liabilities under letters of credit and trust receipts	6,907,230	16,496,878	6,907,230	16,496,878
Bills purchased (Note 24)	3,823,205	4,032,868	3,823,205	4,032,868
Customers' liabilities under acceptances	640,228	1,669,868	640,228	1,669,868
	707,266,897	686,541,599	706,799,406	688,205,590
Less unearned discounts and deferred credits	2,569,838	2,188,141	2,569,838	2,188,141
	P704,697,059	P684,353,458	P704,229,568	P686,017,449

Restructured receivables of the Group and the Parent Company amounted to P13.7 billion as of December 31, 2025 and P11.1 billion as of December 31, 2024. Interest income on these restructured receivables amounted to P731.0 million in 2025, P646.4 million in 2024 and P810.7 million in 2023 for the Group and Parent Company.

Provision for (recovery of) credit losses on financial assets in the statements of income are as follows:

	Consolidated		
	For the year ended December 31		
	2025	2024	2023
Due from other banks (Note 7)	P220	(P89)	P279
Interbank loans receivable and SPURA with BSP	(4,962)	7,985	(1,386)
Financial assets at FVTOCI (Note 12)	(10,683)	17,966	6,942
Investment securities at amortized cost (Note 13)	11,062	15,010	33,716
Loans and receivables	12,180,283	6,481,925	4,328,858
Financial guarantees, loan and other commitments (Note 34)	321,205	130,945	297,785
	P12,497,125	P6,653,742	P4,666,194

	Parent Company		
	For the year ended December 31		
	2025	2024	2023
Due from other banks (Note 7)	P170	(P172)	P241
Interbank loans receivable and SPURA with BSP	(4,962)	7,985	(1,386)
Financial assets at FVTOCI (Note 12)	(10,683)	17,966	6,942
Investment securities at amortized cost (Note 13)	11,062	15,010	33,716
Loans and receivables	12,185,942	6,469,747	4,325,891
Financial guarantees, loan and other commitments (Note 34)	321,205	130,945	297,785
	P12,502,734	P6,641,481	P4,663,189

As of December 31, 2025 and 2024, the fair value of the collateral held relating to the total loan portfolio amounted to P306.9 billion and P234.1 billion, respectively, for the Group and P296.0 billion and P231.8 billion, respectively, for the Parent Company. The collateral consists of cash, securities, letters of guarantee and real and personal properties.

The Group and the Parent Company took possession of various properties previously held as collateral. The carrying values of such properties amounted to P8.1 billion and P7.3 billion for the Group and the Parent Company as of December 31, 2025 and 2024, respectively.



Interest income on loans and receivables consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Loans	P45,096,087	P38,596,251	P31,446,567	P45,127,305	P38,735,228	P31,539,609
Credit card receivables	12,268,569	8,793,923	5,447,808	12,268,569	8,793,923	5,447,808
Customers' liabilities under letters of credit and trust receipts	663,833	960,063	1,199,236	663,833	960,063	1,199,236
Sales contracts receivable	16,171	12,813	10,616	16,171	12,813	10,616
Bills purchased	38	24,373	35,837	38	24,373	35,837
	P58,044,698	P48,387,423	P38,140,064	P58,075,916	P48,526,400	P38,233,106

Of the total receivables from customers of the Group and of the Parent Company, 28% and 29.4% as of December 31, 2025 and 2024, respectively, are subject to periodic interest repricing. Remaining receivables from customers, for the Group and the Parent Company, earn annual fixed interest rates, as follows:

	2025	2024	2023
Peso-denominated	0.06%-44.90%	0.06%-38.57%	1.25%-38.57%
Foreign currency-denominated	1.00%-7.95%	0.05%-8.53%	0.05%-8.94%

Sales contracts receivable earns interest rates ranging from 7.75% to 11.00%, 7.75% to 10.00% and 7.75% to 12.00% as of December 31, 2025, 2024 and 2023, respectively, for the Group and the Parent Company.

15. Investments in Subsidiaries, Joint Ventures and an Associate

This account consists of investments in:

	% of Ownership		Consolidated		Parent Company	
	2025	2024	2025	2024	2025	2024
Subsidiaries:						
Cost:						
SBCIC	100.00	100.00		P-	P500,000	P500,000
SBCC	100.00	100.00		-	325,000	325,000
SFLI	100.00	100.00		-	125,000	125,000
SB Forex	100.00	100.00		-	50,000	50,000
					1,000,000	1,000,000
Accumulated equity in net income						
Balance at beginning of year				-	1,561,963	1,318,317
Share in net income				-	400,090	256,592
Dividends				-	-	(13,000)
Other adjustment				-	-	54
Balance at end of year				-	1,962,053	1,561,963
Accumulated equity in OCI						
Balance at beginning of year				-	89,161	90,226
Remeasurement loss on defined benefit plans				-	(2,518)	(3,220)
Net unrealized gain on financial assets at fair value through other comprehensive income*				-	5,351	2,155
Balance at end of year				-	91,994	89,161
				-	3,054,047	2,651,124
Joint Ventures:						
Cost:						
SBML	60.00	60.00	150,057	150,057	150,057	150,057
SBF	49.96	49.96	2,095,655	2,095,655	2,095,655	2,095,655
MMFP	49.00	49.00	1,249,500	-	1,249,500	-
			3,495,212	2,245,712	3,495,212	2,245,712

(Forward)



	% of Ownership		Consolidated		Parent Company	
	2025	2024	2025	2024	2025	2024
Accumulated equity in net income						
Balance at beginning of year			₱380,861	₱379,358	₱380,861	₱379,358
Share in net income			52,363	1,870	52,363	1,870
Dividends			(10,946)	–	(10,946)	–
Remeasurement gain (loss) on defined benefit plans			589	(367)	589	(367)
Balance at end of year			422,867	380,861	422,867	380,861
Associate:						
Cost:						
HCPH	25%	–	11,611,165	–	11,611,165	–
			11,611,165	–	11,611,165	–
Accumulated equity in net income						
Balance at beginning of year			–	–	–	–
Share in net income			694,505	–	694,505	–
Net unrealized gain on financial assets at fair value through other comprehensive income			142,923	–	142,923	–
Balance at end of year			837,428	–	837,428	–
			12,448,593	–	12,448,593	–
			₱16,366,672	₱2,626,573	₱19,420,719	₱5,277,697

The details of the dividends by the subsidiaries to the Parent Company are provided below:

Subsidiary	Date of declaration	Per share	Total amounts in thousands
SBCC	August 22, 2024	₱4.0 per share	₱13,000

The details of the dividends by the joint venture to the Parent Company are provided below:

Subsidiary	Date of declaration	Per share	Total amounts in thousands
SBML	May 21, 2025	₱7.2973 per share	₱10,946

Reclassification of SBF to Joint Venture

On October 20, 2020, after securing regulatory approvals in the Philippines and Thailand, the Parent Company sold 7,075,000 SBF shares (50% ownership) to Krungsri for ₱1.5 billion, recognizing a ₱933.1 million gain. As a result, SBF ceased to be a subsidiary and was deconsolidated from the Group's financial statements.

In 2021, the Parent Company and Krungsri approved a ₱3.0 billion capital infusion into SBF, disbursed in two tranches: ₱1.5 billion on May 21, 2021, and ₱1.5 billion on January 18, 2022. To accommodate the infusion, SBF issued new shares.

Financial Information of Joint Ventures

The summarized financial information of the joint ventures are set out below (in millions):

SBML:

	2025	2024
Cash and cash equivalents	₱27	₱35
Loans receivable held for sale	85	207
Loans and receivables	1,693	1,451
Other assets	96	106
Deposits on lease contracts	(390)	(385)
Bills payable	(620)	(477)
Accounts payable and other liabilities	(209)	(294)
Equity	₱682	₱643
Proportion of the Group's ownership	60%	60%
Carrying amount of the investment	₱409	₱386



	2025	2024
Income		
Leasing and interest income	₱165	₱120
Interest expense	(32)	(21)
Net interest income	133	99
Other income	38	41
Operating expenses	(94)	(92)
Income before income tax	77	48
Provision for income tax	(20)	(12)
Net income	₱57	₱36
Group's share for the year	₱34	₱22

SBF:

	2025	2024
Cash and cash equivalents	₱563	₱385
Loans and receivables	10,654	9,426
Other Assets	1,969	1,714
Bills payable	(7,450)	(6,400)
Accrued expenses and other liabilities	(889)	(639)
Equity	4,847	₱4,486
Proportion of the Group's ownership	49.96%	49.96%
Carrying amount of the investment	₱2,422	₱2,241

	2025	2024
Income		
Interest income	₱4,039	₱3,701
Interest expense	(412)	(387)
Net interest income	3,627	3,314
Other income	736	678
Operating expenses	(3,885)	(4,041)
Income (loss) before income tax	478	(49)
Provision for income tax	(116)	9
Net income (loss)	₱362	(₱40)
Group's share for the year	₱181	(₱20)

MMFP:

	2025
Cash and cash equivalents	₱943
Loans and receivables	7,001
Other assets	224
Bills payable	(5,600)
Accrued expenses and other liabilities	(349)
Equity	₱2,219
Proportion of the Group's ownership	49.00%
Carrying amount of the investment	₱1,087



	2025
Income	
Interest income	₱248
Interest expense	(63)
Net interest income	185
Other income	-
Operating expenses	(625)
Income (loss) before income tax	(440)
Provision for income tax	108
Net income (loss)	(₱332)
Group's share for the year	(₱163)

SBML, SBF and MMFP have no contingent liabilities or capital commitments as of December 31, 2025 and 2024.

Financial Information of an Associate

The summarized financial information of HCPH set out below as of and for the year ended December 31, 2025 (in millions):

	2025
Cash and cash equivalents	₱3,813
Financial assets at fair value through other comprehensive income	42,500
Loans and receivables	55,873
Other assets	9,301
Loans payable	(69,445)
Accrued expenses and other liabilities	(16,540)
Equity	₱25,502
Proportion of the Group's ownership	25.00%
Proportionate share of the Group's ownership	₱6,376
Excess of cost of investment over the Group's share in net fair value of the identifiable assets and liabilities of HCPH at acquisition date	6,073
Carrying amount of the investment	₱12,449

	2025
Income	
Interest income	₱22,253
Interest expense	(3,019)
Net interest income	19,234
Other income	4,755
Operating expenses	(11,421)
Income before income tax	12,568
Provision for income tax	(9,790)
Net income	₱2,778
Group's share for the year	₱695



The excess of the total cost of investment over the Parent Company's share in the net fair values of HCPH's identifiable assets and liabilities that were preliminarily determined at acquisition date amounted to ₱6.1 billion and is included in the carrying value of the investment in HCPH. The provisional purchase price allocation is subject to revision to reflect the final determination of fair values and will be completed within 12 months from the acquisition date.

Limitations on Dividend Declarations of Joint Ventures and an Associate

As of December 31, 2025 and 2024, there were no agreements entered into by the joint ventures and an associate of the Group that may restrict dividends and other capital distributions to be paid, or loans and advances to be made or repaid to or from other entities within the Group.

16. Property, Equipment and Right-of-Use Assets

The composition of and movements in the Group's and the Parent Company's property, equipment and right-of-use assets follow:

	Consolidated								Total
	Building and Land Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Building and Improvements	Transportation Equipment	Total Right-of-use assets		
December 31, 2025									
Cost									
Balance at beginning of year	₱471,615	₱2,797,639	₱8,204,854	₱2,700,984	₱358,578	₱3,375,510	₱19,903	₱3,395,413	₱17,929,083
Additions	-	155,252	1,483,891	1,293,409	450,313	1,706,533	6,723	1,713,256	5,096,121
Disposals	-	-	(651,483)	(481,054)	-	(990,982)	-	(990,982)	(2,123,519)
Amortization of leasehold improvements	-	-	-	-	(134,608)	-	-	-	(134,608)
Reclassifications and other adjustments (Note 18)	-	(1,214)	(61,899)	17,748	(1,764)	(162,753)	-	(162,753)	(209,882)
Balance at end of year	471,615	2,951,677	8,975,363	3,531,087	672,519	3,928,308	26,626	3,954,934	20,557,195
Accumulated depreciation									
Balance at beginning of year	-	2,136,706	4,929,813	1,114,502	-	1,690,467	13,199	1,703,666	9,884,687
Depreciation	-	113,748	1,117,393	540,233	-	797,957	6,229	804,186	2,575,560
Disposals	-	-	(538,784)	(300,279)	-	(695,273)	-	(695,273)	(1,534,336)
Reclassifications and other adjustments (Note 18)	-	-	-	7,500	-	(48,292)	-	(48,292)	(40,792)
Balance at end of year	-	2,250,454	5,508,422	1,361,956	-	1,744,859	19,428	1,764,287	10,885,119
Allowance for impairment loss (Note 17)									
Balance at beginning and end of year	6,600	2,969	-	-	-	-	-	-	9,569
Net book value at end of year	₱465,015	₱698,254	₱3,466,941	₱2,169,131	₱672,519	₱2,183,449	₱7,198	₱2,190,647	₱9,662,507
December 31, 2024									
Cost									
Balance at beginning of year	₱463,006	₱2,683,446	₱6,417,663	₱2,555,594	₱292,783	₱3,474,030	₱20,643	₱3,494,673	₱15,907,165
Additions	4,696	108,453	1,970,039	839,009	209,697	1,160,542	542	1,161,084	4,292,978
Disposals	-	-	(107,603)	(718,172)	(5,122)	(1,283,633)	(1,282)	(1,284,915)	(2,115,812)
Amortization of leasehold improvements	-	-	-	-	(128,232)	-	-	-	(128,232)
Reclassifications and other adjustments (Note 18)	3,913	5,740	(75,245)	24,553	(10,548)	24,571	-	24,571	(27,016)
Balance at end of year	471,615	2,797,639	8,204,854	2,700,984	358,578	3,375,510	19,903	3,395,413	17,929,083
Accumulated depreciation									
Balance at beginning of year	-	2,040,439	4,105,124	1,300,262	-	2,001,970	8,216	2,010,186	9,456,011
Depreciation	-	101,073	925,870	391,423	-	792,290	6,265	798,555	2,216,921
Disposals	-	-	(101,326)	(585,084)	-	(1,103,793)	(1,282)	(1,105,075)	(1,791,485)
Reclassifications and other adjustments (Note 18)	-	(4,806)	145	7,901	-	-	-	-	3,240
Balance at end of year	-	2,136,706	4,929,813	1,114,502	-	1,690,467	13,199	1,703,666	9,884,687
Allowance for impairment loss (Note 17)									
Balance at beginning of year	19,969	1,689	-	-	-	-	-	-	21,658
Provision (recovery)	(13,369)	1,280	-	-	-	-	-	-	(12,089)
Balance at the end of year	6,600	2,969	-	-	-	-	-	-	9,569
Net book value at end of year	₱465,015	₱657,964	₱3,275,041	₱1,586,482	₱358,578	₱1,685,043	₱6,704	₱1,691,747	₱8,034,827



	Parent Company								Total
	Land	Building and Improvements	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Right-of-use Assets			
						Building and Improvements	Transportation Equipment	Total Right-of-use assets	
December 31, 2025									
Cost									
Balance at beginning of year	P471,615	P2,797,639	P5,759,945	P402,028	P358,578	P3,375,510	P19,903	P3,395,413	P13,185,218
Additions	-	155,252	536,364	85,578	450,313	1,701,599	6,723	1,708,322	2,935,829
Disposals	-	-	(554,496)	(74,253)	-	(990,983)	-	(990,983)	(1,619,732)
Amortization of leasehold improvements	-	-	-	-	(134,608)	-	-	-	(134,608)
Reclassifications and other adjustments (Note 18)	-	(1,214)	(61,898)	17,748	(1,764)	(162,753)	-	(162,753)	(209,881)
Balance at end of year	471,615	2,951,677	5,679,915	431,101	672,519	3,923,373	26,626	3,949,999	14,156,826
(Forward)									
Accumulated depreciation									
Balance at beginning of year	P-	P2,136,706	P4,058,867	P182,652	P-	P1,690,467	P13,199	P1,703,666	P8,081,891
Depreciation	-	113,748	678,967	82,837	-	793,845	6,229	800,074	1,675,626
Disposals	-	-	(493,638)	(52,486)	-	(695,273)	-	(695,273)	(1,241,397)
Reclassifications and other adjustments (Note 18)	-	-	-	7,500	-	(48,292)	-	(48,292)	(40,792)
Balance at end of year	-	2,250,454	4,244,196	220,503	-	1,740,747	19,428	1,760,175	8,475,328
Allowance for impairment loss (Note 17)									
Balance at beginning and end of year	6,600	2,969	-	-	-	-	-	-	9,569
Net book value at end of year	P465,015	P698,254	P1,435,719	P210,598	P672,519	P2,182,626	P7,198	P2,189,824	P5,671,929
December 31, 2024									
Cost									
Balance at beginning of year	P463,006	P2,683,446	P4,722,522	P331,880	P287,949	P3,474,030	P20,643	P3,494,673	P11,983,476
Additions	4,696	108,453	1,121,631	110,064	209,697	1,160,542	542	1,161,084	2,715,625
Disposals	-	-	(8,963)	(64,469)	(349)	(1,283,633)	(1,282)	(1,284,915)	(1,358,696)
Amortization of leasehold improvements	-	-	-	-	(128,171)	-	-	-	(128,171)
Reclassifications and other adjustments (Note 18)	3,913	5,740	(75,245)	24,553	(10,548)	24,571	-	24,571	(27,016)
Balance at end of year	471,615	2,797,639	5,759,945	402,028	358,578	3,375,510	19,903	3,395,413	13,185,218
Accumulated depreciation									
Balance at beginning of year	-	2,035,665	3,447,268	150,677	-	2,001,970	8,216	2,010,186	7,643,796
Depreciation	-	101,073	620,219	71,677	-	792,291	6,265	798,556	1,591,525
Disposals	-	-	(8,765)	(47,603)	-	(1,103,794)	(1,282)	(1,105,076)	(1,161,444)
Reclassifications and other adjustments (Note 18)	-	(32)	145	7,901	-	-	-	-	8,014
Balance at end of year	-	2,136,706	4,058,867	182,652	-	1,690,467	13,199	1,703,666	8,081,891
Allowance for impairment loss (Note 17)									
Balance at beginning of year	19,969	1,689	-	-	-	-	-	-	21,658
Provision (recovery)	(13,369)	1,280	-	-	-	-	-	-	(12,089)
Balance at the end of year	6,600	2,969	-	-	-	-	-	-	9,569
Net book value at end of year	P465,015	P657,964	P1,701,078	P219,376	P358,578	P1,685,043	P6,704	P1,691,747	P5,093,758

As of December 31, 2025 and 2024, the cost of fully depreciated property and equipment still in use amounted to ₱4.4 billion and ₱4.3 billion, respectively, for the Group and the Parent Company.

Gain or loss on disposal of equipment is included under 'Profit from assets sold/exchanged' in the statements of income. In 2025, 2024 and 2023, the Profit from assets sold/exchanged amounted to ₱47.1 million, ₱3.8 million and ₱274.3 million, respectively, for the Group and ₱47.1 million, ₱3.8 million, ₱274.3 million for the Parent Company.

The details of depreciation and amortization recognized in the statements of income are as follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Property, equipment and right-of-use assets	P2,575,560	P2,216,921	P1,746,763	P1,675,626	P1,591,525	P1,291,493
Leasehold improvements	134,608	128,232	102,266	134,608	128,171	102,083
Investment properties (Note 17)	344,220	293,552	228,276	344,220	293,552	228,276
Other properties acquired (Note 18)	165,930	107,865	72,868	165,930	107,865	72,868
	P3,220,318	P2,746,570	P2,150,173	P2,320,384	P2,121,113	P1,694,720



Set out below are the carrying amounts of lease liability (see Note 24) and the movements during the year:

	Consolidated		Parent	
	2025	2024	2025	2024
Balance at beginning of year	₱1,614,653	₱1,391,870	₱1,614,653	₱1,391,870
Additions	1,709,188	1,161,084	1,708,322	1,161,084
Disposals/pre-terminations	(106,758)	(179,839)	(106,758)	(179,839)
Accretion of interest	152,558	99,955	152,558	99,955
Payments	(1,060,919)	(882,988)	(1,060,919)	(882,988)
Other adjustments	(168,506)	24,571	(168,506)	24,571
Balance at end of year	₱2,140,216	₱1,614,653	₱2,139,350	₱1,614,653

17. Investment Properties

The composition of and movements in the Group and the Parent Company's investment properties follow:

	Consolidated		
	Land	Building and Improvements	Total
December 31, 2025			
Cost			
Balance at beginning of year	₱3,316,248	₱3,960,404	₱7,276,652
Additions	767,938	680,014	1,447,952
Disposals	(152,576)	(185,150)	(337,726)
Balance at end of year	3,931,610	4,455,268	8,386,878
Accumulated Depreciation			
Balance at beginning of year	–	743,864	743,864
Depreciation (Note 16)	–	344,220	344,220
Disposals	–	(67,366)	(67,366)
Balance at end of year	–	1,020,718	1,020,718
Allowance for Impairment Loss			
Balance at beginning of year	91,472	158,546	250,018
Provision for (recovery of) impairment losses	(20,864)	18,372	(2,492)
Disposals	(3,555)	(4,554)	(8,109)
Balance at end of year	67,053	172,364	239,417
Net Book Value at End of Year	₱3,864,557	₱3,262,186	₱7,126,743
December 31, 2024			
Cost			
Balance at beginning of year	₱2,178,725	₱3,361,763	₱5,540,488
Additions	1,266,946	743,443	2,010,389
Disposals	(129,423)	(144,802)	(274,225)
Balance at end of year	3,316,248	3,960,404	7,276,652
Accumulated Depreciation			
Balance at beginning of year	–	492,243	492,243
Depreciation (Note 16)	–	293,552	293,552
Disposals	–	(41,931)	(41,931)
Balance at end of year	–	743,864	743,864
Allowance for Impairment Loss			
Balance at beginning of year	103,527	154,116	257,643
Provision for (recovery of) impairment losses	(7,498)	6,721	(777)
Disposals	(4,557)	(2,291)	(6,848)
Balance at end of year	91,472	158,546	250,018
Net Book Value at End of Year	₱3,224,776	₱3,057,994	₱6,282,770



	Parent Company		
	Land	Building and Improvements	Total
December 31, 2025			
Cost			
Balance at beginning of year	₱3,316,248	₱3,960,404	₱7,276,652
Additions	767,938	680,014	1,447,952
Disposals	(152,576)	(185,150)	(337,726)
Balance at end of year	3,931,610	4,455,268	8,386,878
Accumulated Depreciation			
Balance at beginning of year	–	743,864	743,864
Depreciation (Note 16)	–	344,220	344,220
Disposals	–	(67,366)	(67,366)
Balance at end of year	–	1,020,718	1,020,718
Allowance for Impairment Loss			
Balance at beginning of year	₱91,472	₱158,546	₱250,018
Provision (recovery of) for impairment losses	(20,864)	18,372	(2,492)
Disposals	(3,555)	(4,554)	(8,109)
Balance at end of year	67,053	172,364	239,417
Net Book Value at End of Year	₱3,864,557	₱3,262,186	₱7,126,743
December 31, 2024			
Cost			
Balance at beginning of year	₱2,177,951	₱3,361,762	₱5,539,713
Additions	1,266,946	743,443	2,010,389
Disposals	(128,649)	(144,801)	(273,450)
Balance at end of year	3,316,248	3,960,404	7,276,652
Accumulated Depreciation			
Balance at beginning of year	–	492,244	492,244
Depreciation (Note 16)	–	293,552	293,552
Disposals	–	(41,932)	(41,932)
Balance at end of year	–	743,864	743,864
Allowance for Impairment Loss			
Balance at beginning of year	103,531	154,111	257,642
Provision (recovery of) for impairment losses	(7,498)	6,721	(777)
Disposals	(4,561)	(2,286)	(6,847)
Balance at end of year	91,472	158,546	250,018
Net Book Value at End of Year	₱3,224,776	₱3,057,994	₱6,282,770

Investment properties are real estate properties acquired in settlement of loans and receivables. The difference between the fair value of the asset upon foreclosure and the carrying value of the loan is recognized under 'Profit from assets sold/exchanged'. In 2025, 2024 and 2023, the Profit from assets sold/exchanged amounted to ₱0.8 billion, ₱1.0 billion and ₱0.9 billion for the Group and the Parent Company.

The fair values of investment properties are disclosed in Note 6.

As of December 31, 2025 and 2024, the carrying value of investment properties still subject to redemption amounted to ₱1.8 billion and ₱1.9 billion, respectively, for the Group and the Parent Company.

The Group and the Parent Company have no investment properties which are leased out under operating leases as of December 31, 2025, 2024 and 2023.



In 2025, 2024 and 2023, direct operating expenses, consisting of depreciation and amortization and repairs and maintenance (included under ‘Occupancy costs’ in the statements of income) pertaining to investment properties amounted to ₱165.9 million, ₱107.9 million and ₱72.9 million, respectively, for the Group and ₱165.9 million, ₱107.9 million and ₱72.9 million, respectively, for the Parent Company.

Provision for (recovery of) impairment losses on non-financial assets in the statements of income are as follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Property, equipment and right-of-use assets (Note 16)	₱-	(₱12,089)	₱21,422	₱-	(₱12,089)	₱21,422
Investment properties	(2,492)	(777)	85,249	(2,492)	(777)	85,249
Other properties acquired (Note 18)	267,214	(30,973)	28,009	267,214	(30,973)	28,009
Exchange trading right	300	-	-	-	-	-
	₱265,022	(₱43,839)	₱134,680	₱264,722	(₱43,839)	₱134,680

18. Intangible and Other Assets

Intangible Assets

Intangible assets consist of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Software costs	₱6,841,072	₱5,137,675	₱6,834,715	₱5,135,198
Branch licenses	1,445,000	1,445,000	1,445,000	1,445,000
Exchange trading right	7,700	8,000	-	-
	₱8,293,772	₱6,590,675	₱8,279,715	₱6,580,198

Movements in software costs follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Cost				
Balance at beginning of year	₱6,785,840	₱4,859,340	₱6,776,360	₱4,851,799
Additions	3,144,261	2,583,657	3,139,012	2,581,519
Disposals and other adjustments	(997,606)	(657,157)	(997,606)	(656,958)
Balance at end of year	8,932,495	6,785,840	8,917,766	6,776,360
Accumulated Amortization				
Balance at beginning of year	1,648,165	1,343,285	1,641,162	1,336,537
Amortization	1,403,102	904,892	1,401,733	904,450
Disposals and other adjustments	(959,844)	(600,012)	(959,844)	(599,825)
Balance at end of year	2,091,423	1,648,165	2,083,051	1,641,162
Net Book Value at End of Year	₱6,841,072	₱5,137,675	₱6,834,715	₱5,135,198

As of December 31, 2025 and 2024, the latest transacted price of SBEI’s exchange trading right amounted to ₱7.7 million and ₱8.0 million, respectively.



Other Assets

Other assets consist of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Cash collateral deposits	₱975,422	₱3,729,003	₱975,422	₱3,729,003
Rental and security deposits (Note 33)	631,757	508,068	632,980	509,301
Other properties acquired - net	926,797	989,931	926,797	989,931
Prepaid expenses	657,750	722,291	651,575	718,228
Creditable withholding taxes	559,268	15,152	537,908	60
Documentary stamps	397,632	408,385	397,632	408,385
Due from brokers	495,258	305,211	495,258	305,211
Returned checks and other cash items	200,017	175,023	200,017	175,023
Income tax credits	148,228	140,855	7,796	11,062
Deferred input VAT	146,560	114,895	-	-
Due from trust	123,137	74,149	123,137	74,149
Pension asset (Note 29)	1,701	1,473	-	-
Other investment	-	1,249,500	-	1,249,500
Miscellaneous	1,348,064	1,197,593	1,346,206	1,195,613
	₱6,611,591	₱9,631,529	₱6,294,728	₱9,365,466

Cash collateral deposits represent the Parent Company's restricted deposits for its treasury transactions such as interest rate swaps and SSURA. The carrying amount of these deposits approximates their fair value.

In 2025 and 2024, the gross carrying amount of cash collateral securities were carried at Stage 1 and there were no transfers into and out of Stage 1.

Other properties acquired represent chattel mortgages foreclosed from loan borrowers. Gain or loss upon foreclosure is included under 'Profit from assets sold/exchanged' in the statements of income. In 2025, 2024 and 2023 the Profit from assets sold/exchanged, amounted to (₱522.3 million), (₱108.9 million) and ₱59.8 million, respectively, for the Group and the Parent Company.

As of December 31, 2025 and 2024, 'Other Assets - Miscellaneous' includes items in process for clearing amounting to ₱432.6 million and ₱634.8 million, respectively, and prepaid employee benefits under car plan program amounting to ₱286.9 million and ₱267.8 million for the Group, respectively, and ₱285.1 million and ₱265.8 million for the Parent Company, respectively. In addition, the balance as of December 31, 2025 includes foreclosed CTS accounts pending booking to investment properties, upon fulfillment of certain requirements, amounting to ₱298.4 million.

Other Investment

On April 8, 2024, the Executive Committee as delegated by the BOD of the Parent Company, approved a joint venture agreement with Mitsubishi Motors Corporation (Mitsubishi Motors) of Japan. The agreement establishes Mitsubishi Motors Finance Philippines Inc. (MMFP) and provides for a capital injection totaling to ₱4.0 billion, to be paid in tranches. Pursuant to the agreement, the Parent Company will hold a 49.0% ownership stake in MMFP, while Mitsubishi Motors will hold a 51.0% ownership stake. On November 26, 2024, upon fulfillment of certain closing conditions, the Parent Company paid the first tranche of capital injection amounting to ₱1.25 billion, which was initially recognized under "Other Investment".



Upon incorporation and the Parent Company’s assumption of enforceable rights and obligations as a shareholder under the joint venture arrangement, the amount previously recognized under “Other investments” was reclassified to “Investment in Subsidiaries, Joint Ventures and an Associate” in 2025 (see Note 15).

Other Properties Acquired

Movements in the other properties acquired by the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Cost				
Balance at beginning of year	₱1,180,150	₱1,038,286	₱1,180,150	₱1,038,286
Additions (Note 37)	1,698,906	957,527	1,698,906	957,527
Disposals	(1,444,649)	(812,143)	(1,444,649)	(812,143)
Reclassification (Note 16)	(4,465)	(3,520)	(4,465)	(3,520)
Balance at end of year	1,429,942	1,180,150	1,429,942	1,180,150
Accumulated Depreciation				
Balance at beginning of year	166,620	109,457	166,620	109,457
Depreciation (Note 16)	165,930	107,865	165,930	107,865
Disposals	(115,521)	(50,994)	(115,521)	(50,994)
Reclassification (Note 16)	(286)	292	(286)	292
Balance at end of year	216,743	166,620	216,743	166,620
Accumulated Impairment Loss				
Balance at beginning of year	23,599	56,676	23,599	56,676
Provision for impairment losses (Note 17)	267,214	(30,973)	267,214	(30,973)
Disposals	(4,361)	(2,112)	(4,361)	(2,112)
Reclassification	(50)	8	(50)	8
Balance at end of year	286,402	23,599	286,402	23,599
Net Book Value at End of Year	₱926,797	₱989,931	₱926,797	₱989,931

19. Deposit Liabilities

On June 23, 2023, through BSP Circular 1175, the BSP approved a 250-basis point reduction in the reserve requirement ratios of selected reservable liabilities of the Bank, lowering it from 12.0% to 9.5%, effective June 30, 2023. In September 2024, BSP Circular No. 1201 was issued reducing the reserve requirements against deposit and deposit substitute liabilities from 9.5% to 7.00% effective reserve week starting October 25, 2024. Subsequently, BSP Circular No. 1211 was issued on March 11, 2025, further reducing the reserve requirements to 5% effective March 28, 2025.

As of December 31, 2025 and 2024, the Group and the Parent Company has set aside ‘Due from BSP’ as reserves amounting to ₱22.8 billion and ₱29.9 billion, respectively. The Group and the Parent Company did not recognize any interest income from ‘Due from BSP’ that were set aside as reserves for the years ended December 31, 2025, 2024 and 2023.

Long-term Negotiable Certificates of Deposit matured on March 23, 2025

On September 23, 2019, the Parent Company issued 4.00% fixed coupon rate (EIR of 4.18%) unsecured LTNCD at par value of ₱6.06 billion. The Parent Company incurred debt issue costs amounting to ₱54.9 million. On March 24, 2025, the Parent Company paid ₱6.06 billion unsecured LTNCD.

The issuance of the foregoing LTNCD under the terms approved by the BOD was approved by the BSP on May 30, 2019.



Long-term Negotiable Certificates of Deposit matured on June 17, 2025

On December 17, 2019, the Parent Company issued 4.00% fixed coupon rate (EIR of 4.16%) unsecured LTNCD at par value of ₱2.31 billion. The Parent Company incurred debt issue costs amounting to ₱18.7 million. On June 17, 2025, the Parent Company paid ₱2.31 billion unsecured LTNCD.

The issuance of the foregoing LTNCD under the terms approved by the BOD was approved by the BSP on May 30, 2019.

Long-term Negotiable Certificates of Deposit matured on August 5, 2025

On February 5, 2020, the Parent Company issued 4.00% fixed coupon rate (EIR of 4.16%) unsecured LTNCD at par value of ₱2.07 billion. The Parent Company incurred debt issue costs amounting to ₱16.6 million. On August 5, 2025, the Parent Company paid ₱2.07 billion unsecured LTNCD.

The issuance of the foregoing LTNCD under the terms approved by the BOD was approved by the BSP on May 30, 2019.

The movement of unamortized debt issue costs on LTNCDs follows:

	2025	2024
Beginning balance	₱6,215	₱23,986
Amortization	(6,215)	(17,771)
Balance at end of year	₱-	₱6,215

Interest expense on deposit liabilities consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Time	₱4,845,233	₱5,716,167	₱6,909,626	₱4,865,139	₱5,745,456	₱6,955,973
Demand	830,787	482,606	371,371	831,430	527,650	390,094
Savings	807,451	257,444	129,558	807,629	257,617	129,725
LTNCD	153,255	436,530	784,551	153,255	436,530	784,551
	₱6,636,726	₱6,892,747	₱8,195,106	₱6,657,453	₱6,967,253	₱8,260,343

Ranges of annual fixed interest on deposit liabilities excluding LTNCD follow:

	2025	2024	2023
Peso-denominated	0.01%-5.63%	0.01%-6.00%	0.01%-6.75%
Foreign currency-denominated	0.01%-5.50%	0.01%-5.50%	0.01%-5.50%

20. Financial Liabilities at Fair Value through Profit or Loss

This account consists of:

	2025	2024
Derivative liabilities (Note 11):		
Currency forwards	₱1,220,929	₱1,643,806
Cross-currency swaps	89,302	-
Foreign currency options	51,580	17,450
Interest rate swaps	45,655	54,023
Bonds forwards and options	-	768
	₱1,407,466	₱1,716,047



Interest expense on derivative instruments consists of:

	2025	2024	2023
Interest rate swaps	₱13,132	₱14,165	₱567,504
Cross-currency swaps	258,152	26,904	44,615
	₱271,284	₱41,069	₱612,119

21. Bills Payable and Securities Sold Under Repurchase Agreements

This account consists of borrowings from:

	Consolidated		Parent Company	
	2025	2024	2025	2024
SSURA	₱2,851,571	₱67,898,043	₱2,851,571	₱67,898,043
Local banks	3,229,892	12,708,494	244,892	12,556,828
Local government banks with relending facilities	87,522	4,788,611	87,522	4,788,611
Foreign banks	–	5,784,500	–	5,784,500
	₱6,168,985	₱91,179,648	₱3,183,985	₱91,027,982

The following are the carrying values of the investment securities pledged and transferred under SSURA transactions of the Group:

	December 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at FVTPL (Note 10)				
Government securities	₱2,834,421	₱2,834,421	₱2,796,968	₱2,796,968
Financial assets at FVTOCI (Note 12)				
Treasury bonds	574,749	574,749	32,385,552	32,385,552
Investment securities at amortized cost (Note 13)				
Treasury notes and bills	–	–	18,312,524	18,419,181
Private bonds	–	–	34,358,541	34,145,895
Treasury bonds	–	–	5,961,923	6,056,224
	₱3,409,170	₱3,409,170	₱93,815,508	₱93,803,820

For the years ended December 31, 2025, 2024 and 2023, interest expense on bills payable and SSURA, notes and bonds payable, and other borrowings in the statements of income consist of the following:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Notes and bonds payable (Note 22)	₱2,830,774	₱2,925,022	₱2,696,656	₱2,830,774	₱2,925,022	₱2,696,656
Bills payable and SSURA	1,842,079	3,515,934	2,771,815	1,707,813	3,511,353	2,765,987
Others	50,503	32,752	4,750	41,118	26,285	38
	₱4,723,356	₱6,473,708	₱5,473,221	₱4,579,705	₱6,462,660	₱5,462,681



Annual fixed interest rate ranges on the Group's and the Parent Company's interbank borrowings and rediscounting availments follow:

	2025	2024	2023
Interbank borrowings:			
Peso-denominated	4.00%-8.00%	6.09%-8.00%	1.50%-8.00%
Foreign currency-denominated	3.35%-3.88%	4.40%-6.18%	4.17%-6.04%

22. Notes and Bonds Payable

This account consists of the following:

	2025	2024
Senior unsecured notes due May 2029	₱23,277,744	₱22,842,339
Fixed rate bonds due September 2030	20,840,127	–
Fixed rate bonds due September 2029	19,883,438	19,856,428
Fixed rate bonds due January 2025	–	18,496,290
	₱64,001,309	₱61,195,057

Fixed Rate Bonds due January 2024

On July 20, 2022, the Parent Company issued ₱16.0 billion fixed rate bonds due on January 20, 2024. The bond, which are listed in Philippine Dealing and Exchange Corporation, were priced at par with a coupon rate of 3.7407% fixed rate (EIR of 4.29%) payable on a quarterly basis commencing on October 20, 2022. The Parent Company incurred debt issue costs amounting to ₱126.0 million.

On January 22, 2024, the Parent Company settled in full ₱16.0 billion fixed rate bonds.

Fixed Rate Bonds due May 2024

On November 10, 2022, the Parent Company issued ₱14.6 billion fixed rate bonds due on May 10, 2024. The bond, which are listed in Philippine Dealing and Exchange Corporation, were priced at par with a coupon rate of 5.3000% fixed rate (EIR of 5.85%) payable on a quarterly basis commencing on February 10, 2023. The Parent Company incurred debt issue costs amounting to ₱114.1 million.

On May 10, 2024, the Parent Company settled in full the ₱14.6 billion 5.3000% fixed rate bonds.

Fixed Rate Bonds due January 2025

On July 13, 2023, the Parent Company issued ₱18.5 billion fixed rate bonds due on January 13, 2025. The bond, which are listed in Philippine Dealing and Exchange Corporation, were priced at par with a coupon rate of 6.4250% fixed rate (EIR of 6.99%) payable on a quarterly basis commencing on October 13, 2023. The Parent Company incurred debt issue costs amounting to ₱147.6 million.

On January 13, 2025, the Parent Company settled in full the ₱18.5 billion 6.4250% fixed rate bonds (Note 38).



Senior Unsecured Notes due May 2029

On May 9, 2024, the Parent Company issued USD 400 million Senior Unsecured Fixed Rate Notes due May 14, 2029. The Senior Unsecured Notes, which are listed in the Singapore Stock Exchange, were priced at a discount, with a coupon rate of 5.50% fixed rate (EIR of 5.83%) payable on a semi-annual basis commencing on November 14, 2024. The Parent Company incurred debt issue costs amounting to ₱232.0 million.

Fixed Rate Bonds due September 2029

On August 20, 2024, the Parent Company issued ₱20.0 billion fixed rate bonds due on September 20, 2029. The bonds, which are listed in Philippine Dealing and Exchange Corporation, were priced at par with a coupon rate of 6.05% fixed rate (EIR of 6.23%) payable on a quarterly basis commencing on November 20, 2024. The Parent Company incurred debt issue costs amounting to ₱152.9 million.

Fixed Rate Bonds due September 2030

On October 29, 2025, the Parent Company issued ₱21.0 billion fixed rate bonds due on October 29, 2030. The bonds, which are listed in Philippine Dealing and Exchange Corporation, were priced at par with a coupon rate of 6.00% fixed rate (EIR of 6.18%) payable on a quarterly basis commencing on January 29, 2026. The Parent Company incurred debt issue costs amounting to ₱164.7 million.

The movements in unamortized discount follow:

	2025	2024
Balance at beginning of year	₱442,943	₱136,479
Additions	164,705	475,802
Amortization	(96,557)	(179,243)
Translation adjustment	3,600	9,905
Balance at end of year	₱514,691	₱442,943

23. Accrued Interest, Taxes and Other Expenses

This account consists of:

	<u>Consolidated</u>		<u>Parent Company</u>	
	2025	2024	2025	2024
Accrued other expenses payable	₱2,404,160	₱2,032,181	₱2,305,776	₱1,824,160
Accrued interest payable (Note 32)	1,383,844	2,386,538	1,350,879	2,385,703
Accrued other taxes and licenses payable	1,151,834	986,925	1,127,090	959,513
Pension liability - net (Notes 29 and 32)	259,813	525,482	254,262	520,618
	₱5,199,651	₱5,931,126	₱5,038,007	₱5,689,994

Accrued other expenses payable includes accrual for various operating expenses such as payroll, repairs and maintenance, utilities, rental, and contractual services.



24. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Accounts payable (Note 32)	₱5,808,549	₱5,281,720	₱5,526,967	₱5,088,785
Bills purchased - contra	3,172,663	2,730,245	3,172,663	2,730,245
Deferred revenue (Note 30)	2,333,333	–	2,333,333	–
Lease liability (Notes 2 and 16)	2,140,216	1,614,653	2,139,350	1,614,653
Other deferred credits	1,632,277	1,709,416	1,632,277	1,709,416
Provision for ECL on loan commitments and financial guarantees (Note 34)	1,058,725	737,305	1,058,725	737,305
Payable to brokers	735,231	700,036	–	–
Security deposit on lease contracts	451,059	196,807	–	–
Withholding taxes payable	440,788	421,881	430,080	414,401
Due to the Treasurer of the Philippines	380,911	245,790	380,911	245,790
Rewards for cardholders	314,000	285,645	314,000	285,645
Insurance premiums payable	226,839	250,937	226,839	250,937
Cash collateral on borrowings	205,765	144,613	205,765	144,613
Provision related to legal cases	92,614	88,813	92,614	88,813
Subscription payable	48,916	30,000	142,666	123,750
Dividends payable	40,905	804	34,198	81
Deposits for keys of safety deposit boxes	7,707	7,565	7,707	7,565
Miscellaneous	1,181,175	979,113	1,068,163	888,409
	₱20,271,673	₱15,425,343	₱18,766,258	₱14,330,408

Miscellaneous liabilities include Social Security System pension amounting to ₱75.4 million and ₱63.6 million as of December 31, 2025 and 2024, respectively, and items in process for clearing amounting to ₱793.3 million and ₱651.3 million as of December 31, 2025 and 2024, respectively.

25. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled:

	Consolidated			Parent Company		
	Within One Year	Over One Year	Total	Within One Year	Over One Year	Total
December 31, 2025						
Financial Assets						
Cash and other cash items	₱15,555,919	₱–	₱15,555,919	₱15,555,769	₱–	₱15,555,769
Due from BSP	26,584,514	–	26,584,514	26,584,514	–	26,584,514
Due from other banks	16,435,456	–	16,435,456	16,313,837	–	16,313,837
Interbank loans receivable and SPURA	28,650,000	–	28,650,000	28,650,000	–	28,650,000
Financial assets at FVTPL:						
HFT investments	36,302,905	–	36,302,905	36,302,881	–	36,302,881
Derivative assets	1,249,369	319,170	1,568,539	1,272,781	295,758	1,568,539
Total financial assets at FVTPL	37,552,274	319,170	37,871,444	37,575,662	295,758	37,871,420
Derivatives designated as hedges	289,844	–	289,844	289,844	–	289,844
Financial assets at FVTOCI	21,503,344	136,165,636	157,668,980	21,999,214	135,616,294	157,615,508
Investment securities at amortized cost	12,877,753	145,572,626	158,450,379	12,877,753	145,572,626	158,450,379
Loans and receivables - at gross	358,121,772	359,433,828	717,555,600	357,182,198	359,432,277	716,614,475
Other assets	3,340,875	971,227	4,312,102	3,315,956	972,449	4,288,405
Total financial assets	520,911,751	642,462,487	1,163,374,238	520,344,747	641,889,404	1,162,234,151

(Forward)



	Consolidated			Parent Company		
	Within One Year	Over One Year	Total	Within One Year	Over One Year	Total
Non-financial Assets						
Investments in subsidiaries, joint ventures and an associate	P-	P16,366,672	P16,366,672	P-	P19,420,719	P19,420,719
Property and equipment - net	-	9,662,507	9,662,507	-	5,671,929	5,671,929
Investment properties	-	7,126,743	7,126,743	-	7,126,743	7,126,743
Deferred tax assets	-	7,795,544	7,795,544	-	7,736,335	7,736,335
Goodwill	-	841,602	841,602	-	841,602	841,602
Intangible assets	-	8,293,772	8,293,772	-	8,279,715	8,279,715
Other assets	1,372,692	926,797	2,299,489	1,079,525	926,798	2,006,323
Total non-financial assets	1,372,692	51,013,637	52,386,329	1,079,525	50,003,841	51,083,366
	P522,284,443	P693,476,124	P1,215,760,567	P521,424,272	P691,893,245	P1,213,317,517
Less: Allowance for credit losses			18,431,476			18,396,186
Unearned discounts and deferred credits			2,569,838			2,569,838
Total Assets			P1,194,759,253			P1,192,351,493
Financial Liabilities						
Deposit liabilities	P692,022,263	P238,480,451	P930,502,714	P694,313,039	P238,480,451	P932,793,490
Financial liabilities at FVTPL	1,228,403	179,063	1,407,466	1,239,546	167,920	1,407,466
Derivatives designated as hedges	3,625,886	-	3,625,886	3,625,886	-	3,625,886
Bills payable and SSURA	6,081,463	87,522	6,168,985	3,096,463	87,522	3,183,985
Acceptances payable	564,165	76,063	640,228	640,228	-	640,228
Margin deposits and cash letters of credit	2,762,100	-	2,762,100	2,762,100	-	2,762,100
Manager's and certified checks outstanding	5,900,819	-	5,900,819	5,900,819	-	5,900,819
Notes payable	-	64,001,309	64,001,309	-	64,001,309	64,001,309
Accrued interest, taxes and other expenses	4,047,817	-	4,047,817	3,910,917	-	3,910,917
Other liabilities	16,047,683	2,153,980	18,201,663	14,637,987	2,153,980	16,791,967
Total financial liabilities	732,280,599	304,978,388	1,037,258,987	730,126,985	304,891,182	1,035,018,167
Non-financial Liabilities						
Income tax payable	48,594	-	48,594	-	-	-
Accrued interest, taxes and other expenses	1,151,834	-	1,151,834	1,127,090	-	1,127,090
Other liabilities	2,070,010	-	2,070,010	1,974,291	-	1,974,291
Total non-financial liabilities	3,270,438	-	3,270,438	3,101,381	-	3,101,381
Total Liabilities	P735,551,037	P304,978,388	P1,040,529,425	P733,228,366	P304,891,182	P1,038,119,548
December 31, 2024						
Financial Assets						
Cash and other cash items	P13,165,055	P-	P13,165,055	P13,164,915	P-	P13,164,915
Due from BSP	35,104,831	-	35,104,831	35,104,831	-	35,104,831
Due from other banks	15,371,879	-	15,371,879	15,286,901	-	15,286,901
Interbank loans receivable and SPURA	6,893,617	2,500,000	9,393,617	6,893,617	2,500,000	9,393,617
Financial assets at FVTPL:						
HFT investments	15,290,009	-	15,290,009	15,289,985	-	15,289,985
Derivative assets	1,359,666	171,731	1,531,397	1,359,666	171,731	1,531,397
Total financial assets at FVTPL	16,649,675	171,731	16,821,406	16,649,651	171,731	16,821,382
Derivatives designated as hedges	P634,928	P-	P634,928	P634,928	P-	P634,928
Financial assets at FVTOCI	14,056,968	167,779,721	181,836,689	14,590,954	167,199,444	181,790,398
Investment securities at amortized cost	13,792,830	125,007,682	138,800,512	13,792,830	125,007,682	138,800,512
Loans and receivables - at gross	336,878,629	359,434,829	696,313,458	337,947,719	359,432,277	697,379,996
Other assets	6,738,777	537,453	7,276,230	6,720,233	538,686	7,258,919
Total financial assets	459,287,189	655,431,416	1,114,718,605	460,786,579	654,849,820	1,115,636,399
Non-financial Assets						
Investments in subsidiaries, joint ventures and an associate	-	2,626,573	2,626,573	-	5,277,697	5,277,697
Property and equipment (net)	-	8,034,827	8,034,827	-	5,093,758	5,093,758
Investment properties	-	6,282,770	6,282,770	-	6,282,770	6,282,770
Deferred tax assets	-	6,259,066	6,259,066	-	6,197,321	6,197,321
Goodwill	-	841,602	841,602	-	841,602	841,602
Intangible assets	-	6,590,675	6,590,675	-	6,580,198	6,580,198
Other assets	1,365,367	989,932	2,355,299	1,116,615	989,932	2,106,547
Total non-financial assets	1,365,367	31,625,445	32,990,812	1,116,615	31,263,278	32,379,893
	460,652,556	687,056,861	1,147,709,417	461,903,194	686,113,098	1,148,016,292
Less: Allowance for credit losses			16,380,520			16,340,318
Unearned discounts and deferred credits			2,188,141			2,188,141
Total Assets			P1,129,140,756			P1,129,487,833

(Forward)



	Consolidated			Parent Company		
	Within One Year	Over One Year	Total	Within One Year	Over One Year	Total
Financial Liabilities						
Deposit liabilities	P700,197,976	P100,881,183	P801,079,159	P702,075,699	P100,881,183	P802,956,882
Financial liabilities at FVTPL	1,657,458	58,589	1,716,047	1,657,458	58,589	1,716,047
Derivatives designated as hedges	3,841,204	–	3,841,204	3,841,204	–	3,841,204
Bills payable and SSURA	88,831,938	2,347,710	91,179,648	88,734,327	2,293,655	91,027,982
Acceptances payable	1,669,868	–	1,669,868	1,669,868	–	1,669,868
Margin deposits and cash letters of credit	169,923	–	169,923	169,923	–	169,923
Manager's and certified checks outstanding	5,339,433	–	5,339,433	5,339,433	–	5,339,433
Notes payable	18,496,290	42,698,767	61,195,057	18,496,290	42,698,767	61,195,057
Accrued interest, taxes and other expenses	4,944,201	–	4,944,201	4,730,481	–	4,730,481
Other liabilities	11,978,183	1,843,512	13,821,695	11,051,264	1,740,455	12,791,719
Total financial liabilities	837,126,474	147,829,761	984,956,235	837,765,947	147,672,649	985,438,596
Non-financial Liabilities						
Income tax payable	456,396	–	456,396	411,366	–	411,366
Accrued interest, taxes and other expenses	986,925	–	986,925	959,513	–	959,513
Other liabilities	1,593,874	9,774	1,603,648	1,538,689	–	1,538,689
Total non-financial liabilities	3,037,195	9,774	3,046,969	2,909,568	–	2,909,568
Total Liabilities	P840,163,669	P147,839,535	P988,003,204	P840,675,515	P147,672,649	P988,348,164

26. Equity

As of December 31, 2025 and 2024, the Parent Company's capital stock consists of:

	Shares*	Amount
Common stock - ₱10 par value		
Authorized	1,000,000,000	₱10,000,000
Issued and outstanding		
Balance at the beginning and end of the period	753,538,887	7,535,389
Preferred stock - ₱0.10 par value		
Authorized	1,000,000,000	100,000
Issued and outstanding		
Balance at the beginning and end of the period	1,000,000,000	100,000
	1,753,538,887	₱7,635,389

*Absolute number of shares

On November 26, 2013, the Parent Company's stockholders approved and authorized the following:

1. Creation of 1.0 billion non-cumulative, non-participating, non-convertible voting Preferred Stock with par value of ₱0.1 each and issuance of approximately 602.8 million of such Preferred Stock; and
2. Increase in authorized capital stock from ₱10.0 billion to ₱10.1 billion broken down into ₱10.0 billion Common Stock and ₱100.0 million Preferred Stock.

The Preferred Stock was offered to eligible common stockholders, with each eligible stockholder entitled to subscribe to one voting preferred share for every one common stock held as of the record date, June 16, 2014.

On July 10, 2014, the Parent Company issued the first tranche of non-cumulative, non-participating, non-convertible Preferred Stock of 602,831,109 with ₱0.1 par value. The dividend rate is 3.90% repricing every 10 years.



As part of Preferred Stock features stated in the Seventh Article of the Bank's Amended Articles of Incorporation, the dividend rate will be repriced at the 10-year prevailing rate on each relevant 10th year anniversary from the issue date. On February 27, 2024, the Parent Company's BOD approved to reprice the dividend rate for the first tranche of Preferred Stock on July 10, 2024 using the 10-year PHP BVAL from 10-Year PDST-R2.

On April 1, 2016, the Parent Company issued the second tranche of non-cumulative, non-participating, non-convertible Preferred Stock of 397,168,891 with ₱0.1 par value. The dividend rate is 4.805% repricing every 10 years.

The Preferred Stock is redeemable at the sole option of the Parent Company at its issue price. Redemption shall at all times be subject to regulation of the BSP and shall require (i) prior approval of the BSP; (ii) replacement with at least an equivalent amount of newly paid-in shares; (iii) a lapse of at least five years from the date of issuance; and (iv) solvency of the Parent Company. Redemption shall not be allowed when the Parent Company is insolvent or if such redemption will cause insolvency, impairment of capital or inability of the Parent Company to meet its debts as they mature.

A sinking fund for the redemption of Preferred Shares amounting ₱100.0 million is created upon their issuance, to be effected by the transfer of free surplus to a restricted surplus account and shall not be available for dividend distribution.

Details of the Parent Company's cash dividend distribution follow:

Shares	Date of declaration	Per share	Dividend		Record date	Payment date
			Per share	Total amounts in thousands		
Common	October 28, 2025	₱1.50	₱1,130,308		November 12, 2025	November 26, 2025
Common	March 25, 2025	1.50	1,130,308		April 10, 2025	April 28, 2025
Preferred	February 25, 2025	0.0063	3,790		June 26, 2025	July 10, 2025
Preferred	February 25, 2025	0.0048	1,908		March 11, 2025	April 1, 2025
Common	October 29, 2024	1.50	1,130,308		November 13, 2024	November 27, 2024
Common	March 26, 2024	1.50	1,130,308		April 15, 2024	April 29, 2024
Preferred	February 27, 2024	0.0039	2,351		June 26, 2024	July 20, 2024
Preferred	February 27, 2024	0.0048	1,908		March 14, 2024	April 1, 2024

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 including capital adequacy requirements and other considerations such as general loan loss reserves. However, on September 17, 2015, the BSP through MB Resolution No. 1516, allowed banks to declare and pay dividends without prior BSP verification provided that pre-qualification criteria including capital adequacy requirements are met.

The track record of the Parent Company's registration of securities in compliance with the Securities Regulation Code Rule 68 Annex 68-D 1(I) follows:

a. Authorized Shares

Date of SEC Approval	Type of Shares	Authorized Number of Shares*
April 8, 2014	Preferred	1,000,000,000
November 11, 2013	Common	1,000,000,000
July 29, 1998	Common	600,000,000
February 19, 1997	Common	450,000,000
June 8, 1995	Common	200,000,000

* Absolute number of shares



b. Stock Dividends

<u>Date of BSP Approval</u>	<u>Percentage</u>
July 11, 2013	20.00%
March 29, 2011	20.00%
May 26, 1998	13.75%
April 29, 1997	20.00%
March 26, 1996	20.00%

c. Stock Rights Offering

<u>Date of SEC Approval</u>	<u>Number of shares Registered*</u>	<u>Offer Price</u>
October 8, 2009	89,285,714	₱28.00 per share
February 19, 1997	65,037,768	25.00 per share

*Absolute number of shares

d. Number of Shareholders

<u>Year End</u>	<u>Number of shareholders</u>
December 31, 2025	2,133
December 31, 2024	2,140
December 31, 2023	2,139

In the consolidated financial statements, a portion of the Group's surplus corresponding to the accumulated net (loss) earnings of the subsidiaries as of December 31, 2025 and 2024, is not available for dividend declaration. This accumulated equity in net earnings becomes available for dividend declaration upon receipt of dividends from the subsidiaries, subject also to SEC and BSP rules on dividend declaration.

Surplus reserves of the Group and the Parent Company consist of:

	<u>Consolidated</u>		<u>Parent Company</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Reserve for regulatory requirements	₱4,665,344	₱4,316,772	₱4,665,344	₱4,316,772
Reserve for self-insurance	1,049,000	1,049,000	1,049,000	1,049,000
Reserve for trust business	482,233	443,922	482,233	443,922
Reserve for redemption of preferred stock	100,000	100,000	100,000	100,000
	₱6,296,577	₱5,909,694	₱6,296,577	₱5,909,694

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans.

In compliance with existing BSP regulations, 10.0% of the net profits realized by the Parent Company from its trust business is appropriated to surplus reserve. The yearly appropriation is required until the surplus reserve for trust business equals 20.0% of the Parent Company's regulatory capital.

To comply with Securities Regulation Code Rule 49.1 (B), *Reserve Fund*, requiring broker dealers to annually appropriate a certain minimum percentage of its audited profit after tax as reserve fund, a portion of the Group's surplus corresponding to the net earnings of SBEI amounting to ₱39.6 million as of December 31, 2025 and 2024, respectively, has been appropriated in the consolidated financial statements and is not available for dividend declaration.



The following table shows the components of comprehensive income closed to Surplus:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Net income attributable to the equity holders of the Parent Company	₱11,627,592	₱11,238,428	₱9,105,438	₱11,627,592	₱11,238,428	₱9,105,438
Remeasurement losses on defined benefit plans (Notes 15 and 29)	(256,192)	(373,037)	(289,840)	(256,192)	(373,037)	(289,840)
	₱11,371,400	₱10,865,391	₱8,815,598	₱11,371,400	₱10,865,391	₱8,815,598

Capital Management

The Group considers the equity attributable to the equity holders of the Parent Company as the capital base of the Group. The primary objectives of the Group's capital management are to ensure that it complies with capital requirements and that it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities and assessment of prospective business requirements or directions. In order to maintain or adjust the capital structure, the Group may adjust the amount and mode of dividend payment to shareholders and issue capital securities. No changes were made in the objectives, policies and processes from the previous year.

The Parent Company adopted a dividend policy that is intended to support the Bank to weather the uncertainties and volatilities in the market; comply with the higher requirements of Basel III and the BSP; maintain strong credit ratings; minimize the need for capital calls in the medium-term; and provide a capital base for business expansion that will create value over the long-term for all stakeholders. In declaring dividend pay-outs, the Parent Company may use a combination of regular and special dividends such that the dividend pay-out for Common Shares generally may range from 15% to 30% of prior year's NIAT.

BSP Reporting

Regulatory Qualifying Capital

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

The Group complied with BSP Circular No. 781, *Basel III Implementing Guidelines on Minimum Capital Requirements*, which provides the implementing guidelines on the revised risk-based capital adequacy framework particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi banks, in accordance with the Basel III standards:

Common Equity Tier 1 (CET1) ratio	6.00%
Tier 1 Capital ratio	7.50%
Total Capital Adequacy Ratio (CAR)	10.00%
Capital Conservation Buffer *	2.50%

*composed of CET1 capital on top of the minimum CET1 requirement



BSP Circular No. 856 covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs are required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer.

Qualifying capital and risk-weighted assets (RWA) are computed based on BSP regulations. Under Basel III, the regulatory qualifying capital of the Parent Company consists of CET1 capital, which comprises paid-up common stock, additional paid-in capital, retained earnings including current year profit, retained earnings reserves, OCI and non-controlling interest less required regulatory deductions. The other component of regulatory capital is Tier 2 (supplementary) capital, which includes unsecured subordinated debts and general loan loss provision. RWA consist of total assets excluding cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board (MB) of the BSP. Operational RWA are computed using the Basic Indicator Approach.

The CAR of the Group and of the Parent Company as reported to the BSP as of December 31, 2025 and 2024 follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Tier 1 Capital	₱146,476,787	₱133,912,658	₱146,476,787	₱133,912,658
Less Required deductions	33,516,266	16,772,596	36,482,369	21,229,304
	112,960,521	117,140,062	109,994,418	112,683,354
Excess from Tier 2 deducted to Tier 1 Capital*	-	-	-	-
Net Tier 1 Capital	112,960,521	117,140,062	109,994,418	112,683,354
Tier 2 Capital	8,126,319	8,082,249	8,072,718	8,036,447
Less: Required deductions	-	-	-	-
	8,126,319	8,082,249	8,072,718	8,036,447
Excess of Tier 2 deducted to Tier 1 Capital*	-	-	-	-
Net Tier 2 Capital	8,126,319	8,082,249	8,072,718	8,036,447
Total Qualifying Capital	₱121,086,840	₱125,222,311	₱118,067,136	₱120,719,801
Credit Risk-Weighted Assets	₱811,581,858	₱807,873,956	₱806,168,120	₱803,248,038
Market Risk-Weighted Assets	24,199,482	28,416,794	24,241,080	28,457,779
Operational Risk-Weighted Assets	80,693,429	68,800,686	78,376,305	66,696,502
Total Risk Weighted Assets	₱916,474,769	₱905,091,436	₱908,785,505	₱898,402,319
CET 1 Ratio	12.33%	12.94%	12.10%	12.54%
Tier 1 CAR	12.33%	12.94%	12.10%	12.54%
Total CAR	13.21%	13.84%	12.99%	13.44%

*Deductions to Tier 2 Capital are capped at its total gross amount and any excess shall be deducted from Tier 1 Capital.

The Group and its individually regulated operations have complied with all regulatory capital requirements throughout the year.

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



Basel III Leverage Ratio (BLR)

BSP Circular Nos. 881 and 990 cover the implementing guidelines on the BLR framework designed to act as a supplementary measure to the risk based capital requirements and shall not be less than 5.00%.

The details of the BLR as reported to the BSP, as of December 31, 2025 and 2024 follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Tier 1 Capital	₱112,960,521	₱117,140,062	₱109,994,418	₱112,683,354
Exposure Measure	1,632,168,031	1,508,781,507	1,626,788,759	1,504,167,424
BLR	6.92%	7.76%	6.76%	7.49%

Under the framework, BLR is defined as the capital measure divided by the exposure measure. Capital measure is Tier 1 capital. Exposure measure is the sum of on balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items.

Liquidity Coverage Ratio (LCR)

BSP Circular No. 905 provides the implementing guidelines on LCR and disclosure standards that are consistent with the Basel III framework. The LCR is aimed to promote short-term resilience against liquidity risk by requiring banks to maintain an adequate stock of unencumbered high-quality liquid assets (HQLAs) that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. Bank shall maintain an LCR not be lower than 100.00%. As of December 31, 2025 and 2024, the LCR in single currency as reported to the BSP, was at 200.46% and 178.30%, respectively, for the Group, and 199.71% and 177.72%, respectively, for the Parent Company.

Net Stable Funding Ratio (NSFR)

On June 6, 2018, the BSP issued BSP Circular No.1007 covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards NSFR. The NSFR is aimed to promote long term resilience against liquidity risk by requiring banks to maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. It complements the LCR, which promotes short term resilience of a bank's liquidity profile. Banks shall maintain an NSFR of at least 100% at all times. As of December 31, 2025 and 2024, the NSFR as reported to the BSP, was at 145.93% and 130.44%, respectively, for the Group, and 146.63% and 130.82%, respectively, for the Parent Company.

27. Trust Operations

Securities and other properties held by the Parent Company in a fiduciary or agency capacity for clients and beneficiaries are not included in the accompanying statements of financial position since these are not assets of the Parent Company.

As of December 31, 2025 and 2024, government securities included under 'Financial Assets at Fair Value through Other Comprehensive Income' with a total face value of ₱1.9 billion and ₱1.5 billion, respectively, were deposited with the BSP in compliance with the requirements of the General Banking Law relative to the Parent Company's trust functions (see Note 12).



28. Income Taxes

Provision for income tax consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Current:						
Final	₱2,928,561	₱2,088,926	₱1,474,423	₱2,924,404	₱2,073,776	₱1,461,382
Corporate - RCIT	2,100,000	1,981,131	2,597,632	1,974,277	1,905,251	2,539,043
Corporate - MCIT	6,444	1,376	6,015	3,267	–	–
	5,035,005	4,071,433	4,078,070	4,901,948	3,979,027	4,000,425
Deferred	(1,817,244)	(69,570)	(1,124,595)	(1,815,884)	(48,970)	(1,110,715)
	₱3,217,761	₱4,001,863	₱2,953,475	₱3,086,064	₱3,930,057	₱2,889,710

The Group's provision for income tax - current represents final tax, RCIT of the Parent Company's RBU, SBCIC, and SBRC, and MCIT of the Parent Company's FCDU, SBEI, SBCC, and SFLI.

Under Philippine tax laws, the Parent Company and its financial intermediary subsidiaries are subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of documentary stamp tax and gross receipts tax.

RA No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law on March 26, 2021. It took effect on April 11, 2021 and provides that the RCIT rate shall be 25.0%. Interest expense allowed as a deductible expense is reduced by 20.0%.

Minimum corporate income tax (MCIT) rate reduced from 2.0% to 1.0% of gross income effective July 1, 2020 to June 30, 2023, then will revert to 2.0% effective July 1, 2023. Accordingly, the rate of minimum corporate income tax (MCIT) is 2.0% for CY's 2025 and 2024, and 1.5% for CY 2023.

RA No. 9294, which became effective in May 2004, provides that the income derived by the FCDU from foreign currency transactions with non-residents, offshore banking units (OBUs), and local commercial banks, including branches of foreign banks, is tax-exempt while interest income on foreign currency-denominated loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.0% income tax.

Components of net deferred tax assets follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Deferred tax assets on:				
Allowance for credit and impairment losses	₱4,625,245	₱4,118,020	₱4,615,498	₱4,107,143
Unrealized loss on derivative liabilities	797,847	788,337	797,847	788,337
Deferred revenue	661,833	71,411	661,833	71,411
Lease liability	535,561	404,642	534,837	403,663
Unrealized loss on cash flow hedge at FVTOCI	399,439	532,379	399,439	532,379
Accrued expenses	314,781	239,768	311,874	236,836
Unrealized loss on investment properties	235,091	142,707	235,091	142,707
Accumulated depreciation on investment properties	309,365	227,621	309,365	227,621
Unamortized past service cost	213,657	178,119	211,152	174,629

(Forward)



	Consolidated		Parent Company	
	2025	2024	2025	2024
Undrawn commitments	₱264,177	₱182,930	₱264,177	₱182,930
Unrealized loss on investment in debt securities	43,547	177,825	43,547	177,825
Others	421,550	177,582	372,507	130,156
	8,822,093	7,241,341	8,757,167	7,175,637
Deferred tax liabilities on:				
Right-of-use asset	548,419	423,924	547,456	422,937
Unrealized gain on derivative assets	402,699	480,198	402,699	480,198
Unrealized gain on equity securities	72,980	75,654	70,677	75,181
Accrued rent income	2,026	2,131	-	-
Retirement asset	425	368	-	-
	1,026,549	982,275	1,020,832	978,316
Net deferred tax assets	₱7,795,544	₱6,259,066	₱7,736,335	₱6,197,321

Movement in net deferred tax assets of the Group in 2025 and 2024 charged against statements of comprehensive income amounted to ₱277.7 million and (₱632.8) million, respectively.

Movement in net deferred tax assets of the Parent Company in 2025 and 2024 charged against statements of comprehensive income amounted to ₱276.9 million and (₱484.2) million, respectively.

As of December 31, 2025 and 2024, deferred tax assets of the Group and Parent-FCDU have not been recognized in respect of the deductible temporary differences as follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
NOLCO	₱389,856	₱520,628	₱389,570	₱519,037
MCIT	9,320	6,052	9,315	6,048
Allowance for credit and impairment losses	95	95	-	-
	₱399,271	₱526,775	₱398,885	₱525,085

Details of the MCIT credits follow:

Consolidated				
Inception Year	Amount	Used/Expired	Balance	Expiry Year
2022	₱1	₱-	₱1	2025
2023	1,866	-	1,866	2026
2024	7,425	-	7,425	2027
2025	6,444	-	6,444	2028
	₱15,736	₱-	₱15,736	
Parent – FCDU				
Inception Year	Amount	Used/Expired	Balance	Expiry Year
2024	₱6,048	₱-	₱6,048	2027
2025	3,267	-	3,267	2028
	₱9,315	₱-	₱9,315	

On September 30, 2020, the Bureau of Internal Revenue (BIR) issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of Bayanihan to Recover as One Act which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five consecutive taxable years immediately following the year of such loss.



As of December 31, 2025, the Group have available NOLCO which can be claimed as deduction from the regular taxable income for the next three consecutive taxable years immediately following the year of such loss. Details are as follows:

Consolidated				
Inception Year	Amount	Used/Expired	Balance	Expiry Year
2023	₱717,940	₱303,347	₱414,593	2026
2024	45,691	-	45,691	2027
	₱763,631	₱303,347	₱460,284	

Parent				
Inception Year	Amount	Used	Balance	Expiry Year
2023	₱692,883	₱303,313	₱389,570	2026

As of December 31, 2025, the Subsidiaries have incurred NOLCO in taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five consecutive taxable years pursuant to Bayanihan 2, as follows:

Inception Year	Amount	Used	Balance	Expiry Year
2021	1,016	730	286	2026

A reconciliation between the applicable statutory income tax rate to the effective income tax rate as follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Statutory income tax rate	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Tax effect of:						
FCDU net loss	0.15%	3.37%	4.48%	0.15%	3.38%	4.50%
Non-deductible expenses	5.23%	3.76%	-0.18%	5.36%	3.79%	0.18%
Interest income from tax-paid and exempt investments	-4.58%	-3.63%	-0.69%	-4.42%	-3.58%	-0.49%
Change in deferred tax assets	-0.15%	-0.38%	-2.35%	-0.16%	-0.34%	-2.16%
Non-taxable income	-3.97%	-1.86%	-1.78%	-4.96%	-2.34%	-2.93%
Effective income tax rate	21.68%	26.26%	24.48%	20.97%	25.91%	24.10%

29. Pension Obligations

The Group provides non-contributory defined benefit pension plans for all employees. Provisions for pension obligations are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employees' final compensation. The most recent actuarial valuation was carried out as of December 31, 2025. The present value of the defined benefit obligation, and the related current service cost and past service cost were measured using the projected unit credit actuarial method.

Effective December 31, 2024, the Parent Company amended its retirement plan by changing the retirement age from 55 to 60 years old. This update applies to all eligible employees retiring on or after December 31, 2024.



The amounts of defined benefit plans are presented in the statements of financial position as follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Other assets (Note 18)	(P1,701)	(P1,473)	P-	P-
Accrued interest, taxes and other expenses (Note 23)	259,813	525,482	254,262	520,618
Net pension liability	P258,112	P524,009	P254,262	P520,618

Changes in net defined benefit liability of the Group and the Parent Company in 2025 and 2024 are as follows:

	Consolidated		
	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability (Asset)
December 31, 2025			
Balance at beginning of year	P5,477,556	(P4,953,547)	P524,009
Net Benefit Cost in Statements of Income			
Current service cost	580,447	-	580,447
Past service cost	-	-	-
Net interest	332,489	(300,664)	31,825
	912,936	(300,664)	612,272
Benefits paid	(323,942)	323,942	-
Remeasurement in Other Comprehensive Income			
Return on plan assets (excluding amount included in net interest)	-	149,828	149,828
Actuarial changes arising from changes in demographic assumptions	187,305	-	187,305
Actuarial changes arising from experience adjustments	15,166	-	15,166
Actuarial changes arising from changes in financial assumptions	(94,703)	-	(94,703)
	107,768	149,828	257,596
Contributions paid	-	(1,135,765)	(1,135,765)
Balance at end of year	P6,174,318	(P5,916,206)	P258,112

	Consolidated		
	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability (Asset)
December 31, 2024			
Balance at beginning of year	P4,423,177	(P4,135,441)	P287,736
Net Benefit Cost in Statements of Income			
Current service cost	440,398	-	440,398
Past service cost	90,519	-	90,519
Net interest	268,053	(250,617)	17,436
	798,970	(250,617)	548,353
Benefits paid	(286,580)	286,580	-
Remeasurement in Other Comprehensive Income			
Return on plan assets (excluding amount included in net interest)	-	(169,320)	(169,320)
Actuarial changes arising from experience adjustments	137,400	-	137,400
Actuarial changes arising from changes in financial assumptions	404,589	-	404,589
	541,989	(169,320)	372,669
Contributions paid	-	(684,749)	(684,749)
Balance at end of year	P5,477,556	(P4,953,547)	P524,009



	Parent Company		
	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability (Asset)
December 31, 2025			
Balance at beginning of year	₱5,417,511	(₱4,896,893)	₱520,618
Net benefit cost in statements of income			
Current service cost	573,831	–	573,831
Past service cost	–	–	–
Net interest	328,843	(297,242)	31,601
	902,674	(297,242)	605,432
Benefits paid	(317,539)	317,539	–
Remeasurement in other comprehensive income			
Return on plan assets (excluding amount included in net interest)	–	148,295	148,295
Actuarial changes arising from changes in financial assumptions	187,306	–	187,306
Actuarial changes arising from experience adjustments	12,564	–	12,564
Actuarial changes arising from changes in financial assumptions	(93,902)	–	(93,902)
	105,968	148,295	254,263
Contributions paid	–	(1,126,051)	(1,126,051)
Balance at end of year	₱6,108,614	(₱5,854,352)	₱254,262

	Parent Company		
	Present Value of DBO	Fair Value of Plan Assets	Net Retirement Liability (Asset)
December 31, 2024			
Balance at beginning of year	₱4,374,171	(₱4,084,542)	₱289,629
Net benefit cost in statements of income			
Current service cost	435,591	–	435,591
Past service cost	90,519	–	90,519
Net interest	265,075	(247,524)	17,551
	791,185	(247,524)	543,661
Benefits paid	(286,580)	286,580	–
Remeasurement in other comprehensive income			
Return on plan assets (excluding amount included in net interest)	–	(169,285)	(169,285)
Actuarial changes arising from experience adjustments	137,912	–	137,912
Actuarial changes arising from changes in financial assumptions	400,823	–	400,823
	538,735	(169,285)	369,450
Contributions paid	–	(682,122)	(682,122)
Balance at end of year	₱5,417,511	(₱4,896,893)	₱520,618

The fair value of plan assets by each class as at the end of the reporting period follow:

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Debt instruments:								
Government Securities	₱2,481,282		₱2,169,707		₱2,455,060		₱2,139,605	
High Grade	381,748		329,737		374,649		320,932	
	2,863,030	48.2	2,499,444	50.1	2,829,709	48.0	2,460,537	49.8
Equity instruments:								
Financial intermediaries	1,544,599		1,425,872		1,543,339		1,424,630	
Real estate	355,512		208,626		355,512		208,626	
Power, electricity and water distribution	377,312		156,028		376,314		154,978	
Transport, storage and communication	387,719		242,139		387,719		242,139	

(Forward)



	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Manufacturing	₱61,100		₱38,304		₱61,100		₱38,304	
Wholesale/Retail trade	29,279		–		29,279		–	
Others	39,883		140,395		39,883		140,395	
	2,795,404	46.9	2,211,364	44.3	2,793,146	47.4	2,209,072	44.8
Deposits in banks	78,294	1.3	36,805	0.7	61,226	1.0	31,278	0.6
Investments in Unit Investment								
Trust Funds	8,839	0.1	54,011	1.1	–	–	45,000	0.9
Loans and other receivables:								
Government Securities	46,758		40,650		46,362		40,228	
High Grade	4,036		3,520		3,979		3,459	
Not rated	159,363		147,230		159,267		146,656	
	210,157	3.5	191,400	3.8	209,608	3.6	190,343	3.9
Total fund asset	5,955,724	100	4,993,024	100	5,893,689	100	4,936,230	100
Total fund liability	(39,518)		(39,477)		(39,337)		(39,337)	
Net fund asset	₱5,916,206		₱4,953,547		₱5,854,352		₱4,896,893	

All equity and debt instruments held have quoted prices in an active market. The remaining plan assets do not have quoted market prices in active market. The plan assets consist of diverse investments and is not exposed to any concentration risk.

The principal actuarial assumptions used in determining retirement liability of the Parent Company and some of its subsidiaries as of January 1, 2025 and 2024 are shown below:

	2025			2024		
	Average Duration of Benefit Payments	Salary Rate Increase	Discount Rate	Average Duration of Benefit Payments	Salary Rate Increase	Discount Rate
Parent Company	17	7%	6.07%	17	6%	6.06%
SBCIC	16	7%	6.07%	17	6%	6.08%
SBEI	16	7%	6.07%	17	6%	6.07%
SBRC	19	7%	6.09%	19	6%	6.10%

Discount rates used in computing for the present value of the obligation of the Parent Company and significant subsidiaries as of December 31, 2025 and 2024 follow:

	Parent Company	SBCIC	SBEI	SBRC
2025	6.26%	6.25%	6.22%	6.37%
2024	6.07%	6.07%	6.07%	6.09%

The sensitivity analysis as of December 31, 2025 shown below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Consolidated		Parent Company	
	Increase (decrease)	Amount	Increase (decrease)	Amount
Discount rates	1.00% (1.00%)	(₱528,186) 829,453	1.00% (1.00%)	(₱524,216) 824,616
Turnover rate	10.00% (10.00%)	269,773 (269,773)	10.00% (10.00%)	269,394 (269,394)
Future salary increases	1.00% (1.00%)	811,261 (530,378)	1.00% (1.00%)	806,600 (526,386)



Shown below is the maturity analysis of the undiscounted benefit payments:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Less than 1 year	₱588,921	₱662,439	₱572,412	₱644,578
More than 1 year to 5 years	2,231,586	2,357,795	2,209,383	2,340,830
More than 5 years to 10 years	4,655,632	4,350,179	4,612,321	4,307,461
More than 10 years to 15 years	4,787,259	4,647,741	4,737,703	4,595,292
More than 15 years to 20 years	28,554,038	18,155,247	28,164,396	17,825,092
Total	₱40,817,436	₱30,173,401	₱40,296,215	₱29,713,253

There are no reimbursement rights recognized as a separate asset as of December 31, 2025 and 2024. The Group and Parent Company expect to contribute to the defined benefit retirement plans the required funding for normal cost in 2025 amounting to ₱899.5 million and ₱887.9 million, respectively.

30. Service Charges, Fees and Commissions

This account consists of service charges, fees and commissions on:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Credit cards	₱3,614,934	₱2,948,248	₱2,237,897	₱3,614,934	2,948,248	₱2,237,897
Bancassurance	1,724,419	2,656,364	916,901	1,724,419	2,656,364	916,901
Loans	1,213,048	1,288,442	924,122	1,213,048	1,288,442	924,122
Remittance	757,733	596,319	483,211	757,733	596,319	483,211
Deposits	713,281	780,166	811,844	713,281	780,166	811,844
Advisory	503,373	358,280	340,477	–	–	–
Stock brokerage	128,321	160,074	229,724	19,961	12,816	12,271
Miscellaneous	210,428	132,783	123,816	210,427	132,783	123,816
	₱8,865,537	₱8,920,676	₱6,067,992	₱8,253,803	₱8,415,138	₱5,510,062

In 2014, the Parent Company entered into a distribution agreement with FWD for the marketing of FWD's life insurance products through the Parent Company's marketing and distribution network. The distribution agreement was approved by the BSP on December 22, 2014 under Monetary Board Resolution No. 2073, through its letter to the Parent Company dated January 7, 2015, and by the Insurance Commission (IC) on January 12, 2015. The term of the distribution agreement shall not be less than 11 years but no longer than 19 years. Effective March 26, 2024, the Parent Company and FWD entered into an amendment to the distribution agreement stipulating, among others, the deletion of the termination fee provision requiring a refund by the Parent Company to FWD of a portion of the subsequent milestone fee if the agreement is terminated prior to the end of its term and there is a resulting shortfall from the total annual new premiums target. In 2024, the Parent Company received a milestone fee amounting to ₱1.4 billion and recognized the same as part of bancassurance revenues.

On December 11, 2024, the Parent Company and FWD executed an amended and restated distribution agreement (ARDA) which stipulates, among others, that the term of the agreement shall end no earlier than December 31, 2036 but no later than December 31, 2043. The Parent Company notified the BSP on December 17, 2024. The IC subsequently issued its approval of the ARDA in March 2025 as part of FWD governance.



Bancassurance revenues include recognized portion of access fees, recognized portion of milestone fees, commissions and bonuses from the Bancassurance agreement. The Parent Company may also receive milestone fees and performance bonuses over the term of the agreement.

In June 2025, the Parent Company received a negotiation bonus pursuant to the ARDA. In accordance with PFRS 15, the amount was initially recognized as Deferred revenue under Other Liabilities (see Note 24) and is being recognized as revenue on a straight-line basis. A portion of the negotiation bonus relating to services rendered has been recognized as income for the year.

Miscellaneous include service charges on bills payment amounting to ₱75.2 million, ₱35.8 million and ₱33.5 million, for the period ended December 31, 2025, 2024 and 2023, respectively and service fees on insurance amounting to ₱133.0 million, ₱90.9 million and ₱92.1 million, for the period ended December 31, 2025, 2024 and 2023.

31. Miscellaneous Income and Expense

Miscellaneous income consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Recovery on charged-off assets	₱1,328,084	₱1,267,181	₱1,261,748	₱1,326,049	₱1,263,378	₱1,258,469
Income from trust operations	383,111	311,115	291,047	383,111	311,116	291,047
Dividend income	1,863	3,165	3,395	–	1,382	1,612
Miscellaneous (Note 32)	741,976	315,430	305,268	681,132	249,994	244,398
	₱2,455,034	₱1,896,891	₱1,861,458	₱2,390,292	₱1,825,870	₱1,795,526

Miscellaneous expenses consist of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Management and other professional fees	₱5,327,676	₱3,884,908	₱3,257,176	₱5,279,015	₱3,725,846	₱3,061,054
Repairs and maintenance	3,215,961	2,657,584	1,691,047	3,211,630	2,649,094	1,687,035
Insurance	1,954,102	1,568,400	1,405,505	1,942,296	1,562,851	1,399,792
Security, clerical, messengerial and janitorial services	1,346,532	1,184,177	962,878	1,342,318	1,180,575	959,321
Advertising and publicity	1,147,137	1,562,482	907,045	1,142,687	1,561,347	905,570
Entertainment, amusement and recreation (Note 28)	967,197	745,475	633,629	961,297	739,855	628,561
Litigation/assets acquired expenses	419,134	421,575	388,085	419,134	421,575	388,085
Postage, telephone and cables and telegrams	405,621	408,971	373,885	386,521	388,654	357,106
Banking fees	381,206	290,114	285,419	381,206	290,114	285,419
Donations and charitable contributions	276,149	277,952	246,079	276,149	277,952	246,079
Information technology	257,012	190,478	185,094	257,012	190,478	185,094
Stationery and supplies used	114,389	232,972	144,217	113,860	232,621	143,925
Brokerage fees	63,181	47,862	30,435	63,181	47,862	30,435
Miscellaneous	1,216,495	885,935	266,488	1,150,720	835,261	221,929
	₱17,091,792	₱14,358,885	₱10,776,982	₱16,927,026	₱14,104,085	₱10,499,405



Miscellaneous expense includes travelling expenses amounting to ₱175.7 million, ₱168.8 million, ₱119.2 million for the Group and ₱174.5 million, ₱167.9 million, ₱118.5 million for the Parent Company and athletics and other events amounting to ₱162.2 million, ₱120.9 million, ₱83.7 million for the Group and ₱162.2 million, ₱120.9 million, ₱83.7 million for the Parent Company for the years ended December 31, 2025, 2024 and 2023, respectively. It also includes freight expenses amounting to ₱124.8 million, ₱156.0 million, ₱130.1 million for the Group and Parent Company, and fuel and lubricants amounting to ₱55.9 million, ₱54.1 million, ₱49.9 million for the Group and ₱55.3 million, ₱53.4 million, ₱49.1 million for the Parent Company for the years ended December 31, 2025, 2024, and 2023, respectively.

32. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group's related parties include:

- Key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members;
- Subsidiaries, joint ventures and associates and their respective subsidiaries; and
- Entities under the same group (other affiliates); and
- Post-employment benefit plans for the benefit of the Groups employees

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 and are usually settled in cash. These transactions also did not involve more than the normal risk of collectability or present other unfavorable conditions.

Transactions of the Parent Company with Subsidiaries

December 31, 2025			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Loans and receivables		₱-	Long term, unsecured, with interest ranging from 2.75% to 7.15%
Grants	₱2,717,000		
Settlements	4,603,333		
Accounts receivable	-	8,227	On demand, unsecured, non-interest bearing
Deposit liabilities		2,290,775	Earns interest at the respective bank deposit rates
Deposits	191,681,060		
Withdrawals	190,810,041		
Accrued interest payable	107	-	Interest expense and accrued interest payable
Rent income	2,532		Lease of office spaces for periods ranging from 1 to 5 years
Rent expense	3,770		Lease of office spaces for periods ranging from 1 to 5 years
Other assets		3,278	Security deposits



December 31, 2024

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Loans and receivables		₱1,886,333	Long term, unsecured, with interest ranging from 2.75% to 7.15%
Grants	₱2,523,000		
Settlements	2,545,778		
Accrued interest receivable	–	6,149	Interest income and accrued interest receivable
Accounts receivable	–	6,492	On demand, unsecured, non-interest bearing
Deposit liabilities		1,897,723	Earns interest at the respective bank deposit rates
Deposits	128,603,682		
Withdrawals	128,522,563		
Accrued interest payable	107	–	Interest expense and accrued interest payable
Rent income	6,093		Lease of office spaces for periods ranging from 1 to 5 years
Rent expense	3,950		Lease of office spaces for periods ranging from 1 to 5 years
Other assets		3,502	Security deposits
Other liability		911	Security deposits

Accounts receivable from subsidiaries pertains to expenses paid by the Parent Company, which were later billed for reimbursement. Accounts payable to SBCC pertains to collections received from credit cardholders on behalf of the Parent Company.

The Parent Company has lease agreements with some of its subsidiaries for periods ranging from one to five years. The lease agreements include the share of the subsidiaries in the maintenance of the building.

The foregoing transactions were eliminated in the consolidated financial statements of the Group. Other related party transactions conducted in the normal course of business includes the following, as detailed in the Memorandum of Agreement (MOA) between the Parent Company and its subsidiaries:

- Human resource related services
- Finance, accounting and tax services including audit
- Collection services (for legal action)
- Preparation of reports
- Processing of credit application (for property appraisal and credit information)
- Legal documentation
- Risk and compliance services
- Corporate secretarial services
- Information technology related service
- General services

Service fees charged to SBRC, SBCIC and SBEI pertaining to the above services amounted to ₱53.3 million in 2025, ₱42.8 million in 2024 and ₱39.3 million in 2023. The Parent Company has not charged expenses to the other subsidiaries since the levels of their operations remain low.



Transaction of the Group with the Joint Ventures

December 31, 2025			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Receivables purchased	₱312,398		Assignment of rights on a without recourse basis
Collection Fee		₱1,017	Collection fee expense and prepaid collection fee, equivalent to 0.2% or 0.25% of the selling price of the lease receivables amortized over the lease term
Sale of loans			Sale of loans on a without recourse basis
Loans receivable:		-	2 to 3-year term; earns 3.5% to 6.25% interest
Grants	35,000		
Settlement	696,833		
Accrued interest receivable	3,769		Interest income and accrued interest receivable
Accounts receivable		91,863	Expenses advanced by the Parent Company and outstanding accounts payable (on demand, unsecured, non-interest bearing)
Deposit liabilities:		577,946	Earns interest at the respective bank deposit rates
Deposits	42,786,170		
Withdrawals	42,591,877		
Accrued interest payable	1,139		Interest expense and accrued interest payable
Other assets		5,149	Security deposits
Other liability		624	Security deposits
December 31, 2024			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Receivables purchased	₱492,823		Assignment of rights on a without recourse basis
Collection Fee		₱1,445	Collection fee expense and prepaid collection fee, equivalent to 0.2% or 0.25% of the selling price of the lease receivables amortized over the lease term
Sale of loans			Sale of loans on a without recourse basis
Loans receivable:		661,833	2 to 3-year term; earns 3.5% to 6.25% interest
Grants	2,118,000		
Settlement	2,417,167		
Accrued interest receivable	32,711	1,566	Interest income and accrued interest receivable
Accounts receivable		2,348	Expenses advanced by the Parent Company and outstanding accounts payable (on demand, unsecured, non-interest bearing)
Deposit liabilities:		410,869	Earns interest at the respective bank deposit rates
Deposits	39,322,047		
Withdrawals	39,561,411		
Accrued interest payable	1,789		Interest expense and accrued interest payable

In 2025, 2024 and 2023, SBML sold various loans and lease receivables to the Parent Company with carrying amounts of ₱294.6 million, ₱476.0 million, ₱665.0 million, respectively, and realized gains amounting to ₱16.7 million, ₱15.7 million and ₱25.3 million, respectively.

The Parent Company's proportionate share in the gain on sale of lease receivables was eliminated in the consolidated financial statements of the Group.

Service fees charged to MMFP, SBF and SBML amounting to ₱520.0 million in 2025, ₱124.9 million in 2024 and ₱134.6 million in 2023.



Transactions of the Parent Company with Other Affiliates

December 31, 2025			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Due from other banks		\$179	Earns interest at the respective bank deposit rates
Deposits	\$23,886		
Withdrawals	24,507		
Due from other banks		¥5,072,510	Earns interest at the respective bank deposit rates
Deposits	¥2,559,617,748		
Withdrawals	2,557,341,900		
Accounts receivable		₱1,715	Unsecured, noninterest bearing
Loans and receivable		\$-	Unsecured, noninterest bearing
Accrued interest receivable	-		Interest income and accrued interest receivable
Deposit liabilities		₱1,038	Earns interest at the respective bank deposit rates
Deposits	₱483		
Withdrawals	442		
Deposit liabilities		₱2,693,422	Earns interest at the respective bank deposit rates
Deposits	₱11,533,440		
Withdrawals	11,497,263		
Loans and Payable		\$-	Unsecured, noninterest bearing
Accrued interest payable	-	-	Interest expense and accrued
December 31, 2024			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Due from other banks		\$800	Earns interest at the respective bank deposit rates
Deposits	\$29,150		
Withdrawals	28,386		
Due from other banks		¥2,796,662	Earns interest at the respective bank deposit rates
Deposits	¥4,812,103,519		
Withdrawals	4,809,738,456		
Accounts receivable		₱846	Unsecured, noninterest bearing
Loans and receivable		\$-	Unsecured, noninterest bearing
Accrued interest receivable	-		Interest income and accrued interest receivable
Deposit liabilities		₱997	Earns interest at the respective bank deposit rates
Deposits	₱417		
Withdrawals	300		
Deposit liabilities		₱2,657,245	Earns interest at the respective bank deposit rates
Deposits	₱17,102,601		
Withdrawals	15,827,084		
Loans and Payable		\$-	Unsecured, noninterest bearing
Accrued interest payable	-	-	Interest expense and accrued

Transaction of the Group with another Related Party

As part of the Group's continuing support for worthwhile education and livelihood projects, it has made donations to SB Foundation, Inc. (SB Foundation), a non-stock, non-profit organization registered with the SEC and accredited by the Philippine Council for Non-Governmental Organization, as follows:

Donor	2025	2024
Parent Company	₱234,950	₱230,351

The Parent Company also recognized trust fees amounting to ₱0.5 million and ₱0.4 million in 2025 and 2024 for acting as the Investment Manager of SB Foundation's fund.



Transactions of the Group with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The Group considers senior officers to constitute key management personnel.

Consolidated			
December 31, 2025			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Deposit liabilities	(P38,259)	P87,774	Earns interest at respective bank deposit rates

Consolidated			
December 31, 2024			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Deposit liabilities	(P159,510)	P126,033	Earns interest at respective bank deposit rates

Parent Company			
December 31, 2025			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Deposit liabilities	(P38,752)	P86,381	Earns interest at respective bank deposit rates

Parent Company			
December 31, 2024			
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/ Nature
Deposit liabilities	(P159,389)	P125,133	Earns interest at respective bank deposit rates

Compensation of key management personnel follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Salaries and other short-term benefits	P432,428	P425,305	P420,530	P394,331	P388,926	P382,732
Post-employment benefits	38,867	32,762	15,935	38,867	32,762	15,935
	P471,295	P458,067	P436,465	P433,198	P421,688	P398,667

There are no agreements between the Group and any of its directors and key officers providing for benefits upon termination of employment, except for such benefits to which they may be entitled under the Group's retirement plan.

Transactions of the Group 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 its retirement plans pursuant to which it provides trust and management services to these plans. Income earned by the Parent Company from such services amounted to P12.5 million and P10.9 million in 2025 and 2024, respectively.

As of December 31, 2025 and 2024, the fair values of the plan assets of the Parent Company and some of its subsidiaries in the retirement funds amounted to P6.0 billion and P5.0 billion, respectively.



Relevant information on statements of financial position of carrying values of the Group and the Parent Company's retirement funds:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Debt instruments	₱2,863,030	₱2,499,444	₱2,829,709	₱2,460,537
Equity instruments	2,795,404	2,211,364	2,793,146	2,209,072
Loans and other receivables	210,157	191,400	209,608	190,343
Deposits in banks	78,294	36,805	61,226	31,278
Investments in Unit Investment Trust Funds	8,839	54,011	-	45,000
Total Fund Assets	₱5,955,724	₱4,993,024	₱5,893,689	₱4,936,230
Total Fund Liability	₱39,518	₱39,477	₱39,337	₱39,337

Debt instruments include government and private securities.

The Group's retirement funds may hold or trade the Parent Company's shares or securities. Significant transactions of the retirement fund, particularly with related parties, are approved by the Parent Company's Employees Retirement Plan Board of Trustees. A summary of transactions with related party retirement plans follows (*amounts in thousands except number of shares and market value per share*):

	Consolidated		Parent Company	
	2025	2024	2025	2024
Dividend income	₱97,689	₱86,872	₱97,552	₱86,786
Number of Parent Company's shares held by plan - common	4,334,240	4,523,120	4,334,240	4,523,120
Number of Parent Company's shares held by plan - preferred	2,060,400	2,060,400	2,060,400	2,060,400
Market value per common share	₱65.65	₱87.00	₱65.65	₱87.00
Market value of common shares	₱284,542,856	₱393,511,440	₱284,542,856	₱393,511,440

Voting rights over the Parent Company's shares are exercised by an authorized trust officer.

33. Long-term Leases

The Group has entered into commercial property leases with various tenants on its investment property portfolio and part of its bank premises, consisting of the Group's surplus offices and real properties acquired. These non-cancellable leases have remaining lease terms of between one and five years as of December 31, 2025 and 2024. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.0%. Rent income from long-term leases (included in 'Rent income' in the statements of income) amounted to ₱1.4 billion in 2025, ₱0.9 billion in 2024 and ₱0.7 billion in 2023 for the Group, of which, ₱92.8 million in 2025, ₱49.9 million in 2024 and ₱39.5 million in 2023 pertain to the Parent Company (see Note 17).

Future minimum rental receivable under non-cancellable operating leases follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Within one year	₱1,313,636	₱894,351	₱11,318	₱11,642
After one year but not more than five years	2,704,840	930,825	11,879	9,804
	₱4,018,476	₱1,825,176	₱23,197	₱21,446



The Parent Company leases the premises occupied by some of its branches (about 13.0% of the branch sites are Parent Company-owned). Some of its subsidiaries also lease the premises occupied by their head offices and most of their branches. The lease contracts are for periods ranging from one to 15 years and are renewable at the Parent Company's option under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.0%.

34. Commitments and Contingent Liabilities

In the normal course of operations of the Group, there are outstanding commitments and contingent liabilities and bank guarantees that are not reflected in the financial statements. The Group does not anticipate losses that will materially affect its financial position and financial performance as a result of these transactions.

There are several suits, claims and assessments that remain unsettled. Management believes, based on the opinion of its legal counsels, that the ultimate outcome of such cases and claims will not have a material effect on the Group's financial position and financial performance.

Regulatory Reporting

The following is a summary of the Group's and of the Parent Company's commitments and contingent liabilities at their equivalent peso contractual amounts:

	2025	2024
Derivatives	₱667,648,797	₱494,307,206
Trust department accounts	179,204,549	154,149,291
Unutilized credit limit of credit cardholders	166,820,860	146,113,130
Committed loan line	95,904,296	57,334,282
Unused commercial letters of credit	87,185,573	81,482,183
Spot foreign exchange contracts	4,882,997	17,934,128
Inward bills for collection	451,815	3,644,846
Late deposit/payment received	406,746	568,291
Outward bills for collection	192,513	265,777
Financial guarantees with commitment	89,218	111,499
Outstanding guarantees	-	866,900
Others	82	84

Changes in allowance for credit losses on financial guarantees, loan and other commitments of the Group and Parent Company follow (see Note 24):

	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at January 1, 2025	₱612,704	₱124,601	₱-	₱737,305
Provision for credit losses (Note 14)	414,170	(94,563)	1,598	321,205
Transfers to Stage 1	16,645	(15,075)	(1,570)	-
Transfers to Stage 2	(115,665)	115,683	(18)	-
Transfers to Stage 3	(1,286)	(100)	1,386	-
Foreign exchange and other adjustments	215	-	-	215
	₱926,783	₱130,546	₱1,396	₱1,058,725



	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at January 1, 2024	₱468,474	₱136,595	₱990	₱606,059
Provision for credit losses (Note 14)	242,342	(111,900)	503	130,945
Transfers to Stage 1	9,719	(8,339)	(1,380)	–
Transfers to Stage 2	(108,132)	108,245	(113)	–
Transfers to Stage 3	–	–	–	–
Foreign exchange and other adjustments	301	–	–	301
	₱612,704	₱124,601	₱–	₱737,305

35. 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 each segment representing a strategic business unit. In 2025, the Group implemented a reclassification of its asset management, trust, and fiduciary services from the Financial Markets segment to Elimination and Others. This change was undertaken to align both internal and external reporting presentations with the Bank's updated organizational structure and governance framework. Accordingly, the corresponding segment information for the prior period presented herein has been restated to reflect the updated segmentation and ensure comparability of the Group's structure and performance reporting.

The Group derives revenues from the following main operating business segments:

Wholesale Banking - addresses corporates, institutional, and public sector and commercial clients. Services include relationship management, loans, trade, cash management, deposits and investments. It also provides structured financing and advisory services, debt and equity capital raising, project financing, and mergers and acquisitions advisory offered by SB Capital. Operating leases from SBRC and share in net income from SBML are also part of the segment.

Retail Banking - serves individual clients. It covers deposits, consumer loans, credit cards, bancassurance and investments. Share in net income (loss) from SBF and MMFP is also part of the segment.

Business Banking - serves the micro, small and medium enterprises (MSMEs) with holistic propositions covering deposits, loans, cash management, third-party insurance and investments.

Financial Markets - focuses on providing money market, foreign exchange, financial derivatives, debt and equity securities brokerage, as well as the management of the funding operations for the Group. The Group's equity brokerage, SB Equities, is also part of this segment.

Eliminations and Others - This segment includes the Bank's non-reportable segments such as support services and eliminations in accordance with the Bank's group internal reporting. Eliminations in 2025 include net interest income from third party and intersegment amounting to ₱4.6 billion and ₱7.2 billion, respectively; non-interest income and non-interest expense amounting to ₱5.4 billion and ₱23.1 billion, respectively; and total assets and total liabilities amounting to ₱6.4 billion and ₱351.0 billion, respectively. Eliminations in 2024 include net interest income from third party and intersegment amounting to ₱6.0 billion and ₱7.9 billion, respectively; non-interest income and non-interest expense amounting to ₱3.2 billion and ₱18.6 billion, respectively; and total assets and total liabilities amounting to ₱5.6 billion and ₱285.5 billion, respectively. The Group's asset management, trust and fiduciary services are reported in this segment. Share in net income from HCPH is also part of this segment.



Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. 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.

The Group's revenue-producing assets are located in the Philippines (i.e., one geographical location), therefore, geographical segment information is no longer presented.

The Group has no significant customers which contribute 10.0% or more of the consolidated revenue, net of interest expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to the business units based on a pool rate which approximates the marginal cost of funds.

Segment information follows (amounts in millions):

	December 31, 2025					
	Wholesale Banking	Retail Banking	Business Banking	Financial Markets	Elimination and Others	Total
Statement of Income						
Net interest income:						
Third party	₱28,811	₱21,993	₱3,206	(₱7,730)	₱4,177	₱50,457
Intersegment	(14,748)	1,131	2,607	10,063	947	–
	14,063	23,124	5,813	2,333	5,124	50,457
Noninterest income	4,429	11,375	767	2,935	(3,031)	16,475
Revenue – net of interest expense	18,492	34,499	6,580	5,268	2,093	66,932
Noninterest expense	10,649	31,709	5,752	5,115	(1,138)	52,087
Income before income tax	7,843	2,790	828	153	3,231	14,845
Provision for income tax	1,961	705	207	6	339	3,218
Net income for the period attributable to the Parent Company	₱5,882	₱2,085	₱621	₱147	₱2,892	₱11,627
Statement of Financial Position						
Total assets	₱395,677	₱179,449	₱18,625	₱572,038	₱28,970	₱1,194,759
Total liabilities	₱242,971	₱376,868	₱75,817	₱674,764	(₱329,891)	₱1,040,529
Other Segment Information						
Capital expenditures	₱1,529	₱1,840	₱83	₱32	₱3,043	₱6,527
Depreciation and amortization	₱1,083	₱1,303	₱59	₱23	₱2,155	₱4,623
Provision for credit and impairment losses	₱845	₱10,935	₱1,041	₱2	(₱61)	₱12,762



December 31, 2024						
	Wholesale Banking	Retail Banking	Business Banking	Financial Markets	Elimination and Others	Total
Statement of Income						
Net interest income:						
Third party	₱26,865	₱14,916	₱2,150	(₱5,959)	₱5,750	₱43,722
Intersegment	(15,050)	3,132	2,574	10,602	(1,258)	–
	11,815	18,048	4,724	4,643	4,492	43,722
Noninterest income	3,832	10,444	669	(1,357)	(2,376)	11,212
Revenue – net of interest expense	15,647	28,492	5,393	3,286	2,116	54,934
Noninterest expense	9,196	23,136	3,276	4,333	(247)	39,694
Income before income tax	6,451	5,356	2,117	(1,047)	2,363	15,240
Provision for income tax	1,613	1,120	529	–	740	4,002
Net income for the period attributable to the Parent Company	₱4,838	₱4,236	₱1,588	(₱1,047)	₱1,623	₱11,238
Statement of Financial Position						
Total assets	₱443,675	₱162,954	₱14,750	₱484,620	₱23,142	₱1,129,141
Total liabilities	₱233,523	₱346,352	₱65,416	₱611,812	(₱269,100)	₱988,003
Other Segment Information						
Capital expenditures	₱1,231	₱1,370	₱47	₱17	₱3,054	₱5,719
Depreciation and amortization	₱786	₱875	₱30	₱11	₱1,949	₱3,651
Provision for credit and impairment losses	₱904	₱5,422	₱263	₱–	₱21	₱6,610
December 31, 2023						
	Wholesale Banking	Retail Banking	Business Banking	Financial Markets	Elimination and Others	Total
Statement of Income						
Net interest income:						
Third party	₱22,178	₱8,887	₱1,324	(₱8,614)	₱10,959	₱34,734
Intersegment	(10,368)	5,872	2,294	7,900	(5,698)	–
	11,810	14,759	3,618	(714)	5,261	34,734
Noninterest income	3,276	7,692	574	1,950	(5,267)	8,225
Revenue – net of interest expense	15,086	22,451	4,192	1,236	(6)	42,959
Noninterest expense	6,226	18,050	3,000	3,457	167	30,900
Income before income tax	8,860	4,401	1,192	(2,221)	(173)	12,059
Provision for income tax	2,035	1,012	274	–	(367)	2,954
Net income for the period attributable to the Parent Company	₱6,825	₱3,389	₱918	(₱2,221)	₱194	₱9,105
Statement of Financial Position						
Total Assets	₱408,549	₱124,307	₱8,868	₱310,070	₱19,715	₱871,509
Total Liabilities	₱213,047	₱250,645	₱52,516	₱393,232	(₱174,061)	₱735,379
Other Segment Information						
Capital expenditures	₱931	₱1,087	₱23	₱17	₱2,340	₱4,398
Depreciation and amortization	₱598	₱698	₱15	₱11	₱1,503	₱2,825
Provision for credit and impairment losses	₱107	₱4,970	₱571	(₱2)	(₱845)	₱4,801

No operating segments have been aggregated to form the above reportable operating business segments.



36. Earnings Per Share

Basic earnings per share amounts were computed as follows (amounts in thousands except earnings per share and weighted average number of outstanding common shares):

	2025	2024	2023
a. Net income attributable to the equity holders of the Parent Company	₱11,627,592	₱11,238,428	₱9,105,438
b. Dividends declared to Preferred Shares	5,699	4,259	4,259
c. Weighted average number of outstanding common shares	753,538,887	753,538,887	753,538,887
d. Earnings per share [(a-b)/c]	₱15.42	₱14.91	₱12.08

As of December 31, 2025, 2024 and 2023, the Parent Company has no potentially dilutive common shares.

37. Notes to the Statements of Cash Flows

The amounts of interbank loans receivables and securities purchased under agreements to resell considered as cash and cash equivalents for the Group and Parent Company are as follows:

	2025	2024	2023
Interbank loans receivable and SPURA			
SPURA	₱27,100,000	₱3,941,367	₱-
Interbank loans receivable	-	2,892,248	2,080,999
	27,100,000	6,833,615	2,080,999
Interbank loans receivable and SPURA not considered as cash and cash equivalents			
Interbank loans receivable	1,546,981	2,560,000	2,000,000
	₱28,646,981	₱9,393,615	₱4,080,999

As of December 31, 2025 and 2024, movements in allowance for credit losses on 'Due from other banks' and 'Interbank loans receivable and securities purchased under agreements to resell' as follows:

	2025	2024	2023
Consolidated			
Due from other banks (Note 7)	(₱220)	₱89	(₱279)
Interbank loans receivable and SPURA	4,962	7,986	1,386
	₱4,742	₱8,075	₱1,107
Parent Company			
Due from other banks (Note 7)	(₱170)	₱172	(₱241)
Interbank loans receivable and SPURA	4,962	7,986	1,386
	₱4,792	₱8,158	₱1,145

Significant non-cash transactions of the Group and the Parent Company include set-up of right of use assets, foreclosures of investment properties and chattels as disclosed in Notes 16, 17 and 18, respectively. In addition, in 2025, upon incorporation and the Parent Company's assumption of enforceable rights and obligations as a shareholder under the joint venture arrangement, the amount previously recognized under "Other investments" amounting to ₱1.25 billion was reclassified to "Investment in Subsidiaries, Joint Ventures and an Associate" (see Note 18).



Reconciliation of liabilities arising from financing activities follows:

	Consolidated						
	Beginning Balance	Cashflows			Non-cash charges		Ending balance
		Proceeds/ Availments	Settlements	Foreign exchange movement	Amortization of transaction costs		
December 31, 2025							
Bills payable and SSURA	P91,179,648	P202,386,400	(P286,964,332)	(P432,731)	P-	P6,168,985	
Notes and bonds payable	61,195,057	20,835,295	(18,500,000)	374,400	96,557	64,001,309	
LTNCD	10,433,785	-	(10,440,000)	-	6,215	-	
	P162,808,490	P223,221,695	(P315,904,332)	(P58,331)	P102,772	P70,170,294	
December 31, 2024							
Bills payable and SSURA	P51,339,105	P698,376,629	(P660,613,634)	P2,077,548	P-	P91,179,648	
Notes and bonds payable	48,963,521	41,968,599	(30,600,000)	683,694	179,243	61,195,057	
LTNCD	10,416,014	-	-	-	17,771	10,433,785	
	P110,718,640	P740,345,228	(P691,213,634)	P2,761,242	P197,014	P162,808,490	
December 31, 2023							
Bills payable and SSURA	P40,920,403	P736,658,375	(P724,538,355)	(P1,701,318)	P-	P51,339,105	
Notes and bonds payable	47,111,693	18,352,354	(17,056,500)	304,769	251,205	48,963,521	
LTNCD	24,766,786	-	(14,381,000)	-	30,228	10,416,014	
	P112,798,882	P755,010,729	(P755,975,855)	(P1,396,549)	P281,433	P110,718,640	
	Parent Company						
	Beginning balance	Cashflows			Non-cash charges		Ending balance
		Proceeds/ Availments	Payments	Foreign exchange movement	Amortization of transaction costs		
December 31, 2025							
Bills payable and SSURA	P91,027,982	P199,553,067	(P286,964,332)	(P432,732)	P-	P3,183,985	
Notes and bonds payable	61,195,057	20,835,295	(18,500,000)	374,400	96,557	64,001,309	
LTNCD	10,433,785	-	(10,440,000)	-	6,215	-	
	P162,656,824	P220,388,362	(P315,904,332)	(P58,332)	P102,772	P67,185,294	
December 31, 2024							
Bills payable and SSURA	P51,273,271	P698,286,629	(P660,609,468)	P2,077,550	P-	P91,027,982	
Notes and bonds payable	48,963,521	41,968,599	(30,600,000)	683,694	179,243	61,195,057	
LTNCD	10,416,014	-	-	-	17,771	10,433,785	
	P110,652,806	P740,255,228	(P691,209,468)	P2,761,244	P197,014	P162,656,824	
December 31, 2023							
Bills payable and SSURA	P40,802,069	P736,658,375	(P724,485,855)	(P1,701,318)	P-	P51,273,271	
Notes and bonds payable	47,111,693	18,352,354	(17,056,500)	304,769	251,205	48,963,521	
LTNCD	24,766,786	-	(14,381,000)	-	30,228	10,416,014	
	P112,680,548	P755,010,729	(P755,923,355)	(P1,396,549)	P281,433	P110,652,806	

Reconciliation of lease liabilities of the Group and the Parent Company are disclosed in Note 16.

38. Events after the Reporting Period

The Parent Company's BOD, in its meeting held on February 24, 2026, approved the declaration of the following annual cash dividends:

Shares	Date of declaration	Per share	Record date	Payment date
Preferred	February 24, 2026	₱0.004805	March 11, 2026	April 1, 2026
Preferred	February 24, 2026	0.0062874	June 26, 2026	July 10, 2026



39. Approval of the Release of the Financial Statements

The BOD of the Parent Company reviewed and approved the release of the accompanying consolidated and parent company financial statements on February 24, 2026.

40. Supplementary Information Required Under Revenue Regulation No. 15-2010

On November 25, 2010, the BIR issued Revenue Regulation (RR) No. 15-2010 to amend certain provisions of RR No. 21-2002. The Regulations provide that starting 2010, the notes to financial statements shall include information on taxes and licenses paid or accrued during the taxable year.

Gross receipt tax (GRT)

The Parent Company is subject to GRT on its gross income from Philippine sources. GRT is imposed on interest, fees and commissions from lending activities at 5.0% or 1.0%, depending on the loan term, and at 7.0% on non-lending fees and commissions, trading and foreign exchange gains and other items constituting gross income.

In FCDU, income classified under Others, which is subject to corporate income tax, is also subject to GRT at 7.0%.

The details of the Parent Company's GRT payments and corresponding GRT tax base in 2025 are as follows:

	GRT	GRT tax base
Income from lending activities	₱2,817,973	₱70,145,087
Other income	770,047	11,000,678
	₱3,588,020	₱81,145,765

Taxes and Licenses

This includes all other taxes, local and national, incurred in 2025 and lodged under 'Taxes and licenses' in the statements of income, as follows:

	Amount
Documentary stamp taxes	₱584,993
Mayor's permit	122,052
Fringe benefit taxes	90,709
Real estate taxes	22,817
Other taxes	6,148
	₱826,719

Other taxes include car registration fees, privilege taxes and other permits.

Withholding Taxes

Details of total remittances in 2025 and balances as of December 31, 2025 are as follows:

	Total Remittance	Balance
Withholding taxes on compensation and benefits	₱1,660,162	₱183,787
Expanded withholding taxes	1,047,058	57,825
Final withholding taxes	1,942,409	188,468
	₱4,649,629	₱430,080



Tax Assessments and Cases

As of December 31, 2025, the Parent Company has no deficiency tax assessments and has no tax cases, litigation and/or prosecution in courts or bodies outside the BIR.

41. Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks

Section 174 of the MORB provides for disclosure requirements to the audited financial statements, which are to be presented either (i) on specific notes to the financial statements, or (ii) in a separate note containing supplementary information as required by the BSP. This supplementary information is not a required disclosure under PFRS Accounting Standards.

In compliance with the requirements of Section 174 of the MORB, hereunder are the supplementary information:

Financial performance indicators

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Return on average equity	7.87%	8.11%	6.95%	7.87%	8.11%	6.95%
Return on average assets	1.00%	1.12%	1.06%	1.00%	1.12%	1.06%
Net interest margin	4.66%	4.73%	4.49%	4.67%	4.73%	4.49%

The following formulas were used to compute the indicators:

Performance Indicator	BSP Prescribed Formula
Return on Average Equity	$\frac{\text{Net Income (or Loss) after Income Tax} \times 100}{\text{Average Total Capital Accounts}}$ <p>Where: Average Total Capital Accounts = $\frac{\text{Current calendar/fiscal year-end Total capital accounts balance} + \text{previous calendar /fiscal year-end Total capital accounts balance}}{2}$</p>
Return on Average Assets	$\frac{\text{Net Income (or Loss) after Income Tax} \times 100}{\text{Average Total Assets}}$ <p>Where: Average Total Assets = $\frac{\text{Current calendar/fiscal year-end Total assets balance} + \text{previous calendar /fiscal year-end Total assets balance}}{2}$</p>
Net Interest Margin	$\frac{\text{Net Interest Income} \times 100}{\text{Average Interest Earning Assets}}$ <p>Where: Net Interest Income = Total Interest Income – Total Interest Expense</p> <p>Average Interest Earning Assets = $\frac{\text{Current calendar/fiscal year-end Total interest earning assets balance} + \text{previous calendar /fiscal year-end Total interest earning assets balance}}{2}$</p>



Capital instruments

As of December 31, 2025 and 2024, the Parent Company's capital stock consists of:

	Shares*	Amount
Common stock - ₱10 par value		
Authorized	1,000,000,000	₱10,000,000
Issued and outstanding		
Balance at the beginning and end of the period	753,538,887	7,535,389
Preferred stock - ₱0.10 par value		
Authorized	1,000,000,000	100,000
Issued and outstanding		
Balance at the beginning and end of the period	1,000,000,000	100,000
	1,753,538,887	₱7,635,389

*Absolute number of shares

There are no capital instruments issued by the Group and the Parent Company in 2025 and 2024.

Significant credit exposures of loans as to industry/economic sector

As of December 31, 2025 and 2024, information on the concentration of credit as to industry, net of unearned discounts and deferred credits, follows (amounts in millions):

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Real estate activities	₱168,653	23.9	₱168,456	24.6	₱168,653	23.9	₱168,456	24.6
Activities of households as employers; undifferentiated goods and services producing activities of households for own use*	121,891	17.3	97,285	14.2	121,888	17.3	97,285	14.2
Wholesale and retail trade; repair of motor vehicles and motorcycles	116,942	16.6	118,311	17.3	116,942	16.6	118,311	17.2
Electricity, gas, steam and air conditioning supply	109,565	15.5	96,138	14.0	109,565	15.6	96,138	14.0
Manufacturing	37,060	5.3	51,882	7.6	37,060	5.3	51,882	7.6
Transportation and storage	33,048	4.7	25,506	3.7	33,048	4.7	25,506	3.7
Construction	26,182	3.7	26,940	3.9	26,182	3.7	26,940	3.9
Financial and insurance activities	21,390	3.0	32,799	4.8	21,390	3.0	32,799	4.8
Information and communication	18,982	2.7	21,567	3.2	18,982	2.7	21,567	3.1
Water supply, sewerage, waste management and remediation activities	11,132	1.6	10,640	1.6	11,132	1.6	10,640	1.6
Agriculture, forestry and fishing	7,148	1.0	9,291	1.4	7,148	1.0	9,291	1.4
Professional scientific and technical services	6,871	1.0	6,935	1.0	6,871	1.0	6,935	1.0
Others	25,833	3.7	18,603	2.7	25,369	3.6	20,267	3.0
	₱704,697	100.0	₱684,353	100.0	₱704,230	100.0	₱686,017	100.0

*Excludes loans and receivables on real estate or dwelling units which are considered production activities and classified under "Real estate"

The BSP considers that loan concentration exists when the total loan exposure to a particular industry or economic sector exceeds 30.00% of the total loan portfolio or 10% of Tier 1 capital.



Breakdown of total loans as to security and status

The following table shows the breakdown of receivable from customers as to secured and unsecured and the breakdown of secured receivables from customers as to the type of security, gross of unearned discounts and deferred credits, as of December 31, 2025 and 2024 (amounts in millions):

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Secured by:								
Real estate	₱102,728	14.5%	₱89,865	13.1%	₱102,728	14.5%	₱89,865	13.1%
Chattel	36,929	5.2%	20,178	2.9%	36,928	5.2%	20,178	2.9%
Assignment of projects/ company assets/contracts	33,841	4.8%	20,351	3.0%	33,840	4.8%	20,351	3.0%
Mortgage trust indenture	6,457	0.9%	7,783	1.1%	6,457	0.9%	7,783	1.1%
Deposit hold-out	3,980	0.6%	4,260	0.6%	3,980	0.6%	4,260	0.6%
Others	6,918	1.0%	9,943	1.4%	6,453	0.9%	9,723	1.4%
	190,853	27.0%	152,380	22.2%	190,386	26.9%	152,160	22.1%
Unsecured	516,414	73.0%	534,162	77.8%	516,413	73.1%	536,046	77.9%
	₱707,267	100.0%	₱686,542	100.0%	₱706,799	100.0%	₱688,206	100.0%

The following table shows the breakdown of receivable from customers net of unearned discounts and deferred credits as to performing and non-performing as of December 31, 2025 and 2024:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Performing loans				
Corporate lending	₱435,400,263	₱451,158,952	₱435,400,263	₱452,872,587
Consumer lending	142,700,525	115,775,848	142,233,034	115,726,204
Residential mortgages	104,658,878	96,798,714	104,658,878	96,798,714
Small business lending	543,137	519,473	543,137	519,473
	683,302,803	664,252,987	682,835,312	665,916,978
Non-performing loans*				
Corporate lending	13,154,854	14,812,116	13,154,854	14,812,116
Consumer lending	5,309,538	3,076,690	5,309,538	3,076,690
Residential mortgages	2,841,399	2,156,967	2,841,399	2,156,967
Small business lending	88,465	54,698	88,465	54,698
	21,394,256	20,100,471	21,394,256	20,100,471
	₱704,697,059	₱684,353,458	₱704,229,568	₱686,017,449

*Stage 3 accounts

Information on related party loans

In the ordinary course of business, the Parent Company has loan transactions with subsidiaries, affiliates and DOSRI based on BSP Circular No. 423 dated March 15, 2004, as amended. Under the Parent Company's policies, these loans are made substantially on the same terms as loans to other individuals and businesses of comparable risks.



The following table shows information on related party loans as reported to the BSP:

	2025		2024	
	DOSRI Loans	Related Party Loans*	DOSRI Loans	Related Party Loans
Consolidated				
Total outstanding loans (in millions)	295.5	3,635.5	281.6	16,733.7
Percent of DOSRI/Related Party Loans to total loan portfolio	0.04	0.50	0.04	2.41
Percent of unsecured DOSRI/Related Party Loans to total DOSRI/Related Party Loans	5.99	100.00	6.58	100.00
Percent of past due DOSRI/Related Party Loans to total DOSRI/Related Party Loans	–	–	–	–
Percent of non-performing DOSRI/Related Party Loans to total DOSRI/Related Party Loans	–	–	–	–
Parent Company				
Total outstanding loans (in millions)	293.5	14,715.0	281.6	18,620.1
Percent of DOSRI/Related Party Loans to total loan portfolio	0.04	2.01	0.04	2.68
Percent of unsecured DOSRI/Related Party Loans to total DOSRI/Related Party Loans	6.03	100.0	6.58	100.00
Percent of past due DOSRI/Related Party Loans to total DOSRI/Related Party Loans	–	–	–	–
Percent of non-performing DOSRI/Related Party Loans to total DOSRI/Related Party Loans	–	–	–	–

**Inclusive of DOSRI loans*

BSP Circular Nos. 560 and 464 provide the rules and regulations that shall govern loans, other credit accommodations and guarantees granted to subsidiaries and affiliates of banks and quasi-banks. Under the said circular, the total outstanding loans, credit accommodations and guarantees to each of the bank's subsidiaries and affiliates shall not exceed 10.00% of the bank's net worth, the unsecured portion shall not exceed 5.00% of such net worth. Further, the total outstanding exposures shall not exceed 20.00% of the net worth of the lending bank.

Total interest income on related party loans in 2025, 2024 and 2023 amounted to ₱2.9 million, ₱3.1 million and ₱3.1 million, respectively, for the Group and ₱54.8 million, ₱216.7 million and ₱161.5 million, respectively, for the Parent Company.

Aggregate amount of secured liabilities and assets pledged as security

The following are the carrying values of the investment securities pledged and transferred under SSURA transactions of the Group:

	December 31, 2025		December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at FVTPL (Note 10)				
Government securities	₱2,834,421	₱2,834,421	₱2,796,968	₱2,796,968
Financial assets at FVTOCI (Note 12)				
Treasury bonds	574,749	574,749	32,385,552	32,385,552
Investment securities at amortized cost (Note 13)				
Treasury notes and bills	–	–	18,312,524	18,419,181
Private bonds	–	–	34,358,541	34,145,895
Treasury bonds	–	–	5,961,923	6,056,224
	₱3,409,170	₱3,409,170	₱93,815,508	₱93,803,820



As of December 31, 2025 and 2024, the carrying amount of SSURA amounted to ₱2.9 billion and ₱67.9 billion, respectively (see Note 21).

Commitments and contingent liabilities

The following is a summary of the Group's and of the Parent Company's commitments and contingent liabilities at their equivalent peso contractual amounts:

	2025	2024
Derivatives	₱667,648,797	₱494,307,206
Trust department accounts	179,204,549	154,149,291
Unutilized credit limit of credit cardholders	166,820,860	146,113,130
Committed loan line	95,904,296	57,334,282
Unused commercial letters of credit	87,185,573	81,482,183
Spot foreign exchange contracts	4,882,997	17,934,128
Inward bills for collection	451,815	3,644,846
Late deposit/payment received	406,746	568,291
Outward bills for collection	192,513	265,777
Financial guarantees with commitment	89,218	111,499
Outstanding guarantees	-	866,900
Others	82	84

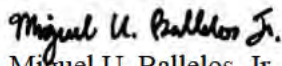


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Security Bank Corporation
Security Bank Centre
6776 Ayala Avenue
Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Security Bank Corporation (the Company) as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 24, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Miguel U. Ballelos, Jr.

Partner

CPA Certificate No. 109950

Tax Identification No. 241-031-088

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 109950-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-114-2025, December 16, 2024, valid until December 15, 2027

PTR No. 10765012, January 2, 2026, Makati City

February 24, 2026



INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Security Bank Corporation
Security Bank Centre
6776 Ayala Avenue
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Security Bank Corporation (the Company) as at December 31, 2025 and for each of the three years in the period ended December 31, 2025, and have issued our report thereon dated February 24, 2026. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Company's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the Company's consolidated financial statements as at December 31, 2025 and for each of the three years in the period ended December 31, 2025 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Miguel U. Ballelos Jr.

Miguel U. Ballelos, Jr.

Partner

CPA Certificate No. 109950

Tax Identification No. 241-031-088

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

SEC Partner Accreditation No. 109950-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-114-2025, December 16, 2024, valid until December 15, 2027

PTR No. 10765012, January 2, 2026, Makati City

February 24, 2026



SECURITY BANK CORPORATION AND SUBSIDIARIES
INDEX TO THE SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2025

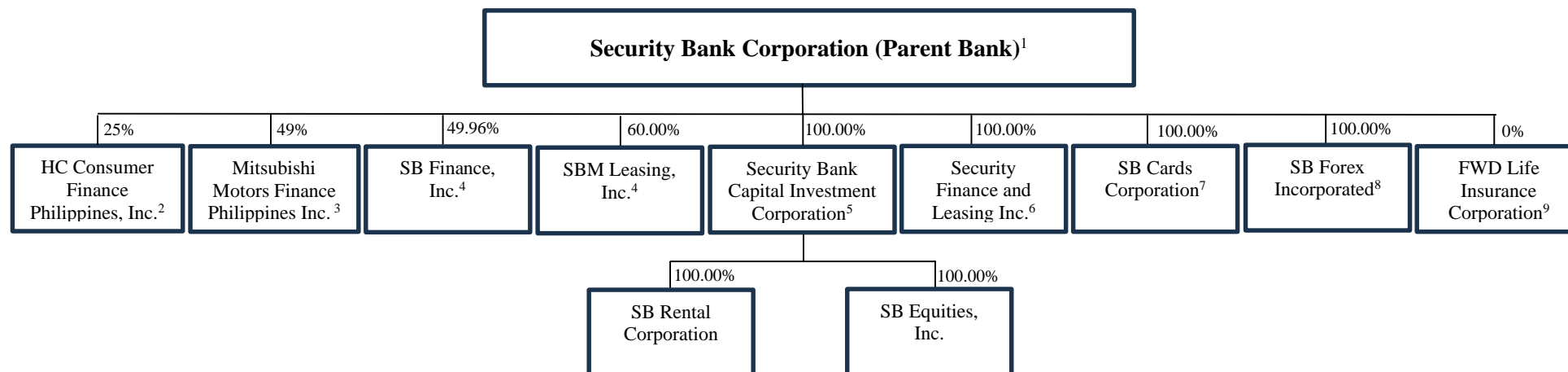
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SECURITY BANK CORPORATION
SCHEDULE I
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION
DECEMBER 31, 2025
(Amounts in Thousands)

Unappropriated Retained Earnings, beginning of reporting period		₱85,272,417
Add: <u>Category A: Items that are directly credited to Unappropriated Retained Earnings</u>		
Reversal of Retained Earnings Appropriation/s		475,113
Less: <u>Category B: Items that are directly debited to Unappropriated Retained Earnings</u>		
Dividend declaration during the reporting period	2,266,315	
Retained Earnings appropriated during the reporting period	861,996	
Remeasurement loss on defined benefit plans	256,192	
	3,384,503	
Unappropriated Retained Earnings, as adjusted		82,363,027
Add/Less: Net Income (Loss) for the current year		11,627,592
Less: <u>Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)</u>		
Equity in net income of associate/joint venture, net of dividends declared	1,136,013	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	1,125,677	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	35,092	
Unrealized fair value gain on Investment property and other properties acquired	293,962	
Sub-total	2,590,744	
Add: <u>Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)</u>		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	1,070,313	
Realized fair value adjustment (market-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	54,241	
Realized fair value gain on Investment property and other properties acquired	75,259	
Sub-total	1,199,813	
Add: <u>Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)</u>		
Reversal of previously recorded foreign exchange gain, except those attributable to Cash and cash equivalents		7,846
Adjusted Net Income/Loss		10,244,507

Add/ <u>Category E</u>: Other items that should be excluded from the	
Less: determination of the amount available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(P1,450,356)
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set-up of right of use asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	(6,655)
Sub-total	<u>(1,457,011)</u>
Total Retained Earnings, end of the reporting period available for dividend	<u>P91,150,523</u>

**MAP SHOWING RELATIONSHIPS BETWEEN AND AMONG PARENT,
SUBSIDIARIES, JOINT VENTURES AND AN ASSOCIATE**



¹ MUFG owns 20% of voting shares of SBC

Common Shares: Par value is P10.00; Total Outstanding Shares – 753,538,887

Preferred Shares: Par value is P0.10; Total Outstanding Shares – 1,000,000,000

² Associate

³ Joint Venture. Incorporated on January 21, 2025

⁴ Joint Ventures

⁵ Formerly SB Capital Investment Corporation

⁶ With BOD approval in 2024 to shorten corporate life on December 31, 2025, awaiting approval from Securities and Exchange Commission (SEC)

⁷ Corporate term ended on December 31, 2024, for processing of tax clearance

⁸ Corporate term ended on February 28, 2022, with clearance from Bureau of Internal Revenue (BIR) dated February 4, 2026

⁹ With irrevocable power of attorney/proxy to vote certain shares of FWD Life Insurance Corporation

Security Bank Corporation and Subsidiaries
Schedule A – Financial Assets
December 31, 2025

(Amounts and Number of Shares in Thousands)

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the balance sheet	Valued based on market quotation at balance sheet date	Income accrued
<u>Financial assets at fair value through profit or loss</u>				
Philippine government	35,732,516	₱35,917,085	₱35,917,085	₱229,011
Private corporations	382,701	385,796	385,796	6,622
Equity securities	–	24	24	–
Various derivative counterparties		1,568,539	1,568,539	291,462
		₱37,871,444	₱37,871,444	₱527,095
<u>Financial assets at fair value through other comprehensive income</u>				
Philippine government	149,364,517	₱147,153,232	₱147,153,232	₱1,570,068
Other government	9,009,450	8,812,068	8,812,068	136,456
Private corporations	1,102,842	1,100,866	1,100,866	10,876
Equity securities	313	602,814	602,814	–
		₱157,668,980	₱157,668,980	₱1,717,400
<u>Investment securities at amortized cost</u>				
Philippine government	101,260,089	₱102,057,824	₱103,566,847	₱1,391,785
Private corporations	57,146,708	56,392,555	56,929,319	594,196
		₱158,450,379	₱160,496,166	₱1,985,981

Security Bank Corporation and Subsidiaries

**Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and
Principal Stockholders (Other than Related Parties)
December 31, 2025**

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Amounts Written- off	Current	Non- Current	Balance at end of period
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None to Report

Receivables from Directors, Officers, Employees, Related Parties and Principal Stockholders are subject to usual terms in the normal course of business.

Security Bank Corporation and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are eliminated
during the consolidation of financial statements
December 31, 2025

(Amounts in Thousands)

Deductions

Name of Debtor	Balance at beginning of period	Additions	Amounts Collected	Effect of disposal group classified as held for sale	Current	Non-Current	Balance at end of period
Philippine Peso							
SB Cards Corporation	P66	P492	P558	P-	P-	P-	P-
Security Bank Capital Investment Corporation	2,677	26,513	27,327	-	1,863	-	1,863
SB Equities, Inc.	2,511	29,973	29,800	-	2,684	-	2,684
SB Rental Corporation	1,988	45,905	44,943	-	2,950	-	2,950
	P7,242	P102,883	P102,628	P-	P7,497	P-	P7,497

Security Bank Corporation and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2025

(Amounts in Millions)

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion"	Amount shown under caption "Long-Term Debt"	Interest Rate %	Maturity Date
Bills Payable and Securities Sold Under Repurchased Agreements (SSURA)					
Bills Payable - DBP Funded	₱13	₱–	₱13	8.00%	8/25/2031
Bills Payable - DBP Funded	13	–	13	8.00%	8/25/2031
Bills Payable - DBP Funded	7	–	7	8.00%	8/25/2031
Bills Payable - DBP Funded	16	–	16	8.00%	8/25/2031
Bills Payable - DBP Funded	18	–	18	8.00%	8/25/2031
Bills Payable - DBP Funded	21	–	21	8.00%	8/25/2031
Bills Payable - SSURA	520	520	–	5.15%	1/9/2026
Bills Payable - SSURA	2,331	2,331	–	5.50%	3/30/2026
Bills Payable	245	245	–	0.00%	–
Bills Payable	585	585	–	7.00%	3/6/2026
Bills Payable	25	25	–	6.50%	1/9/2026
Bills Payable	100	100	–	6.25%	1/13/2026
Bills Payable	110	110	–	6.00%	3/16/2026
Bills Payable	15	15	–	6.00%	3/16/2026
Bills Payable	50	50	–	6.25%	3/23/2026
Bills Payable	20	20	–	6.25%	3/23/2026
Bills Payable	50	50	–	6.25%	3/26/2026
Bills Payable	70	70	–	6.00%	1/13/2026
Bills Payable	120	120	–	6.00%	3/23/2026
Bills Payable	₱100	₱100	₱–	6.00%	3/26/2026

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption “Current portion”	Amount shown under caption “Long-Term Debt”	Interest Rate %	Maturity Date
Bills Payable	70	70	–	6.50%	1/26/2026
Bills Payable	30	30	–	6.50%	1/26/2026
Bills Payable	150	150	–	6.25%	3/23/2026
Bills Payable	100	100	–	5.75%	2/27/2026
Bills Payable	250	250	–	5.75%	2/12/2026
Bills Payable	220	220	–	5.53%	5/7/2026
Bills Payable	550	550	–	5.53%	5/22/2026
Bills Payable	60	60	–	5.75%	5/15/2026
Bills Payable	70	70	–	5.75%	5/19/2026
Bills Payable	50	50	–	5.75%	3/12/2026
Bills Payable	190	190	–	5.80%	6/11/2026
	₱6,169	₱6,081	₱88		

Notes and Bonds Payable

Senior Unsecured Notes	₱23,278	₱–	₱23,278	5.50%	5/14/2029
Fixed rate bonds	20,840	–	20,840	6.00%	10/29/2030
Fixed rate bonds	19,883	–	19,883	6.05%	9/20/2029
	₱64,001	₱–	₱64,001		

⁽ⁱ⁾ Include in this column each type of obligation authorized

Schedule E - Indebtedness to Related Parties
(included in the consolidated statements of financial position)
December 31, 2025

Name of Related Parties ⁽ⁱ⁾	Balance at beginning of period	Balance at end of period ⁽ⁱⁱ⁾
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None to Report

⁽ⁱ⁾ The related parties named shall be grouped as in Schedule D. The information called shall be stated for any persons whose investments shown separately in such related schedule.

⁽ⁱⁱ⁾ For each affiliate named in the first column, explain in a note hereto the nature and purpose of any material increase during the period that is in excess of 10 percent of the related balance at either the beginning or end of the period.

Security Bank Corporation and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2025

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount of guaranteed and outstanding ⁽ⁱ⁾	Amount owned by person of which statement is filed	Nature of guarantee ⁽ⁱⁱ⁾
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None to Report

(i) Indicate in a note any significant changes since the date of the last balance sheet file. If this schedule is filed in support of consolidated financial statements, there shall be set forth guarantees by any person included in the consolidation except such guarantees of securities which are included in the consolidated balance sheet.

(ii) There must be a brief statement of the nature of the guarantee, such as "Guarantee of principal and interest", "Guarantee of Interest", or "Guarantee of Dividends". If the guarantee is of interest, dividends, or both, state the annual aggregate amount of interest or dividends so guaranteed.

Security Bank Corporation and Subsidiaries
Schedule G - Capital Stock
December 31, 2025

(Absolute number of shares)

Title of Issue ⁽ⁱ⁾	Number of shares authorized	Number of shares issued and outstanding as shown under the related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties ⁽ⁱⁱ⁾	Directors, officers and employees	Others ⁽ⁱⁱⁱ⁾
Common stock - ₱10 par value						
Authorized	1,000,000,000	—	—	—		—
Issued and outstanding	—	753,538,887	—	—	117,852,338	
Preferred stock - ₱0.10 par value						
Authorized	1,000,000,000	—	—	—		—
Issued and outstanding	—	1,000,000,000	—	—	592,159,309	

⁽ⁱ⁾ Include in this column each type of issue authorized

⁽ⁱⁱ⁾ Related parties referred to include persons for which separate financial statements are filed and those included in the consolidated financial statements, other than the issuer of the particular security.

⁽ⁱⁱⁱ⁾ Indicate in a note any significant changes since the date of the last balance sheet filed.

SECURITY BANK CORPORATION AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
a) Liquid to total assets	36.95	36.40
b) Loans (net) to deposit ratio	74.87	84.61
c) Debt-to-equity ratio	6.75	7.00
d) Asset-to-equity ratio	7.75	8.00
e) Interest rate coverage ratio	1.55	1.80
f) Return on assets	1.00	1.12
g) Return on equity	7.87	8.11
h) Net interest margin	4.66	4.73
i) Cost to income ratio	58.75	60.23

SECURITY BANK CORPORATION AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULE OF EXTERNAL AUDITOR FEE-RELATED INFORMATION
AS OF DECEMBER 31, 2025 AND 2024

Nature of Services Rendered	Aggregate Fees ¹ (in thousands)	
	2025	2024
Total audit fees ²	₱12,226	₱10,829
Non-audit services ³		
Other assurance services	55	4,695
Tax services	450	100
All other services	1,494	5,785
	1,999	10,580
	₱14,225	₱21,409

¹Excluding out of pocket expenses and value added tax (VAT)

²Agreed fees for the audit of the Bank's parent and consolidated financial statements and the covered Bank's consolidated subsidiaries' financial statements on which the external auditor expresses opinion. These do not include fees for special purpose audit or review of financial statements.

³Charged or billed fees for non-audit services to the Bank and its related entities over which the Bank has direct or indirect control that are consolidated in the financial statements on which the external auditor expresses an opinion.

Exhibit 6 - Sustainability Report

2025 Integrated Report

The future is **BetterBanking**



 **SECURITY BANK**

Our sustainability framework

Security Bank integrates sustainability into its strategy, operations, and stakeholder engagement to create long-term value for customers, businesses, communities, and shareholders, in line with its vision of becoming the most customer-centric bank in the Philippines.

Our sustainability approach is anchored on three pillars: Enrich lives, empower businesses, and build communities sustainably. These guide how we advance financial well-being, supports business growth, and contributes to resilient communities.

Engagement with key stakeholders, including customers, employees, shareholders, businesses, and communities, helps identify the Bank's most relevant environmental, social, and governance (ESG) priorities, which inform business decisions, risk management, and value creation.

Guided by these priorities, Security Bank aims to be the best-in-class sustainable bank in the Philippines by fostering a strong sustainability culture, strengthening climate risk management, and expanding sustainable finance.

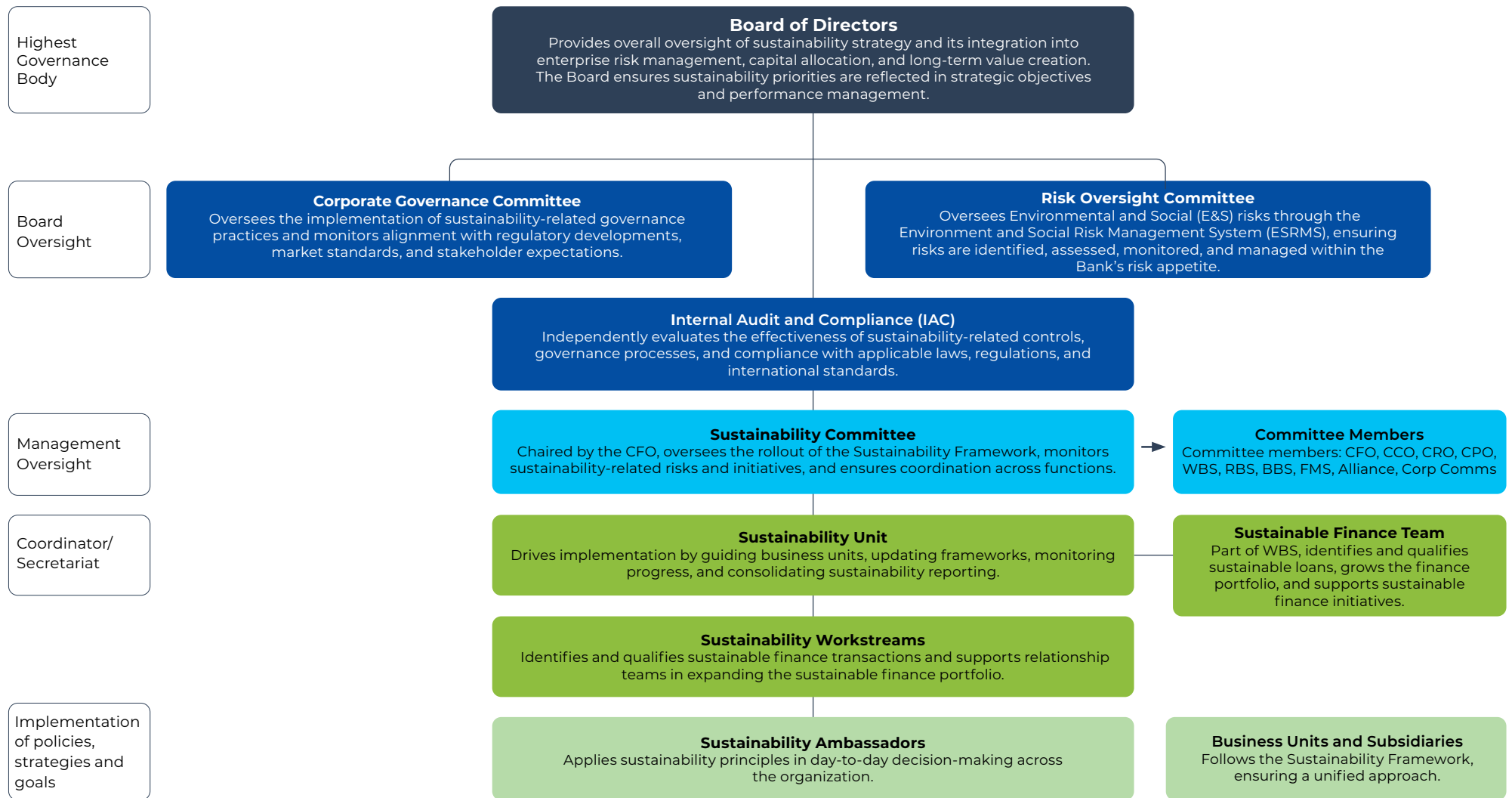
These efforts are supported by the Bank's Environmental and Social Risk Management System (ESRMS), Sustainable Finance Framework, and recognized ESG reporting standards, while contributing to selected United Nations Sustainable Development Goals.

Governance of sustainability

GRI 2-13, 2-17, IFRS S1-27(a), IFRS S1-27(b), IFRS S2-6(a), IFRS S2- 6(b)

Board oversight and governance

Security Bank’s sustainability agenda is anchored on strong governance and clear accountability. Oversight begins at the Board level and is embedded across strategy, risk management, and execution, ensuring that sustainability considerations are integrated into business decisions, policies, and performance outcomes, consistent with long-term value creation.



ESG integration into strategy and performance

Sustainability maturity at Security Bank is organizational rather than functional. Translating strategy into action requires shared accountability across leadership and employees.

Sustainability objectives are embedded into functional key result areas (KRAs) for sustainability-integrated roles, including senior management, and into behavioral KRAs for all employees. Performance against these objectives is linked to compensation, incentives, and recognition, reinforcing accountability for execution.

To support effective delivery, the Bank implemented mandatory sustainability learning programs, including *Basics of Sustainability*, aligned with material risks and opportunities. Employees are further enabled through tools, continuous learning, and recognition initiatives such as the Sustainability Innovation Awards.

By linking sustainability objectives to performance measurement and rewards, the Bank embeds sustainability into decision-making and reinforces it as a lived value across the organization.

Climate risk integration

Climate-related risks and opportunities are integrated into the Bank's enterprise risk management framework, recognizing both physical and transition risks across lending, investments, and operations.

Security Bank acknowledges that climate change poses increasing risks to clients, communities, and the Bank, including business disruption, asset damage, asset value impairment, and heightened credit risk. Transition risks arising from policy, regulatory, and market responses—such

as carbon pricing and climate mitigation measures—also present material considerations. At the same time, climate change creates opportunities to support clients in their transition to a low-carbon economy.

Climate risk stress testing

In 2025, the Bank enhanced its climate risk stress testing framework to assess the resilience of its balance sheet, credit portfolio, and operations under climate-related scenarios, in line with BSP Memorandum No. 42 (2022). The framework addresses both credit risk and operational risk, reflecting the primary channels through which climate change may affect financial performance.

CREDIT RISK STRESS TESTING

Physical risk

Flood exposure was assessed using the HazardHunter tool, applying conservative collateral impairment. The impact on expected credit loss (ECL) was minimal.

Transition risk

Stress testing of electricity sector exposures, based on scenarios from the World Bank's Climate Transition Risk Assessment for the Philippine banking sector, indicates minimal incremental expected credit losses in the near to medium term. Sensitivity increases under scenarios involving abrupt policy shifts beyond 2028.

OPERATIONAL RISK STRESS TESTING

Operational risk scenarios were based on enhanced typhoon events using PAGASA projections and Representative Concentration Pathways (RCP 4.5 and 8.5). Scenarios incorporated climate variables alongside operational and financial indicators, including branch-level productivity.

Results indicated no material impact on operations or profitability, reflecting the effectiveness of existing controls, including site selection processes and branch business continuity planning.

Overall assessment and outlook

The Bank incorporates the results of both mandatory and voluntary stress tests into its Bank Viability Assessment, providing an integrated view of capital and liquidity resilience under baseline and adverse scenarios as part of its ICAAP and ILAAP processes. These stress test results inform the adequacy of capital and liquidity buffers, guide management actions and recovery planning, and support the calibration of capital planning, risk appetite, and strategic decisions. Based on the scenarios assessed, outcomes from credit and operational risk stress testing indicate that the Bank's portfolio and operations remain resilient to near- and medium-term climate-related risks.

Looking ahead, the Bank will continue to refine its climate risk methodologies by expanding transition risk assessments to additional climate-sensitive sectors, enhancing scenario design and data inputs, and strengthening integration with portfolio management, operational planning, and contingency strategies.

Environment and Social Risk Management System (ESRMS)

GRI 3-3, 201-2, IFRS S1-41

Security Bank's ESRMS provides a structured framework for identifying, assessing, mitigating, and monitoring environmental and social risks arising from the Bank's activities and those of its clients. The ESRMS is embedded across the credit lifecycle and supports responsible lending, regulatory compliance, and long-term value creation.

Key components

- **E&S risk identification and screening** - All applicable transactions are screened based on sector, activity, geography, and client profile.
- **Risk categorization and assessment** - Transactions are categorized by E&S risk level, with higher-risk activities subject to enhanced due diligence and escalation.
- **Mitigation and action planning** - Clients are required to implement mitigation measures aligned with applicable standards and regulatory expectations.
- **Monitoring and reporting** - Risks are monitored throughout the life of the exposure, with reporting and escalation to relevant committees.
- **Independent assurance** - ESRMS effectiveness is subject to independent review by Internal Audit and Compliance.

Policy screens: Exclusions and restrictions

As part of its ESRMS, Security Bank applies clear policy screens to manage exposure to activities with heightened environmental and social risks.

Exclusion list

The Bank does not finance or invest in activities that are inconsistent with its sustainability commitments, including but not limited to:

- Gambling, casinos, and equivalent enterprises
- Production or trade in radioactive materials (except for limited medical or measurement applications deemed safe by the IFC)
- Businesses that knowingly engage in child labor, forced labor, or unfair labor practices
- Illegal activities
- Production or trade in weapons and munitions
- Coal-related projects, with a commitment to exit coal exposure by 2033

Restriction list

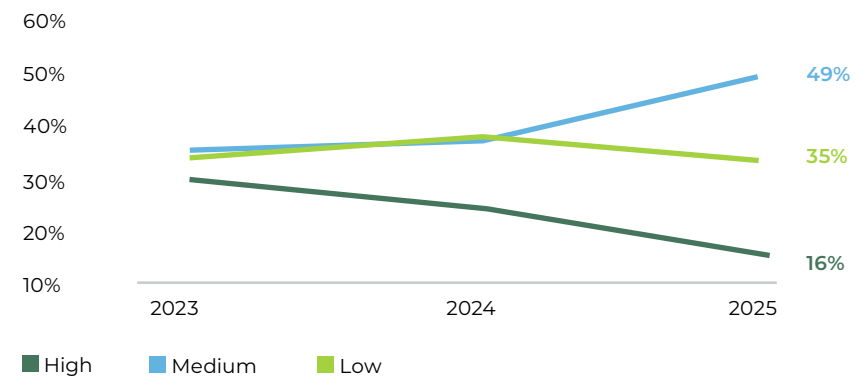
Certain activities are subject to heightened scrutiny and additional controls, including:

- Drift-net fishing in the marine environment using nets exceeding 2.5 km in length



Portfolio risk mix improved, with high-risk exposures declining to 16% and a higher share of medium-risk assets at 49%, reflecting disciplined risk management.

PORTFOLIO E&S RISK EXPOSURE



Integration with risk management and capital planning

Environmental and social risks identified through the ESRMS are integrated into the Bank's enterprise risk management framework and Pillar 2 assessments. Sustainability risk materiality is assessed based on:

- Direct or significant business impact
- Potential impact on capital adequacy or liquidity
- Regulatory requirements

Any one of these criteria may justify inclusion, with significance determined by frequency, severity, and potential impact on business planning, risk appetite, and compliance.

ESRMS enhancements in 2025

Key enhancements during the year included:

- Continued collaboration with the International Finance Corporation to strengthen climate risk mitigation
- Completion of initial climate risk stress testing covering physical and transition risks
- Rollout of mandatory sustainability training for all employees
- Started conducting trainings on the Philippine Sustainable Finance Taxonomy, including case studies and site visits
- Organization-wide IFRS S1 and S2 awareness training

Sector-specific sustainability focus areas

Climate change and energy

Security Bank recognizes the critical role of financial institutions in supporting the transition to a low-carbon economy. The Bank balances its portfolio toward low-emission and sustainable investments while supporting clients and communities in their transition.

The energy sector presents elevated environmental and social risks. While coal reduction is essential, developing economies require a managed transition. The Bank seeks to ensure continued access to capital for clients investing in efficiency improvements and emissions reduction.

Health and safety

Security Bank is committed to providing a healthy and safe work environment for employees, suppliers, clients, and visitors, recognizing health and well-being as integral to business success.

Supply chain

2-6

The Bank expects suppliers to comply with applicable laws and adhere to Supplier Standards that address environmental, social, and governance risks, reinforcing responsible supply chain practices.

Sustainable Finance strategy and performance

Sustainable Finance Framework (SFF)

Security Bank's Sustainable Finance Framework guides the identification, selection, and reporting of eligible sustainable finance projects and instruments, including green, social, and sustainability bonds, loans, deposits, and other instruments.

Eligible projects are aligned with recognized national and international standards, including the International Capital Market Association (ICMA), the ASEAN Capital Markets Forum (ACMF), the Loan Market Associations (LMA, APLMA, LSTA), United Nations Environmental Program (UNEP), the International Finance Corporation (IFC), and Philippine Sustainable Finance regulations.

STRATEGIC PARTNERSHIP WITH IFC

In 2025, the Bank strengthened its Sustainable Finance Framework through closer collaboration with IFC, becoming the first Philippine bank to join its Alliance for Green Commercial Banks—a global, by-invitation initiative that accelerates green commercial banking in emerging markets through peer learning, global knowledge exchange, and capability-building.

In March 2025, the Bank participated in the Alliance's inaugural Excellence in Green Commercial Banking

Immersion Lab in Hong Kong, reinforcing its leadership role in advancing sustainable finance and supporting the transition to a low-carbon, climate-resilient economy.

USE OF PROCEEDS

Net proceeds from sustainable finance instruments are allocated to eligible Green, Social, and Blue categories, including renewable energy, energy efficiency, clean transportation, access to essential services, affordable basic infrastructure, and water-related activities.

GOVERNANCE, MANAGEMENT OF PROCEEDS, AND REPORTING

Strong governance underpins the credibility and integrity of the Bank's sustainable finance activities. The Bank applies clear oversight, disciplined processes, and transparent reporting to ensure that sustainable finance instruments are aligned with their sustainability objectives, comply with applicable standards and regulations, and deliver intended environmental and social outcomes.

These arrangements provide assurance to stakeholders that proceeds are used as intended and that impacts are monitored and disclosed consistently.

- **Project evaluation and selection** - Integrated with ESRMS and governance oversight.
- **Management of proceeds** - Proceeds are tracked by category, amount, and project location.

- **Reporting** - Annual disclosures provide transparency on allocation and impact.

SF performance and impact

PORTFOLIO GROWTH AND RESULTS

The Bank continues to scale its sustainable finance portfolio in response to growing demand for responsible financing and the Bank's commitment to support climate action and inclusive growth. In 2025, sustainable finance activities delivered strong, measurable outcomes, reflecting both portfolio expansion and disciplined execution aligned with the Bank's strategic objectives.

As of 2025, the Bank has disbursed PHP107.76 billion to green and social projects, a 38% increase from 2024. Of this:

- PHP75.8 billion supports green finance.
- PHP31.9 billion supported social development initiatives.

This exceeded the Bank's 2023 commitment to double its sustainable finance portfolio by 2025 by 24%, underscoring strong momentum in responsible financing.

SF PORTFOLIO BREAKDOWN				
Eligible categories		2024 PHP (B)	2025 PHP (B)	Change
Green	Renewable Energy (RE)	35.64	58.50	64%
	Green Building (GB)	7.60	7.60	-
	Clean Transport (CT)	9.03	9.72	8%
Social	Affordable Basic Infrastructure (ABI)	19.70	24.87	26%
	Access to Essential Services (AES)	1.17	1.26	8%
	Employment Generation (EG)	4.82	5.28	10%
	Socio-economic Advancement and Empowerment (SAE)	0.40	0.52	30%
Total		78.36	107.76	38%

SF PORTFOLIO IMPACT		
Category	Metrics (Bank share)	SDGs supported
RE	• 1,580 MW	SDG 7
CT	• 8,215 km electric train rail	SDG 11
GB	• 1 LEED Platinum • 2 LEED Gold • 1 BERDE Certified	SDG 11
ABI	• 502,904 water service connections • 1,035 telco towers • 1,461,194 TEUs	SDG 6 SDG 11 SDG 9
AES	• 544 beds • 6 hospital equipment (2 Radiation equipment, 1 CT Scan, 1 LINAC, 1 Ultrasound) • 23 clinic rooms	SDG 3
EG	• 479,481 beneficiaries – mostly women (Microfinance)	SDG 8
SAE	• 32,600 beneficiaries – mostly women	SDG 10

ACCELERATING IMPACT

Beyond financing volumes, the Bank focuses on strengthening the capabilities, partnerships, and tools required to sustain and deepen impact over the long term. By investing in people, market engagement, and knowledge platforms, the Bank enhances its ability to originate high-quality sustainable finance transactions, support client transitions, and contribute meaningfully to the development of sustainable markets in the Philippines.

- **Capacity building** - Targeted training with IFC, DOE, and BOI; site visits; and technical upskilling.
- **Market leadership** - Active participation in energy and

sustainability forums and value-chain engagement.

- **Tools and knowledge** - Launch of a Sustainable Finance webpage and internal knowledge hub.

LOOKING AHEAD

In 2026, the Bank will focus on expanding access to sustainable finance solutions, enhancing client engagement, strengthening advisory capabilities, and translating capacity-building into practical, measurable impact for clients and communities.

ADVANCING LARGE-SCALE SOLAR DEVELOPMENT

Since 2021, Security Bank has supported Nexif Ratch Energy, a renewable energy developer operating clean power projects across Asia-Pacific, beginning with the financing of its first utility-scale solar project in the Philippines. This support enabled Nexif Ratch’s entry into the local solar market and has since expanded to back successive renewable energy developments through project finance and risk management solutions, providing financing continuity for larger projects and supporting its growing renewable energy capacity in the country.

“Security Bank is one of the more progressive banks based on my interactions with the local banking scene. They are very in tune with what the clients need... and goes above and beyond what is typically done.”

Nicolo Subido
Country Director, Nexif Ratch Energy



Environmental performance

GRI 3-3

Greenhouse Gas Emissions

GRI 102-4

At Security Bank, we recognize that our environmental impact goes beyond day-to-day operations to include emissions from our lending and investment activities. Understanding both operational and Scope 3 financed emissions is essential for assessing climate impact, managing transition risks, informing low-carbon strategies, and embedding sustainability into our core operations.

Over the past years, our focus has gone beyond disclosure, leveraging emissions data to identify opportunities for meaningful reductions. The emissions inventory has provided a robust assessment of our hotspots, forming the foundation for improving GHG inventory completeness, exploring target-setting, and uncovering reduction opportunities. To strengthen accuracy and credibility, we have engaged external partners recognized as global climate experts.

SCOPE 1 & 2 (OPERATIONS)

Operational emissions primarily arise from the Bank's day-to-day activities, including energy use in offices and branches, mobile combustion, other fuel and energy-related activities, and employee travel for business development and client engagements. Security Bank calculates operational emissions in accordance with the GHG Protocol, applying dual reporting, and the best practice in GHG accounting. The location-based method reflects operational efficiency, while the market-based method incorporates the impact of climate actions implemented by the Bank. Together, these approaches provide a comprehensive view of our carbon footprint and support an informed carbon reduction strategy.

EMISSIONS DATA

GRI 102-5, 102-6, 102-7, IFRS S2-29(a)

	2023	2024	2025
Scope 3 (Business Travel) tCO ₂ e	N/A	N/A	356.68
Scope 2	6,059.84	5,666.26	6,478.97
Scope 1	21.21	12.68	13.98
Total tCO ₂ e	6,081.05	5,678.94	6,849.63
% increase/decrease	38.15%	6.61%	20.61%

- Numbers are denoted in tons of carbon dioxide equivalents (tCO₂e).
- Scope 1 includes fuel consumption for company-owned vehicles and backup generators; Scope 2 comprises electricity consumption
- Note: The increase in total emissions in 2025 was driven mainly by higher Scope 2 emissions, reflecting increased electricity consumption resulting from business expansion, additional or expanded branch and office operations, and the normalization of on-site activities supporting business growth during the year. Scope 1 emissions remained minimal, while Scope 3 disclosures currently cover only business travel, which represents a small portion of total emissions.

Looking ahead

The Bank's climate journey is guided by the principle that what gets measured, gets managed. In 2025, the Bank conducted a decarbonization modeling exercise to better understand operational emission hotspots, assess the effectiveness of current sustainability initiatives, and explore potential interventions to support alignment with global decarbonization objectives. Moving forward, emissions reduction targets are being explored as part of an iterative process, recognizing that meaningful climate action should progress alongside robust measurement and reporting.

SCOPE 3 (FINANCED EMISSIONS)

The Bank initiated its Scope 3 Financed Emissions Inventory in 2023 and continued to advance this work in 2025, enhancing data quality and embedding emissions measurements across the organization. While Scope 3 emissions data is not yet publicly disclosed, insights from the inventory have already guided risk management and the Bank's broader sustainability strategy.

In 2025, the inventory was prepared following the Partnership for Carbon Accounting Financials (PCAF) methodology, using a control approach to define system boundaries across all entities under Security Bank's operational control. The inventory currently spans seven key asset classes:

- Commercial Real Estate
- Listed Equity & Bonds
- Business Loans and Unlisted Equity
- Project Finance
- Mortgages
- Motor Vehicle Loans
- Sovereign Debt

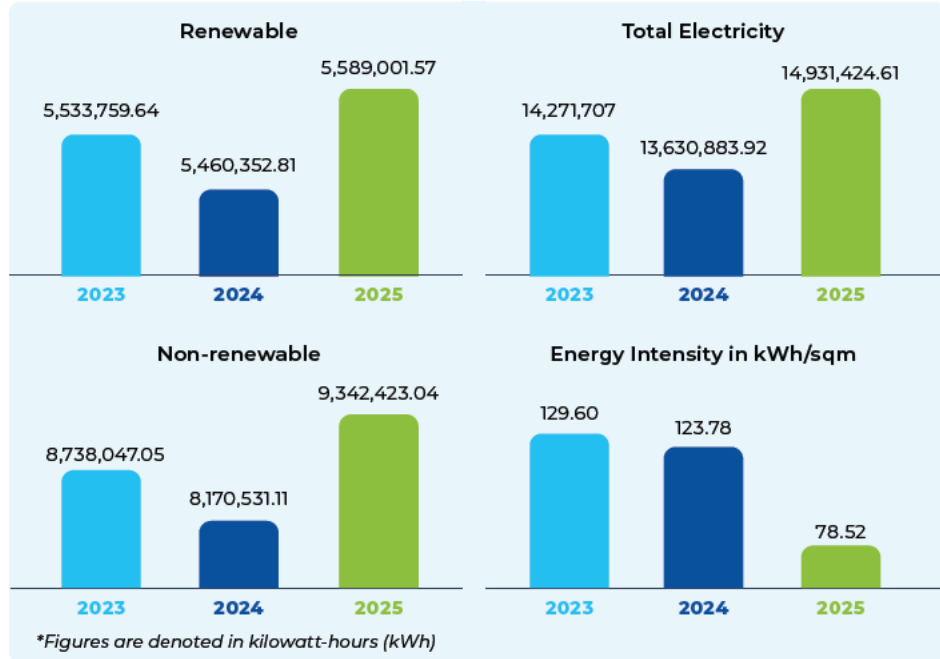
Looking ahead

The Bank will continue to refine and expand the Scope 3 Financed Emissions Inventory, leveraging it as a critical tool for climate strategy, risk management, and preparation for IFRS S1 and S2 disclosures. By deepening our understanding of emissions embedded in our financial activities, we aim to integrate climate considerations into lending, investment, and portfolio decisions, while using the data to manage climate-related risks and engage with clients in their low-carbon transition, reinforcing Security Bank's commitment to sustainable finance.

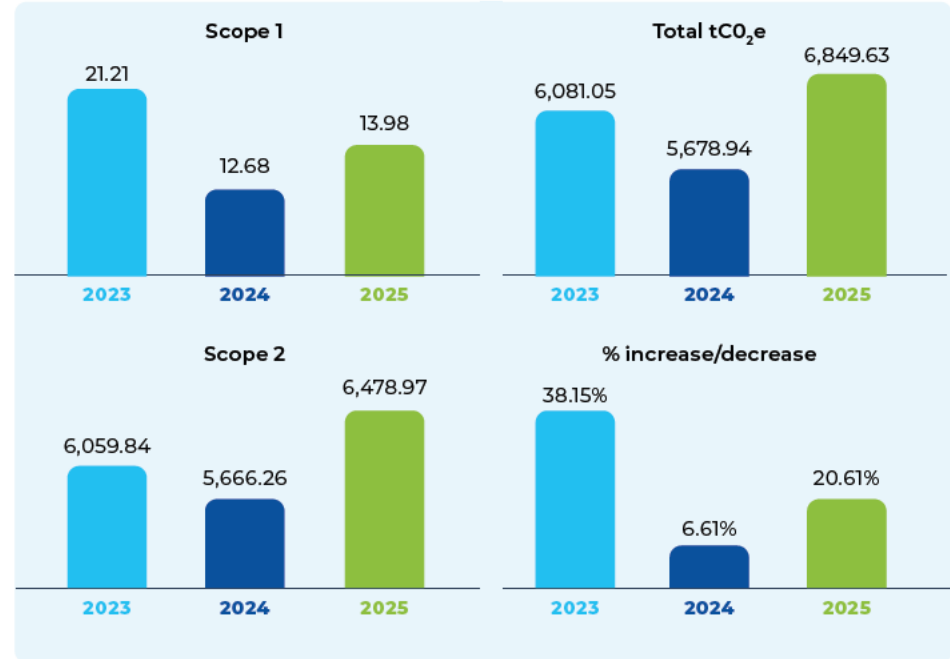
Resource efficiency

Security Bank continues to monitor and manage its resource use and emissions as part of its operational discipline. In 2025, energy consumption and emissions reflected both business growth and ongoing efficiency efforts. The Bank continues to focus on improving energy intensity and strengthening data visibility across operations.

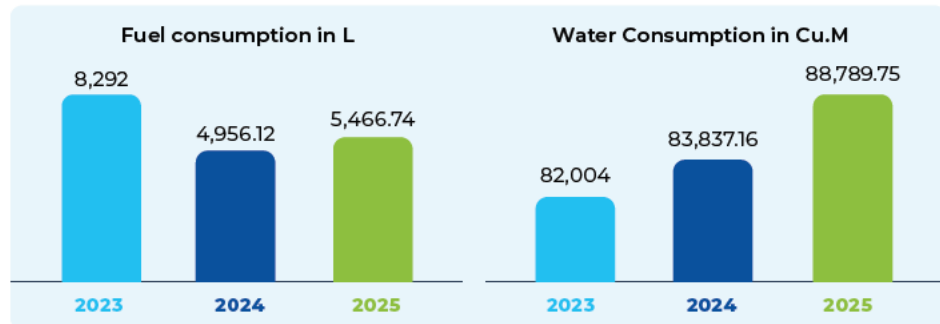
Energy Consumption in kWh
GRI 103-2, 103-4



Scope 1, 2, and 3 (Direct and Indirect Emissions)
GRI 102-5, 102-6, 102-7, 102-8, IFRS S2-29(a)



Water (In Cu.M) and Fuel (in L) Consumption Overall
GRI 303-5



356.68 tCO₂e

Scope 3 Business Travel

- Numbers are denoted in tons of carbon dioxide equivalents (tCO₂e).
- Scope 1 includes fuel consumption for company-owned vehicles and backup generators; Scope 2 comprises electricity consumption
- Note: The increase in total emissions in 2025 was driven mainly by higher Scope 2 emissions, reflecting increased electricity consumption resulting from business expansion, additional or expanded branch and office operations, and the normalization of on-site activities supporting business growth during the year. Scope 1 emissions remained minimal, while Scope 3 disclosures currently cover only business travel, which represents a small portion of total emissions.



Social performance

Working smarter and empowering our people

Our Human Capital Management (HCM) initiatives focused on helping employees work smarter by reducing administrative friction and strengthening the tools that support their work. By simplifying processes and investing in digital platforms, we enabled our people to focus more on meaningful work, collaboration, and development.

Bank leaders at the BLAST (Bank Leadership Advancement and Skills Training) Program, in partnership with the Asian Institute of Management (AIM)

PEOPLE IMPACT SNAPSHOT

92% HCM processes
automated

PHP22.4M savings
From digital learning

75% reduction
Performance administration time

60% faster records
and report generation

1,944 new hires
in 2025

92% participation
Flexible Benefits

+2 employee engagement points
Above industry benchmark



The "Little Security Bankers" day during our 74th anniversary

DIGITAL SYSTEMS THAT FREE UP TIME

We strengthened HeRO as the Bank's single source of truth for people processes, simplifying workflows across recruitment, rewards, and performance management.

Automation across key HCM processes reduced administrative workload and improved consistency in people operations across the organization. These efforts were recognized with the SEA Human Capital Awards – Excellence in Digital Transformation (Bronze).

DISCIPLINED RESOURCE MANAGEMENT

Guided by our CARE culture, we simplified where possible and invested where it mattered most. These improvements enabled the HCM team to support a growing workforce more efficiently.

Our HCM-to-employee ratio improved from 1:53 in 2023 to 1:64 in 2025, while the shift to digital learning platforms generated PHP22.4 million in savings without reducing development opportunities for employees.

ATTRACTING AND DEVELOPING TALENT

Our talent strategy focused on trusted networks, digital platforms, and authentic employer branding.

In 2025, 1,944 employees joined Security Bank, with 42% recruited through employee referrals, reflecting strong employee advocacy. Another 27% were sourced through LinkedIn, delivering efficient reach at a low cost per hire.

Our YOU Matter employer brand campaign, which reached more than 1.2 million views, strengthened our position as an employer of choice. This contributed to our recognition as:

- #3 Best Employer for Fresh Graduates in the Philippines (2025)
- #1 Best Employer for Fresh Graduates in the Philippines (2026)

We also invested early in future talent through 125 internships, building a pipeline of potential hires while reducing future recruitment lead times.

EMPOWERING EMPLOYEES THROUGH CHOICE AND GROWTH

We introduced Flexible Benefits, giving employees greater choice in how they allocate their benefits while maintaining cost discipline. During the first open enrollment, 92% of officers participated, with employees able to add an extra HMO dependent and save up to PHP23,000.

We also strengthened development and performance tools to support continuous growth. Eighty percent of employees now have approved Individual Development Plans, while 77% of compensation managers reported improved efficiency from improved systems and clearer processes.

Together, these initiatives strengthened productivity, engagement, and employee wellbeing—helping our people do their best work every day.

WHEN CARE BECAME REAL

For Cherry Salvato, Training and Engagement Head under Retail Credit Operations, the Bank's YOU Matter commitment became tangible when a fire destroyed her family's home. After informing colleagues of her situation, the HCM Wellness team assisted her in accessing emergency support, enabling her family to begin rebuilding.

For Cherry, the experience affirmed that employee wellbeing extends beyond the workplace.

"It wasn't about the money. It was the reassurance that we weren't alone."

Cherry Sabado





Service Tenure Awards

FROM VOICE TO ACTION

Employee feedback continued to shape meaningful improvements—from digital tools and recognition moments to leadership development and bank-wide engagement initiatives. As a result:

- Employee Engagement Index improved by 2 points in 2025
- Engagement remained above external benchmarks
- Strongest scores reflected optimism about the Bank's future and confidence that feedback leads to action

WHY THIS IS BETTERBANKING

BetterBanking begins with a workplace where people feel supported, heard, and empowered to do their best work. By practicing CARE and strengthening the YOU Matter experience, we support both performance and trust for the long term.



74th anniversary People's Fair

Customer protection & conduct

Protecting customers from fraud and misconduct is fundamental to the Bank's commitment to responsible banking and fair customer outcomes. In 2025, the Enterprise Fraud Department strengthened preventive controls, enhanced digital fraud monitoring, and improved recovery mechanisms—resulting in materially lower fraud losses, faster case resolution, and meaningful operating cost efficiencies.

PROTECTING CUSTOMERS AND REDUCING FRAUD LOSSES

In 2025, the Bank significantly reduced fraud-related losses by enhancing its analytical capabilities, refining fraud detection parameters, and intervening earlier in high-risk transactions. These measures prevented loss accumulation and reduced customer exposure, helping preserve trust and confidence in the Bank's digital channels.

Key outcomes:

- 39% reduction in gross fraud losses year-on-year
- 34% reduction in fraud loss per affected customer account
- 18% reduction in allowed fraud transactions

DIGITAL ENABLEMENT AND COST EFFICIENCY

To improve customer experience while managing operating costs, the Bank enhanced its transaction confirmation process by expanding alerts beyond SMS to include Viber and email, enabling customers to both receive and respond through multiple channels. This improved accessibility for customers overseas or experiencing SMS delivery issues, while allowing the Bank to flex notification channels based on transaction risk and urgency.

As a result, the Bank achieved a 42% reduction in notification-related operating costs, translating to average monthly savings of approximately PHP850,000.

FAIR OUTCOMES AND CUSTOMER RECOVERY

During the year, a large-scale investment scam affected customers across the banking industry. While such cases are typically considered irreversible, the Bank's chargeback specialists applied deep technical expertise in card network rules to pursue recovery strategies on behalf of affected customers.

Through these efforts, the Bank successfully recovered and credited back PHP40 million to impacted customers, reinforcing its commitment to consumer protection and fair treatment.

STRENGTHENING BUSINESS RESILIENCE

Beyond customer protection, these initiatives contributed to stronger business resilience.

Overall fraud losses declined by 39%, operating costs related to fraud alerts fell by 42%, and fraud case resolution turnaround time improved from 10 days to an average of 6.6 days—enhancing service delivery while reducing financial and reputational risk.

LOOKING AHEAD

In 2026, the Bank will continue to strengthen its consumer protection framework, including full compliance with the Anti-Financial Account Scamming Act (AFASA). Ongoing priorities include further enhancements to early fraud detection, customer alerting, and preventive controls, supporting sustainable trust in digital banking and responsible growth.



Building futures through education

GRI 3-3 203-1, 203-2, 413-1, 413-2

For many Filipino children, learning is still shaped by what they don't have: enough classrooms, proper learning spaces, good eyesight, or the financial means to stay in school. These gaps don't just affect grades; they limit confidence, opportunity, and choice.

Security Bank Foundation, Inc. (SBFI) believes education remains one of the most powerful ways to break this cycle.

WHAT WE DID IN 2025

We focused on practical, lasting support—meeting students and educators where they are.

HELPED STUDENTS SUCCEED	EMPOWERED EDUCATORS	BUILT CLASSROOMS
302 Scholars supported (SY 2025-2026)	36,000+ Teachers upskilled in English, Math, and Science	901 Classrooms donated nationwide since program launch
103 Graduates in 2025, including 31 college graduates	177 School principals trained	505 Classrooms repaired since 2019 to maintain safe learning spaces
1,170 Students received eyeglasses, improving reading proficiency	3 YEARS Ongoing mentoring program on leadership, problem-solving, and community impact	62 Classrooms turned over to 9 public schools

THE IMPACT

Educational support works best when it is sustained. What began as a goal to build 60 classrooms has grown into a nationwide effort (now over 15 times larger) supported by partners, employees, and communities working together.

In 2025 alone, partnerships helped raise PHP39 million to sustain education programs through 2027, while a personal endowment will fund 70 scholars annually starting 2025.

WHY THIS IS BETTERBANKING

BetterBanking means investing beyond transactions—in people, potential, and possibilities.

By supporting classrooms, educators, and students, we help communities build stronger foundations for the future: one school, one teacher, and one child at a time.

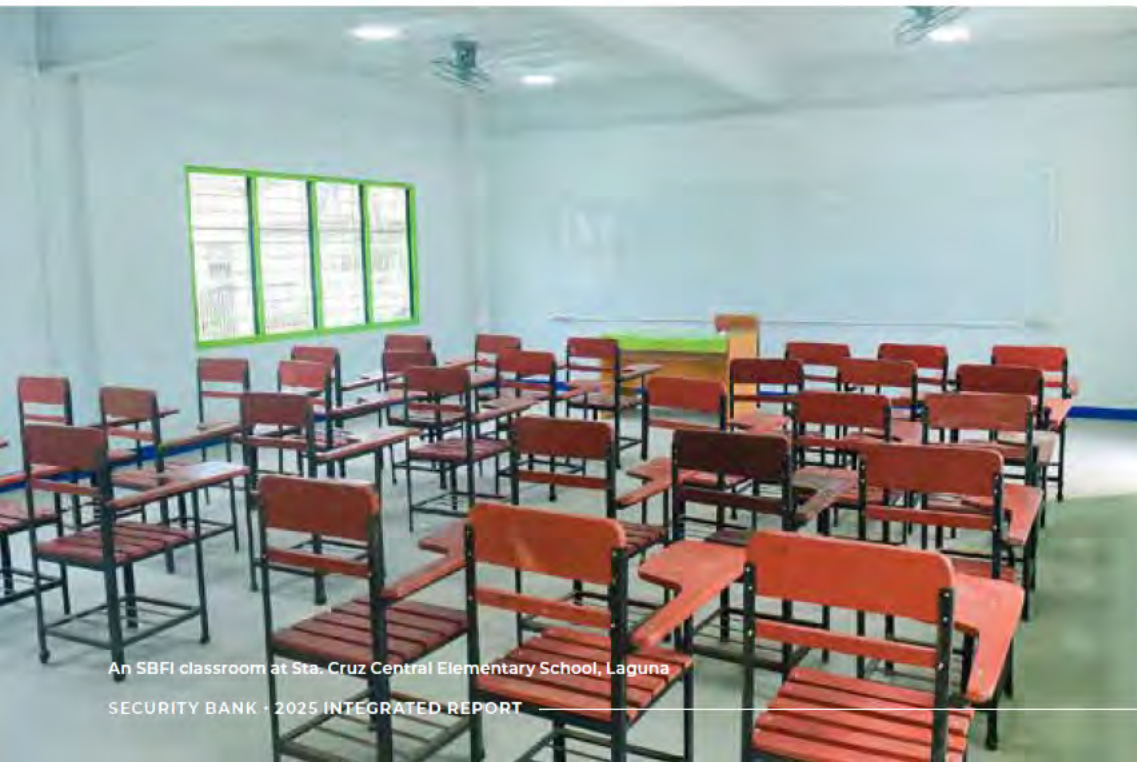


Mentoring Future Leaders for Nation-Building Program

Principals' Training Year 1 - Transforming The School
March 31 - April 2025



Principals from SBF's mentorship program with Ateneo Center for Educational Development



An SBF classroom at Sta. Cruz Central Elementary School, Laguna



Vision screening for students at San Pablo Central Elementary School, Laguna

FROM CUSTODIAN TO TELLER

John Paul “Dave” Omandac’s journey reflects the power of access to opportunity. After leaving school due to financial hardship, he joined Security Bank’s Dasmariñas Branch as a custodian in 2016. In 2022, he became a recipient of the Security Bank Foundation’s RMKK Scholarship, enabling him to complete an accountancy degree while working full-time and supporting his family.

After graduating in June 2025, Dave returned to the same branch as a teller. His story reflects SBF’s commitment to expanding access to education and creating pathways for upward mobility.



John Paul Omandac
SBFI scholar

Strengthening communities

Our Corporate Social Responsibility (CSR) programs aim to strengthen community resilience, inclusive economic participation, and cultural pride in the areas where we operate.

In 2025, our initiatives reached 44,578 individuals nationwide, exceeding our original target by more than 13 times. Through partnerships, employee engagement, and disciplined program execution, we delivered programs that supported livelihoods, advanced inclusion, celebrated culture, and responded to communities in times of crisis.

EMPOWERING LIVELIHOODS

We invest in programs that help communities build sustainable income, practical skills, and long-term resilience. In 2025, we supported community enterprises and vulnerable families through partnerships with ArteFino, Presente, and Business as Mission Philippines, helping connect local products and businesses to broader markets. Key outcomes included:

- 980 families in Cebu strengthened small businesses through mentorship and financial training
- Farmers and solo parents in Aklan received cacao seedlings, poultry kits, and rescue equipment to diversify income sources
- Partnerships with social enterprises helped expand opportunities for community-based producers

These initiatives helped communities strengthen livelihoods while promoting inclusive economic participation.

STRENGTHENING COASTAL RESILIENCE

We invest in nature-based solutions that protect critical ecosystems while strengthening community resilience to climate risk. In 2025, we partnered with Communities for Nature and Oceanus Conservation to advance mangrove regeneration and community-led conservation in Aringay, La Union and Bais City, Negros Oriental, in close collaboration with local government units and coastal communities.

The program integrates ecosystem rehabilitation, environmental stewardship, and sustainable livelihoods, delivering measurable outcomes:

- 2.6 hectares of mangroves rehabilitated
- 10,000 seedlings planted, with an 82.68% survival rate
- 32,000 households supported
- 123 tons of estimated CO₂ sequestration potential

By restoring natural coastal defenses and strengthening local participation, these efforts enhance biodiversity and build long-term climate resilience.

CSR IMPACT SNAPSHOT

44,578 individuals
reached nationwide
through CSR programs

4,824 meals
delivered to displaced communities

1,350+ families assisted
during disasters

980 families supported
Through livelihood initiatives

300+ artists engaged
Through cultural programs

99.4% beneficiary
satisfaction rate

12% increase
in CSR projects vs. 2024



The Integrated Community Development Project with Angat Pinas, Inc. and BUSOE in Mallnaw, Aklan



Mangrove regeneration and conservation with Communities for Nature and Oceanus Conservation



Partnership with Junior Chamber International to provide solar-powered streetlights in Sitio Plsapungan, Tarlac

BUILDING COMMUNITIES THROUGH ARTS AND CULTURE

We believe that culture strengthens identity, fosters connection, and creates opportunities for inclusion. Through arts and cultural programs, we supported Filipino creativity while promoting sustainability and heritage awareness. In 2025, we:

- Engaged 300+ artists nationwide through art competitions and exhibitions
- Supported cultural platforms including National Heritage Month and LAMINA
- Used art as a platform to promote environmental awareness, sustainability, and cultural pride

These initiatives helped amplify Filipino voices while strengthening appreciation for culture and heritage.



Paint for the Planet™ Art Competition with the Art Association of the Philippines

FROM RELIEF TO RESILIENCE

Disaster response is often measured by immediate relief, but long-term resilience requires sustained support. Through its partnership with International Care Ministries (ICM), Security Bank continues to assist communities beyond emergency aid.

In Cebu, savings groups that initially received crisis relief progressed to structured financial literacy training and livelihood mentoring. This shift from relief to capability-building has supported more stable income, improved savings behaviour, and better preparedness for future risks.

The partnership reflects the Bank's approach of combining short-term assistance with longer-term capacity building to support more sustainable community outcomes.

“Security Bank is our partner in capacitating ultra-poor communities across the Philippines—not only by providing immediate relief during disasters, but by helping fellow Filipinos rise above poverty in the long term.”

Caren Grey
Director, Donor Relations
International Care Ministries - Manila



The 6th Bravo Empowered Women Awards in partnership with the Zonta Club of Makati & Environs Foundation, Inc.

ADVANCING WOMEN AND UNDERSERVED GROUPS

We continued to support programs that expand access to opportunity and strengthen leadership among women and underserved communities. Key initiatives included:

- Recognizing grassroots women leaders through the Bravo Empowered Women Awards
- Supporting women in technology through training and data fundamentals programs
- Investing in programs that build confidence, leadership, and economic participation

Through these initiatives, we helped create pathways for women and underserved groups to participate more fully in economic and social development.

RESPONDING WHEN COMMUNITIES NEED HELP MOST

During times of crisis, timely support helps communities

recover faster and rebuild livelihoods. In 2025, we provided immediate assistance to communities affected by natural disasters:

- Delivered 4,824 hot meals to 689 families displaced by the Mount Kanlaon eruption
- Distributed relief packs to 661 families affected by earthquakes and typhoons in Cebu
- Supported vaccinations and essential services for vulnerable children

These efforts helped provide immediate relief while supporting communities during critical recovery periods.

WHY THIS IS BETTERBANKING

BetterBanking is about creating shared value. Through partnerships and community-led initiatives, we support inclusive growth and stronger, more resilient communities.

FINANCING LIVELIHOODS IN RURAL COMMUNITIES

Tam-an Banaue Multipurpose Cooperative is a community-based cooperative serving farmers and microentrepreneurs in rural areas, with more than 35 years of operations.

Since 2023, Security Bank has been its sole creditor bank, providing financing to expand the Cooperative's capacity to extend credit to members. This has supported farmers and rural entrepreneurs in growing livelihoods and small enterprises, while contributing to local economic activity across its member communities.

"Many commercial banks do not really trust, most especially cooperatives, in giving financing, but Security Bank trusted us. Because of the trust of Security Bank, we were able to help many farmers and entrepreneurs do their business."

Jose Tomas, Jr.
CEO, Tam-an Banaue Multipurpose Cooperative



Sustainability reporting standards and assurance

Reporting frameworks and standards applied

The sustainability-related disclosures in this Integrated Report have been prepared with reference to globally recognized reporting frameworks and applicable local regulatory requirements. The Bank aligns its disclosures with the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2), the GRI Sustainability Reporting Standards or GRI Standards, and relevant Sustainability Accounting Standards Board (SASB) indicators for commercial banks.

In addition, disclosures comply with requirements and guidance issued by Philippine regulators, including the Securities and Exchange Commission (SEC) and the Bangko Sentral ng Pilipinas (BSP), where applicable.

Scope, boundary, and basis of preparation

Sustainability disclosures cover the Bank's operations, including head office, branches, and offices, unless otherwise stated. Environmental data is reported for electricity, fuel, water, and waste generated from owned or controlled operations.

Greenhouse gas (GHG) emissions disclosures include Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity) based on available operational data. Scope 3 emissions are partially assessed; at present, public disclosure is limited to business travel, where activity data is sufficiently available and verifiable.

In 2025, the Bank focused on strengthening the foundational methodology and data architecture for financed emissions measurement, guided by the Partnership for Carbon Accounting Financials (PCAF). While initial internal calculations have been undertaken, financed emissions are not yet publicly disclosed due to data availability constraints, client-level data limitations, and the ongoing refinement of portfolio coverage and attribution boundaries.

Data collection, methodologies, and internal controls

Environmental, social, and governance data is collected using a combination of digital systems and manual tracking across relevant units. Standardized emission factors from recognized external sources are applied in the calculation of environmental metrics.

Data is subject to internal validation and review by responsible business and control functions prior to consolidation. Governance-related disclosures are supported by established policies, procedures, and oversight mechanisms, including review by Risk Management, Compliance, and Internal Audit functions, as applicable.

Methodologies, assumptions, and calculation approaches are applied consistently year-on-year, unless otherwise disclosed, to support comparability.

Assurance and audit status

Financial information contained in this Integrated Report has been audited by the Bank's external auditor in accordance with applicable auditing standards, as detailed in the Independent Auditor's Report.

Sustainability disclosures are currently subject to internal governance, control, and review processes but have not yet undergone external limited or reasonable assurance, unless otherwise stated. The Bank continues to assess opportunities to enhance external assurance over sustainability disclosures in line with evolving regulatory expectations and market practice.

Transparency, limitations, and forward-looking considerations

Where relevant, disclosures include explanations of data scope, coverage limitations, and areas under development. Certain sustainability metrics—particularly those relating

to financed emissions and value chain impacts—remain subject to ongoing methodological enhancement and data availability.

Forward-looking statements and targets are based on current assumptions and information available at the time of reporting and may be subject to change as regulatory standards, methodologies, and business conditions evolve.

Location of detailed sustainability disclosures

Detailed sustainability performance data, methodologies, and year-on-year metrics supporting the disclosures in this Integrated Report are presented in the ESG & Sustainability Data Index. Cross-references to applicable IFRS, GRI Standards, and SASB standards are provided to support traceability, regulatory review, and assurance readiness.

ESG & sustainability data performance index

This section provides detailed data, methodologies, and technical disclosures that support the sustainability narrative presented in the Integrated Report. It includes supplementary performance tables prepared in line with applicable regulatory and sustainability reporting requirements.

The annex enhances transparency and comparability by presenting expanded datasets and year-on-year performance information referenced throughout the report and serves as a central reference for regulators, investors, and assurance providers.

Environmental data calculations

GRI 3-3

Environmental data is monitored using a combination of manual tracking and digital systems across offices and branches and is calculated using standardized emission factors from recognized sources.

- Electricity: kilowatt-hours (kWh)
- Fuel: liters (L)
- Waste and materials: kilograms (kg)
- Water: cubic meters (m³)
- Scope 1 emissions (direct emissions from owned or controlled sources) and
- Scope 2 emissions (indirect emissions from purchased electricity)

Scope 3 emissions are partially assessed but not yet fully included in the current reporting boundary. In 2025, the Bank focused on strengthening the foundational methodology and data architecture for a financed emissions inventory, guided by the Partnership for Carbon Accounting Financials (PCAF). While initial internal calculations have been undertaken, financed emissions are not yet publicly disclosed due to data availability constraints, client-level data limitations, and the ongoing refinement of portfolio coverage and attribution boundaries.

At present, the only Scope 3 category publicly disclosed is business travel, where activity data is sufficiently available and verifiable. Scope 1 and Scope 2 emissions are reported based on available operational data, with continuous improvements underway to enhance completeness and accuracy.

2025 EMISSIONS FACTORS			
Emission source	Scope	Emission factor	Source
Company vehicles (fuel combustion - gasoline)	Scope 1	2.5578 tCO ₂ e	UNFCCC GHG Emissions Calculator (2021 Emissions Factor)
Company vehicles (fuel combustion - diesel)	Scope 1	2.1619 tCO ₂ e	
Backup generators (diesel)	Scope 1	2.5578 tCO ₂ e	
Renewable energy (solar)	Scope 2	0 kg CO ₂ e/kWh	
Purchased electricity (grid)	Scope 2	0.6935 tCO ₂ e (Luzon-Visayas Grid) 0.8522 tCO ₂ e (Mindanao Grid)	Department of Energy (DOE)/National Grid Emission Factor
Business Travel	Scope 3	0.158 kg CO ₂ e/passenger-km	UK DEFRA/BEIS GHG Conversion Factors

Ethical operations and good governance

GRI 205-1, 205-2, 205-3, 206-1

Ethical conduct and strong governance underpin the Bank’s operations and commitment to maintaining stakeholder trust. The Bank upholds zero tolerance for corruption and strictly prohibits bribery in any form—direct or indirect—whether involving public officials, private entities, or their associates.

In relation to Business Ethics, the Bank has implemented various initiatives aimed at communicating and strengthening our values and culture across the organization. Our investments sufficiently cover the Bank’s values-driven programs centered on CARE, YOU Matter, and BetterBanking. These initiatives are designed to reinforce expected behaviors, promote a culture of accountability and respect, and ensure consistent alignment with the Bank’s core values in day-to-day operations.

KEY GOVERNANCE POLICIES AND COMPLIANCE MEASURES

- Anti-Bribery and Corruption (ABC) Policy aligned with:
 - Republic Act No. 3019 (Anti-Graft and Corrupt Practices Act)
 - Republic Act No. 6713 (Code of Conduct and Ethical Standards for Public Officials and Employees)
 - International standards, including the UK Bribery Act, US Foreign Corrupt Practices Act, and Hong Kong Prevention of Bribery Ordinance
- Strict prohibition of facilitation payments
- Clear reporting and escalation mechanisms to prevent, detect, and address misconduct

The Bank has implemented several corrective actions to address incidents that have resulted in legal or regulatory implications. These actions include, but are not limited to:

- Policy and Guideline Enhancements
- Process Improvements
- Enhanced Training and Awareness
- Disciplinary Actions

ZERO Confirmed incidents of corruption in 2025

ZERO Legal cases for anti-competitive behavior, anti-trust, and monopoly practices

COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES							
Disclosure		2023		2024		2025	
		Quantity	Percentage	Quantity	Percentage	Quantity	Percentage
Employees to whom the organization’s anti-corruption policies and procedures have been communicated to	Top Management	0 out of 12	0%	Bank-wide email communication was sent on the 2025 ABC Policy		Bank-wide email communication was sent on the 2025 ABC Policy	
	Senior Management	99 out of 781	13%				
	Middle Management	640 out of 5111	13%				
	Supervisors						
	Rank and File						
Employees that have received anti-corruption training	Top Management	641 out of 5111	35%	Tagging merged with SM for 2024		Tagging merged with SM for 2025	
	Senior Management	2 out of 12	41%	525 out of 639	82%	952 out of 976	98%
	Middle Management	101 out of 781	48%	2,526 out of 2,859	88%	5,892 out of 5,933	99%
	Supervisors	642 out of 5111	54%	Tagging merged with MM for 2024		Tagging merged with MM for 2025	
	Rank and File	3 out of 12	61%	982 out of 1,127	87%	2,752 out of 2,796	98%
Business partners to whom the organization’s anti-corruption policies and procedures have been communicated to		Bank-wide email communication was sent					
Directors and management who have received anti-corruption training							
Directors and management to whom the organization’s anti-corruption policies and procedures have been communicated to							

These measures support a culture of integrity, accountability, and responsible business conduct across the organization. To further strengthen sound governance, Bank-wide communication on the ABC policy was done in 2025.

WHISTLEBLOWER PROTECTION PROGRAM

The Bank maintains a Whistleblower Protection Program to encourage the timely reporting of suspected misconduct, fraud, or unethical behavior, while safeguarding individuals who raise concerns in good faith.

REPORTING CHANNELS

- Secure and confidential reporting through speak_up@securitybank.com.ph
- Online reporting via the Bank's website
- Direct reporting to HCM's Speak_Up team
- Options for anonymous reporting where permitted by law

INVESTIGATION AND RESOLUTION

- Reports are subject to independent investigation, with appropriate follow-up actions and resolutions
- Alleged irregularities may be validated or substantiated through audit or control reviews, where applicable
- Access to reports and related information is restricted to a limited number of authorized individuals to preserve confidentiality and integrity of the process

PROTECTION AGAINST RETALIATION

- Measures are in place to protect whistleblowers from retaliation, harassment, or adverse employment action
- The identity of whistleblowers is not disclosed to concerned or erring employees
- Due process is observed for any employee found to have retaliated against a whistleblower

AWARENESS AND GUIDANCE

- Whistleblowing concepts and expectations are reinforced through internal communications, including the People Manager Comic Series – Speak Up
- Learning resources, such as LinkedIn Learning modules on employee whistleblowing, are made available to support awareness and understanding

The Whistleblower Protection Program complies with Section 133 of the Manual of Regulations for Banks (MORB) and supports the Bank's commitment to ethical conduct, accountability, and a culture where concerns can be raised without fear of retaliation.

Data privacy and cybersecurity

GRI 3-3, 418-1

Protecting customer information and maintaining the security and resilience of the Bank's systems are central to operational integrity and stakeholder trust. The Bank's data privacy and information security framework is overseen by the Board, ensuring that cyber and data risks are systematically identified, measured, monitored, and mitigated. Governance oversight is supported by the Corporate Governance Committee, while a dedicated Data Breach Crisis Team is on standby to assess, respond to, and remediate security incidents in a timely and coordinated manner.

FRAMEWORKS, STANDARDS, AND REGULATORY COMPLIANCE

- Information security and data privacy practices are aligned with ISO/IEC 27001:2022, with certification audited by the British Standards Institution (BSI)
- Compliance with regulatory requirements issued by the Bangko Sentral ng Pilipinas (BSP) and the National Privacy Commission (NPC)
- Adoption of globally recognized cybersecurity frameworks, including the NIST Cybersecurity Framework and CIS Critical Security Controls
- Adherence to mandatory data breach notification timelines:
 - BSP: within 2 hours
 - NPC: within 72 hours
- Compliance with the Anti-Financial Account Scamming Act (AFASA), strengthening consumer protection against online fraud and scams

PROACTIVE SECURITY MEASURES

- Operation of a 24/7 Security Operations Center (SOC), supported by intelligence from third-party security providers and open-source threat data

- Periodic internal and independent third-party security assessments for systems handling critical and personal information
- Strengthened digital banking authentication beyond traditional one-time passwords through Customer Identity and Access Management (CIAM), including behavioral authentication and step-up security controls
- Progressive upgrade of corporate systems from traditional antivirus solutions to Endpoint Detection and Response (EDR) technologies for enhanced threat detection and response
- Implementation of internal policies governing data protection and incident response, including the SBC Data Protection Policy, SBC Data Privacy Manual, and SBC Security Incident Management Policy

EMPLOYEE AND STAKEHOLDER AWARENESS

- Mandatory information security and data privacy training for employees and relevant third-party service providers
- Regular simulated phishing exercises to reinforce cyber hygiene and awareness of social engineering threats, including phishing, vishing, and smishing
- Ongoing dissemination of advisories, best practices, and regulatory updates through internal platforms such as email, Viva Engage, and SharePoint

Together, these measures support a robust, defense-in-depth approach to data privacy and cybersecurity, reinforcing the Bank’s ability to protect customer information, comply with regulatory expectations, and respond effectively to an evolving threat landscape.

CUSTOMER PRIVACY			
	2023	2024	2025
Indicator	Quantity		
Number of substantiated complaints on customer privacy	41	15	18
Number of complaints addressed	41	15	18
Number of customers, users, and account holders whose information is used for secondary purposes	0*	15	0
No. of data breaches, including leaks, thefts and losses of data	0*	0*	0*
Percentage of data breaches in which personally identified information (PII) was subject to data breach	0*	0*	0*
No. of unique account holders who were affected by data breaches, which includes all those whose personal data was compromised in a data breach	0*	0*	0*
No. of customers affected by data breaches	0*	0*	0*

**No breach reports were filed from 2023 to 2025 with the National Privacy Commission (NPC). The Bank has a security incident management policy in place which includes procedures for the reporting of any actual or potential data breach incident to the DP Office and subsequently to the NPC, where the latter is warranted. Any process gaps identified in relation to these incident reports were dealt with on a case-to-case basis.*

Customer satisfaction

GRI 3-3

Delivering consistently positive customer experiences is fundamental to building trust and long-term loyalty. The Bank uses CSAT scores (highlighted in the table below) as a core performance indicator to monitor service quality and identify opportunities for improvement across all customer touchpoints.

To support this focus, the Bank continues to invest in initiatives that enhance accessibility, efficiency, and responsiveness. These include the expansion of the branch network, streamlining of operational processes, and the adoption of innovative digital and service solutions designed to respond to evolving customer needs. Customer feedback is actively used to refine products, improve service delivery, and align offerings with expectations, reinforcing the Bank’s commitment to a customer-centric banking experience.

CSAT RATING			
Customer satisfaction (CSAT)	2023	2024	2025
Retail Banking Segment (RBS)	77.4% 63.8% Very satisfied + 13.6% Somewhat satisfied	80% 65% Very satisfied + 15% Somewhat satisfied	86% 72% Very satisfied + 14% Somewhat satisfied
Wholesale Banking Segment (WBS)	99% 81.6% Very satisfied + 17.4% Somewhat satisfied	98% 82% Very satisfied + 16% Somewhat satisfied	97% 65% Very satisfied + 32% Somewhat satisfied
Business Banking Segment (BBS)	N/A	95% 84% Very satisfied + 11% Somewhat satisfied	89% 74% Very satisfied + 15% Somewhat satisfied

HANDLING CUSTOMER COMPLAINTS

GRI 416-1, 416-2, 417-2, 417-3, FN-CB-230a.2

In line with our BetterBanking commitment, we are also committed to the timely, fair, and transparent resolution of customer complaints. Complaints are managed through the Customer Care Department (CCD) under a structured Complaints Management Framework that covers complaint intake, verification, handling, escalation, and response, ensuring consistency and accountability across all channels.

Customer feedback is gathered through CSAT surveys deployed via email, Viber, the corporate website, and QR codes at branches. In 2025, the Bank continued to use Qualtrics, an automated platform that enables real-time analysis of customer feedback and supports prompt issue identification. Key concerns raised during the year included e-commerce-related fraud, retail banking app issues, delays in credit card PIN delivery, and loan service requests. In response, the Bank implemented targeted actions such as strengthening fraud monitoring controls, improving service fulfillment processes, and enhancing transaction support to address customer concerns and improving overall service experience. For this year, no complaints were filed for marketing and labeling- as well as customer health and safety-related matters.

HANDLING OF CUSTOMER COMPLAINTS			
Customer satisfaction (CSAT)	2023	2024	2025
Resolution rate	89%	99%	99%
Overdue bucket rate	1%	1%	0%
Problem incidence rate	4%	4%	3%
Feedback rate	100%	100%	100%
Completion rate	97%	99%	99%
Error rate	1%	1%	2%

CUSTOMER COMPLAINTS

Indicator	Total complaints received	Number of complaints addressed	Number of valid complaints
2023			
Customer privacy	41	41 (100%)	19 (46%)
Marketing and labeling	410	410 (94%)	87 (21%)
Customer Health and Safety	21	21 (100%)	1 (5%)
2024			
Customer privacy	15	15	0
Marketing and labeling	88	88	22
Customer Health and Safety	N/A	N/A	N/A
2025			
Customer privacy	27	27	14
Marketing and labeling	0	0	0
Customer Health and Safety	N/A	N/A	N/A

Business growth (financial and operational)

The Bank's financial and operational growth reflects disciplined execution of strategy, prudent risk management, and continued investment in capabilities that support long-term value creation. Key highlights of the Bank's performance, including growth in assets, revenues, loan portfolio, deposits, and branch network, are discussed in detail in the Financial and Operational Performance section on page 13.

Information on the Bank's Dividend Policy, which guides capital allocation and shareholder returns, is presented in the Corporate Governance section on page 67.

Risk and disaster management

GRI 3-3, 102-1, IFRS S1-27(a), IFRS S1-27(b), IFRS S1-33(a), IFRS S1-44(a), IFRS S1-44(b), IFRS S1-46(b), IFRS S2-6(a), IFRS S2-6(b), IFRS S2-25(a), IFRS S2-25(b), IFRS S2-25(c)

Managing risk and ensuring operational continuity are integral to how the Bank conducts its business. A comprehensive risk and disaster management framework is in place to protect employees, customers, and critical assets from financial, regulatory, and operational disruptions, while supporting stable and compliant operations.

COMPLIANCE AND RISK GOVERNANCE

Risk oversight is embedded within the Bank's Compliance Risk Management System, which forms part of the broader risk governance structure. This system enables early identification and assessment of compliance risks and supports timely mitigation measures. The Chief Compliance Officer (CCO) operates independently, providing objective oversight of regulatory compliance and maintaining active engagement with supervisory authorities.

Compliance risks addressed under the framework include conflicts of interest, fair treatment of customers, and controls

related to anti-money laundering (AML) and counter-terrorist financing (CTF), helping reduce exposure to legal, financial, and reputational risks.

DISASTER PREPAREDNESS AND RISK MITIGATION

Disaster preparedness and risk mitigation are reinforced through close coordination among the Compliance Office, Risk Management, Internal Audit, and Legal functions. Regular risk-based self-assessments, compliance testing, and independent reviews are conducted to identify potential vulnerabilities and strengthen controls. In addition, targeted audit support is used to enhance AML control testing, particularly at branch level.

PROACTIVE RISK MANAGEMENT AND RESPONSE

Preparedness extends beyond controls and testing. Employees are regularly equipped with guidance on regulatory and risk-related responsibilities through a combination of learning modules, regulatory updates,

and targeted briefings. The Bank also conducts disaster response drills and maintains contingency plans to support business continuity during disruptive events. Ongoing engagement with regulators and industry associations further enables the Bank to remain responsive to emerging risks and evolving regulatory expectations.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

GRI 102-2, IFRS S2-9(a), IFRS S2-10(a), IFRS S2-10(b), IFRS S2-10(c), IFRS S2-10(d), IFRS S2-13(a), IFRS S2-14(a)

Climate-related risks are incorporated into the Bank's ESRMS to assess their potential impact on business activities and risk exposures. Physical risks, including extreme weather events that may disrupt operations or damage assets, are evaluated through the Business Continuity Risk Assessment (BCRA) process, enabling early identification of vulnerabilities and informing disaster recovery measures and business continuity planning.

RISKS/OPPORTUNITIES						
Risk Scenarios	Description	Direct and Indirect Impacts	Time frame	Potential Impact	Likelihood	Magnitude of Impact
Typhoon	Severe weather events causing damage to bank branches, offices, and ATMs.	Physical damage to assets, service disruptions, and increased insurance costs.	Short to medium term	High	High	Severe
Storm surge	Coastal flooding and storm surges affecting branch operations and infrastructure.	Branch closures, property damage, and limited accessibility for customers and employees.	Short to medium term	High	Medium	Severe
Extreme heat	Rising temperatures increasing cooling costs and impacting employee well-being.	Higher electricity usage for air conditioning, potential health risks for employees.	Short to long term	Moderate	Medium	Moderate
Power disruption	Grid failures affecting banking operations, data centers, and digital transactions.	Service interruptions, reduced ATM and online banking availability.	Short to medium term	High	High	Severe
Regulatory change on climate disclosure	Stricter ESG regulations requiring enhanced disclosures and compliance measures.	Increased reporting requirements, compliance costs, and potential financial penalties.	Short to long term	Moderate	High	Moderate
Increased demand for sustainable financing	Growing market preference for green and sustainable financial products.	New revenue opportunities from green loans, ESG investments, and sustainability-linked financing.	Short to long term	High	High	High
Digital transformation for remote banking	Expansion of digital banking solutions reducing physical branch dependence	Cost savings from reduced physical infrastructure, increased financial inclusion.	Short to medium term	High	High	High

SUSTAINABILITY-RELATED RISKS, IMPACTS, AND OPPORTUNITIES

IFRS S1-30(a), IFRS S1-30(b), IFRS S1-30(c), IFRS S1-32(a)

Beyond climate considerations, the Bank also identifies and monitors sustainability-related risks and opportunities through its existing risk management processes to manage downside risks while positioning itself to capture opportunities aligned with evolving customer needs, regulatory expectations, and market developments.

Sustainability theme	Key risks	Potential Impacts on the Bank	Opportunities
Climate change and environmental risks	Physical risks from extreme weather events; transition risks from policy, market, and technology changes	Operational disruptions; asset damage; increased credit and insurance costs; higher provisioning	Growth in green, social, and transition finance; improved portfolio resilience; access to sustainable funding
Data privacy and cybersecurity	Cyberattacks, data breaches, and technology failures	Financial losses; regulatory sanctions; reputational damage	Enhanced trust through robust controls; differentiation as a secure and reliable financial institution
Responsible lending and investment	Exposure to environmentally or socially harmful activities; ESG-related credit risks	Higher credit risk; reputational concerns; regulatory scrutiny	Strengthened risk management; alignment with ESG-conscious investors and clients; sustainable finance growth
Customer conduct and satisfaction	Service failures; mis-selling; inadequate complaint handling	Customer attrition; regulatory and reputational risks	Stronger loyalty and retention; improved brand equity; cross-selling opportunities
Human capital and workplace practices	Talent shortages; low engagement; health and safety incidents	Reduced productivity; higher turnover costs; operational inefficiencies	Enhanced performance through upskilling; stronger employer brand; innovation and collaboration
Governance and ethical conduct	Weak controls; conflicts of interest; compliance failures	Legal penalties; loss of stakeholder confidence	Strong governance credibility; investor confidence; long-term institutional stability

Protecting natural resources

GRI 3-3

As stewards of the environment, BetterBanking extends beyond serving customers to caring for the planet and the communities in which the Bank operates. While the Bank’s operations are not resource-intensive, continuous improvements are pursued to enhance resource efficiency across facilities and processes. These efforts support long-term operational efficiency, help manage costs, and contribute to positive environmental outcomes, guided by established frameworks which embed sustainability considerations into both operations and the broader value chain.

ENERGY AND EMISSIONS MANAGEMENT

GRI 103-1

Energy consumption across the Bank’s operations covers the head office, branches, and offices, with air-conditioning

systems identified as the primary source of electricity use. Energy and fuel consumption data are monitored using

electronic records for purchased electricity, company vehicles, and backup generators. Preventive maintenance programs are implemented for vehicles, generators, and electrical systems to promote efficient energy use and reduce emissions.

In support of sustainable growth, the Bank has expanded the use of renewable energy within its branch network. As of October 2025, 18 bank-owned branches have been equipped with solar panels, marking a key milestone in the Bank’s environmental strategy. These installations are complemented by other energy efficiency initiatives, including:

- Replacement of air-conditioning units with higher-efficiency inverter systems
- Use of LED lighting across facilities
- Work-from-home arrangements and operational

controls, such as switching off non-essential equipment after office hours

TOTAL INVESTMENTS MADE FOR BRANCHES’ SOLAR PROJECTS

2023	2024	2025
PHP3,606,357	PHP4,576,897	PHP7,563,719

Scope 1 and Scope 2 emissions are monitored manually using fuel and electricity consumption records. The Bank does not currently have formal carbon neutrality or emissions reduction targets but continues to assess opportunities to strengthen emissions management. No incidents of air pollution exceeding regulatory limits were recorded in 2025, and regulated equipment such as generators remained compliant with applicable emission standards. Our energy and emissions data can be found on page 56.

WATER MANAGEMENT

Water consumption is primarily associated with domestic use and centralized air-conditioning systems at the Head Office, while branches and offices use water mainly for basic operational needs. Overall water use is managed to meet operational requirements without significant strain on local water resources. At present, no specific investments or targets related to water reduction or recycling have been established, given the relatively low water intensity of operations.

WATER (IN CU.M) AND FUEL (IN L) CONSUMPTION OVERALL GRI 303-5			
	2023	2024	2025
Fuel	8,292	4,956.12	5,466.74
Water	82,004	83,837.16	88,789.75

BIODIVERSITY

We recognize the importance of biodiversity protection, even though its operations do not directly affect biodiversity-sensitive areas. None of the Bank’s branches or offices are located within protected ecosystems or critical habitats, and there were zero significant negative biodiversity impacts in 2025. While direct impacts are limited, the Bank continues to explore opportunities to support biodiversity conservation through responsible resource management and community initiatives, including the integration of biodiversity considerations into relevant corporate social responsibility programs.

ZERO Significant negative biodiversity impacts in 2025.

Improving access to financial services, expanding financial inclusion, and enhancing customer experience through innovation remain central to the Bank’s BetterBanking commitment. Through targeted products, partnerships, and digital enablement, the Bank continues to broaden its reach to underserved and vulnerable segments while strengthening operational efficiency and service delivery.

Accessibility, innovation, and digitization

GRI 3-3

BROADENING ACCESS AND FINANCIAL INCLUSION

Through SB Finance, the Bank has expanded access to credit and financial protection for underserved populations by offering tailored loan and insurance solutions. These products are designed not only to address immediate financing needs but also to provide safeguards against unexpected risks that could affect borrowers’ livelihoods.

Key initiatives include:

- MotorsikLOAN, which now includes non-life insurance coverage to protect motorcycles—an essential income-generating asset for many borrowers
- Personal Loans bundled with Group Credit Life Insurance (GCLI), providing financial protection for borrowers’ families in the event of unforeseen circumstances
- Financing sustainable solutions, such as solar panels and electric tricycles (e-trikes), supporting both livelihood resilience and environmental objectives

These offerings strengthen financial inclusion by combining access to credit with risk protection, particularly for first-time and underbanked borrowers.

FINANCIAL LITERACY AND CAPABILITY-BUILDING

Financial inclusion efforts are complemented by a strong focus on financial literacy. SB Finance delivers expert-led workshops and practical resources, including the Utang Manual, to equip clients with essential money management skills. Financial literacy initiatives continue to scale through regular learning sessions, digital tools, and tailored programs for employees, partners, and communities, reinforcing informed decision-making and long-term financial well-being.

FINANCIAL INCLUSION INDEX FN-CB-240a.1		
	2024	2025
No. of branches in rural areas	42	44
Total loan disbursement to SMEs	PHP24.52 billion	PHP21.46 billion
No. of financial literacy sessions conducted	8	7
Total participants in financial literacy programs	135,017	Around 304,000

FINANCIAL LITERACY INITIATIVES FOR UNDERSERVED CUSTOMERS

FN-CB-240a.4

Programs	Number of participants
FinLit Talk for ADHD Society of the Philippines	Around 30
eSALAD FinLit Video Series	Over 95,000
Pera Parinig Facebook Series	Around 209,000
Internal FinLit for BU Leaders	Around 60
CCA Manila Tikim Event Sponsorship and Talk	Around 50
FinLit Initiative with Reed Elsevier	325
FinLit Initiative with Titanium	45

FINANCIAL INCLUSION AND CAPACITY-BUILDING

Disclosure	Number	Amount
(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	4,929	PHP4.184 billion
(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	615	PHP343 million
Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	N/A	N/A
Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	Around 304,000	N/A
Number of unique individuals who are documented to have participated in at least one initiative conducted by the company	Around 304,000	N/A

INNOVATION THROUGH SECTOR-FOCUSED FINANCING

GRI 417-1

To deepen its presence in priority sectors, SB Finance relaunched the Doctors Loan Program with enhanced credit evaluation processes and introduced Patient Loans that require bank account opening, further promoting financial inclusion. Stronger partnerships with hospitals enabled wider promotion of financing solutions for doctors, medical staff, and patients.

In 2025, the program generated 466 loan turn-ins, with an average ticket size of PHP2.3 million, positioning SB Finance as a trusted financing partner within the healthcare ecosystem.

OPERATIONAL EFFICIENCY AND ASSET RECOVERY

Innovation also extends to operational processes. To improve recovery efficiency and reduce reliance on bulk asset sales, Repo Central was formalized and expanded to General Santos, Batangas, and Cagayan de Oro. The team conducted 50 localized marketing and sales activities, including barangay displays and open-warehouse events, supported by incentive programs that improved lead generation and reduced loss exposure.

SUSTAINABLE FINANCE AND STRATEGIC PARTNERSHIPS

At the Bank level, Sustainable Finance remains a key driver of inclusive and responsible growth. In 2025, the Bank formally set sustainable finance disbursement targets. As of year-end, disbursements reached PHP107.76 billion, representing a 38% increase from the previous year-end and a 124% attainment of the full-year target.

The Bank continues to leverage the sustainability expertise and network of MUFG to expand sustainable finance activities, including joint-marketed transactions where MUFG acts as Green Coordinator and the Bank as Lender. In July 2025, MUFG and the Japan International Cooperation Agency (JICA) launched the MUFG/JICA Sustainable Finance Framework, enabling partner banks to qualify transactions as sustainable finance without the need for transaction-level third-party opinions. The Alliance Segment is actively promoting the use of this framework to further advance sustainable finance in the Philippines.

In parallel, the Alliance Segment supports business expansion through close coordination with MUFG to generate opportunities across deposits, loans, foreign exchange, and other services. The establishment of MMFP, in partnership with a major market player, has created a new revenue stream in the auto-loan market and serves as a platform for broader cross-selling opportunities across retail segments.

DIGITALIZATION AND INCLUSIVE INNOVATION

As part of its digital transformation, the Bank continues to enhance customer experience and accessibility through digital channels, product enhancements, and process improvements. These initiatives support faster service delivery, broader reach, and improved efficiency, while ensuring that innovation remains aligned with inclusion and customer protection objectives.

ACCOUNTS BREAKDOWN (NO. AND VALUE OF CHECKING AND SAVINGS ACCOUNTS BY SEGMENT) FN-CB-000.A

Indicator	Number	OB amount	MTD ADB amount	YTD ADB amount
Financial Corporation (non-bank)	2,997	18,580,497,568	19,538,521,285	17,058,352,570
Sole proprietorship	41,543	21,773,901,052	21,137,756,997	19,867,365,324
Government	9	342,419,419	773,901,526	930,526,999
Financial Corporation (bank)	553	4,061,763,203	4,479,850,282	3,005,951,467
Non-Financial Corporation	56,297	200,201,621,344	203,229,390,107	193,896,479,688
Individual	2,560,747	210,556,154,466	209,630,171,080	195,499,289,290
Partnership	2,236	3,650,515,952	3,782,922,094	3,400,349,296
Blank	367	1,648,813,019	806,155,072	779,889,384

ACCOUNTS BREAKDOWN (NO. AND VALUE OF LOAN ACCOUNTS BY SEGMENT) FN-CB-000.B

Indicator	Accounts	OB amount	MTD ADB amount	YTD ADB amount
Financial Corporation (non-bank)	33	23,006,181,475.97	23,002,639,292.94	24,130,154,962.87
Sole proprietorship	481	36,420,337,562.38	34,683,965,847.52	31,578,611,385.37
Government	1	70,521	76,477.73	198,708.82
Financial Corporation (bank)	118,458	163,250,674,846	160,671,332,607.83	142,282,667,204.54
Non-Financial Corporation	17,830	441,539,402,972	396,741,497,516.20	270,581,676,702.51
Individual	232	3,262,887,711	2,778,248,073.58	1,101,417,697.71
Partnership	5,094	25,202,188,803	23,402,561,466.44	12,990,688,245.42
Blank	415	4,856,531,333	4,482,039,748.82	2,867,301,666.10

2,666,749

No. of Checking and Savings Accounts in 2025

142,544

No. of Value and Loan Accounts in 2025

BRANCHES BY REGION

Area	Number of branches (2023)	Percentage (%)	Number of branches (2024)	Percentage (%)	Number of branches (2025)	Percentage (%)
Metro Manila	183	56%	186	54%	189	50%
Luzon	77	24%	83	24%	104	28%
Visayas	32	10%	38	11%	42	11%
Mindanao	33	10%	39	11%	42	11%
Total	325	100%	346	100%	377	100%

BANKING INFRASTRUCTURE

Area	2023	2024	2025
ATMs and CAMs	662	689	756
POS terminals	3,877	5,995	7,223
Merchant locations	18,887	20,795	21,952

DIGITAL BANKING

Area	2023	2024	2025
Enrolled users	662	689	1,483,015*
New enrollments	3,877	5,995	769,130**

*Security Bank App enrolled user count as of Dec 2025

**Number of new enrollments vs. Dec 2024

Fair disclosures

GRI 3-3

Transparency is a cornerstone of sound corporate governance and stakeholder trust. The Bank is committed to the timely, accurate, and balanced disclosure of material information that may affect its financial condition, viability, or the interests of stockholders and other stakeholders.

Disclosures are made in compliance with applicable regulatory requirements and are submitted through prescribed exchange and reporting channels for listed companies. These include regular and event-driven disclosures to the SEC, BSP, PSE, BIR, and other relevant regulatory bodies. Through these mechanisms, the Bank ensures that information is accessible, consistent, and provided on a timely basis to support informed decision-making.

Employee relations, development, and retention

GRI 3-3

Our employees are the heart of BetterBanking: we invest in a resilient, engaged, and future-ready workforce by balancing people-centric initiatives with disciplined cost management and operational efficiency. In 2025, human capital strategies focused on leveraging technology, strengthening capability building, and enabling employees to thrive amid organizational change—while sustaining productivity and engagement.

Technology played a central role in improving employee experience and efficiency. Through HeRO, the Bank achieved 92% automation of key human capital processes, creating a single source of truth for employee data and streamlining workflows across recruitment, rewards, performance management, and operations. These initiatives reduced manual effort, eliminated bottlenecks, and improved HCM-to-employee ratios from 1:53 in 2023 to 1:64 in 2025, supporting business expansion without proportional increases in overhead. These efforts were recognized through regional awards, including Excellence in Digital Transformation (Bronze) and Excellence in Work-Life Harmony (Bronze).

Change management remained a priority, with scenario-based workforce planning and cross-functional collaboration enabling flexibility in responding to evolving business requirements.

DIVERSITY, EQUITY, AND INCLUSION (DEI)

The Bank promotes a diverse and inclusive workplace where hiring, promotion, and development decisions are based on merit, skills, and qualifications, without gender preference in recruitment policies. While no formal gender ratio targets are set, the Bank continues to review workforce composition, engagement, and inclusion practices to ensure fairness and equal opportunity.

Most employees are hired from nearby communities—particularly in branch operations—leveraging local market familiarity and strengthening community ties. Workplace inclusion is reinforced through continuous engagement, supported by annual employee surveys such as the Clint “My Voice Matters” survey, which informs targeted improvements in employee experience.

EMPLOYEE DEMOGRAPHICS

GRI 2-7, 2-8, 405-1

Gender-wide distribution	Contract type		Corporate-wide		Region-wide distribution		
	Full-time	Part-time	Corporate office	Branch office	Luzon	Visayas	Mindanao
Male	3,743	0	2,423	1,320	3,264	179	300
Female	6,587	0	3,661	2,926	5,801	391	395
Total	10,330	0	6,084	4,246	9,065	570	695

EMPLOYEES IN THE LOCAL COMMUNITY

Gender-wide distribution	Contract type		Corporate-wide		Region-wide distribution		
	Full-time	Part-time	Corporate office	Branch office	Luzon	Visayas	Mindanao
Male	1,152	0	269	883	714	161	277
Female	2,341	0	445	1,896	1,619	358	364
Total	10,330	0	714	2,779	2,333	519	641

NEW HIRES AND TURNOVER

In 2025, the Bank strengthened cost-efficient and quality-driven hiring practices:

- 1,944 new hires
- 42% sourced through employee referrals
- 27% sourced through LinkedIn, with low cost per hire

Early-career talent development remained a strategic focus, with 125 interns deployed bank-wide, including international placements. The internship program serves as a feeder for entry-level roles, reducing future hiring lead times and onboarding costs while strengthening engagement with top universities and fresh graduates.

Employer branding initiatives, including the YOU Matter campaign, reached over 1.2 million views, driving organic talent interest. The Bank was recognized as #3 Best Employer for Fresh Graduates (2025) and #1 Best Employer for Fresh Graduates (2026) in the Philippines by Prosple.

NEW HIRES GRI 401-1, 102-3								
2025	Male			Female			Total	New hire rate
	<30	<30-50	>50	<31	<30-51	>51		
	349	390	12	445	737	11	1,944	19%

TURNOVER GRI 401-1								
2025	Male			Female			Total	New hire rate
	<30	<30-50	>50	<31	<30-51	>51		
	304	366	33	499	458	28	1,688	16%

TENURE GRI 401-1								
2025	Male				Female			
	<1 year	1 year- <5 years	5-20 years	>20 years	<1 year	2 years- <5 years	5-20 years	>20 years
	635	2,061	977	70	1,035	3,032	2,359	161

EMPLOYEE BENEFITS AND REMUNERATION

The Bank introduced Flexible Benefits to empower employees to tailor benefits to their needs without increasing overall costs. During open enrollment, 92% of officers participated, reflecting strong relevance and utilization. Employees were given options such as enrolling an additional HMO dependent—otherwise costing approximately PHP23,000 in premiums.

Compensation and benefits are reviewed regularly against market benchmarks using external data sources and third-party consultants, including Willis Towers Watson (WTW). Remuneration proposals are reviewed and approved by the Nomination and Remuneration Committee (NomRem), which includes independent Board members. CEO bonuses are determined through qualitative performance assessment against agreed objectives and key result areas.

	% of employees who availed	
	Male	Female
SSS	35%	21%
PhilHealth	6%	1%
Pag-IBIG	18%	12%
Parental leave	5%	3%
Vacation Leave	94%	91%
Sick Leave	87%	82%
Medical benefits (aside from PhilHealth)	100%	100%
Housing assistance (aside from Pag-IBIG)	0.97%	0.56%
Retirement fund (aside from SSS)	1.73%	1.47%
Flexible working hours	60%	71%

PARENTAL LEAVE			
Indicators	Male	Female	Total
No. of employees that were entitled to parental leave	3,743	6,587	10,330
No. employees that took parental leave in 2025	127	359	486
No. of employees that returned to work in 2024 after parental leave ended	117	280	397
Return to work rate	92%	78%	82%
No. of employees who availed the parental leave in 2024 and returned to work in 2025	10	86	96
No. employees that took parental leave in 2025	127	359	486
Retention rate	8%	24%	19.75%

SOLO PARENTAL LEAVE GRI 401-3			
Indicators	Male	Female	Total
No. of employees that were entitled to parental leave	2	45	47
No. employees that took parental leave in 2025	2	45	47
No. of employees that returned to work in 2024 after parental leave ended	2	45	47
Return to work rate	100%	100%	100%
No. of employees who availed the parental leave in 2024 and returned to work in 2025	0	0	0
No. employees that took parental leave in 2025	2	45	47
Retention rate	0%	0%	0

RATIO OF STANDARD ENTRY-LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE						
	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Standard entry level wage	16,000	16,000	16,500	16,500	18,000	18,000
Local minimum wage	15,402.50	15,402.50	16,286.25	16,286.25	17,548.75	17,548.75
Ratio	1	1	1	1	1	1
Average hourly wage	79.21	79.21	81.68	81.68	89.11	89.11
% of in-store and distribution center employees earning minimum wage	0	0	0	0	0	0

TRAINING AND DEVELOPMENT

GRI 102-3, 404-1, 404-2, 404-3

Learning and development are anchored on building internal capability, reducing dependency on external vendors, and delivering measurable business outcomes. SBC Academy transitioned to a scalable, in-house learning ecosystem—improving speed to delivery, consistency, and alignment with business priorities.

Key learning platforms include:

- SBC Sales University, addressing critical sales capability gaps
- Execution Excellence University, embedding Agile, Lean, and Human-Centered Design
- BOOST Program, focused on problem-solving, strategic thinking, and action learning
- Heart of BetterBanking, translating CARE values into consistent customer-centric behaviors

Digital learning transformation shifted training from classroom-based delivery to LinkedIn Learning and e-learning automation, generating approximately PHP22.4 million in cost savings while expanding access.

In 2025, 80% of employees had approved Individual Development Plans, and 100% received regular performance reviews, reinforcing ownership of personal development supported by coaching and toolkits.

PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS

Area	2025
No. of internal trainings conducted	228
No. of external trainings conducted	150

638,163 Total training hours in 2025	80% Employees with Individual Development Plans	100% Employees received performance reviews
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Mandatory training programs covered fraud awareness, data privacy, information security, operational risk, and governance, with specialized certifications for select roles.

Health, wellness, and safety

Employee health and safety are governed by a documented Occupational Safety and Health (OSH) Policy applicable to all employees and implemented in compliance with legal requirements. The Bank invests approximately PHP15 million annually in health and safety initiatives, including:

- Free or subsidized medicines and vaccinations (e.g., flu and pneumonia)
- Wellness webinars and regular health advisories
- Mental health awareness initiatives
- Mother-Baby Friendly Workplace programs, including lactation rooms and kits

A formal joint management-worker OSH Committee meets monthly and is authorized to make health and safety decisions. Occupational risks are identified through Hazard Identification, Risk Assessment, and Control (HIRAC), with findings used to implement corrective actions and continuously improve the OSH management system.

100%	Employees are covered by the OSH Management System
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SAFETY STATISTICS

Indicators	Quantity		
	2023	2024	2025
Lost time accidents	0	0	0
Incidence rate	0	0	0
Severity rate	0	0	0
Lost days	0	0	0

WORK-RELATED ILL-HEALTH

Indicators	Employees	Workers
No. of fatalities because of work-related ill-health	0	0
no. of recordable cases of work-related ill health	0	0

WORK-RELATED INJURIES

Indicators	Employees	Workers
No. of fatalities because of work-related injury	0	0
Rate of fatalities because of work-related injury	0	0
No. of high-consequence work-related injuries (excluding fatalities)	0	0
Rate of high-consequence work-related injuries (excluding fatalities)	0	0
No. of recordable work-related injuries	0	0
Rate of recordable work-related injuries	0	0
No. of hours worked	0	0

SAFETY DRILLS CONDUCTED

Scenario	2023		2024		2025	
	Frequency	# of participants	Frequency	# of participants	Frequency	# of participants
Fire	Once a year	1,434	Once a year	1,829	Once a year	1,636
Earthquake	Once a year	5,923	Once a year	3,458	Once a year	5,489

LABOR RELATIONS AND GRIEVANCE MECHANISMS

The Bank upholds constructive labor relations and respects employees' rights to representation. A Collective Bargaining Agreement (CBA) covers 1,810 employees, representing 8% of the workforce, and consultations on employee-related policies are conducted regularly.

- Grievances and concerns may be raised through multiple channels, including:
- Human Capital Management (HCM), Audit, Risk, and Quality Assurance units
 - The Whistleblowing Program and Speak Up channels
 - Union grievance mechanisms

Employees who commit violations are subject to administrative due process, escalation to appropriate committees, implementation of corrective actions or penalties, and regulatory reporting where required. Measures are in place to protect employees from retaliation, including confidentiality safeguards, limited access to reports, and clear escalation paths.

GRI 2-30

No. of employees under CBA	1,810
% of employees under CBA	8%
No. consultations conducted with employees concerning employee-related policies	3

Environmental impact of Security Bank investments and loans

GRI 3-3, FN-CB-410a.2

Environmental impacts associated with its investments and lending activities are largely indirect and arise through the activities it finances. These impacts are managed through an integrated framework anchored on the Bank's Sustainable Finance (SF) agenda, SFF, and ESRMS, which together guide the identification, assessment, and management of ESG-related risks and opportunities across the portfolio. Building on the Sustainability Framework refreshed in 2024, the Bank continued in 2025 to operationalize and embed its principles across business units, ensuring sustained alignment with regulatory developments, market expectations, and the Bank's long-term sustainability objectives. The Sustainability Framework provides strategic direction for responsible financing, while the ESRMS focuses on transaction-level risk identification, screening, and mitigation.

As part of its risk management controls, the Bank maintains an ESG Blacklist and Graylist to restrict exposure to activities with unacceptable environmental and social risks and to apply enhanced due diligence to higher-risk sectors and transactions. These mechanisms support prudent credit decision-making and reinforce alignment with the Bank's risk appetite and commitment to responsible banking. Additional information can be found on page 81.

LOANS BY INDUSTRY SECTOR

in PHP millions

	2023	2024	2025
Financial intermediaries	22,726	33,325	22,492
Power, Electricity, and Water Distribution	88,012	107,803	121,485
Wholesale and Retail Trade	89,289	115,361	113,732
Trading and Manufacturing	44,113	48,757	34,101
Transportation, Storage, and Communication	38,628	46,833	51,880
Real Estate*	148,139	168,359	168,860
Others	107,422	157,375	184,088
Total	538,329	677,813	696,638

*Includes loans and receivables on real estate or dwelling units, which are considered production activities.

Initiatives to mitigate climate change

GRI 2-24, 3-3

Environmental and social risk considerations are incorporated into the Bank's lending and investment processes to support responsible business practices and mitigate climate-related risks. This approach emphasizes a clear understanding of clients' business objectives, risk management capabilities, and exposure to environmental and social issues that may affect long-term sustainability and financial resilience.

As part of its risk controls, the Bank applies strict exclusion criteria and sectoral restrictions. Financing is prohibited for activities involving gambling, the production or trade of radioactive materials (except for medical and quality control purposes), child or forced labor, illegal operations, and the manufacture of weapons or ammunition. In line with its coal divestment strategy, the Bank ceased financing new coal-fired power plants in 2021 and remains on track to fully exit coal-related financing by 2033, supporting the gradual transition toward a lower-carbon portfolio.

Moreover, insofar as compliance is concerned, the Bank recorded no cases of non-compliance with environmental laws and regulations.

Community development

GRI 3-3 203-1, 203-2, 413-1, 413-2

Engaging with the community remains a core pillar of the Bank's social impact agenda, guided by the belief that long-term value creation includes strengthening the communities where the Bank operates. Community initiatives are implemented in alignment with the Bank's CSR and Corporate Sponsorship Guidelines, which prioritize education, health, economic empowerment, environmental responsibility, and disaster resilience, while ensuring alignment with sustainability objectives.

Total amount of investments and donations in CSR programs in 2025 (excluding SBFI)	PHP7,752,720
Total programs in 2025	28

CSR Programs per advocacy	Advocacy by count		Advocacy by cost	
	Total	Percentage	Total	Percentage
Arts, culture, and heritage	4	14.29%	PHP2,255,000	29.09%
Disaster Response	2	7.14%	PHP700,000	9.03%
Education	3	10.71%	PHP250,000	3.22%
Health and wellness	4	14.29%	PHP818,000	10.55%
Livelihood	6	21.43%	PHP2,255,000	29.09%
Women Empowerment	3	10.71%	PHP1,200,873	15.49%
Other community building	6	21.43%	PHP273,846	3.53%

EMPLOYEE VOLUNTEERISM AND CIVIC ENGAGEMENT

Employee participation is central to the Bank's community engagement approach. Volunteerism is encouraged through structured programs, collaboration with Purpose Ambassadors, and participation incentives that reinforce a culture of service. In 2025, volunteer initiatives ranged from classroom painting and tree planting to fundraising and disaster response.

One notable example was Area 29 Central Visayas 1, where employees chose to redirect their Christmas party budget to support families affected by Typhoon Tino in Sitio Bahala, Barangay Dumlog, Talisay City. Team members personally prepared 170 relief packages, including handwritten messages of support, demonstrating empathy-driven engagement aligned with the Bank's purpose to enrich lives and build communities.

SCALE AND REACH OF COMMUNITY PROGRAMS

Despite a reduced CSR budget in 2025, the Bank exceeded its original target of supporting 3,000 beneficiaries, reaching over 44,000 individuals nationwide through education, livelihood, health, disaster response, and environmental programs.

Key outcomes included:

- Livelihood and economic empowerment
 - Distribution of cacao seedlings and poultry kits to 40 farmers and solo parents in Aklan, in partnership with BUSOE Inc. and Angat Pinas
 - Financial training and business mentorship for 980 families in Cebu, with International Care Ministries

- Disaster response and humanitarian aid
 - Food packs and relief assistance to 661 families affected by disasters in Cebu
 - Delivery of 4,824 hot meals to 689 families displaced by the Mount Kanlaon eruption in Bacolod
- Health and community well-being
 - Installation of solar-powered streetlights in Sitio Pisapungan, Pampanga, benefiting 50 families (200 individuals)
 - Funding yearlong vaccinations for 15 children through the Meritxell Children's World Foundation

ENVIRONMENTAL, CULTURAL, AND CREATIVE INITIATIVES

Environmental stewardship and cultural preservation are integrated into community programming:

- Project MITHI (Mangrove-Based Initiatives for Thriving Habitats and Inclusive Communities)
 - Planting 10,000 mangrove seedlings benefiting more than 32,000 people
- Arts and culture
 - Engagement of 300+ artists through the Paint for the Planet Art Competition
 - Support for ArteFino Festival, Bravo Empowered Women Awards, and National Heritage Month
 - Upcoming public art and cultural projects, including the Paseo de Roxas Underpass Mural and Japanese Garden Refresh

INTEGRATED COMMUNITY DEVELOPMENT PARTNERSHIPS

The Bank supports multi-year, capacity-building initiatives designed for sustained impact:

- BUSOE Integrated Community Development Program (Aklan): cacao farming, poultry raising, and wilderness rescue, supported by training from the Department of Agriculture
- ArteFino Maker's Lab: mentoring students in circular fashion and responsible design
- All-Lights Village Project: delivering off-grid solar energy, learning centers, and livelihood programs to indigenous communities
- Nanay-Tatay-Teacher Program, Prevail Program, and educator upskilling initiatives in partnership with Security Bank Foundation, Synergeia Foundation, International Care Ministries, and other civil society organizations

These efforts reflect the Bank's commitment to inclusive, resilient, and community-led development.

Human rights

The Bank is committed to respecting and upholding human rights across its operations, value chain, and communities served. This commitment is embedded in governance, risk management, and engagement practices, consistent with applicable laws, regulations, and international norms.

ZERO TOLERANCE AND PERFORMANCE

<p>ZERO</p> <p>Zero human rights violations were recorded in 2025</p>	<p>No known incidents related to discrimination, forced labor, child labor, or human rights abuse were identified during the reporting period</p>
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SCOPE OF HUMAN RIGHTS CONSIDERATIONS

Human rights considerations and principles extend beyond the workplace and apply to:

- Employees and contract workers
- Communities affected by the Bank's operations or financed activities
- Suppliers and third-party partners within the value chain

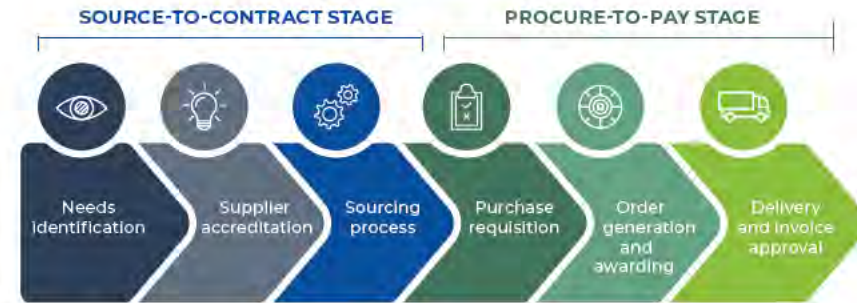
Where relevant, social impact assessments (SIA) and stakeholder engagement plans are conducted to identify, assess, and manage potential human rights risks associated with projects, programs, or partnerships. This approach supports early identification of potential risks and informs mitigation measures before adverse impacts occur.

Supporting local procurement

GRI 3-3, 204-1, 308-1, 308-2, 414-1, 414-2

The Bank practices responsible and sustainable procurement grounded in fairness, transparency, and accountability. Supplier relationships are guided by the Supplier Standards and Sustainable Procurement Policy, which sets clear expectations on ethical conduct, environmental responsibility, and social practices. Due diligence is conducted on all prospective suppliers, supported by a risk-based compliance monitoring system that assesses adherence to ESG requirements and requires corrective actions for non-compliant vendors.

SOURCE TO PAY PROCESS



Where feasible, the Bank prioritizes local suppliers that meet quality, cost, and delivery standards, supporting local economies and strengthening supply chain resilience. Critical suppliers are subject to third-party risk assessments, while procurement processes continue to evolve through the digitization of vendor onboarding and the increased use of sustainable materials.

To manage operational and climate-related risks, suppliers are required to submit Business Continuity Plans (BCPs) addressing potential disruptions from extreme weather and other events. The Bank also encourages inclusive sourcing by prioritizing suppliers that employ disadvantaged or underrepresented groups and works with higher-risk vendors to implement ESG improvements where gaps are identified. Open communication and collaboration remain central to ensuring procurement practices uphold the Bank's sustainability and ethical standards.

<p>97%</p> <p>Percentage of local suppliers</p>	<p>PHP17.1M</p> <p>Amount paid to suppliers in 2025</p>
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Use of recycled and reused materials

GRI 3-3, 301-1, 301-2

We monitor material consumption through direct measurement in kilograms, enabling accurate tracking, assessment, and informed decision-making on resource efficiency. Efforts to reduce the use of virgin materials are anchored on process digitization and systems enhancement rather than physical inputs, reflecting the nature of banking operations.

Materials (in kg)	2023	2024	2025
Paper	12,841	14,512	9,096

*· Numbers are denoted in kilograms (kg).
· Reflecting the effectiveness of its digital transformation initiatives, the Bank achieved a reduction in paper consumption in 2025. It continues to use only recycled paper and reinforces internal recycling practices to minimize environmental impact.*

37% Reduction in paper use vs. 2024

A sustained shift toward paperless and digital workflows has significantly reduced paper and consumables use. The adoption of digital applications such as DocuSign, electronic signatures, and fully automated notices and correspondences have streamlined documentation, reduced printing and courier requirements, and lowered associated energy use. Investments in core systems—including the PHP80 million Oracle ERP implementation—have further strengthened material sourcing, process efficiency, and inventory control.

Operational digitization initiatives led by the OCOO contributed to reduced resource consumption through:

- Digitized AML reporting, payments, collections, rewards, and loan origination
- Paperless SWIFT notices and digital transaction confirmations
- Digital UTS and e-signature platforms that reduced paper, ink, and energy use
- Continued digitalization of procedural guidelines to eliminate recurring printing

In customer-facing operations, sustainability measures are embedded into routine processes:

- 100% recycled debit cards for deposit products
- Continued use of electronic Statements of Account
- Paperless insurance e-policies, eliminating printed documents and delivery-related emissions

Waste generation is minimized through electronic systems and centralized controls. Over the past three years, the Bank invested PHP561,000 in waste and hazardous materials management to ensure compliance with safe handling and disposal practices. While waste

disposal is coordinated with Local Government Units (LGUs), the Bank maintains internal controls, including accreditation of waste collectors and materials managers for hazardous waste. A written policy governs the handling and disposal of hazardous materials such as batteries and used oil to prevent environmental harm.

Although the Bank does not yet have a formal policy on single-use plastics or circular economy initiatives, we continue to assess opportunities to improve material efficiency, evaluate relevant KPIs, and explore the increased use of recycled and reusable materials as part of its ongoing sustainability journey.

PHP 80M investment for Oracle ERP implementation	PHP 615,000 investment for waste management compliance
100% e-SOA implementation for customers	100% recycled plastic debit cards across deposit products

Protecting Indigenous Peoples' rights

GRI 411-1

As a financial institution, we respect and uphold the rights of Indigenous Peoples in line with its Diversity, Equity, and Inclusion (DEI) commitments and zero-discrimination policies. These principles guide our approach to fair treatment, equal opportunity, and respect for cultural diversity across the organization and in our business relationships.

While the Bank's operations do not directly affect Indigenous communities or ancestral domains, considerations on human rights and non-discrimination are embedded in our workplace policies, risk assessments, and engagement practices. Where applicable, these principles also extend to our supply chain and community initiatives.

At present, the Bank does not track specific metrics related to Indigenous Peoples' engagement. However, efforts are underway to strengthen internal frameworks and assessment tools to support more inclusive policies and practices over time.

ZERO Reported incidents of violation or discrimination involving Indigenous People's rights

GRI Content Index

For the Content Index - Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.



CONTENT INDEX ESSENTIALS
SERVICE

2026

Statement of use	Security Bank has reported in accordance with the GRI Standards for the period January 1, 2025 to December 31, 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector	Not applicable

GRI Standard	Disclosure	Page number (s) and/or direct answers	Reason for Omission		
			Requirement(s) omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	The organization and its reporting practices				
	2-1	Organizational details	6, 17, 191, 224		
	2-2	Entities included in the organization's sustainability reporting	All entities in the consolidated financial statements are included in the sustainability report.		
	2-3	Reporting period, frequency and contact point	235		
	2-4	Restatements of information	No restatements.		
	2-5	External assurance	The report has not undergone external assurance.		
	Activities and workers				
	2-6	Activities, value chain and other business relationships	13, 52		
	2-7	Employees	202		
	2-8	Workers who are not employees	202		
	Governance				
	2-9	Governance structure and composition	9, 67, 177, 189		
	2-10	Nomination and selection of the highest governance body	70		
	2-11	Chair of the highest governance body	70		
	2-12	Role of the highest governance body in overseeing the management of impacts	70		
2-13	Delegation of responsibility for managing impacts	49			
2-14	Role of the highest governance body in sustainability reporting	69			
2-15	Conflicts of interest	76-78			

Note: This Sustainability Report is an excerpt from the Bank's 2025 Integrated Report. All page references on the following sustainability data indices refer to the full Integrated Report available on the Bank's website.

GRI Standard	Disclosure	Page number (s) and/or direct answers	Reason for Omission			
			Requirement(s) omitted	Reason	Explanation	
GRI 2: General Disclosures 2021	2-16	Communication of critical concerns	Critical sustainability and E&S concerns are escalated to the Sustainability Committee (Management) and reported to the BoD through CorGov.			
	2-17	Collective knowledge of the highest governance body	49			
	2-18	Evaluation of the performance of the highest governance body	70			
	2-19	Remuneration policies	71			
	2-20	Process to determine remuneration	71			
	2-21	Annual total compensation ratio	71			
	Strategy, policies and practices					
	2-22	Statement on sustainable development strategy	3			
	2-23	Policy commitments	6, 79			
	2-24	Embedding policy commitments	206			
	2-25	Processes to remediate negative impacts	78			
	2-26	Mechanisms for seeking advice and raising concerns	78			
	2-27	Compliance with laws and regulations	75			
	2-28	Membership associations	223			
	Stakeholder engagement					
	2-29	Approach to stakeholder engagement	20			
2-30	Collective bargaining agreements	206				
Material Topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	21			
	3-2	List of material topics	21			
Topic-Specific Disclosures						
Business Growth (Financial/Operational)						
GRI 3: Material Topics 2021	3-3	Management of material topics	13			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	13, 19			
	201-3	Defined benefit plan obligations and other retirement plans	71			
	201-4	Financial assistance received from government	No financial assistance received from the government.			

GRI Standard	Disclosure	Page number (s) and/or direct answers	Reason for Omission		
			Requirement(s) omitted	Reason	Explanation
Fair Disclosures					
GRI 3: Material Topics 2021	3-3	Management of material topics	68, 202		
GRI 207: Tax 2019	207-1	Approach to tax	68		
	207-2	Tax governance, control, and risk management	79		
	207-3	Stakeholder engagement and management of concerns related to tax	68		
	207-4	Country-by-country reporting	Only for the Philippines.		
Supporting Local Procurement					
GRI 3: Material Topics 2021	3-3	Management of material topics	208		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	208		
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	208		
	308-2	Negative environmental impacts in the supply chain and actions taken	208		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	208		
	414-2	Negative social impacts in the supply chain and actions taken	208		
Employee Relations, Development, and Retention					
GRI 3: Material Topics 2021	3-3	Management of material topics	202		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	69, 202		
	405-2	Ratio of basic salary and remuneration of women to men	Remuneration policy is based on position and not gender.		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	203		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	204		
	404-2	Programs for upgrading employee skills and transition assistance program	204		
	404-3	Percentage of employees receiving regular performance and career development reviews	100% for all employees.		
Community Development					
GRI 3: Material Topics 2021	3-3	Management of material topics	206		
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	19, 61, 206		
	203-2	Significant indirect economic impacts	61, 206		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	61, 206		
	413-2	Operations with significant actual and potential negative impacts on local communities	61, 206		

GRI Standard	Disclosure	Page number (s) and/or direct answers	Reason for Omission			
			Requirement(s) omitted	Reason	Explanation	
Protecting Natural Resources						
GRI 3: Material Topics 2021	3-3	Management of material topics	55, 198			
GRI 103: Energy 2025	103-1	Energy policy and commitments	198			
	103-2	Energy consumption within the organization	56			
	103-3	Energy consumption outside of the organization		103-3-a to 103-3b	Not Applicable	We do not monitor upstream and downstream energy consumption due to limitations in value chain data tracking. Efforts are underway to improve value chain energy reporting and enhance data availability in future reporting periods.
	103-4	Energy intensity	56			
	103-5	Reduction of energy consumption	No reduction achieved; 9.6% increase vs. 2024.			
	GRI 102: Climate Change 2025	102-1	Transition plan for climate change mitigation	197		
102-2		Climate change adaptation plan	197			
102-3		Just transition	203-204			
102-4		GHG emissions reduction targets and progress	No reduction achieved; 20.68% increase vs. 2024.			
102-5		Scope 1 GHG emissions	55-56			
102-6		Scope 2 GHG emissions	55-57			
102-7		Scope 3 GHG emissions	55-56 Only business travel was reported under Scope 3 for the current year.			
102-8		GHG emissions intensity	56			
102-9		GHG removals in the value chain		102-9-a to 102-9-d	Not Applicable	We do not report GHG removals in the value chain as we currently do not have systems or data to identify and quantify such removals.

GRI Standard		Disclosure	Page number (s) and/or direct answers	Reason for Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 102: Climate Change 2025	102-10	Carbon credits		102-10-a to 102-10-e	Not Applicable	We do not engage in carbon credit transactions and therefore have no data to disclose for this indicator.
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Municipal Water for Domestic Use.			
	303-2	Management of water discharge-related impacts	The wastewater is discharged to local sewer lines which are managed by the local government units and designated water utility companies.			
	303-3	Water withdrawal	We don't extract groundwater.			
	303-4	Water discharge	We do not measure the water discharge since the consumption is only for domestic use.			
	303-5	Water consumption	56, 199			
Use of Recycled and Reused Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics	209			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	209			
	301-2	Recycled input materials used	209			
	301-3	Reclaimed products and their packaging materials	We did not use reclaimed products.			
Ethical Operations and Good Governance						
GRI 3: Material Topics 2021	3-3	Management of material topics	75, 193			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	75, 193			
	205-2	Communication and training about anti-corruption policies and procedures	75, 77, 193			
	205-3	Confirmed incidents of corruption and actions taken	193			
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	193			
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	78			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	There are no operations at significant risk of child labor.			

GRI Standard		Disclosure	Page number (s) and/or direct answers	Reason for Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	78			
Protecting Indigenous People's Rights						
GRI 3: Material Topics 2021	3-3	Management of material topics	209			
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	209			
Data Privacy and Cybersecurity						
GRI 3: Material Topics 2021	3-3	Management of material topics	194			
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	194			
Accessibility, Innovation, and Digitization						
GRI 3: Material Topics 2021	3-3	Management of material topics	199			
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	75, 200			
	417-2	Incidents of non-compliance concerning product and service information and labeling	196			
	417-3	Incidents of non-compliance concerning marketing communications	196			
Customer Satisfaction						
GRI 3: Material Topics 2021	3-3	Management of material topics	195			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	196			
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	196			
Environmental Impact of Security Bank's Investment and loans						
GRI 3: Material Topics 2021	3-3	Management of material topics	206			
Risk and Disaster Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	197			
Initiatives to Mitigate Climate Change						
GRI 3: Material Topics 2021	3-3	Management of material topics	206			

Sustainability Accounting Standard Board (SASB)

Security Bank has also prepared this report following the industry-specific ESG guidance framework of SASB Standards Commercial Banks. This content index provides an overview of our Environmental, Social, and Governance data that align with these standards.

Topic	Metric	Category	Unit of Measure	Code	Page No.
Table 1. Sustainability Disclosure Topics & Metrics					
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected ¹	Quantitative	Number, Percentage (%)	FN-CB-230a.1	No significant data privacy breach recorded.
	Description of approach to identifying and addressing data security risks	Discussion and Analysis	n/a	FN-CB-230a.2	197
	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development ²	Quantitative	Number, Presentation currency	FN-CB-240a.1	199
Financial Inclusion & Capacity Building	(1) Number and (2) amount of past due and nonaccrual loans or loans subject to forbearance that qualify for programmes designed to promote small business and community development	Quantitative	Number, Presentation currency	FN-CB-240a.2	Not Applicable
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	Quantitative	Number	FN-CB-240a.3	Not Applicable
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers ³	Quantitative	Number	FN-CB-240a.4	200
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Discussion and Analysis	n/a	FN-CB-410a.2	206
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2), and (3) Scope 3	Quantitative	Metric tons (t) CO ₂ -e	FN-CB-410b.1	Not Applicable
	Gross exposure for each industry by asset class	Quantitative	Presentation currency	FN-CB-410b.2	Not Applicable
	Percentage of gross exposure included in the financed emissions calculation	Quantitative	Percentage %	FN-CB-410b.3	Not Applicable
	Description of the methodology used to calculate financed emissions	Discussion and Analysis	n/a	FN-CB-410b.4	Not Applicable
Business Ethics	Total amount of monetary losses are a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behaviour, market manipulation, practice, or other related financial industry laws or regulations ⁴	Quantitative	Presentation currency	FN-CB-510a.1	Not Applicable
	Description of whistleblower policies and procedures	Discussion and Analysis	n/a	FN-CB-510a.2	78
Systemic Risk Management	Global Systemically Important bank (G-SIB) score, by category ⁵	Quantitative	Basis points (bps)	FN-CB-550a.1	Not Applicable
	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	n/a	FN-CB-550a.2	Not Applicable

Activity Metric	Category	Category	Code	Page No.
Table 2. Activity Metrics				
(1) Number and (2) value of checking and savings accounts by segments: (a) personal and (b) small business	Quantitative	Number, Presentation currency	FN-CB-000.A	201
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate ⁶	Quantitative	Number, Presentation currency	FN-CB-000.B	201

¹ Note to FN-CB-230a.1 *The disclosure shall include a description of corrective actions implemented in response to data breaches*

² Note to FN-CB-240a.1 *The disclosure shall include a description of how the entity's compliance with applicable jurisdictional laws or regulations are integrated into its financial inclusion and capacity building strategy*

³ Note to FN-CB-240a.4 *The disclosure shall include a description of financial literacy initiatives*

⁴ Note to FN-CB-510a.1 *The entity shall briefly describe the nature, context, and any corrective actions taken because of monetary losses*

⁵ Note to FN-CB-550a.1 *The entity shall describe whether the Global Systemically Important Bank (G-SIB) score is calculated by the entity or obtained from regulatory authorities and whether the entity is required to report underlying data to the regulators.*

⁶ Note to FN-CB-000.B *Mortgage loans as well as revolving credit loans shall be excluded from the scope of the disclosure*

ISSB'S IFRS S1 Sustainability-related Disclosures Content Index

This content index is based on the International Sustainability Standards Board (ISSB)'s International Financial Reporting Standards Foundation (IFRS) S1 General Requirements for Disclosure of Sustainability-related Financial Information.

Reference no.	Disclosure Description	Page No.
Governance		
IFRS S1-27(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities, including information about:	49
	(i) How responsibilities for sustainability-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	49, 67, 197
	(ii) (How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to sustainability-related risks and opportunities.	
	(iii) How and how often the body(s) or individual(s) is informed about sustainability-related risks and opportunities.	
	(iv) How the body(s) or individual(s) takes into account sustainability-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	49, 67, 197
	(v) How the body(s) or individual(s) oversees the setting of targets related to sustainability-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.	
IFRS S1-27(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities, including information about:	49, 67, 79, 197
	(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	49, 67, 79, 197
	(ii) Whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	49, 67, 79, 197
Strategy		
Sustainability-related risks and opportunities		
IFRS S1-30(a)	Sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	198
IFRS S1-30(b)	The time horizons—short, medium or long term—over which the effects of each of those sustainability-related risks and opportunities could reasonably be expected to occur.	198
IFRS S1-30(c)	The definitions of 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	198
Business model and value chain		
IFRS S1-32(a)	A description of the current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain.	198
Strategy and decision-making		
IFRS S1-33(a)	How the entity has responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	197
Resilience		
IFRS S1-41	A qualitative and, if applicable, quantitative assessment of the resilience of its strategy and business model in relation to its sustainability-related risks, including information about how the assessment was carried out and its time horizon.	51

Reference no.	Disclosure Description	Page No.
Risk Management		
IFRS S1-44(a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks, including information about:	79, 197
	(i) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes).	79, 197
	(ii) Whether and how the entity uses scenario analysis to inform its identification of sustainability-related risks.	79, 197
	(iii) How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria).	79, 197
	(iv) Whether and how the entity prioritises sustainability-related risks relative to other types of risk.	79, 197
	(v) How the entity monitors sustainability-related risks (vi) Whether and how the entity has changed the processes it uses compared with the previous reporting period.	79, 197
IFRS S1-44(b)	The processes the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities.	79, 197
Metrics and Targets		
IFRS S1-46(b)	Metrics the entity uses to measure and monitor that sustainability-related risk or opportunity and its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation.	197

ISSB'S IFRS S2 Climate-related Disclosures Content Index

This content index is based on the ISSB's IFRS S2 General Requirements for Disclosure of Climate-related Financial Information. Relevant information can be found in Security Bank's Integrated Report.

Reference no.	Disclosure Description	Page No.
Governance		
IFRS S2-6(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities, including the information about:	49, 67, 197
	(i) How responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s).	49, 67, 197
	(ii) How the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities.	
	(iii) How and how often the body(s) or individual(s) is informed about climate-related risks and opportunities.	
(iv) How the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities.	49, 67, 197	
(v) How the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets, including whether and how related performance metrics are included in remuneration policies.		
IFRS S2- 6(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	49, 67, 197
	(i) Whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee.	49, 67, 197
	(ii) Whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions.	49, 67, 197
Strategy		
IFRS S2-9(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	197
Climate-related risks and opportunities		
IFRS S2-10(a)	Climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	197
IFRS S2-10(b)	For each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	197
IFRS S2-10(c)	For each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term—the effects of each climate-related risk and opportunity could reasonably be expected to occur.	197
IFRS S2-10(d)	How the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	197
Business model and value chain		
IFRS S2-13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain.	197

Reference no.	Disclosure Description	Page No.
Strategy and decision-making		
IFRS S2-14(a)	<p>How the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation, including the information about:</p> <ul style="list-style-type: none"> (i) Current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations resource allocations resulting from demand or supply-chain changes resource allocations arising from business development through capital expenditure or additional expenditure on research and development and acquisitions or divestments). (ii) Current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications). (iii) Current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains). (iv) Any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies. (v) How the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets. 	197
Risk Management		
IFRS S2-25(a)	<p>The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:</p> <ul style="list-style-type: none"> (i) The inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes). (ii) Whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks. (iii) How the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria). (iv) Whether and how the entity prioritises climate-related risks relative to other types of risk. (v) How the entity monitors climate-related risks. (vi) Whether and how the entity has changed the processes it uses compared with the previous reporting period. 	197
IFRS S2-25(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities.	197
IFRS S2-25(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	197
Metrics and Targets		
Climate-related metrics		
IFRS S2-29(a)	<p>Information relevant to the cross-industry metric categories of greenhouse gases, including:</p> <ul style="list-style-type: none"> (i) Absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO₂ equivalent, classified as: <ul style="list-style-type: none"> (1) Scope 1 greenhouse gas emissions. (2) Scope 2 greenhouse gas emissions. (3) Scope 3 greenhouse gas emissions. (ii) Measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions. (iii) The approach used to measure greenhouse gas emissions including: <ul style="list-style-type: none"> (1) The measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions. (2) The reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions. (3) Any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes. (iv) For Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: <ul style="list-style-type: none"> (1) The consolidated accounting group. (2) Other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries). (v) Location-based Scope 2 greenhouse gas emissions, and the information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions. 	55-56

Philippine Securities and Exchange Commission (SEC) Sustainability Reporting for Publicly Listed Companies Content Index

Disclosure	Section	Page No.
Contextual Information	About this Report, Our Mission, Our Vision, Leadership Q&A, Enterprise Risk Management Framework, and Memberships and Associations	2-3, 6, 79, 223
ECONOMIC		
Economic Performance	Financial Highlights, Our Economic Contribution	13, 19
Procurement Practices	Environment and Social Risk Management System, Supporting local procurement	51, 208
Anti-Corruption	Compliance	75-78
ENVIRONMENT		
Resource Management		
Energy consumption within the organization	Value Creation Model, Protecting natural resources	22, 198
Reduction of energy consumption	Protecting natural resources	198
Water consumption within the organization	Value Creation Model, Protecting natural resources	22, 198
Materials used by the organization	Protecting natural resources	198
Ecosystems and Biodiversity	Protecting natural resources	198
Environmental Impact Management		
Air emissions	Environmental performance	56
Air pollutants	Not Applicable	
Solid and hazardous wastes	Not Applicable	
Effluents	Not Applicable	
Environmental Compliance		
Non-compliance with environmental laws and regulations	Risk Management	79
SOCIAL		
Employee Management		
Employee data	Value Creation Model, Employee relations, development, and retention	22, 202
Employee benefits	Employee relations, development, and retention	203
Employee training and development	Value Creation Model, Employee relations, development, and retention	22, 204
Labor-management relations	Compliance	75-78
Diversity and equal opportunity	Employee relations, development, and retention	202-205

Disclosure	Section	Page No.
Workplace Conditions, Labor Standards, and Human Rights		
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