COVER SHEET

				P	W	-	1	2	1

S.E.C. Registration Number

B	A	N	K		O	F		T	H	E		P	H	I	L	I	P	P	I	N	E		I	S	L	A	N	D	S

(Company's Full Name)

A	Y	A	L	A		T	R	I	A	N	G	L	E		G	A	R	D	E	N	S		T	O	W	E	R		2
P	A	S	E	O		D	E		R	O	X	A	S		C	O	R.		M	A	K	A	T	I		A	V	E	,	
B	E	L	-	A	I	R	,		M	A	K	A	T	I		C	I	T	Y											

Atty. Maria Lourdes P. Gatmaytan	(632) 8663-6525
Contact Person	Company Telephone Number

1	2		3	1		1	7	-	A			0	4		2	1	2 5
Month		*Day*				FORM TYPE						*Month*		*Day*			
Fiscal Year												Annual Meeting					

N/A
Secondary License Type, If Applicable

C	F	D
Dept. Requiring this Doc.		

	Amended Articles Number/Section

11,594		
Total No. of Stockholders	Total Amount of Borrowings Domestic	Foreign

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To be accomplished by SEC Personnel concerned

File Number										LCU
Document I.D.										Cashier

STAMPS

STANDARD DOCUMENT COVER SHEET
FOR SEC FILINGS

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

SEC Identification Number PW-121
File Number **

BANK OF THE PHILIPPINE ISLANDS
22/F – 28/F AYALA TRIANGLE GARDENS TOWER 2
PASEO DE ROXAS CORNER MAKATI AVENUE,
BEL-AIR, MAKATI CITY
POSTAL CODE 1226
(632) 8663-6525
December 31, 2025
SEC FORM 17-A

AMENDMENT DESIGNATION

FOR THE PERIOD ENDED DECEMBER 31, 2025
(if a report, financial statement, GIS, or related amendment or show-cause filing)

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

***** **SEC will assign SEC No. to new companies.**

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

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

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

1. For the fiscal year ended : **DECEMBER 31, 2025**

2. SEC Identification Number : **PW-121**

3. BIR Tax Identification No. : **TIN: 000-438-366-000**

4. **BANK OF THE PHILIPPINE ISLANDS**
Exact name of issuer as specified in its charter

5. **Manila, Philippines**
Province, Country or other jurisdiction of incorporation or organization

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

7. **22/F – 28/F Ayala Triangle Gardens Tower 2**
Paseo de Roxas corner Makati Avenue,
Bel-Air, Makati City **ZIP Code 1226**
Address of principal office Postal Code

8. **(632) 8663-6525 (CORPSEC OFFICE) / (632) 8663-6733 (IR)**
Issuer's telephone number, include area code

9. **Not Applicable**
Former name, former address, and former fiscal year, if changed since last report.

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	**5,283,794,223**

11. Are any or all of these securities listed on a Stock Exchange?
Yes [**X**] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
Philippine Stock Exchange **Common**

12. Check whether the issuer:

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

Yes [**X**] No [ ]

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

Yes [**X**] No [ ]

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

Shares Held by Non-Affiliates as of 04/07/26	**Market Value per share as of 04/07/26**	**Total Market Value**
5,283,794,223	P102.50	P 541,588,907,857.50

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

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

Yes [ ] No [ ]

DOCUMENTS INCORPORATED BY REFERENCE

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

X (a) Any annual report to security holders;

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

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

PART 1 - BUSINESS AND GENERAL INFORMATION

Item 1. Business

(A) Description of business

(1) Business Development

The Bank of the Philippine Islands (BPI), established in 1851, is the first bank in the Philippines and Southeast Asia. Licensed by the Bangko Sentral ng Pilipinas (BSP) as a universal bank, BPI has evolved from a commercial banking institution into a diversified financial services provider. Together with its subsidiaries, the Bank offers a comprehensive range of financial services, including institutional and consumer banking, lending, investment banking, agency banking, asset management, securities distribution, insurance, and leasing. These services are extended to a broad client base comprising multinationals, government entities, large corporates, small and medium-sized enterprises (SMEs), and individual customers.

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

Historical Background. The Bank was established in 1851 in Manila, then under Spanish colonial rule, as *Banco Español Filipino de Isabel II*, by decree of the Governor General of the Philippines. It was the first bank in the Philippines and issued the country's earliest currency notes in 1855. The Bank expanded with its first branch in Iloilo in 1897, pioneering sugar crop financing, and subsequently supported the development of key infrastructure, including Manila's initial tram service, telephone system, electric utility, and the country's first steamship. Through these milestones, BPI and its "escudo" have become enduring symbols of the Philippine banking system, representing one of the nation's oldest and most recognized home-grown financial institutions.

Recent History. For many years following its establishment, BPI was the sole domestic commercial bank in the Philippines, primarily engaged in deposit-taking and extending credit to exporters and local traders of raw materials and commodities, such as sugar, tobacco, coffee, and indigo, as well as funding public infrastructure. Consistent with the regulatory framework modeled after the Glass Steagall Act of 1932, the Bank operated as a private commercial bank. In the early 1980s, the Monetary Board of the Central Bank of the Philippines (now the Bangko Sentral ng Pilipinas, or BSP) authorized BPI's transition into a fully diversified universal bank. This transformation was achieved through both organic growth and mergers and acquisitions, enabling te Bank to expand into investment and consumer banking, and to integrate operations across an investment house, a stock brokerage, a leasing company, a savings bank, a retail finance company, and bancassurance platforms.

Since the late 1990's, BPI has completed five major bank mergers. In 1996, BPI merged with City Trust Banking Corp., the retail banking arm of Citibank in the Philippines, strengthening its consumer banking arm franchise. In 2000, BPI acquired Far East Bank & Trust Company (FEBTC), then the largest banking merger in the country, which reinforced its leadership in asset management, trust services, and branch banking, while expanding its reach to middle market clients. That same year, BPI formalized the acquisition of several major insurance companies in the life, non-life and reinsurance fields. In 2005, BPI merged with Prudential Bank, a medium-sized institution serving middle market entrepreneurs. More recently, effective January 1, 2022, BPI completed its merger with its wholly owned subsidiary, BPI Family Savings Bank, Inc., followed by its merger with Robinsons Bank Corporation on January 1, 2024.

In 2011, BPI became the first bank in the Philippines to acquire the trust business of a foreign institution through its purchase of the trust and investment management business of ING Bank N.V. Manila.

In 2014, BPI entered into a strategic partnership with Century Tokyo Leasing Corp., one of Japan's largest leasing companies, to form BPI Century Tokyo Lease & Finance Corp., with BPI retaining majority ownership at 51%. In November 2020, the Bank announced that Tokyo Century Corporation ("TCC") has decided to acquire an additional 2% of the issued shares of BPI Century Tokyo Lease & Finance Corp ("BPI CTL"). As a result, BPI's ownership was reduced to 49%.

In 2015, BPI formed another strategic partnership with Global Payments (GPN), an Atlanta-based, NYSE-listed provider of international payment services, combining merchant acquiring networks while maintaining a 49% ownership stake.

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

Effective September 20, 2016, BPI assumed full control over BPI Globe BanKO, Inc. after acquiring the 20% and 40% stake of Ayala Corporation and Globe Telecom, respectively. On December 29, 2016, the Securities and Exchange Commission approved the change of corporate name to BPI Direct BanKo, Inc., A Savings Bank, following the absorption of BanKo's assets and liabilities by BPI Direct.

BPI completed the spin-off of its BPI Asset Management and Trust Group (BPI AMTG) into a Stand-Alone Trust Corporation (SATC), BPI Asset Management and Trust Corporation (BPI AMTC), which commenced its operations on February 1, 2017.

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

Business Milestones (2023-2025).

On January 17, 2023, shareholders approved the merger of BPI and Robinsons Bank Corporation with BPI as the surviving bank. The merger was subsequently approved by the Philippine Competition Commission approved the merger on March 9, 2023; the BSP through Monetary Board Resolution No. 1633 on December 14, 2023, and the SEC on December 29, 2023. Following the receipts of all corporate and regulatory the merger became effective on 1 January 2024.

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

On 17 December 2025, the Board of Directors of BPI authorized Management to pursue plans to merge BPI Direct BanKo, Inc., a Savings Bank (BanKo) and Legazpi Savings Bank, Inc. (LSB), with the former as the surviving entity, subject to the consideration and approval of their respective Board of Directors and stockholders.

Principal Subsidiaries. The Bank's principal subsidiaries are:

a) BPI Capital Corp. (BPI Cap) is an investment house registered with the SEC in February 1976. It offers a comprehensive suite of corporate finance services covering debt and equity capital markets, financial advisory, project finance, loan syndication, and securities distribution. BPI Capital wholly owns BPI Securities Corporation, a stock brokerage and trading participant of the PSE.

b) BPI Securities Corporation is the full-service stock brokerage house of the Bank. It is a wholly owned subsidiary of BPI Capital Corporation and is primarily involved in the purchase and sale of shares of publicly listed companies on the PSE for its institutional and retail clients.

c) BPI Direct BanKo, Inc., A Savings Bank (or BanKo), is a wholly owned subsidiary and microfinance arm of the Bank of the Philippine Islands (BPI). Since 2016, it has endeavored to strengthen the financial capacities of thousands of Filipino Self-Employed Micro-Entrepreneurs (SEMEs) nationwide by creating an enabling business environment for them. True to its mission of empowering the Negosyanteng Pinoy, BanKo has provided access to easy, convenient and affordable loan products to fund their operations, and provided them with an opportunity to grow and expand their businesses. BanKo has achieved remarkable milestones, firmly establishing its commitment to sustainable growth and financial inclusion. Successfully reaching SEMEs, BanKo has emerged as a catalyst for economic development, creating sustainable employment opportunities and leaving a lasting impact on the lives of individuals and communities.

d) Legazpi Savings Bank, Inc. (LSB) is focused on providing financial assistance to teachers, including deposit-related financial services. LSB was incorporated and registered with the SEC on May 8, 1976, and was acquired by Robinsons Bank Corporation on December 26, 2012. On January 1, 2024, when the merger between the Ayala-led BPI and RBC took effect, with the former as the surviving entity, LSB became a subsidiary of BPI.

e) BPI Asset Management and Trust Corporation, doing business under the trade name and style of BPI Wealth – A Trust Corporation, (BPI Wealth) is a stand-alone trust corporation serving both individual and institutional investors with a full suite of local and global investment solutions. It also holds (i) an Investment Company Adviser license and (ii) a Transfer Agency license, both issued by the Securities and Exchange Commission (SEC), authorizing BPI Wealth to act as fund manager, distributor, and transfer agent of mutual funds under the Investment Company Act, Securities Regulation Code, and their implementing rules and regulations.

f) BPI Investments Inc. (formerly BPI Investment Management Inc.) is a wholly owned subsidiary of the Bank and serves as the transfer agent of the ALFM & PAMI Mutual Funds – open-end investment companies registered with, and regulated by, the Securities and Exchange Commission (SEC).

g) BPI Wealth Hong Kong Limited (BPI Wealth HK), formerly BPI International Finance Limited ("BPI IFL"), is a wholly-owned subsidiary of the BPI, registered under the Hong Kong Companies Ordinance on August 16,1974 and subsequently as a deposit-taking company on April 26, 1976. BPI Wealth HK is regulated by the Hong Kong Monetary Authority and is licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Its principal business activities are the provision of financial services and dealing in securities on behalf of customers. BPI IFL was renamed BPI Wealth Hong Kong Limited on August 26, 2024.

h) BPI Wealth Singapore Pte. Ltd is licensed by the Monetary Authority of Singapore under the Securities and Futures Act of 2001 (SFA) of Singapore as a Capital Markets Services Licensee to conduct fund management activities for Accredited and Institutional Investors as defined under the SFA. BPI Wealth Singapore commenced operations on 1 October 2025.

i) BPI Remittance Centre Hong Kong Ltd. (BERC HK) is a licensed money service operator in Hong Kong providing remittance services to beneficiaries residing throughout the Philippines. On November 21, 2018, BPI IFL (now BPI Wealth Hongkong Limited) distributed its shares in BERC HK as a property dividend to the Parent Bank. BERC HK became an immediate subsidiary of the Parent Bank following this.

j) BPI (Europe) Plc (BPI Europe) is a UK-licensed bank authorized by the Prudential Regulation Authority (PRA), jointly regulated by the PRA and the Financial Conduct Authority (FCA). It has been in operation since 2007, and started off with paid-up capital of £20 million, subsequently increased to £100 million after equity infusions in 2020 and 2021. The bank offers retail deposit products and engages in the proprietary trading of fixed income securities, foreign exchange and syndicated loans.

k) BPI MS Insurance Corporation (BPI MS) is a non-life insurance company established in 2001 through a joint venture between the Bank of the Philippine Islands (BPI), which holds a 50.85% ownership stake, and Mitsui Sumitomo Insurance Company (MSI), which owns the remaining 49.15%.

(2) Business of Issuer

Principal Products & Services

The Bank offers a wide range of corporate and retail banking products. The Bank has two major categories for products and services. The first category covers its core financial intermediation business, which includes deposit taking, lending, and securities investments. Revenue from this category is collectively termed as net interest income and accounts for 76% of net revenues. The second category covers services ancillary to the Bank's financial intermediation business, and from which it derives transaction-based commissions, service charges and other fees. These include investment banking and corporate finance fees, asset management and trust fees, stock brokerage fees, credit card-related fees, rental of bank assets, income from insurance subsidiaries and service charges or commissions earned on international trade transactions, drafts, fund transfers, various deposit-related services, and revenues from transactions on digital channels. Commissions, service charges, and other fees, when combined with trading gains and losses arising from the Bank's fixed income and foreign exchange operations, constitute non-interest income, which accounts for the remaining 24% of net revenues.

Foreign Offices Contribution

	2023	2024	2025
Share in Total Revenue (%)	0.44	0.45	0.39
Hongkong	0.33	0.29	0.26
Singapore	0.00	0.00	0.01
Europe	0.10	0.16	0.12
Share in Total Net Income (%)	(0.03)	0.12	(0.03)
Hongkong	0.08	0.06	0.11
Singapore	0.00	(0.00)	(0.15)
Europe	(0.11)	0.06	0.01

Distribution Network

BPI has 864 branch licenses as of end-2025. In response to the declining over-the-counter transactions and increasing customer adoption of digital channels, the Bank has initiated branch network optimization by co-locating and consolidating branches to improve cost efficiency and productivity. As of December 31, the Bank has 823 physical branches nationwide. Additionally, BPI Direct BanKo has 412 branches and Branch-Lite Units (BLUs) in strategic locations in the country, while LSB has 42 branches. Overseas, BPI has three banking subsidiaries: BPI Wealth Hong Kong Limited, Bank of the Philippine Islands (Europe) Plc in London, and BPI Wealth Singapore Pte. Ltd.

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

On the lending side, there are 29 business centers and desks, servicing both corporate and retail clients, across the country to process loan applications, loan releases, and international trade transactions. These centers also provide after-sales servicing of loan accounts.

The Bank's branch network is supported by a network of 2,241 ATMs (including 860 ATMs provided by Euronet) and 369 CAMs as of 31 December 2025, which together provide cash-related banking services to

customers 24/7, located in both branches and off-site locations, such as shopping malls and high-density office buildings. The Bank's interconnection with Bancnet, a Philippine-based interbank network connecting the ATM networks of local and offshore banks, also gives the Bank's cardholders access to over 20,000 ATMs across the Philippines. The Bank's ATM network is likewise interconnected with Mastercard, China Union Pay, Discover/Diners, JCB and Visa. The Bank aims to provide more secured cash withdrawals for its depositors through the implementation of the ATM withdrawal notification feature, which allows the Bank's cardholders to receive notifications via e-mail or SMS when withdrawals beyond a specified amount are made.

The Bank aims to leverage its digital assets and capabilities across various businesses. The Bank has launched seven digital user platforms:

- VYBE by BPI, BPI's e-wallet which also carries its rewards program.
- BPI mobile app, remains the Bank's largest digital platform, serving over retail clients
- BPI Trade app is for clients who invest in equities
- BPI BanKo app for self-employed micro-entrepreneurs
- BPI BizKo app for SMEs
- BPI BizLink app for corporate clients, and
- BPI Wealth Online for high net-worth individuals.

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

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

The Bank's early investments in technology paved the way for it to be the most API-ready Bank. As of 31 December 2025,, the Bank has a growing list of over 100 API-partners, which includes various e-wallets, utility providers, remittance centers, e-commerce platforms, and even government agencies.

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

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

Competition

With 44 universal and commercial banks operating in the Philippines as of December 31, 2025, the banking industry in the Philippines is characterized by high levels of regulation and highly competitive pricing and service offerings. BPI competes against domestic and foreign banks that offer similar products and services as BPI. Since the further liberalization of the Philippine banking industry in 2014, foreign banks have expanded from their traditional focus on Metro Manila and large-scale corporations to building their own networks to increase market share, primarily through acquisitions of small domestic savings banks. Foreign banks tend to benefit from the support of their parent companies or established regional operations, but they are limited by local regulations to a maximum of six Philippine branches to protect the growth and participation of local banks.

According to industry data on Philippine banks, BPI is second largest in terms of gross customer loans and second in terms of deposits among private universal banks, with market shares of 16,6% and 13.0%, respectively, as of December 31, 2025.

Patents, Trademarks, Licenses, Franchises, etc.

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

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

a) BPI Debit and BPI Debit Cards, for its debit cards
b) BPI Rewards, for its credit cards business
c) BPI Direct BanKo, BanKo Mobile, May Ngiti and Bukas mo, BanKo Smiley, BanKo Mare, BanKo Pare, Save-Ipon and Save-Tipid, for its microfinance subsidiary
d) BPI Wealth, BPI Wealth Online, BPI Private Wealth Signature Experience, ALFM, ALFM Dollar Bond Fund, ALFM Euro Bond, ALFM Global Multi-Asset Income Fund, ALFM Growth Fund, ALFM Money Market Fund, ALFM Mutual Funds and ALFM Peso Bond Fund; for its wealth management subsidiary
e) Bizlink, for its internet banking platform for business and corporate clients, including the BizLink mobile app
f) BPI Securities Corporation, BPI Trade Horizontal, BPI Trade Vertical, and Trade Better. Live Better, for its stockbrokerage subsidiary

Other product brands of BPI and BanKo are BPI Save-Up, BPI Jumpstart, BPI Pamana Savings, Todo Savings, PondoKo Savings, NegosyoKo Loan, NegosyoKo Lite, AgriNegosyoKo Loan, Insta CashKo Personal Loan, and InstaCashKo Credit Line

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

In terms of business licenses, BPI has an expanded commercial banking license while BanKo has a savings bank license. BPI Capital operates under an Investment House license issued by the SEC and is engaged in dealing government securities. It previously held a Mutual Fund Distribution license, which voluntarily surrendered to the SEC and was subsequently cancelled in October 2025. BPI Securities is a holder of a broker-dealer license duly registered with Securities and Exchange Commission, a Trading Participant of the Philippine Stock Exchange, and a member of the Securities Clearing Corp. of the Philippines and the Securities Investor Protection Fund. BPI Wealth holds a (i) trust license and (ii) a securities custodian/registry license issued by the Bangko Sentral ng Pilipinas (BSP). BPI Wealth is also accredited by the BSP and Bureau of Internal Revenue as an Administrator for Personal Equity and Retirement Accounts (PERA). BPI Wealth likewise holds the following licenses issued by The Securities and Exchange Commission: (i) Investment Company Advise license and (ii) a Transfer Agency license. BII is a registered transfer agent with the SEC. BPI MS was granted by the Insurance Commission a Certificate of Authority to transact and sell non-life insurance products.

For foreign business licenses, BPI (Europe) Plc is a UK-licensed bank authorized by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA). BPI Wealth Hongkong Limited (BPI Wealth HK), formerly BPI IFL is a deposit-taking company authorized and regulated by the Hong Kong Monetary Authority and licensed by the Securities and Futures Commission of Hong Kong to undertake Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. Meanwhile, BPI Wealth Singapore Pte. Ltd is licensed by the Monetary Authority of Singapore under the Securities and Futures Act of 2001 (SFA) of Singapore as a Capital Markets Services Licensee, authorized to provide fund management services to Accredited and Institutional Investors as defined under the SFA.

Related Parties

In the ordinary course of business, BPI has entered into various transactions with its Directors, Officers, Stockholders and their Related Interest ("DOSRI"), including loan transactions. BPI and all its subsidiaries have always been in compliance with the General Banking Act, BSP Circulars and regulations on DOSRI loans and transactions. As of December 31, 2025, DOSRI loans amounted to 0.9% of loans and advances as per Note 25 and 30 of the 2025 audited consolidated financial statement.

Government Regulations (2023-2025)

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

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

Issuance No.	Issue Date	Effective Date	Title/Summary
BSP Circulars			
No. 1165	19 Jan 2023	26 Jan 2023[1]	Amendments to the Ceiling on Interest or Finance Charges for Credit Card Receivables
No. 1170	30 Mar 2023	13 Apr 2023[1]	Amendments to Section 921/921Q of the Manual of Regulations for Banks (MORB)/ Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) on Customer Due Diligence, including Guidelines on Electronic Know-Your-Customer
No. 1176	29 June 2023	30 Jun 2023[1]	Amendments to the Rules and Regulations on the Reserves Against Deposits and Deposit Substitute Liabilities of Banks
No. 1187	21 Feb 2024	14 March 2024	Adoption of the Philippine Sustainable Finance Taxonomy Guidelines (SFTG) for banks.
No. 1190	12 March 2024	20 March 2024	Revised Guidelines in the Computation of Annual Supervision Fee under Section 28 of the Republic Act (R.A.) No. 7653 or "The New Central Bank Act" as Amended by R.A. No. 11211
No. 1201	20 Sept 2024	25 Oct 2024	Reduction in Reserve Requirements
No. 1207	15 Jan 2025	23 Jan 2025	Participation of trust entities via investment management accounts in accessing the BSP Issued Securities' market

Issuance No.	Issue Date	Effective Date	Title/Summary
No. 1212	11 April 2025	23 May 2025	Amendments to foreign exchange (FX) regulations covering FX derivatives, involving the Philippine Peso, and other transactions under the Manual of Regulations on Foreign Exchange Transactions and the Manual of Regulations for Banks
No. 1213	30 May 2025	25 June 2025	Amendments to Regulations on Information Technology Risk Management to Implement Section 6 of the Anti-Financial Account Scamming Act (AFASA)
No. 1215	30 May 2025	9 July 2025	Regulations on the Temporary Holding of Funds Subject of Disputed Transactions and Coordinated Verification Process
No. 1216	16 July 2025	16 August 2025	Amendments to the Regulations on Disqualification of Directors and Officers
BSP Memorandum			
M-2024-003	10 Jan 2024		Guidelines on the Submission of the Revised Published Balance Sheet (PBS) Report
M-2024-016	27 May 2024		Guidelines on the Electronic Submission of the Money Laundering (ML)/Terrorist Financing (TF)/Proliferation Financing (PF) Risk Event Report (RER)
M-2025-020	25 June 2025		Guidelines on the Registration, Replacement, and Use of E-mail Accounts Intended for Official Communications with the Consumer Account Protection Office in Relation to the Conduct of Inquiry into Financial Accounts with Clarification on the Submission of Report on Temporary Holding of Disputed Funds
M-2025-030	20 August 2025		Unit Investment Trust Funds (UITFs) Structured as Feeder Funds/Fund-of-Funds wth Foreign Exposures/Investments as

Issuance No.	Issue Date	Effective Date	Title/Summary
			Personal Equity and Retirement Account (PERA) Investment Products
M-2025-033	23 October 2025		Philippine Sustainable Finance Taxonomy Guidelines: Sample Climate Adaptation-related Projects and Activities
SEC			
MC No. 1-2023	1 March 2023		Extension for Deadlines for the 2023 filing of AFS
MC No. 13-2023	12 Sept 2023		Guidelines on Annex C of Rule 12 of the Securities Regulation Code interpreting the comparative periods required in the management's discussion and analysis
MC No. 02-2024	1 February 2024		Filing of Annual Financial Statements and General Information Sheet
MC No. 01-2025	5 March 2025		2025 Filing of AFS and GIS
MC No. 11-2025	12 Sept 2025		Providing further guidelines on exempt transactions
MC. No. 16-2025	Dec 23, 2025		Adoption of PFRS on Sustainability Disclosures and Issuance of Reporting Guidelines for Publicly Listed Companies and Large Non-Listed Entities

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

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

Research and Development Activities

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

	In Million Pesos	% of Revenues
2023	2,760.6	2.0
2024	675.1	0.4
2025	821.5	0.4

Employees

Below is a breakdown of the manpower complement of BPI in 2024 and 2025:

	December 31, 2024 Actual			December 31, 2025 Actual		
	Officer	Staff	TOTAL	Officer	Staff	TOTAL
UNIBANK	**8,960**	**13,097**	**22,057**	**9,460**	**13,568**	**23,028**
Consumer	5,026	10,271	15,297	5,347	10,784	16,131
Corporate	1,065	529	1,594	1,142	538	1,680
Investment	553	160	713	574	153	727
Support	2,316	2,137	4,453	2,397	2,093	4,490
Insurance	**124**	**422**	**546**	**128**	**424**	**552**
Total	**9,084**	**13,519**	**22,603**	**9,588**	**13,992**	**23,580**

Manpower complement includes headcount of BPI/MS Insurance Corporation.

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

Enterprise Risk Management

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

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

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

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

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

Credit Risk, the single largest financial risk for most local banks, arises from the Bank's core lending and investing businesses, and involves thorough credit evaluation, appropriate approvals, administration,

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

Market and Liquidity Risks are risks to earnings and capital from adverse movements in risk factors that affect the market value of financial instruments, products and transactions in the Bank's portfolios, and the risk arising from the potential inability to meet obligations to clients, counterparties or markets when they fall due. Market risk arises from the Bank's trading and distribution activities of securities, foreign exchange, and derivative instruments (as allowed by regulations), and interest rate risk in the banking book while liquidity risk mainly arises from cash flow gaps and mismatches in our assets, liabilities, and off-balance sheet accounts. Market and liquidity risks are managed using a set of established policies and metrics guided by the Bank's market, interest rate risk in the banking book (IRRBB), and liquidity risk management frameworks set by the Board-level RMCom. The Bank employs various risk metrics such as Value-at-Risk (VaR) and stop loss limits for price risk, and Balance sheet Value-at-Risk (BS VaR), and Earnings-at-Risk (EaR) for interest rate risk in the banking book, supplemented by quarterly stress tests. Our liquidity profile is measured and monitored through our internal metrics – the Minimum Cumulative Liquidity Gap (MCLG) or the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months; the Intraday Liquidity Ratio (ILR) is a measure that promotes the Bank's resilience against intraday liquidity risk by ensuring that adequate liquidity buffers are in place to meet outflows throughout the business day; and the regulatory metrics – Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The Bank ensures adequate levels of liquidity at all times and that contingency plans are in place in the event of liquidity stress. The Bank conducts regular liquidity stress tests, which consistently show that it can generate sufficient liquidity during stress events. Periodic testing of the Bank's established liquidity contingency funding plan (LCFP) is also performed to build awareness and preparedness among key business groups, test the effectiveness of various funding options, and refine the Bank's assumptions to ensure the quality and reasonableness of the contingency plan. As of end-December 2025, the Bank's market, IRRBB, and liquidity risk exposures are generally well within the RMCom-approved risk limits at the BPI Parent and Group levels.

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

As of end-December 2025, the Bank maintained actual operational losses below 1% of its annual gross income. Such minimal losses are well within the Senior Management and Board/RMCom's conservative and prudent risk appetite and are generally attributed to inherent risks associated with the products and services being provided by the Bank. The rapidly evolving risk landscape that can trigger risks at any point is duly considered by the Bank in regular risk assessments and in updating the Bank's risk strategies. Operational risk stress tests, through scenario analysis, are regularly performed to assess the impact of unexpected and extreme operational risk events.

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

The Bank affirms the implementation of its organizational resilience through adherence to established resiliency programs and governance frameworks. Likewise, the Bank's hybrid work setup ensures employees have secure remote access and digital tools that support flexible, diversified continuity arrangements. Through the Bank's ongoing digital transformation, business continuity processes,-including recovery plans, documentation, and internal campaigns, have been fully digitized using the Bank's workflow management platform thereby enhancing efficiency, streamlining coordination, and ensuring that teams can respond quickly and effectively to any disruption.

In response to an evolving and increasingly complex cyber threat landscape, the Bank continues to strengthen its security infrastructure and implement advanced technical controls to safeguard physical and digital environments. The Bank's comprehensive security program encompasses preventive, detective, and recovery mechanisms that enable proactive threat management and timely incident response.

Recognizing the importance of supply chain security, the Bank maintains a comprehensive third-party and vendor risk management program which includes a rigorous due diligence and onboarding process for service providers and IT suppliers, complemented by ongoing performance monitoring to ensure compliance with our information security and data privacy requirements.

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

Compliance

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

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

The Bank's compliance system is critically important in identifying, evaluating, and addressing the regulatory and reputational risks while the enterprise-wide compliance program helps the Bank to look at and across business lines and activities of the organization as a whole and to consider how activities in one area of the Bank may affect the business or compliance risks of other business lines and the entire group/enterprise. The compliance program also helps the Board and management in understanding where such regulatory and reputational risks in the organization are concentrated, provide comparisons of the level and changing nature of risks, and identify those control processes that most need enhancement.

Oversight of the management of the Bank's business risk and implementation of its compliance function is the responsibility of our Board of Directors, through the Audit Committee and the Corporate Governance and Sustainability Committee with respect to corporate governance compliance. At the management level, the compliance function is carried out by the Compliance Office, headed by the Chief Compliance Officer,

who is not a member of the Board of Directors. The Compliance Office oversees the implementation of the Bank's enterprise-wide compliance programs. These programs take into account the size and complexity of the Bank, the relevant rules and regulations that affect its operations, and the business risks that may arise due to non-compliance. By using regulatory and self-assessment compliance matrices, compliance measures are formulated to mitigate identified business risks and tested to ensure effectiveness.

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

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

Financial Consumer Protection

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

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

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

- Approve CPRMS and FCPAM considering business model, market, products, and relationship with third parties that may give rise to risks to Financial Consumers.
- Promote ethical culture and ensure compliance with standards and regulations.
- Provide resources and policies for training and competency requirements.
- Approve compensation policy promoting ethical practices, equitable treatment, and conflict prevention, including performance-based rewards and contract renewal criteria.
- Approve product oversight to ensure products meet consumer needs and are accessible to all, including vulnerable groups.
- Adopt a policy on fees and charges, including justification and rationalization.
- Approve and review a Code of Conduct for directors, personnel, and agents, defining corporate culture and reporting violations.
- Periodically assess the CPRMS's implementation, efficiency, and relevance, including audit

mechanisms.

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

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

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

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

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

We maintain a vigilant approach in addressing feedback and concerns regarding our products and services. Throughout 2025, we diligently addressed and resolved issues, achieving a 99.29% complaint resolution, consistent with our previous performance. By year-end 2025, reported complaints had been effectively resolved, reflecting our dedication to swift and satisfactory resolutions. Our adherence to regulatory standards remains steadfast, with no confirmed incidents of non-compliance in 2025, underscoring our unwavering commitment to product and service excellence. We continuously uphold our enterprise-wide complaint reporting to BPI Management, ensuring transparency and accountability across our operations. Despite a marginal increase in complaint volume (percentage of transactions and unique customers with complaint) in 2025, the Bank's financial consumer protection efforts resulted in consistently strong performance.

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

Employees also take the mandatory FCP Training course annually available via BPI University. With the revision of the FCP module in 2025, there has been a notable improvement in performance among Unibankers, evidenced by a completion rate of 99.8%, which surpasses the 99.66% achieved in 2024. To further improve service and align with the customer obsessed culture of the Bank, Human Resource – Learning & Development Department provides soft-skills trainings such as business writing, oral communications, problem solving, professional image development, and collections overview, among others. FCP is also embedded in the employee code of conduct.

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

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

Enterprise Information Security Management & Data Privacy

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

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

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

Item 2. Properties

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

Of the Bank' 864 branch licenses (excluding BanKo), 419 operate in Metro Manila/Greater Metro Manila Area and 445 in the provincial area. BPI owns 28% of the branch locations and leases the remaining 72%. On January 1, 2019, the Bank adopted PFRS 16: Leases which requires recognition of both right-of-use assets and lease

liability arising from long-term leases. As of December 31, 2025, right-of-use assets and lease liabilities amounted to ₱8,482 million and ₱9,989 million, respectively.

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

BPI (as lessee) has various lease agreements which mainly pertain to branch premises and equipment that are renewable under certain terms and conditions. The average lease term is from 5 to 7 years.

Further details pertaining to leases under PFRS 16 are reflected in Note 20 of the 2025 Audited Financial Statements.

Item 3. Legal Proceedings

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

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

None

PART II - OPERATIONAL AND FINANCIAL INFORMATION

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

Market Information

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

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

The high and low prices of BPI at the Philippine Stock Exchange on April 7, 2026, were P102.60 and P101.00, respectively, with a closing price of P102.50.

		High		Low
Year Ended December 31, 2024				
1st Quarter	P	125.10	P	103.50
2nd Quarter		129.00		109.80
3rd Quarter		139.20		116.70
4th Quarter		147.40		121.50
Year Ended December 31, 2025				
1st Quarter	P	138.00	P	116.20
2nd Quarter		142.50		127.50
3rd Quarter		130.40		102.30
4th Quarter		120.50		99.00

Holders of Common Equity

There were approximately 11,594 common shareholders of BPI as of December 31, 2025.

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

Please see Exhibit D for a Statistical Report by Share lots as of December 31, 2025.

Dividends

The Bank declares cash dividends to its common stockholders on a regular basis, subject to the discretion of the Board of Directors. The Bank's dividend history reflects a consistent record of annual distributions. In May 2022, the Board of Directors approved a dividend policy anchored on a dividend payout ratio (DPO) of 35% to 50% of the preceding year's earnings. This policy supersedes the prior practice of declaring a fixed dividend of PHP0.90 per share every semester.

Cash dividends declared and paid during the years ending December 31, 2023, 2024, and 2025 are as follows:

Date Declared	Date of Payment	Amount of Dividends	
		Per Share	Total (in Php Mn)
May 17, 2023	June 22, 2023	1.68	7,626
Nov 15, 2023	Dec 22, 2023	1.68	8,308
May 15, 2024	June 28, 2024	1.98	10,439
Nov 20, 2024	Dec 20, 2024	1.98	10,439
May 21, 2025	June 30, 2025	2.08	10,990
Nov 19, 2025	Dec 18, 2025	2.28	12,047

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

Dividend declarations are the responsibility of BPI and rest with the authority of the BPI Board of Directors, which may declare dividends as it deems appropriate. Banks that satisfy the prescribed prequalification criteria, including capital adequacy requirements and compliance with applicable laws and regulations of the Bangko Sentral ng Pilipinas (BSP), may declare and pay dividends without the need for prior BSP verification.

Details of the dividend declaration are reflected in Note 18 of the 2025 Audited Financial Statements.

Recent Sales of Unregistered or Exempt Securities

Details on shares issued to/subscribed by the Bank's executives as a result of the Executive Stock Option Plan ("ESOP") and the Executive Stock Purchase Plan ("ESPP") are reflected in Note 18 of the 2025 Audited Financial Statements.

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

The highlights of the balance sheet and income statement of BPI for each year and the compounded growth rate over the three-year period (2022-2025) are shown below:

In Million Pesos	2022	2023	2024	2025	CAGR
Assets	2,603,961	2,888,372	3,318,813	3,651,488	11.9%
Loans (Net)	1,702,990	1,882,007	2,238,765	2,567,131	14.7%
Deposits	2,096,001	2,295,106	2,614,802	2,838,525	10.6%
Capital	317,722	357,204	430,469	476,553	14.5%

From 2022 to 2025, the Bank's assets recorded a compounded annual growth rate (CAGR) of 11.9%. Over the same period, loan growth outpaced deposit expansion, with three-year CAGRs of 14.7% and 10.6%, respectively.

Capital increased by 10.7%, reflecting annual profit generation net of cash dividends declared. In addition, the Bank continued to strengthen capital through retained earnings, registering a three-year CAGR of 14.5%.

2023

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

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

On the asset side, **loans and advances, net,** at P1.88 trillion, grew by P179.02 billion, or 10.5%, on increases in all portfolios. **Financial assets at fair value through other comprehensive income** at P218.65 billion, increased by P123.39 billion or 129.5%, due to purchase of government and private securities. **Due from Bangko Sentral ng Pilipinas** at P199.62 billion, was also up P16.75 billion or 9.2% on higher placements in BSP deposits. **Interbank loans receivable and securities purchased under agreements to resell** at P20.64 billion, grew by P8.26 billion or 66.7%, on increase in reverse repurchase agreements. **Other resources, net** at P19.92 billion, were also up P3.09 billion or 18.3% on higher miscellaneous assets. **Financial assets at fair value through profit or loss** increased by P1.52 billion or 6.9% to P23.65 billion due to an increase in holdings of securities intended for trading. **Deferred income tax assets, net** was also up by P1.43 billion or 8.6% to P18.18 billion on account of the impairment losses set up for the period. **Investment in subsidiaries and associates, net** at P8.29 billion, grew by P1.06 billion or 14.7% on account of the Bank's share in the net income and market valuation of investment securities of BPI AIA. **Assets held for sale, net** increased by P983 million or 26.1% to P4.74 billion due to the increase in ROPA bookings.

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

2024

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

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

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

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

2025

Total resources stood at P3.65 trillion, an increase of P332.67 billion, or 10.0%, from last year's P3.32 trillion.

- **Total deposits** reached P2.84 trillion, up by P223.72 billion or 8.6%, driven by
  - Time Deposits rising P152.99 billion or 15.9%, to P1.12 trillion.
  - CASA deposits increasing P70.73 billion or 4.3%, to P1.72 trillion.
- **Other Borrowed Funds** amounted to P223.43 billion, higher by P60.25 billion or 36.9%, reflecting increased bond issuances and repurchase agreements.
- **Accrued Taxes, Interest and Other Expenses** totaled P20.68 billion, up P3.35 billion or 19.3%, due to higher accrued interest on time certificates of deposit, income tax, bonds, taxes and licenses, and other expenses.
- **Liabilities Attributable to Insurance Operations** rose to P17.84 billion, an increase of P1.30 billion or 7.8%, on account of higher reserves and other balances of the Bank's non-life insurance affiliate.
- **Manager's Checks and Demand Drafts Outstanding** stood at P10.46 billion, up P519 million or 5.2%, reflecting higher remittances of foreign funds pending disposition to designated beneficiaries.
- These increases were partly offset by the decline in:
  - **Deferred credits and other liabilities** at P54.83 billion, down P1.39 billion or 2.5%, due to lower bills purchased.
  - **Derivative financial liabilities** at P3.70 billion, lower by P1.28 billion or 25.7%, attributable to favorable mark-to-market valuations from market movements.

Capital funds amounted to P476.55 billion, reflecting an increase of P46.08 billion or 10.7%, from the prior year's P430.47 billion.

- **Surplus** stood at P274.07 billion, up P37.74 billion or 16.0%, driven primarily by higher net income, partially offset by dividend distributions and appropriation of reserves.
- **Reserves** rose to P16.51 billion, up by P5.62 billion or 51.6%, attributable to additional provisions for General Loan Losses in line with BSP Circular 1011.
- **Accumulated other comprehensive loss** improved to P10.59 billion, a reduction of P2.05 billion or 16.2% from last year's P12.64 billion loss, due to lower unrealized losses on securities.

On the asset side,

- **Loans and advances, net,** amounted to P2.57 trillion, an increase of P328.37 billion or 14.7%, reflecting growth across all loan portfolios.
  - **Financial assets at fair value through profit or loss stood** at P85.27 billion, higher by P37.97 billion or 80.3%, attributable to purchase of local currency-denominated government securities.
  - **Interbank loans receivable and securities purchased under agreements to resell** reached P35.48 billion, up P18.77 billion or 112.3%, driven by higher lending to local and foreign banks.
  - **Financial assets at fair value through other comprehensive income** totaled P285.37 billion, an increase of P17.16 billion or 6.4%, due to acquisitions of securities.
  - **Assets held for sale, net** rose to P12.42 billion, up P4.01 billion or 47.6%, on higher acquired real and other properties.
  - **Bank premises, furniture, fixtures and equipment, net** amounted to P25.09 billion, higher by P3.88 billion or 18.3%, reflecting construction, leasehold improvements, and computer equipment purchases.
  - **Cash and other cash items** stood at P53.02 billion, an increase of P3.26 billion or 6.5%, due to higher cash on hand.
  - **Investment in subsidiaries and associates, net** reached P13.05 billion, up P2.14 billion or 19.7%, largely from the Bank's share in the net income and market valuation gains of BPI AIA.
  - **Assets attributable to insurance operations** amounted to P22.65 billion, higher by P1.65 billion or 7.9%, reflecting increased assets booked from the Bank's non-life insurance affiliate.
  - **Deferred income tax assets, net** totaled P19.17 billion, an increase of P966 million or 5.3%, due to impairment losses recognized during the period.
  - **Financial assets at amortized cost** stood at P353.14 billion, higher by P10.04 billion or 2.9%, on account of additional placements in peso-denominated government securities.
  - Above increases were offset by declines in the following:
    - **Due from Bangko Sentral ng Pilipinas (BSP)** decreased to P106.34 billion, lower by P58.23 billion or 35.4%, due to higher inward checks presented by other banks for clearing.

- **Due from Other Banks** declined to P38.21 billion, down P33.85 billion or 47.0%, reflecting reduced balances with foreign banks and with the franchise holder of Philippine Domestic Dollar Transfer System.
- **Other resources, net** fell to P25.63 billion, lower by P3.45 billion or 11.9%, on lower deferred charges and higher allowance for probable losses.

Asset Quality

The Bank's loan portfolio mix consisted of Institutional loans at 69.6% and Non-Institutional loans at 30.4%, compared with 72.3%, and 27.7%, respectively, in the prior year.

The allowance for Impairment increased to P17.75 billion, higher by P11.15 billion or 168.9%, from P6.60 billion in 2024. The NPL ratio rose slightly to 2.18% from 2.13% in the previous year but remained below the industry average of 3.16%.

Further details on the loan portfolio and asset quality are provided in the 2025 Audited Financial Statements Note 10 and Note 26.1.3.1, respectively.

Funding and Liquidity

Customer deposits comprised 93% of BPI's total funding, while the remaining 7% was sourced from other borrowings. The Bank's liquidity ratios Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained well above the regulatory minimum requirement of 100%, indicating a strong liquidity position.

The Bank's CASA Ratio stood at 60.7%, while the Loan-to-Deposit Ratio was 92.4%.

For further details on the Bank's deposits, borrowings, and liquidity, please refer to the 2025 Audited Financial Statements Notes 15, 16, and 26.3.1, respectively.

Results of Operations

In Million Pesos	2022	2023	2024	2025	CAGR
Net Interest Income	85,065	104,350	127,586	148,028	20.3%
Non-Interest Income	33,459	33,971	42,553	47,249	12.2%
Impairment Losses	9,167	4,000	6,600	17,750	24.6%
Operating Expenses	57,989	69,110	83,796	92,106	16.7%
Net Income	39,605	51,687	62,049	66,615	18.9%

The Bank's net income from 2022 to 2025 recorded a compounded annual growth rate (CAGR) of 18.9%, driven by sustained increases in net interest income (20.3%) and non-interest income (12.2%), over the three-year period. The positive impact of these revenue improvements was partly offset by higher operating expenses and impairment losses, which rose at three-year CAGRs of 16.7% and 24.6%, respectively.

2023 vs. 2022

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

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

Net interest income stood at P104.35 billion, up P19.28 billion, or 22.7%, as the average earning asset base grew 7.6% and NIM expanded 50 bps to 4.09%. Earning asset yield was up on higher loan yields coupled with

higher volume and additional placements in financial assets at fair value through other comprehensive income at higher rates. Cost of funds was up 97 bps on increase in average deposits and on bond issuances with higher costs.

- **Interest income** increased by P42.30 billion, or 41.0%, to P145.57 billion. Interest income **on loans and advances** at P120.90 billion, was up P35.99 billion, or 42.4%, owing to higher average volume and higher yields. Interest income **on financial assets** at P21.74 billion, was also higher by P4.87 billion or 28.9%, due to higher yields, and higher average volume for financial assets at fair value through OCI and PL. Interest income **on deposits with BSP and other banks** at P2.93 billion, was also up by P1.44 billion or 96.2% on higher yields, despite lower average volume.

- **Interest expense** of P41.22 billion, increased P23.02 billion, or 126.5%, on higher cost with higher volume. Interest expense **on deposits** of P36.03 billion, was up P21.21 billion or 143.1%; while interest expense **on bills payable and borrowings** grew by P1.81 billion or 53.6%, to P5.20 billion on new bond issuances.

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

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

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

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

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

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

Comprehensive Income

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

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

by P13 million from last year's P66 million loss, on lower currency translation losses from the Bank's foreign subsidiary.

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

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

2024 vs. 2023

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

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

- **Interest income** of P189.95 billion, increased by P44.38 billion, or 30.5%, on higher average earning asset base and higher yields. Interest income **on loans and advances** at P159.59 billion, was up P38.69 billion, or 32.0%, owing to higher average volume with higher yields. Interest income **on financial assets at fair value through OCI and PL** at P11.56 billion and P1.25 billion, was up P5.38 billion or 87.2% and P362 million or 41.0%, respectively, due to higher average volume and yields. Interest income **on deposits with BSP and other banks** at P3.11 billion, was also up by P174 million or 5.9% on higher average volume, despite lower yields.

- **Interest expense** of P62.37 billion, increased P21.15 billion, or 51.3%, on higher cost with higher volume. Interest expense **on deposits** of P53.18 billion, was up P17.15 billion or 47.6%; while interest expense **on bills payable and borrowings** grew by P3.99 billion or 76.8%, to P9.19 billion on new bond issuances.

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

Other expenses at P83.80 billion, up P14.69 billion, or 21.3%. **Other operating expenses** at P29.72 billion, was up P5.85 billion or 24.5%, on higher operations, marketing, regulatory, consultancy, product insurance and amortization deferred charges expenses. **Compensation and fringe benefits** at P28.94 billion, was up P5.72 billion or 24.6%, largely due to the increase in total headcount following the merger with Robinsons Bank, annual pay hikes, signing/goodwill bonuses, and higher performance bonus accrual. **Occupancy and equipment-related expenses** at P25.13 billion, was up by P3.12 billion, or 14.2%, on higher technology spend driven by Bank's continued digitalization initiative, as well as higher expenses on premises rent, depreciation and repairs; and higher contractual, securities, janitorial and messengerial services.

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

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

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

Comprehensive Income

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

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

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

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

2025 vs. 2024

In 2025, the Bank posted **net income** of P66.61 billion, up P4.57 billion, or 7.4%, from the P62.05 billion earned in 2024. This growth was driven by a P25.14 billion increase in revenues. This was partly offset by higher impairment losses, operating expenses, and income taxes, which rose by P11.15 billion, P8.31 billion, and P1.07 billion, respectively.

Net interest income rose to P148.03 billion, up P20.44 billion, or 16.0%, supported by an 8.9% expansion in average earning asset base and 28 bps improvement in NIM to 4.59%. Asset yield climbed 26 bps on stronger loan yields and higher placements in financial assets at fair value through OCI at higher rates, while the cost of funds eased by 2 bps due to lower deposit and borrowings cost.

- **Interest income** grew by P25.31 billion, or 13.3%, reaching P215.27 billion.
  - Interest income **on loans and advances** at P183.76 billion, up P24.16 billion or 15.1%, owing to higher average volume and yields.
  - Interest income **on financial assets at fair value through OCI** is also higher at P13.92 billion, up P2.36 billion or 20.4%, driven by higher yields and volume.
  - These gains were partly offset by decline in interest income **on deposits with BSP and other banks** by P1.08 billion or 34.8%, to P2.03 billion, due to reduced average volume.

- **Interest expense** rose to P67.24 billion, increased P4.87 billion, or 7.8%.
  - Interest expense **on bills payable and borrowings** of P11.67 billion, up P2.48 billion or 27.0% on higher volumes despite lower cost.
  - Interest expense **on deposits** of P55.57 billion, up P2.39 billion or 4.5%, also on higher volumes despite lower cost.

Other income amounted to P47.25 billion, up by P4.70 billion or 11.0%.

- **Trading gain on securities** totaled P5.66 billion, higher by P2.36 billion or 71.7%, primarily due to realized

gains from sale of securities.

- **Other operating income** reached P19.77 billion, up P2.16 billion or 12.3%, driven by higher credit card income, trust fees and gains from sale of properties.
- **Income attributable to insurance operations** at P3.57 billion, rose by P562 million or 18.7%, reflecting higher investment income of the insurance subsidiaries.
- **Fees and commissions** increased by P515 million or 3.4% to P15.68 billion, supported by higher underwriting fees and domestic bank commissions.
- These gains were partially offset by a decline in **income from foreign exchange trading,** which decreased by P903 million or 26%, due to narrower spreads.

Other expenses totaled P92.11 billion, an increase of P8.31 billion, or 9.9%.

- **Other operating expenses** amounted to P33.90 billion, up P4.18 billion or 14.1%, on higher marketing, operations and regulatory expenses.
- **Occupancy and equipment-related expenses** reached P27.92 billion, higher by P2.79 billion, or 11.1%, due to increased technology spending from ongoing digitalization initiatives, higher depreciation and amortization expenses from ongoing branch renovations, and higher utilities expense.
- **Compensation and fringe benefits** stood at P30.28 billion, up P1.34 billion or 4.6%, reflecting annual salary adjustments, higher headcount, and increased HMO premium rates.

Impairment losses amounted to P17.75 billion, an increase of P11.15 billion or 168.9%, primarily due to rising NPL levels.

Provision for income tax totaled P18.57 billion, higher by P1.07 billion or 6.1%, compared to the P17.50 billion from last year.

- **Current taxes** was P19.25 billion, higher by P2.49 billion or 14.9%, on higher net taxable interest and non-interest income.
- **Deferred taxes** at negative 676.17 million, lower by P1.42 billion or 190.7%, reflecting the impact of higher loss provisioning during the year.

Income attributable to non-controlling interest increased by P41 million or 21.7% to P232 million, due to higher income contribution from the Bank's non-life insurance affiliate.

Comprehensive Income

Total comprehensive income amounted to P68.92 billion, higher by P8.17 billion or 13.5% compared to previous year. The increase was attributable to:

- Growth in **net income before minority interest** by P4.61 billion or 7.4%, to P66.85 billion.
- Higher **total other comprehensive income, net of tax effect** by P3.57 billion, or 239.2%, to P2.08 billion.
    - **Net change in fair value reserve on FVOCI securities, net of tax effect** at P2.77 billion, higher by P3.94 billion or 336.7%, from last year's loss of P1.17 billion, due to higher market valuation of the Bank's investment securities.
    - **Share in other comprehensive income of associates (that may be reclassified subsequently to profit or loss)** at P103 million was higher by P278 million or 158.9%, from last year's P175 million loss, due to higher accumulated fluctuation reserves of the Bank's insurance affiliate.
    - **Share in other comprehensive gain of associates (that will not be reclassified to profit or loss)** at P143 million, was also up P188 million or 415% from last year's P45 million loss, driven by higher market valuation of the life insurance affiliate's investments securities.
    - **Fair value reserve on investments of insurance subsidiaries, net of tax effect** at P86 million, was also higher by P63 million or 262%, due to stronger valuations of the insurance subsidiaries' investment funds.
    - **Currency translation differences** at P209 million was lower by P138 million or 39.7%, reflecting lower translation income from the Bank's foreign subsidiaries.
    - **Actuarial loss on defined benefit plan, net of tax effect** of P1.23 billion further deteriorated by P759 million or 160.2%, from last year's P473 million loss, on higher actuarial loss on defined benefit obligation.

Comprehensive income attributable to non-controlling interest at P255 million, increased by P43 million, or 20.1%, mainly from higher market valuation of the insurance's subsidiaries' investments.

Key Performance Indicators

	2023	2024	2025
Return on Equity[1]	15.3%	15.1%	14.5%
Return on Assets[1]	1.9%	2.0%	2.0%
Net Interest Margin[1]	4.1%	4.3%	4.6%
Operating Efficiency Ratio	50.0%	49.3%	47.2%
Capital Adequacy Ratio[2]	16.2%	14.6%	14.7%

[1] Using daily average method

[2] Basel III Framework

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

Return on equity (ROE), the ratio of net income to average equity, was lower at 14.5%, as average equity grew at a faster pace than net income growth.

Return on assets (ROA), the ratio of net income to average assets, was slightly lower by 2 bps at 2.0%.

Net interest margin (NIM), net interest income divided by average interest-bearing assets, was higher at 4.6% by 28 basis points than the 4.3% in 2024, on higher earning asset yields, coupled with lower cost of funds.

Operating efficiency (cost to income) ratio, the ratio of operating expenses to income, was lower at 47.2% from 49.3% in 2024, on faster acceleration of revenue as against operating expenses.

Capital adequacy ratio (CAR), the ratio of total qualifying capital to total risk-weighted assets, was slightly up at 14.75% compared to last year's 14.63%, as the growth in qualifying capital outpaced the growth in total risk weighted assets. The CET 1 ratio at 13.94%, was higher than the 13.86% from the same period last year. Both of the Bank's capital ratios are above the BSP's minimum requirement.

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

using simple average method	2024	2025
Return on Equity	15.7%	14.7%
Return on Assets	2.0%	1.9%
Net Interest Margin	4.3%	4.5%

Details of the basic quantitative indicators of financial performance are reflected in Note 31 of the 2025 Audited Financial Statements.

Market Outlook

The Philippine economy is expected to maintain its expansionary trajectory over the medium term, supported by domestic fundamentals despite the headwinds. Household consumption has been the primary engine of growth, accounting for 60-70% of GDP expansion. This consumption-led model is closely tied to the structure of the economy, with services as the biggest sector on the supply side. From a credit perspective, consumer lending retains significant upside potential, as household debt-to-GDP ratio remains low relative to ASEAN peers and many purchases continue to be equity-funded. This low leverage provides banks with substantial room to expand loan portfolios even as broader macroeconomic conditions evolve.

In the near-term, however, prospects appear relatively complex and uncertain. The previous narrative of manageable price pressures has been disrupted by a significant supply shock following the US-Israel war with Iran that began on February 28, 2026. Escalating conflict in the Middle East amid persistent military exchanges among the said countries raises the risk of supply disruptions, particularly through the Strait of Hormuz, a key transit point for global oil. Given the Philippines' heavy reliance on imported fuel from the region, this exposes the economy to significant price shocks. Higher oil prices could feed into transportation and food costs, leading to second-round effects that may further pressure inflation. Rice prices were already on an upward trajectory prior to the latest shock amid elevated import costs, logistics constraints, and tighter domestic supply. The recent surge in oil prices has only exacerbated this trend, reinforcing upside risks to food inflation. Sustained supply shocks historically bleed into demand, increasing the likelihood of a more hawkish monetary stance if inflation expectations de-anchor, with potential adverse effects on growth.

The ongoing geopolitical tensions also introduce notable risks to the remittance outlook. Approximately 2 million Filipinos work in the Middle East (about 40% of the overseas workforce), with roughly 2,900 of them already repatriated. Accelerated repatriation could disrupt remittance flows, especially as displaced workers face limited employment alternatives amid the heightened risk of a global economic downturn triggered by the conflict. Elevated oil prices and weakened remittances could widen the current account deficit, increase USD demand, and pressure the Peso. A rapid depreciation may amplify imported inflation, creating an FX-inflation feedback loop that could compel the BSP to tighten policy even amid a supply-driven shock.

The global backdrop remains uncertain amid volatile trade policies and geopolitical risks. While resilient domestic demand may provide some buffer, downside risks persist, including slower public sector spending, labor market disruptions from technological shifts, and climate-related shocks.

Consequently, the 2026 growth outlook is becoming increasingly dependent on the duration of regional hostilities. Under a brief, one-month conflict scenario, GDP growth is projected at 4.8% with a year-end USD/PHP rate of 60.100. Conversely, a conflict lasting six months or longer could drag growth down to 3.9%, push inflation to a 5.4% average, and see the Peso depreciate to 61.300. Compounding these external risks are domestic structural concerns, particularly the persistent overhang of flood control issues. Inadequate infrastructure and recurring flood-related disruptions continue to weigh on productivity and agricultural output, posing a further drag on growth and reinforcing upside risks to food inflation. The BSP's previous path toward monetary easing has been challenged; the current policy rate of 4.25% is below historical restrictive levels, and forecasts suggest rates could rise to as high as 5.75% to address external risks and ensure the economy does not suffer further if expectations de-anchor.

Implications on Business and Strategy

Going into 2026, our strategic initiatives remain relevant given the aforementioned market outlook.

We will harness the momentum of our strong lending business where non-institutional lending remains the primary growth engine. This faster growth has driven a big shift in our loan mix. By 2025, non-institutional loans accounted for 30.4% of total loans, from only 21.1% in 2021. This achievement places us one year ahead of schedule in reaching our loan mix target of 30% non-institutional, which underscores the strength of our execution and the growing relevance of our consumer franchise. We foresee that we can surpass this even further supported by the outlook on sustained household consumption and a productive labor force.

On funding leadership, we delivered solid deposit growth despite more modest CASA expansion. Retail deposit acquisition continues to be a core strength in contrast to the challenge in growing corporate CASA. To address this, we continue to enhance our capabilities to become the main operating bank of our clients and to capture the full ecosystem of their transactions. This includes positioning BPI as the aggregator by enabling real time payments and notifications, multi-channel reporting, and innovative collection solutions. These initiatives aim to strengthen client engagement and accelerate CASA growth.

Our commitment to digital leadership is unwavering as we continue to scale our seven client engagement platforms, which are delivering steady growth in enrolled and active users. Transaction volumes continue to shift toward digital channels, supported by new partnerships, enhanced functionalities, and continuous platform improvements.

Despite our strong push toward digitalization initiatives, we continue to invest in our physical network by opening branches in targeted growth areas, even as we consolidate and co-locate branches to optimize our footprint. The remaining branches will be redesigned into Phygital, Prime Phygital and Flagship formats, depending on the target segments, customer experience and location. This approach allows us to deliver a differentiated customer experience by leveraging on both our physical stores and digital capabilities.

Closely linked to our branch rationalization initiative is growth in our Agency Banking which continues to strengthen the Bank's presence beyond branches.

We expanded the Agency Banking network to 32 Partners and over 7,000 Partner Stores, driven largely by partnerships with leading brands that strengthened our footprint, particularly in Visayas and Mindanao. What began as product onboarding partner stores has scaled rapidly – over 900 of these stores are now enabled for Deposit-Withdrawal transactions across 18 partner brands, thereby broadening our ability to serve customer segments nationwide. Looking ahead to 2026, we will accelerate the expansion of transaction-capable stores, and to elevate the customer experience, we will deploy dedicated Brand Ambassadors who will guide clients through product inquiries, applications, and cash transactions within Partner Stores.

Sustainability guides all our efforts to create meaningful impact. From green financing to financial inclusion initiatives, we integrate environmental, social, and governance principles into our operations, contributing to a more resilient and responsible future. As a trusted leader in sustainability among Philippine banks, we are fully focused on the two pillars of responsible banking and responsible operations.

The driving force behind all these strategic initiatives is and has always been our passion for the customer. Our culture of Customer Obsession inculcates in each and every Unibanker our N.I.C.E. (Nurturing, Integrity, Customer-Obsessed, Excellence) values and C.H.A.N.G.E. (Customer Obsession, High Performance, Aspiration, Nurturing Spirit, Growth Mindset, Excellence) competencies.

Item 7. Financial Statements

Please refer to Exhibit A for the 2025 Audited Financial Statements as audited by the principal accountant, the Accounting Firm of Isla Lipana & Co., and signed by the Partner Mr. Roderick M. Danao.

Audit and Audit-Related Fees

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

Fiscal year	Audit Fees	Audit-releated fees
2023 paid in 2024	P 21.584 Mn	P4.103 Mn
All other services	3.664 Mn	0.621 Mn
2024 paid in 2025	P 26.522 Mn	P4.980 Mn
All other services	8.226 Mn	0.374 Mn
Approved for 2025 (not yet paid)	P30.843 Mn	-

The audit fees cover audit and interim review of financial statements as well as approved non-audit services.

For 2025, the external auditor was engaged as buy-side due diligence advisor for Php2.751Mn.

Please also refer to page 134 of the 2025 Audited Financial Statements for the Supplementary Schedule of External Auditor Fee-Related Information.

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

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Issuer

A-1. The Board of Directors and Executive Officers (as of December 31, 2025)

Following is the list of current directors serving the term 2025 – 2026:

1. **JAIME AUGUSTO ZOBEL DE AYALA**
   Chairman, Non-Executive Director

   - BPI Director since March 1990 and last re-elected on April 21, 2025
   - BPI Board Committee Membership:
     - Executive Committee (Chairman)
     - Personnel and Compensation Committee (Chairman)
     - Nomination Committee (Member)

   Mr. Zobel de Ayala, Filipino, 67, has been a member of the Board of Directors of BPI since March 1990 and Chairman since March 2004. He is currently the Chairman of the Bank's Executive Committee, Personnel and Compensation Committee and a member of the Nomination Committee. Mr. Zobel de Ayala likewise served as the Vice Chairman of the Bank from January 1995 to March 2004. He serves as Director and Chairman of Ayala Corporation, one of the largest business groups in the Philippines, with interests in real estate, banking, telecommunications, power, healthcare, logistics, industrial technologies, water, infrastructure, education, and technology investments. He is likewise the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc.

   Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad. He is a Director of Temasek Holdings (Private) Limited and a member of JP Morgan International Council, JP Morgan Asia Pacific Council, and LeapFrog Investments Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council and Harvard Business School (HBS) Asia-Pacific Advisory Board. He is likewise the Chairman of Singapore Management University's International Advisory Council in the Philippines.

   His other positions include Emeritus Member of the Asia Business Council, Director of Endeavor Philippines, Member of the Council for Inclusive Capitalism, Co-Vice Chairman of the Makati Business Club, and Trustee Emeritus of Eisenhower Fellowships. He has been a director of the US-Philippines Society since 2012 and assumed the Co-Chair position in 2024. He was also the Philippine Representative to the Asia Pacific Economic Cooperation Business Advisory Council from 2010-2015, among others.

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

Mr. Zobel de Ayala graduated with B.A. in Economics (with honors) from Harvard University in 1981. He obtained an MBA from the Harvard Graduate School of Business Administration in 1987 and received an Honorary Doctorate in Management from the Asian Institute of Management in 2024.

2. **CEZAR P. CONSING**
Vice-Chairman, Non-Executive Director

- BPI Director since February 1995 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Executive Committee (Vice-Chairman)
  - Personnel and Compensation Committee (Member)

Mr. Consing, Filipino, 66 years old, has been a director of the Bank since February 1995. He is currently the Vice-Chairman of the Bank's Board and Executive Committee and member of the Personnel and Compensation Committee.

Mr. Consing is the President & CEO of Ayala Corporation, a position he has held since 2022. He is Chairman of ACEN Corporation, and Vice Chairman of Ayala Land Inc. and Globe Telecom. He is also the Chairman or Vice Chairman of many of the Ayala Group's unlisted companies. Mr. Consing is likewise Chairman of the Philippine Dealing and Exchange Corporation. He is a non-executive director of the Private Infrastructure Development Group, an infrastructure development and finance organization owned by the governments of Australia, Germany, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom. He is a member of the Trilateral Commission, and a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines – Japan Economic Cooperation Committee, De La Salle University, and the Manila Golf Club Foundation.

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

Mr. Consing has previously served as Chairman of Philippine Dealing System Holdings and the College of St. Benilde, Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He was an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad, and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, US-Philippines Society, Endeavor Philippines, and International Care Ministries, among others.

Mr. Consing received an A.B. Economics degree, Magna Cum Laude, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

3. **JOSE TEODORO K. LIMCAOCO**
President and CEO, Executive Director

- BPI Director since February 2019 and last re-elected on April 21, 2025
- BPI Committee Membership:
  - Credit Committee (Chairman)
  - Executive Committee (Member)

Mr. Limcaoco, Filipino, 64 years old, has been a BPI Director since February 2019 and was appointed as President and Chief Executive Officer of BPI in April 2021. He serves as Chairman of the Board in the following entities: BPI Wealth – A Trust Corporation, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, ALFM Money Market Fund, Inc., ALFM Peso Bond Fund, Inc., ALFM Dollar Bond Fund, Inc., ALFM Euro Bond Fund, Inc., ALFM Growth Fund, Inc., Philippine Stock Index Fund Corporation, ALFM Global

Muti-Asset Income Fund, Inc., ALFM Real Estate Income Fund, Inc., BPI/MS Insurance Corporation, and BPI Wealth Singapore Pte Ltd. He is likewise the Vice Chairman of BPI Century Tokyo Lease & Finance Corporation and BPI Tokyo Century Rental Corporation. Furthermore, he serves as the President and Vice Chairman of The Bank of the Philippine Islands Foundation, Inc., and Director of BPI AIA Life Assurance Corporation and Global Payments Asia-Pacific Philippines Incorporated.

Outside of the BPI group, he is Chairman of Philippine Payments Management Inc., and Director of AC Mobility Holdings, Incorporated. He was President of the Bankers Association of the Philippines from March 2023 to March 2026. He is also the Treasurer and Director of Just for Kids, Inc., a homegrown business of his family.

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

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

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

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

4. **JANET GUAT HAR ANG**
Independent Director

- BPI Independent Director since May 2021 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Related Party Transactions Committee (Chairman)
  - Risk Management Committee (Member)
  - IT Steering Committee (Board Representative)

Ms. Ang, Singaporean, 66 years old, was elected as an Independent Director of BPI in May 2021. She is the Chairman of the Bank's Related Party Transactions Committee, member of the Bank's Risk Management Committee, and one of the Bank's Board Representatives in the IT Steering Committee. Ms. Ang also serves as an Independent Director of BPI Wealth Singapore Pte Ltd.

Ms. Ang is currently the Chairperson of National University of Singapore-Institute of Systems Science (NUS–ISS), Singapore Polytechnic, Public Transport Council, and Singapore Business Federation Foundation.

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

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

Ms. Ang was a recipient of Singapore's National Day Awards - The Public Service Star in 2025 and The Public Service Medal in 2019. She was also awarded NUS Outstanding Service Award in 2021, the Singapore Computer Society IT Leaders Award – Hall of Fame in 2018, the NUS Distinguished Alumni Service Award in 2015 and the NUS Business School Eminent Alumni Award in 2014.

Ms. Ang graduated with a Bachelor's degree in Business Administration (with Honours) from the National University of Singapore. She has also completed the INSEAD International Directors Program.

5. **RENÉ dG. BAÑEZ**
Non-Executive Director

- BPI Director since August 2021 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Executive Committee (Member)
  - Related Party Transactions Committee (Member)
  - Retirement/Pension Committee (Member)

Mr. Bañez, Filipino, 70 years old, was elected as director of BPI in August 2021. He is a member of the Bank's Executive, Related Party Transactions, and Retirement/Pension Committees. Mr. Bañez also serves as a Board Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation) and BPI Capital Corporation.

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

Mr. Bañez served as the Commissioner of the Bureau of Internal Revenue (BIR) from February 2001 to August 2002 and as Deputy Commissioner from June 1993 to November 1995. Before his appointment to the BIR in 1993, he spent more than 11 years at accounting firm Isla Lipana & Co./PwC (formerly Joaquin Cunanan & Co.), starting as a Tax Consultant in 1982 until he became Tax Principal (Partner) from 1990 to 1993.

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

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

6. **KARL KENDRICK T. CHUA**
Non-Executive Director

- BPI Director since April 2023 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Retirement/Pension Committee (Member)

Mr. Chua, Filipino, 47, was elected as director of BPI in April 2023. He is a member of the Bank's Retirement/Pension Committee. He also serves as a Board Director of BPI Direct BanKo, Inc., A Savings Bank and is currently the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation. He is also a Director of AC Industrials Technology Holdings, Inc., AC Infrastructure Holdings, Corp., Brave Connective Holdings Inc., and an Independent Director of D&L Industries, Inc. and LH Paragon, Inc. Mr. Chua is likewise a Board Adviser for various LH Paragon Businesses. He previously served as a Director of Manila Water Company, Inc. and AC Ventures.

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

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

Mr. Chua was a senior official in the Government of the Philippines for six years from 2016 to 2022. As Secretary of Socioeconomic Planning and Chief Economist of the country, he provided strategic leadership on economic policy during the Covid-19 pandemic and the further liberalization of key sectors of the economy. As chair, he also oversaw the implementation of the national ID program and the national innovation strategy.

As Undersecretary in the DOF, he led the technical team in the passage of the Comprehensive Tax Reform Program covering income, consumption, transaction, and wealth taxes, and the passage of the Rice Tariffication Law, among other reforms in the government's 10-Point Socioeconomic Agenda.

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

7. **WILFRED T. CO**
Non-Executive Director

- BPI Director since April 2024 and last re-elected on April 21, 2025

Mr. Co, Filipino, 61 years old, was elected as director of BPI in April 2024. Outside BPI, he is the President of Coherco Securities, Inc. and Herco Trading, Inc. Mr. Co is also the Chairman of the following companies: Robinsons Handyman, Inc., Robinsons True Serve Hardware Philippines Inc., Robinsons Daiso, and Federal Chemicals, Inc. From 2013 to 2015, Mr. Co served as an advisory board member of Robinsons Bank.

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

8. **RESTITUTO C. CRUZ**
Independent Director

- BPI Independent Director since April 21, 2025
- BPI Board Committee Membership
  - Audit Committee (Member)
  - Related Party Transactions Committee (Member)

Mr. Cruz, Filipino, 69 years old, was elected as Independent Director of BPI in April 2025. He is a member of the Bank's Audit and Related Party Transactions Committee. Outside BPI, he has been an Independent Director of Guagua Rural Bank, Inc. since January 2024.

Mr. Cruz worked for 43 years with the Bangko Sentral ng Pilipinas (BSP) under various capacities until his retirement in 2022. He previously served as an Independent Director of Philippine Payments Management, Inc. He also held the following positions in the BSP throughout his decorated career: Assistant Governor from 2017-2022, Managing Director from 2014-2017, Director from 2009-2014, Deputy Director from 2006-2009, and various officer positions from 1979-2006. Prior to working with the BSP, he was a Staff Auditor at SGV & Co., CPAs from 1977-1979.

Mr. Cruz is a Certified Public Accountant. He obtained his Bachelor of Science in Business Administration and Accounting from the University of the East in 1977, and his Master's Degree in Business Administration from the Ateneo Graduate School of Business in 1996.

9. **EMMANUEL S. DE DIOS**
Independent Director

- BPI Independent Director since April 2022 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Corporate Governance and Sustainability Committee (Chairman)
  - Nomination Committee (Chairman)

Mr. de Dios, Filipino, 71 years old, was elected as Independent Director of BPI in April 2022 and is the Chairman of the Bank's Corporate Governance and Sustainability Committee and Nomination Committee. Mr. de Dios is currently a Professor Emeritus at the University of the Philippines School of Economics, where he has been a professor since 1980 until his retirement in 2019.

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

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

10. **RIZALINA G. MANTARING**
Lead Independent Director

- BPI Independent Director since April 2023 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Risk Management Committee (Chairman)
  - Executive Committee (Member)
  - Corporate Governance and Sustainability Committee (Member)
  - Retirement/Pension Committee (Member)
  - IT Steering Committee (Member)

Ms. Mantaring, Filipino, 66, was elected as director of BPI in April 2023. She is a member of the Bank's Executive Committee, Corporate Governance and Sustainability Committee, Retirement/Pension Committee, and Chairman of the Risk Management Committee. Moreover, she is one of the Bank's Board Representatives in the IT Steering Committee. She also serves as a Board Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation).

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

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

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

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

11. **MARIO ANTONIO V. PANER**
Independent Director

- BPI Independent Director since April 2024 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Retirement/Pension Committee (Chairman)
  - Risk Management Committee (Member)
  - Audit Committee (Member)
  - Personnel and Compensation Committee (Member)

Mr. Paner, Filipino, 67 years old, was elected as Independent Director of BPI in April 2024. He is currently a member of the Bank's Risk Management Committee, Audit Committee, Personnel and Compensation Committee, and Chairman of the Retirement/Pension Committee. Mr. Paner is also an Independent Director of ENEX Energy Corp. since April 2021. He was likewise an Independent Director of ACEN Corporation from April 2020 to April 2021 and ALFM Funds from January 2022 to March 2024.

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

After working with Ayala Investments and Development Corporation (1979-1981) and Family Savings Bank (1981-1985), Mr. Paner joined BPI in 1985 when the Bank acquired Family Bank & Trust Company, Inc. Later, in 1989, he became part of Citytrust, the consumer banking arm of Citibank in the Philippines, which BPI

also acquired in 1996. He served as the Treasurer and Head of BPI's Global Markets Segment, where he was responsible for managing the Bank's interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution activities both in the Philippines and abroad, until his retirement in 2019. Prior to this, he was responsible for other businesses of the bank which included Risk Taking, Portfolio Management, Money Management, Asset Management, Remittance, Overseas Banking and Private Banking.

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

12. **CESAR V. PURISIMA**
Independent Director

- BPI Independent Director since January 2021 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Audit Committee (Chairman)
  - Executive Committee (Member)
  - Risk Management Committee (Member)
  - Nomination Committee (Member)

Mr. Purisima, Filipino, 66 years old, was elected as Independent Director of BPI in January 2021. He is the chairman of the Bank's Audit Committee, and member of the Executive, Risk Management and Nomination Committees. He also serves as an Independent Director of BPI Capital Corporation.

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

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

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

Mr. Purisima is a certified public accountant and has extensive experience in public accounting both in the Philippines and abroad. Mr. Purisima obtained his Bachelor of Science in Commerce (Majors in Accounting

& Management of Financial Institutions) degree from De La Salle University (Manila) in 1979, Master of Management degree from J.L. Kellogg Graduate School of Management, Northwestern University in 1983 and Doctor of Humanities honoris causa degree from Angeles University Foundation (Philippines) in 2012. Mr. Purisima completed the Harvard Business School's CEO Harvard Presidents' Seminars in 2023 and 2024.

13. **JAIME Z. URQUIJO**
Non-Executive Director

- BPI Director since September 2022 and last re-elected on April 21, 2025 (3 years)
- BPI Board Committee Membership:
  - Corporate Governance and Sustainability Committee (Member)
  - Risk Management Committee (Member)

Mr. Urquijo, Filipino, 37 years old, was elected as director of BPI in September 2022. Mr. Urquijo is a member of the Bank's Corporate Governance and Sustainability Committee and Risk Management Committee. He serves as a Director of ACEN Corporation, AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, ACEN International, Inc., AC Energy and Infrastructure Corporation, and Integrated Micro-Electronics, Inc., and Chairman of Klima 1.5 Corp. He is also Vice-Chairman of the Board of Trustees of Ayala Foundation and an Independent Advisor to the Board of Directors of Ayala Land, Inc.

Currently, he is an Executive Director and the Chief Sustainability Officer and Chief Risk Officer (CSRO) of Ayala Corporation. He was previously Vice President for Business Development at Ayala Corporation's listed energy platform, ACEN Corporation. During his tenure at ACEN, Mr. Urquijo led initiatives to expand the group's asset portfolio in the Philippines, Vietnam, Myanmar, and Indonesia. As country manager for Indonesia, he established ACEN's office in Jakarta. These initiatives resulted in 500MW of operating wind and solar assets in Vietnam and over 2GW of pipeline projects for ACEN across the region. He continues to be a member of the Board of Directors of several foreign affiliates of ACEN Corporation.

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

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

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

14. **MARIANA BEATRIZ E. ZOBEL DE AYALA**
Non-Executive Director

- BPI Director since April 2025
- BPI Board Committee Membership:
  - Personnel and Compensation Committee (Member)

Ms. Zobel de Ayala, Filipino, 37 years old, has been a member of the board of directors of BPI since April 2025. She also serves as a member of the Bank's Personnel and Compensation Committee. She is a Managing Director of Ayala Corporation and concurrently a Senior Vice President of Ayala Land, where she

oversees the Leasing and Hospitality Group, including Ayala Malls, Ayala Land Offices, Ayala Land Hospitality, and Ayala Land Leisure Estates.

Ms. Zobel de Ayala is a board director of Ayala Land where she is a member of its Executive, Risk Oversight, and Sustainability Committees. Additionally, she is a Board Director of Ayala Land's listed REIT subsidiary, AREIT.

In her role as Senior Vice President of Ayala Land, she sits in the following positions: the Chairman and President of Ayalaland Malls, Inc. (formerly: ALI Commercial Center, Inc.); Vice Chairman of ALI Eton Property Development Corporation; Chairman and Director of Ayalaland Offices, Inc., Chairman of Ayalaland Hotels and Resorts Corp., and Director of Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Columbus Holdings, Inc., Berkshires Holdings, Inc., Emerging City Holdings, Inc., Altaraza Development Corporation, Ortigas Land Corporation, AKL Properties, and Makati Central Estate Association (MACEA). She also serves as Chairman and Director of Chirica Resorts Corporation, Ten Knots Development Corporation, Lio Resort Ventures Inc., Pangulasian Island Resort Corp., Ten Knots Phils., Inc., Swift Aerodrome Services, Inc., and ALI Capital Corp.; President & Director of Station Square East Commercial Corporation; and Director of Cagayan de Oro Gateway Corp., Accendo Commercial Corp., and Cebu District Property Enterprise Inc.

As Managing Director of Ayala Corporation, Mariana also serves on the Group Management Committee of Ayala Corporation and as a Board Director for A&CO Holdings Corporation, ACX Holdings Corporation, and ANKO JV Company, Inc.

Ms. Zobel de Ayala previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Bank. Before this position, she served as the Deputy Head of Ayala Malls and previously worked in project development across Ayala Land. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation.

Ms. Zobel de Ayala began her career at J.P. Morgan in New York. She obtained her BA in Social Studies (Philosophy, Politics, and Economics) from Harvard College and MBA from INSEAD.

15. **FERNANDO ZOBEL DE AYALA**
Non-Executive Director

- BPI Director since September 2023 and last re-elected on April 21, 2025
- BPI Board Committee Membership:
  - Executive Committee (Member)
  - Personnel and Compensation Committee (Member)

Mr. Zobel de Ayala, Filipino, 66 years old, has been a member of the board of directors of BPI since September 2023. He also serves as a member of the Bank’s Executive Committee and Personnel and Compensation Committee.

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

Mr. Zobel de Ayala is a member of several organizations including the Hispanic Society Museum & Library International Advisory Council, Chief Executives Organization, Young Presidents Organization, Habitat for Humanity International’s Asia Pacific Development Council, Tate Museum London, Asia Philanthropy Circle,

and The Metropolitan Museum International Council. In addition, he is a Trustee of Caritas Manila, Pilipinas Shell Foundation, and Asia Society.

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

The Executive Officers
Officers of BPI as of December 31, 2025

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

[Please see above.]

**Member of the Board of Directors of BPI*

2. **MARIA CRISTINA L. GO**
Executive Vice President

Filipino, 56 years old, Ms. Go leads the Consumer Banking Segment, serving over 18 million clients and overseeing more than 820 branches nationwide. She is responsible for managing retail digital platforms, core retail products—including deposits, auto loans, housing loans, motorcycle loans, as well as life and non-life bancassurance—and all related support services. Ms. Go has consistently championed a client-first "phygital" transformation strategy, emphasizing the delivery of a seamless omni-channel experience for the Bank's diverse markets. This approach leverages BPI's extensive physical presence to provide trusted advice through its team of over 11,000 expert banking professionals, complemented by best-in-class digital capabilities that enhance convenience and accessibility for clients.

Under Ms. Go's leadership, 107 branches have been converted to the phygital format, redefining the in-branch customer experience and integrating digital education. A key aspect of this transformation is the shift of branch roles from transaction centers to advisory hubs, supported by ongoing manpower development. The Bank's mobile app and online platforms continue to introduce innovations, such as an improved user interface for fund transfers and payments, the addition of over 600 new billers, buy-and-sell functionality for US dollars, cardless withdrawals at retail partner stores, expanded reach for mobile check deposits, virtual privilege cards, and more. The BPI app has received high ratings on both the App Store and Google Play Store. The Bank's digital transformation has accelerated across all channels, with robust adoption of Salesforce, Talkdesk, and the GenAI-enabled BPI Express Assist Intelligence (BEAi), all supported by streamlined processes and continuous upskilling of personnel. These initiatives have strengthened customer engagement and enhanced productivity.

The Bank's retail loan products—including housing, auto, and motorcycle loans—have achieved significant market share growth through data-driven lending programs that have simplified application processes and reduced turnaround times. New products in both life and non-life insurance, such as BPI AIA's Prime USD life insurance and BPI MS's Kaya Care, Safe Sakay, and Freelancer non-life insurance, have made notable impacts in the market.

Prior to leading Consumer Banking, Ms. Go served as President of BPI Family Savings Bank (BFSB), where she oversaw the successful merger and integration with BPI. She was previously Group Head of BFSB Retail Loans in 2015, following 11 years as Head of BPI's Payments and Unsecured Lending Group. There, she introduced innovations such as the first EMV-compliant credit cards and the launch of Real Thrills, the Bank's first instant rewards program. Her extensive experience in transformational initiatives—spanning manpower, processes, products, systems, and culture—has enabled the Bank to pursue market-creating growth opportunities and maintain a high-quality customer portfolio. With a client-first transformation strategy focused on elevating the customer experience, BPI has achieved the highest Net Promoter Score (NPS) among universal banks and fintechs in the country.

Before joining BPI, Ms. Go was Vice President at Citibank Philippines, overseeing Retail Bank Marketing, and later served in Citibank's Credit Cards Cross Sell Division in New York. She also held leadership roles at Ayala Land, establishing and heading its Market Planning and Development Division, where she contributed to the company's expansion into the middle-market segment. Ms. Go began her career at Procter & Gamble as Brand Assistant and was later promoted to Assistant Brand Manager, managing brands such as Mr. Clean, Perla, Star, and Dari Crème. She holds a Masters degree with honors from the Harvard Business School (1996) and graduated Magna Cum Laude with a BS in Business Administration and Accountancy from the University of the Philippines Diliman. She was recognized as one of the Ten Outstanding Students of the Philippines, placed first in the 1991 CPA licensure exam, and was named a Distinguished Alumna by the UP College of Business Administration in 2012. In 2016, she was honored by the Filipina Women's Network as one of the 100 Most Influential Filipina Women in the World.

Ms. Go currently serves as Chairman of the Personnel Committee and Director of BPI MS Insurance Corporation. She is also a Director on the Boards of BPI Direct Banko and TransUnion Philippines, and a Trustee of Ayala Foundation. Additionally, she is a member of the Ayala Group's AI Governance and Steering Committee, the Management Association of the Philippines, the Harvard Global Club of the Philippines, the Harvard Business School Club of the Philippines, the Filipina Women's Network, the Filipina CEO Circle, and the NextGen Organization of Women Corporate Directors. Ms. Go actively mentors high-impact entrepreneurs through Endeavor Philippines and supports the development of current and future leaders within BPI and in various organizations with which she is affiliated.

In 2025, Ms. Go was named Retail Banker of the Year at the World Financial Innovation Series Philippines. Under her leadership, BPI was also recognized as the Best Retail Bank in the Philippines by FinanceAsia and The Asian Banker Global.

3. DINO R. GASMEN
Executive Vice President, Treasurer

Filipino, 59 years old, Mr. Gasmen is the Bank's Treasurer and Head of Global Markets. He is responsible for optimizing the Bank's financial resources through management of interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution. He serves as the Chairman of BPI's Asset & Liability Committee and a Director of BPI (Europe) PLC. He is also a Member of the Asset & Liability Committee of BPI Wealth Hong Kong.

Mr. Gasmen is the Head of the Interest-Rate Sub Committee of the Bankers Association of the Philippines Open Market Committee. He is also a Member of the Finance Committee of the Ayala Multi-Purpose Cooperative.

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

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

Mr. Gasmen has also served as the President of the Money Market Association of the Philippines (MART) in 2006, and ACI Financial Markets Association Philippines in 2018.
Mr. Gasmen holds a Bachelor's degree in Electrical Engineering and a Master's Degree in Business Administration from the University of the Philippines Diliman.

4. ERIC ROBERTO M. LUCHANGCO
Executive Vice President, Chief Finance Officer & Chief Sustainability Officer

- BPI Committee Membership:
  - Finance Committee (Chair)
  - Sustainability Council (Chair)
  - Credit Committee (Member)
  - Asset and Liabilities Committee (Member)

Mr. Luchangco, Filipino, 55 years old, serves as BPI's Chief Finance Officer, Chief Sustainability Officer, and Head of Strategy and Finance. In this role, he manages the Bank's strategic planning and financial budgeting, capital structure, investor relations and sustainability agenda, as well as overseeing the legal, business transformation and bank property management teams.

Mr. Luchangco is also a director of the following BPI subsidiaries: BPI Payments Holdings, Inc. and Legazpi Savings Bank, Inc. In addition, he serves as Treasurer of The Bank of the Philippine Islands Foundation, Inc. He likewise serves as director of the following entities: Beacon International School Foundation (Chair), Global Payments Asia-Pacific Philippines, Inc., AF Payments, Inc., Cartera Interchange Corporation, and Zip Financial.

Mr. Luchangco initially joined the BPI Group in 2013 as Head of Debt Capital Markets of BPI Capital, BPI's investment banking unit. In June 2017, he moved to BPI to become the Head of Corporate Credit Products, where his team managed the credit reviews of the accounts under Corporate Banking. From June 2019 until May 2022, Mr. Luchangco served as the Head of Business Banking, where he managed BPI's presence within the SME space with a vision of becoming the partner of choice for SMEs in the Philippines, before moving into his current role.

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

Mr. Luchangco graduated with a Management Economics degree from Ateneo de Manila University and received his MBA degree from the Ross School of Business at the University of Michigan.

5. **MARIA THERESA D. MARCIAL**
Executive Vice President

Ms. Marcial, Filipino, 55 years old, is the President and Chief Executive Officer of BPI Wealth – A Trust Corporation.

Ms. Marcial has 31 years of banking experience with expertise in asset management and trust, corporate banking, debt and equity capital markets, and strategic planning and finance. She currently serves as director of BPI AIA Life Assurance Corporation, BPI Europe PLC, BPI Wealth Hongkong Ltd, BPI Wealth Singapore Pte Ltd, BPI Wealth Builder Multi-Asset Mutual Fund, Inc, AREIT Inc, and independent director of Alternergy Holdings Corporation. Prior to her banking career, she worked for the National Economic and Development Authority and the Agricultural Policy Credit Council.

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

Outside banking, Ms. Marcial dedicates her time to society and the environment. She is a trustee and treasurer of World Wide Fund for Nature (WWF) Philippines and a trustee of Ocean Racing Club of the Philippines.

She was recognized as one of Top 25 Most Influential Women in Asset Management in Asia by Asian Investor, Women of Power by the Philippine Daily Inquirer and Most Outstanding Alumnus of the University of the Philippines Los Baños.

Ms. Marcial obtained her Master's Degree in Economics from the University of the Philippines Diliman and BS Economics (cum laude) from the University of the Philippines Los Baños. She completed the Advanced Management Program at Harvard Business School and the Executive Program in Strategy and Organization at Stanford Graduate School of Business.

6. **ELFREN ANTONIO S. SARTE, JR.**
Executive Vice President

Mr. Sarte, Filipino, 66 years old, is a highly accomplished executive with over 40 years of experience in the banking industry. He joined the Bank following the merger between BPI and Robinsons Bank Corporation (RBC) effective January 1, 2024.

He previously served as Chairman and Director of Legazpi Savings Bank and Unicon Insurance & Reinsurance Brokers Corporation. He also served as Director of BPI/MS Insurance Corporation, Global Payments Asia-Pacific Philippines, Inc., BPI Payment Holdings, Inc. (formerly BPI Card Finance Corporation), BPI Direct BanKo, Inc., A Savings Bank, and AF Payments, Inc. He likewise served as the BPI Payment Council Head and Chairman of the BPI Management Vetting Committee.

Outside the BPI Group, Mr. Sarte is the Vice Chairman of the Philippine Clearing House Corporation, a member of the Board of Trustees of The Grove by Rockwell Condominium Corporation, and a Director of the Galleria Corporate Center Condominium Corporation.

Before joining BPI, Mr. Sarte was the President and CEO of RBC from 2014 to 2023. It was under his leadership that RBC began its digital transformation and embarked on its journey towards becoming digital to the core. He formed an agile culture at RBC, created a new digital organization, and put in place digital strategies that were steadfastly implemented to deliver innovative, high-tech, low-touch, real-time, and on-demand products and services to customers. RBC was the first bank to launch a digital retail online account opening at the onset of the health crisis in 2020. Back then, the Department of Social Welfare and Development partnered with RBC to distribute the government's social amelioration program to millions of needy families impacted by the pandemic. RBC created a digital banking solution to help beneficiaries, which led to being featured in the Bangko Sentral ng Pilipinas' Financial Inclusion Book, entitled "No One Left Behind." This stemmed from a data-driven culture in which RBC's enterprise data warehouse was built to centralize data from various systems, enabling analytics, reporting, and strategic direction. It was also under his leadership that RBC successfully raised PHP10 billion in its maiden bond issuance, which was four times oversubscribed of the book build and got a "PRS AA minus–Stable outlook" from The Philippine Rating Services Corporation (PhilRatings), which sealed RBC's efforts to gain the trust and confidence of the investing public. Mr. Sarte delivered RBC from rank 26th in 2014 to rank 16th by end-2023 in terms of assets among Universal and Commercial banks in the Philippines, which resulted in numerous recognitions from various local and international award-giving bodies.

His rich banking experience includes serving as President, Director and CEO of PNB Savings Bank from 2013 to 2014. He was the Consumer Finance Group Head in Philippine National Bank (PNB) from 2010 to 2013. Prior to joining PNB, he was with Union Bank of the Philippines from 1995 to 2010 serving various roles the last of which as Head of the Credit Services Division. His entry into the corporate world began at Credit Information Bureau Inc. (CIBI) where he honed his credit skills.

Mr. Sarte has been a Director of various organizations namely: GoTyme Bank Corporation, Bankers Association of the Philippines (BAP), BAP Data Exchange Inc., Maxicare Healthcare Corporation, and Maxicare Life Insurance Corporation. He also served as the Chairman of the BAP Operations Committee from 2017 to 2023.

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

7. **JUAN CARLOS L. SYQUIA**
Executive Vice President

Mr. Syquia, Filipino, 59 years old, is currently the Chief Finance Officer of Ayala Corporation (AC). Prior to his secondment to AC, he served as BPI's Head of Institutional Banking. Mr. Syquia's responsibilities included overseeing the Corporate Banking Relationship Management, Commercial Banking Relationship Management, Corporate & Commercial Credit Products, Transaction Banking (Cash Management and Trade), Remittance & Fund Transfer, and Investment Banking (which includes Equity Brokerage) units of the Bank. His strategic oversight and client-centric approach played a pivotal role in strengthening the Bank's institutional relationships and financial performance.

He also served as a member of the Board of Directors of BPI Capital Corporation (BPI's investment banking subsidiary), Global Payments Asia-Pacific Philippines, Inc. (BPI's merchant acquiring joint venture company), BPI Century Tokyo Lease and Finance Corporation (BPI's leasing joint venture company), BPI Tokyo Century Rental Corporation (BPI's full service operating lease and rental joint venture), and Unicon Insurance and Reinsurance Brokers Corporation (BPI's non-life insurance brokerage joint venture).

Mr. Syquia has over 30 years of work experience in the financial services industry. Early in his career, he held key leadership roles at ING, where he served as Managing Director and Head of Corporate Finance in the Philippines. He also served as the Head of Strategy and Business Development for ING Asia Pacific Ltd., overseeing the firm's insurance and asset management operations across the region. He further broadened his banking experience in the Philippines as Head of Corporate and Institutional Banking at Standard Chartered, where he managed engagements for top-tier corporate clients and spearheaded strategic growth initiatives in the local market.

He has extensive experience in the fields of finance, mergers and acquisitions, cross-border transactions, and business transformation — making him a trusted advisor and strategic leader in the financial sector. He earned his Bachelor's Degree in Management Economics from the Ateneo de Manila University, and carries an MBA Degree in Finance and International Business from Fordham University in NY, where he graduated with honors.

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

Atty. Gatmaytan, Filipino, 58 years old, is concurrently the Co-Head of Legal / Head of Corporate Legal Affairs and Corporate Secretary of BPI. She also serves as Corporate Secretary of BPI Asset Management and Trust Corporation (also known as BPI Wealth - A Trust Corporation), BPI Direct BanKo, Inc., A Savings Bank, BPI/MS Insurance Corporation, and The Bank of the Philippine Islands Foundation, Inc.

Atty. Gatmaytan started her career at ACCRALAW before taking on in-house counsel and leadership roles in top corporations, such as Corporate Legal Counsel at SM Investments Corporation, Associate General Counsel at San Miguel Corporation, Head of Legal at Bahay Financial Services, Inc. and Chief Legal Counsel at Splash Corporation. She was named in Legal 500's maiden GC Powerlist Philippines in 2023 and led the BPI Legal team to be included in the GC Powerlist Southeast Asia Teams 2023 and GC Powerlist Philippines Teams 2024, and to be awarded by In-House Community as In-House Legal Team of the Year 2025 for Banking.

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

List of Other Executive Officers as of December 31, 2025

NAME	AGE	POSITION	OFFICE
ABAD, MYKEL D.	57	HEAD, PHYSICAL CHANNELS	MASS RETAIL PRODUCTS
ABOLA, JOAQUIN MA. B.	59	HEAD, STRATEGY AND TRANSFORMATION	STRATEGY AND FINANCE
ALDIP, ALMA G.	53	HEAD, PAYMENT PRODUCTS	MASS RETAIL PRODUCTS
ALONSO, JOSEPH ANTHONY M.	60	CHIEF CREDIT OFFICER	CHIEF CREDIT
ANICETO, HOMER L.	56	SUB-CRECOM MEMBER	CHIEF CREDIT
ASIS, MA. CRISTINA F.	55	CHIEF RISK OFFICER	CHIEF RISK
BOBADILLA, ANNA LIZA O.	57	CHIEF AUDIT EXECUTIVE	CHIEF RISK
CHEE, FITZGERALD S.	40	HEAD, CONSUMER PLATFORMS	CONSUMER BANKING
CORTEZ, MARIE ANTOINETTE S.	48	HEAD, CORPORATE AND COMMERCIAL CREDIT	INSTITUTIONAL BANKING
CRUZ, LUIS GEMINIANO E.	56	HEAD, INSTITUTIONAL BANKING	INSTITUTIONAL BANKING
DE VERA, JOEL A.	57	HEAD, STRATEGY, PRODUCTS & SUPPORT	INSTITUTIONAL BANKING
EALA, MARIA VIRGINIA O.	57	CHIEF HUMAN RESOURCES OFICER	HUMAN RESOURCES
FRONDA, DENNIS T.	54	GROUP HEAD	CONSUMER BAKING
GALVEZ, MARWIN L.	46	DIVISION HEAD, CENTRAL METRO MANILA	CONSUMER BANKING
GARCIA, JEANETTE J.	54	DIVISION HEAD	INSTITUTIONAL BANKING
GARCIA, MARIA PAZ A.	59	CHIEF COMPLIANCE OFFICER	CHIEF RISK
GASA, JOSE MARIE ISRAEL V.	52	DIVISION HEAD, NORTHERN METRO MANILA	CONSUMER BANKING
JEREZA, JOSE RAUEL E. IV	54	HEAD, AGENCY BANKING	AGENCY BANKING
LACERNA, JENELYN Z.	60	GROUP HEAD	MASS RETAIL PRODUCTS
LIM, MARIA TERESA ANNA K.	60	DIVISION HEAD	INSTITUTIONAL BANKING
MABIASEN, RODOLFO K. JR	50	GROUP HEAD	MASS RETAIL PRODUCTS
MACAPAGAL, JUAN JESUS C.	57	DIVISION HEAD	INSTITUTIONAL BANKING
MAPANAO, PERLITA S.	55	HEAD, WEALTH LENDING AND SEGMENT STRATEGY	ASSET AND WEALTH MANAGEMENT
MARCOS, NOELITO C.	55	HEAD, COMMERCIAL BANKING	INSTITUTIONAL BANKING
MINGLANA, JEROME B.	52	GROUP HEAD	MASS RETAIL PRODUCTS
NERI, EMILIO S. JR.	57	HEAD, ECO & MARKETS RESEARCH	GLOBAL MARKETS
NGO SY, SHERYL G.	46	CHIEF INFORMATION OFFICER	ENTERPRISE TECHNOLOGY
OCLIASA, DOMINIQUE R.	58	SEGMENT HEAD	BUSINESS BANKING
OSALVO, EMMANUEL JESUS G.	61	INTEGRATION LEAD	STRATEGY AND FINANCE
PAULINO, MA. GENALYN R.	55	HEAD, SMALL BUSINESS CREDIT	BUSINESS BANKING
PENA, RICARDO D.	49	HEAD, ENTERPRISE OPERATIONS	ENTERPRISE OPERATIONS
PINEDA, DONARBER N.	57	HEAD, GLOBAL MARKETS SALES	GLOBAL MARKETS
ROCERO, ANNA LYN J.	54	HEAD, CORE BANKING OPERATIONS	ENTERPRISE OPERATIONS
SANTAMARIA, MARY CATHERINE ELIZABETH P.	58	CHIEF CUSTOMER & MARKETING OFFICER	CUSTOMER & MARKETING
SEMINIANO, ALEXANDER G.	51	CHIEF TECHNOLOGY OFFICER	ENTERPRISE TECHNOLOGY
SEVILLA, CHRISTMAS G.	60	MANAGING DIRECTOR, BWSG	ASSET & WEALTH MANAGEMENT
SORRA, JETHRO DANIEL S.	39	HEAD, ASSET & LIABILITY MANAGEMENT	GLOBAL MARKETS

NAME	AGE	POSITION	OFFICE
SY, CRISTINA J.	56	DIVISION HEAD, SOUTHERN METRO MANILA	CONSUMER BANKING
UNTALAN, BARBARA ANN C.	58	HEAD, CORPORATE BANKING	INSTITUTIONAL BANKING
YSMAEL, PAUL RODERICK A.	54	HEAD, LEGAL AFFAIRS & DISPUTE RESOLUTION	STRATEGY AND FINANCE
ZIALCITA, LUIS ANTONIO P.	44	CHIEF INVESTMENT OFFICER AND HEAD, INVESTMENT MANAGEMENT	ASSET & WEALTH MANAGEMENT

A-2. Significant Employees

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

A-3. Family Relationships

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

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

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

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

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

A-4. Involvement in Legal Proceedings

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

A-5 Resignation of Directors

To date, no director has resigned from, or declined to stand for election or re-election to the Board since the date of the 2025 annual meeting of stockholders due to any disagreement with the Bank relative to its operations, policies and practices.

Item 10. Executive Compensation

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Jose Teodoro K. Limcaoco President and CEO Dino Rudyardo F. Gasmen * Executive Vice President Maria Cristina L. Go Executive Vice President Maria Theresa D. Marcial Executive Vice President Elfren Antonio S. Sarte, Jr. ** Executive Vice-President Juan Carlos L. Syquia Executive Vice President				
CEO and Most Highly Compensated Executive Officers	Actual 2024	P188.15 Mn	P159.17 Mn	P0
	Actual 2025	P202.71 Mn	P189.41 Mn	P0
	Projected 2026	P226.20 Mn	P193.54 Mn	P0
All other officers*** as a group unnamed	Actual 2024	P15,173.31Mn	P2,511.51 Mn	P0
	Actual 2025	P16,290.01Mn	P3,132.71Mn	P0
	Projected 2026	P17,267.41 Mn	P3,309.63 Mn	P0

*Starting from January 2026

**Retired effective January 1, 2026

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

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

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

Compensation of Directors

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

> "Each director shall be entitled to receive from the Bank, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director. The Board of Directors shall have the sole authority to determine the amount, form and structure of the fees and other compensation of the directors. In no case shall the total yearly compensation of directors exceed one percent (1%) of the net income before income tax of the Bank during the preceding year.
>
> The Personnel and Compensation Committee of the Bank shall have the responsibility for recommending to the Board of Directors the fees and other compensation for directors. In discharging this duty, the Committee shall be guided by the objective of ensuring that compensation should fairly pay directors for work required in a company of the Bank's size and scope."

Amendments to the above-quoted provision of the Bank's Amended By-Laws will be submitted to the stockholders for approval in the upcoming 2026 Annual Stockholders' meeting.

Standard Arrangement

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

The total compensation for 2025 for the members of the Board of Directors amounted to Php85,565,000.00.[1]

Other than the above-mentioned compensation for Directors, the Bank has no other arrangement with regard to compensation of Directors, directly or indirectly, for any other services provided by the said directors, for the last completed fiscal year.

A revised compensation structure of the directors will be submitted to the stockholders for approval in the upcoming 2026 Annual Stockholders' Meeting.

[1] Includes Php26.765 Mn for the year representing per diem of Directors at P70,000 per Board meeting and Php30,000 per Committee meeting attended.

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Record and Beneficial Owners of more than 5% as of December 31, 2025

TITLE OF CLASS	NAME/ADDRESS OF RECORD OWNER & RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES	PERCENT OF HOLDINGS
Common	**PCD Nominee Corporation**[1] 37/F Tower 1, The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City Stockholder	PCD Participants acting for themselves or for their customers	Filipino	881,853,794	16.6898%
			Non-Filipino	966,418,656	18.2902%
				1,848,272,450	34.9800%
Common	**Ayala Corporation**[2] 37th to 39th Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue, Makati City Stockholder	Ayala Corporation[3]	Filipino	1,515,177,839	28.6759%
Common	**Liontide Holdings, Inc.**[4] 38th Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue, Brgy. Bel-Air, Makati City Stockholder	Liontide Holdings, Inc.[5]	Filipino	823,218,041	15.5801%
Common	**Roman Catholic Archbishop of Manila** 121 Arzobispo St., Intramuros Manila Stockholder	Roman Catholic Archbishop of Manila[6]	Filipino	357,297,439	6.7621%
Common	**Robinsons Retail Holdings, Inc.** 43rd Floor Robinsons Equitable Tower, ADB Ave. corner Poveda St., Ortigas Center, Pasig City Stockholder	Robinsons Retail Holdings, Inc.[7]	Filipino	287,627,499	5.4436%

[1] PCD Nominee Corporation (PCD), now known as the Philippine Depository and Trust Corporation (PDTC), Non-Filipino and Filipino, is the registered owner of the shares beneficially owned by participants in the PDTC. The Board of Directors of each participant generally has the power to decide on how shares are to be voted. Out of the 1,848,272,450 common shares registered in the name of PCD, 574,116,246 shares (or 10.8656% of the total outstanding shares) and 361,313,243 shares (or 6.8381% of the total outstanding shares) are for the accounts of The Hongkong and Shanghai Banking Corporation and Citibank N.A., respectively.

[2] Mermac, Inc. owns 47.84% of common shares and 57.7874% of total voting shares, while Mitsubishi Corporation owns 4.4676% of common shares and 5.3899% of total voting shares, respectively, of the outstanding shares of Ayala Corporation (AC).

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

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

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

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

[7] As of December 31, 2025, JE Holdings, Inc. owns 46.10% of common shares, PCD Nominee Corporation (Filipino) owns 21.54% of common shares, PCD Nominee Corporation (Non- Filipino) owns 6.06% common shares, Lance Y. Gokongwei owns 8.63% common shares, and Robina Gokongwei Pe owns 8.63% common shares of the outstanding shares of Robinsons Retail Holdings, Inc. (RRHI).

2. Security Ownership of Directors and Management as of December 31, 2025

As of December 31, 2025, the following are known to BPI to be the record and/or beneficial owners of BPI voting securities:

Title of Class	Name of Beneficial Owner	Position	Dec 2025		Nature of Ownership (D) Direct (I) Indirect	Citizenship
			No. of Shares	Percent of Holdings		
Common	Jaime Augusto Zobel de Ayala	Chairman, NED	10,402	0.00%	D / I	Filipino
Common	Cezar P. Consing	Vice Chairman, NED	3,062,734	0.06%	I	Filipino
Common	Jose Teodoro K. Limcaoco	ED, President & CEO	189,975	0.00%	D / I	Filipino
Common	Janet Guat Har Ang	ID	10	0.00%	D	Singaporean
Common	René dG. Bañez	NED	10	0.00%	D	Filipino
Common	Karl Kendrick T. Chua	NED	10	0.00%	D	Filipino
Common	Wilfred T. Co	NED	12,529	0.00%	D / I	Filipino
Common	Restituto C. Cruz	ID	10	0.00%	D	Filipino
Common	Emmanuel S. De Dios	ID	10	0.00%	D	Filipino
Common	Rizalina G. Mantaring	ID	6,483	0.00%	D / I	Filipino
Common	Mario Antonio V. Paner	ID	271,858	0.01%	D / I	Filipino
Common	Cesar V. Purisima	ID	10	0.00%	D	Filipino
Common	Jaime Z. Urquijo	NED	10	0.00%	D	Filipino
Common	Fernando Zobel de Ayala	NED	96,327	0.00%	D / I	Filipino
Common	Mariana Beatriz E. Zobel de Ayala	NED	10	0.00%	D	Filipino
	SUB-TOTAL		3,650,388			

Title of Class	Name of Beneficial Owner	Position	Dec 2025		Nature of Ownership (D) Direct (I) Indirect	Citizenship
			No. of Shares	Percent of Holdings		
Common	Dino R. Gasmen	EVP	64,298	0.00%	I	Filipino
Common	Maria Cristina L. Go	EVP	72,710	0.00%	I	Filipino
Common	Eric Roberto M. Luchangco	EVP	204,334	0.00%	I	Filipino
Common	Maria Theresa D. Marcial	EVP	347,974	0.01%	I	Filipino
Common	Elfren Antonio S. Sarte, Jr.	EVP	12,000	0.00%	I	Filipino
Common	Juan Carlos L. Syquia	EVP	42,130	0.00%	I	Filipino
	SUB-TOTAL		743,446			
	TOTAL		**4,393,834**			

1. Voting Trust Holders of 5% or More

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

2. Minimum Public Ownership

As of December 31, 2025, listed securities held by the public were at 48.71% of BPI's outstanding common shares. This is above the minimum required public float level of 10%.

Item 12. Certain Relationships and Related Party Transactions

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

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

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

Significant related party transactions and outstanding balances as at and for the year ended December 31, 2025 are summarized below:

Consolidated

	2025		
	Transactions for the year	Outstanding balances	Terms and conditions
		(In Millions of Pesos)	
Loans and advances to:			
Associates	(330)	149	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.99% to 8.27% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	8,248	88,649	
Deposits from:			
Associates	1,116	1,836	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.12% - 0.17% Time - 4.82% to 5.46%
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	4,288	20,856	

A more detailed discussion on related party transactions can be found in Note 25 of the 2025 Audited Financial Statements.

None of the Company's directors has entered into self-dealing and related party transactions with or involving the Company in 2025, other than the transaction below:

Name of the Director	Nature of Transaction	Transaction Date
Jose Teodoro K. Limcaoco	Acquisition of 80,000 BPI common shares through the Philippine Stock Exchange	21 July 2025

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

I. **Corporate Governance Framework**

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

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

II. **Board Governance**

a) Board of Directors. Our fifteen-member Board plays a key role in setting our governance standards to meet our stakeholders' expectations. In 2025, Non-Executive Directors (NEDs) comprising a majority or 14 out of the 15, were elected to the Board in April. The only Executive Director (ED) is the President and CEO. The size of our Board is deemed appropriate given the complexity of operations of the Bank and the entire BPI group, our risk appetite the geographical spread of our business, and the significant time demands placed on the Directors. At the 2025 Annual Stockholders' Meeting, Mr. Restituto C. Cruz and Ms. Mariana Beatriz E. Zobel de Ayala were elected as new members of the board.

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

Lead Independent Director. The Bank's Manual on Corporate Governance provides for the designation of a Lead Independent Director role in the Board. The Board of Directors shall ensure that the Lead Independent Director functions in an environment that allows him to effectively challenge the CEO as circumstances may warrant. The Lead Independent Director shall also perform a more enhanced function over the other independent directors and shall: (1) lead the independent directors at board of directors meetings in raising queries and pursuing matters; and (2) lead meetings of non-executive or independent

directors, without the presence of the executive directors. In the Organizational Meeting of the Board of Directors following the 2025 Annual Stockholders Meeting, the Board appointed independent member Rizalina G. Mantaring as Lead Independent Director.

Diversity and Independence. Our leadership model ensures an appropriate balance of power, accountability and independence in decision-making. As disclosed on the company website, the Bank's Diversity Policy was adopted in 2015 to institute diversity at the board level. In the 2025 Annual Stockholders Meeting, 3 women, two of whom are independent and one a Non-Executive Director, were elected. In total, 6 independent directors were elected to the 2025 Board, compliant with the regulatory requirement to have at least one-third (1/3) but not less than two (2) independents as members of the board. Ms. Janet Guat Har Ang, Mr. Emmanuel S. De Dios, Ms. Rizalina G. Mantaring, Mr. Cesar V. Purisima, and Mr. Mario Antonio V. Paner were re-elected as Independent Directors. Mr. Restituto C. Cruz was elected as new ID, which was confirmed by the BSP Monetary Board. Board independence is key to fairness and integrity and allows the board to strike a balance between public, corporate and all stakeholder interests.

b) Board Charter. The charter of the Board articulates with specificity the governance and oversight responsibilities exercised by the directors and their roles and functions in the Bank. It includes provisions on board composition, Board Committees, and board governance, subject to the Bank's Articles of Incorporation, Amended By-Laws, and applicable laws. It is incorporated in Bank's Manual on Corporate Governance and is reviewed together with the annual review of the Manual. As stated in the Charter, the Board's key areas of focus include:

- Governance – Ensuring that corporate responsibility and ethical standards underpin the conduct of BPI's business; developing succession plans for the Board and CEO; establishing the general framework of corporate governance for the Bank;
- Strategy - Reviewing BPI's strategic and business plans; growing the business sensibly and building resilience into the franchise;
- Risk management – Ensuring that effective risk management, compliance and assurance processes undergird our business;
- Financial performance – Monitoring management performance; achieving goals and targets;
- Sustainability - Considering sustainability issues (including environmental and social factors) and including these as part of the Bank's strategy.

c) Board Committees. To heighten the efficiency of board operations, the Board has established Committees that assist in exercising its authority for oversight of internal control, risk management, and performance monitoring of the Bank. In 2025, the Bank had eight board-level committees: Executive, Risk Management, Audit, Corporate Governance and Sustainability, Personnel and Compensation, Nominations, Retirement/Pension, and Related Party Transactions Committees. Board-level committee memberships were also evaluated and calibrated to improve on the committees' focused oversight and high-level engagement with management. Their respective charters stating committee purpose, membership, structure, operations, reporting processes and other information, are disclosed in regulatory reports and posted on the company website as well as are reviewed annually. Annual performance reviews are conducted by all board-level committees.

During the Organizational Meeting of the Board immediately after the 2025 ASM, Ms. Rizalina G. was appointed as a member of the Executive Committee. Mr. Restituto C. Cruz was appointed as an additional member of the Audit Committee, joining Mr. Cesar V. Purisima and Mr. Mario Antonio V. Paner. Mr. Cruz was likewise appointed as a member of the Related Party Transactions Committee.

Moreover, Mr. Jaime C. Urquijo was appointed as a member of the Risk Management Committee, vice Mr. Cezar P. Consing. Mr. Mario Antonio V. Paner, Independent Director and Mariana Beatriz E. Zobel de Ayala, were appointed as members of the Personnel and Compensation Committee. Mr. Emmanuel S. de Dios, Independent Director, was appointed as Chairperson of the Nomination Committee. Mr. Mario Antonio V. Paner, Independent Director, was appointed as Chairperson of the Retirement/Pension Committee.

d) Corporate Secretary. The Board is assisted in its duties by a Corporate Secretary who is not a member of the Board of Directors and is a senior, strategic-level corporate officer who plays a leading role in the Bank's corporate governance, serving as an adviser to the directors on their responsibilities and obligations. The Board has separate and independent access to the Corporate Secretary. All directors and board committees also have unrestricted access to company records and information in addition to receipt of regular detailed financial and operational reports from senior management. Our Corporate Secretary is suitably trained and experienced in legal, accountancy or company secretarial practices and is professionally qualified for these responsibilities. Our Corporate Secretary also possesses the legal skills of a chief legal officer whose training is complemented by business, organizational, human relations and administrative work skills. Our Corporate Secretary is also Corporate Secretary or Deputy Corporate Secretary of various BPI subsidiaries and affiliates.

e) External Advice. Considering the increasing complexity of market transactions and rapid rate of change in the regulatory sphere, the Board, if so, requested by the Chairman or other directors, can call on external specialists or consultants for advice, briefings or assistance on specialized areas of focus such as accounting standards, related party transactions, capital, tax, listing, mergers and acquisitions, valuation, etc. Management can arrange for the external auditor, management services company or consultants to present to the Board and the Bank.

f) Nomination. As we are a financial institution imbued with public interest, fit and proper qualifications for membership in our Board of Directors are dictated by our Amended By-Laws, Manual on Corporate Governance, the Corporation Code, and relevant regulations of the Bangko Sentral and the SEC. As a publicly listed company, we also ensure that Board composition and director qualifications also meet pertinent governance regulations, requirements, and standards of the PSE and strive to meet best practice standards of the ASEAN CG Scorecard. The Bank has in place a Board of Directors Succession Plan and also conducts an annual review of the size, composition and structure of the board as well as updates a board skills and expertise matrix for purposes of director recruitment. As disclosed in the Manual on Corporate Governance, candidates for directorship may be recommended by shareholders to the Nomination Committee through the Office of the Corporate Secretary. Among other qualifications, candidates must be fit and proper for the position of a director, taking into consideration integrity/probity, physical/mental fitness, relevant education/financial literacy/training, possession of competencies relevant to the job such as knowledge and experience, skills, diligence and independence of mind and sufficiency of time to carry out responsibilities. Candidates recommended by shareholders are evaluated in the same manner as director candidates identified by any other means. The Committee itself may likewise identify and recommend qualified individuals for nomination and election to the board and may make use of professional search firms or other external sources to search for qualified candidates to the board, as it did in 2025 when it engaged the Institute of Corporate Directors for this purpose. Separate qualifications and disqualifications for Independent Directors based on regulations, are enumerated in the Bank's Manual on Corporate Governance. Directors must remain qualified throughout the term. All of the Bank's annual reports contain comprehensive profiles of the Board of Directors which disclose the age, qualifications, date of appointment, relevant experience and directorships both in the BPI group as well as in other companies, listed or otherwise. In compliance with SEC Memo. Cir. No. 11, s2014, the Bank also posts biographical details of the Board of Directors and Senior Management on the company website.

g) Election and Term of Directors. Board members are elected by BPI stockholders who are entitled to one vote per share at the Bank's Annual Stockholders Meeting. Voting for the election of members of the Board is considered in a poll, by shares of stock, that is, one share entitles the holder to one vote. Votes may be cumulated as provided for in the Corporation Code. The fifteen nominees receiving the highest number of votes are declared elected. The Bank's Amended By-Laws state that elections for the Board of Directors will be held yearly during the Annual Stockholders Meeting. Directors are to hold office for a term of one (1) year immediately upon their election and until the next election when their successor shall have been elected and qualified in accordance with the Amended By-Laws and Revised Corporation Code. No meeting of stockholders shall be competent to transact business unless a majority of the outstanding and subscribed capital stock entitled to vote is represented, except to adjourn from day to day or until such time as may

be deemed proper. The Rules of Conduct, voting and vote tabulation procedures are explained during the Annual Stockholders Meeting. In its meeting held on December 11, 2024, the Chairman, acting on the authority delegated by the Board of Directors approved that the ASM be held in a fully virtual format. Stockholders may only attend the meeting by remote communication, by voting in absentia, or by appointing a proxy. Hence, at the April 21, 2025 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code. The Office of the Corporate Secretary tabulated all votes received and an independent third-party validated the results. Voting results are likewise disclosed on the various exchanges where BPI's capital market issuances are traded and the company's website as soon as possible after the meeting. The election/appointment of directors/officers must also be confirmed by the Monetary Board of the BSP. Elected/appointed directors/officers must submit required certifications and other documentary proof of qualifications for the confirmation of their election/appointment. The nomination and election processes and their effectiveness, are reviewed annually by the Nomination Committee during its review of the committee charter and its self-assessment, by its members, of committee performance. In adherence to Recommendation 2.6 of the SEC CG Code for PLCs, these nomination and election policies are disclosed in BPI's Manual on Corporate Governance as well as on the company website.

h) Directorships in PLCs. The Bank applies a limit of five on directorships of Non-Executive Directors and Independent Directors in publicly-listed companies and within conglomerates. Internally, the Bank ensures that the policy does not impinge on or violate a shareholder's ownership rights and legal right to vote and be voted upon as directors.

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

j) Meetings and Attendance. The BPI Board meets regularly for the effective discharge of its obligations. Regular board meetings are convened monthly. Board of Directors meetings are scheduled at the beginning of the year to cover the full term of the newly elected or re-elected members of the Board, reckoned from the date of the current year's Annual Stockholders Meeting to that of the following year. Special meetings may be called for as needed. Items placed on the board agenda are those that have the most fundamental importance and broad policy implications for the Bank. Directors are free to suggest items for inclusion in the agenda, and are free to raise at any board meeting subjects that are not on the agenda for that meeting. At the Chairman's discretion, any agenda items may also be referred for discussion in the respective committees. The Chairman presides over meetings of the Board. The Vice Chairman presides in the absence of the Chairman. Board and committee meetings are conducted consistent with the Bank's Amended By-Laws. Discussions during the board meetings are open and independent views are given due consideration. The minimum quorum requirement for board decisions is set at a two-thirds (2/3) of Board members as provided by the Bank's Amended By-Laws. In November 2019, the Board approved the amendment of the company By-Laws to, among others, raise the minimum quorum at any meeting for the transaction of corporate business from a majority to two-thirds (2/3) of the members of the Board of Directors. When necessary, the Board holds executive sessions to discuss highly sensitive matters. Board reference materials are made available to the directors at least five days in advance of the scheduled meeting. As an innovation to board governance, all materials for Board and Board committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Board members to ensure immediate receipt and quick access. Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management. In 2025, average attendance of re-elected and newly-elected members at the Board of Directors' 13 meetings was 96%. When exigencies prevent a Director from physically attending a Board or Board committee meeting, facilities for telephone conferencing are made available. In those instances when a Director is unable to attend meetings even

through teleconferencing due to prior commitments or unavoidable events, said Director provides input to the chairman so that his views can be known and considered. The Bank's Non-Executive Directors conducted a separate meeting on November 26, 2025 to discuss ongoing initiatives and semestral performance of the risk management, internal audit and compliance units of the Bank. The meeting was chaired by the Bank's appointed lead Independent Director. Aside from the NEDs present, the meeting was also attended by the BPI control heads – Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer. The external auditor was also in attendance.

k) Continuing Education. The Bank ensures that it has in place a formal board and director development program. For new directors, there is a deliberate, systematic and rapid familiarization with the organization and the operations of the board, Articles of Incorporation and Amended By-Laws, Manual of Corporate Governance, Board Charter as well as the Code of Conduct, standards of Conflict of interest and policies such as Insider Trading, Whistleblowing, Anti-Bribery and Anti-Corruption, Data Privacy and Related Party Transactions. In fulfillment of the Corporate Governance and Sustainability Committee's charter responsibilities for the provision of on-boarding/orientation programs for first time directors and new members of the board, the BPI CG Dept. conducted onboarding/orientation session in 2025 for Mr. Restituto C. Cruz and Ms. Mariana Beatriz E. Zobel de Ayala. The Bank, through its various units, also provides continuing director education in relation to current developments; these include regulatory initiatives with respect to Data Privacy, Cyber Risk and Cyber Security, the Anti-Money Laundering and Terrorist Financing Prevention Program, Foreign Account Tax Compliance Act, Securities Regulations Code, Sustainability Issues and ESG Reporting, SEC memorandum circulars, and BSP regulations, among others. All of the Bank's directors undergo the requisite corporate governance seminar provided by an SEC or Bangko Sentral-accredited institution. Members of the Board and selected key officers of BPI attended the BPI Future of Compliance Conference and the Ayala Corporate Governance, Risk Management and Sustainability Summit, both conducted in collaboration with the Institute of Corporate Directors, on July 29, 2025 and November 4, 2025, respectively.

l) Remuneration. The remuneration decisions for the Board and management are aligned with risk incentives and support sustainable, long-term value creation. Apart from ensuring that Board and management pay appropriately reflects industry conditions and financial performance, the Bank likewise rebalances returns back to shareholders through a consistent dividend declaration. Under the Bank's Amended By-Laws, as approved by the shareholders, the Board, as a whole, determines the level of remuneration and/or benefits for directors sufficient to attract and retain directors and compensate them for their time commitments and responsibilities of their role. The Personnel and Compensation Committee recommends to the Board the fees and other compensation for directors, ensuring that compensation fairly remunerates directors for work required in a company of BPI's size and scope. As provided by the Amended By-Laws and pursuant to a Board resolution, each director is entitled to receive fees and other compensation for his services as director. In no case shall the total yearly compensation of the Board exceed 1% of the Bank's net income before income tax during the preceding year. Directors receive per diems for each occasion of attendance at meetings of the Board or of a board committee. All fixed or variable remuneration paid to directors may be given as approved by stockholders during the ASM, upon recommendation of the Personnel and Compensation Committee. Other than the usual per diem arrangement for Board and Committee meetings and the aforementioned compensation of Directors, there is no other standard arrangement as regards compensation of directors, directly or indirectly, for any other service provided by the directors for the last completed fiscal year. Directors with executive responsibilities within the BPI group are compensated as full-time officers of the company, not as Non-Executive Directors. No director participates in discussions of the remuneration scheme for himself or herself. Historically, total compensation paid annually to all directors has been significantly less than the cap stipulated by the Bank's Amended By-Laws. The remuneration policy is reviewed annually to ensure that it remains competitive and consistent with the Bank's high-performance culture, objectives, long-term outlook, risk assessment, and strategies. This relationship between remuneration and performance aligns remuneration of the Board with the long-term interests of the Bank. Directors receive per diem allowances of PHP 70K for attendance at board meetings and PHP 30K for attendance at committee meetings. No distinction is made between per diem allowances for committee chairmen and members. Other than these fees, the non-executive directors do not receive

any share options, profit sharing, bonus or other forms of emoluments. The total compensation for each director for 2025 is disclosed in an Annex of the 2025 Definitive Information Statement. (Recommendation 8.4 SEC CG Code for PLCs)

m) Performance Evaluation. The Board conducts an annual board effectiveness review under the guidance of the Corporate Governance Committee, which ascertains alignment of leadership fundamentals and issues, and validates the Board's appreciation of its roles and responsibilities across four levels: the Board as a body, Board Committees, individual Directors, and President and CEO. Key evaluation criteria are built on the Board's terms of reference and committee charters and framed around broad leadership fundamentals and best practices. Such an exercise was conducted in early December 2025 to assess the 2025 performance of the Board. BSP Circular 969 states that the annual self-assessment of the Board of Directors may be facilitated by the corporate Governance committee or external facilitators. The SEC Code of Corporate Governance for Publicly-Listed Companies, similarly states in Recommendation 6.1, that the conduct of the annual self-assessment of the Board of Directors is to be supported by an external facilitator every three years to improve objectivity of the assessment process. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution, or professional organization. In this respect, the second Third-Party Board of Directors Assessment for BPI was conducted by Aon Singapore from October to November 2023. Results were reported to the Board in December 2023.

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

o) Retirement Policy. The Bank believes that imposing uniform and fixed limits on director tenure is counter-productive as it may force the arbitrary retirement of valuable directors. It is the Bank's strong view that with age often comes unmatched wisdom and experience, expert business judgment, invaluable industry and community relations and authority, and that the best interests of the Bank are served by its being able to retain directors that make very meaningful contributions to the Board and the organization regardless of age. The Bank, therefore, sets the retirement age for Directors at 80 years of age but which the Board may opt to waive depending on specific conditions. Term limits of Independent Directors are set at a maximum cumulative term of nine (9) years as prescribed in the Manual of Regulations for Banks and SEC Mem.Cir.No.7; Series of 2026. Retirement of senior management is done with the requisite succession planning and in accordance with the Bank's policies and implementing guidelines of its retirement plan for all employees, the Bank's Amended By-Laws, Labor Code and the Corporation Code of the Philippines. Currently, the retirement age for employees of the Bank is set at 60 years of age.

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

a) Audit. Based on Internal Audit assurance activities, Internal Audit provides reasonable assurance to the Audit Committee, Board of Directors and Senior Management that the Bank's systems of internal controls, corporate governance, and risk management processes are adequate and generally effective. This unit reports directly to the Board through its Audit Committee. It collaborates with other assurance providers such as the Risk Management Office, Compliance Office, external auditors, and other oversight units. Through this system for the comprehensive monitoring and review of risks and compliance in the institution, the Board ensures that the Bank and all business units proactively manage the risk and compliance exposures impacting the business. The Internal Audit Division is headed by a Chief Audit Executive who is appointed by the Board and reports functionally to the Board of Directors through the Audit Committee and administratively to the President and CEO. The Audit Committee recommends to the Board the appointment of a Bangko Sentral-accredited external auditor for the purpose of preparing or issuing an audit report or related work. The appointment or re-appointment of the Bank's external auditor is subject to the approval and endorsement by the Audit Committee, for subsequent confirmation and approval by the Board of Directors and finally the Stockholders.

b) Risk Management. In the same way, the Board's Risk Management Committee, with the assistance of management's Risk Management Office (RMO) and its Chief Risk Officer (CRO), reviews and recommends the Bank's enterprise risk and capital management framework to ensure that it conforms not only to the Bank's own rigorous standards, but also to Bangko Sentral directives promoting an effective Internal Capital Adequacy Assessment Process. The Chief Risk Officer is appointed by the Risk Management Committee, with approval and confirmation of the Board. The CRO is responsible for leading the formulation of risk management policies, methodologies, and metrics in alignment with the overall strategy of the Bank, ensuring that risks are prudently and rationally undertaken and within the Bank's risk appetite, as well as commensurate and disciplined to maximize returns on capital. The CRO and the RMO facilitate risk management learning programs and promote best practices on an enterprise- wide basis. The RMC also assesses the annual performance of the Chief Risk Officer and risk management functions taking into account how it carried out its duties and responsibilities.

c) Compliance. Oversight of the management of the Bank's business risk and implementation of its compliance function is the responsibility of our Board of Directors, through the Audit Committee. At the management level, the compliance function is carried out by the Compliance Office, led by our Chief Compliance Officer (CCO). Designated by the Chairman of the Board, our CCO is not a member of the Board of Directors and has the rank of Senior Vice President. The CCO's qualifications are subject to the applicable provisions of the Manual of Regulations for Banks, particularly considering fit and proper criteria such as integrity/probity, competence, education, diligence, experience and training. The CCO annually attends corporate governance training.

d) Strategy Process. The Bank's new vision, mission, strategic objectives, key policies and procedures for management of the company are clearly established and communicated down the line. The Board of Directors creates the framework within which the executive team, under the President and CEO, can lead the business and deliver the agreed strategy. The Board conducts a periodic review of the foregoing and has continuing oversight in its implementation. The management team articulates the agreed strategy in periodic planning exercises and distills business plans in formal budgets. Periodic performance reviews are conducted against budgets and past performance. Management acts in accordance with well- defined operating policies and procedures, and ensures accuracy and transparency of operational and financial reporting to protect the Bank's reputation for integrity and fair dealing. The management team strives to achieve accountability in revenue performance, efficiency in expenditure of resources, and high quality in delivery of services and achievement of customer satisfaction. Management is periodically reviewed and rewarded according to performance relative to innovation, initiatives, assigned targets, and feedback from customers, peers, and Board. The President heads a management team who lead supervise work of the Bank's business units and provide focused and strategic, functional leadership and expertise. Management level committees are in place to deal with operational functions and risks from a strategic level and serve

as counterpoints to senior and mid-level managers. Yearly, the Board, together with Senior Management, holds an annual strategic planning retreat.

IV. Corporate Governance Policies and Practices

a) Manual on Corporate Governance. The Bank has a Manual on Corporate Governance which documents the framework of policies, rules, systems and processes in the corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders. A certification on the Bank's full compliance with the Manual, signed and issued by the Chief Compliance Officer, is posted on the Corporate Governance section of the company website. The Manual on Corporate Governance, reviewed annually, was last amended in August 2024, and amendments were approved by the Board of Directors in December 2024. No amendments were made to the Manual in its annual review conducted last 26 August 2025. When updated or amended, the Manual is resubmitted to the SEC. The Manual is also posted on the company website

b) Code of Conduct. BPI has Codes of Business Conduct and Ethics for its directors, officers and employees that provide the key practices and behaviors derived from the BPI Credo and Core Values, that guides what they say and do, in order that the right decisions are taken in performing their respective roles and responsibilities across various functions in the Bank and in handling relationships with all stakeholders. Both Codes of Conduct are disclosed on the company website and accessible internally on the Bank's database.

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

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

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

c) Conflict of Interest, Gifts Policy and Public Policy (Political Engagement). BPI does not tolerate those who place their interest above that of our institution, our clients, or our business partners. We have in place standards on conflict-of-interest that elevate the interest of the Bank above that of the personal interests of Directors, officers, and employees. These standards prohibit Directors, officers, and employees from using their position of authority or rank to directly or indirectly derive personal gain or advantage. Our standards on conflict of interest expect all Directors, officers and employees to refrain from any conduct that could be viewed unfavorably by our clients, co-employees, competitors, suppliers, investors, regulators, or the public. The standards also require full cooperation and provision of complete and accurate information from employees during government, regulatory or internal enquiries, investigations and audits. The standards also cover specific conflict-of-interest situations such as receipt of gifts from third parties, respect for trade secrets, and use of non-public information, and use of company funds, assets and

information. All officers and employees undergo annual mandatory training on the Code of Conduct and CG-related policies which includes training on the Conflict of Interest standards. Guidance on the Bank's Anti-Bribery and Anti-Corruption Policy is supplemented by the Standards on Conflict of Interest, Gifts Policy, which prohibits employees from making direct or indirect requests or acceptance of any gift, share, percentage, discounts, special privileges, or benefit for oneself or any other person in an employee's past, present or intended intervention in any dealings between the Bank and any other party with the exception of, but not limited to, the following:

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

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

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

d) Whistleblower Policy. This policy covers all employees of BPI and all wrongful acts that adversely impact the Bank and its stakeholders. Under the policy, it is the responsibility of all personnel to comply with rules and regulations of the Bank and to report violations or suspected violations in accordance with the policy. Anybody who knowingly aids, abets, or conceals or otherwise deliberately permits the commission of any irregular or fraudulent act directed against the Bank shall be considered guilty as the principal perpetrators of the fraud or irregularity. Hence, all employees have a duty to cooperate with investigations initiated under the policy. No action will be taken against anyone for reporting such violations in good faith, or participating or assisting in investigations of a suspected violation. Any act of retaliation against a whistleblower is a violation of the Whistleblower Policy and Code of Business Conduct and Ethics. All officers and employees undergo annual mandatory training on the Code of Conduct and the Whistleblower Policy. The Whistleblower Policy is disclosed on the company website and internal database.

e) Related Party Transactions Policy. This policy guards against internal conflicts of interest between the company and/or its group and their directors, officers and significant shareholders and ensures that transactions such as loans and advances, deposit arrangements, trading of government securities and commercial papers, sale of assets, lease of bank premises, investment advisory/management, service arrangements and advances for operating expenses are made in the normal course of banking activities with terms and conditions that are generally comparable to those offered to nonrelated parties or to similar transactions in the market. Vetting transactions with related parties is done either by the board-level Related Party Transaction Committee (RPTC) or Management Vetting Committee (MVC), depending on materiality, prior to implementation. The two committees provide guidance and vet on credit and non-credit related party transactions of significant amounts (P50Mn and above for RPTC and below P50Mn for MVC). Related party transactions are properly disclosed in BPI's audited financial statements, and applicable fillings in accordance with relevant rules and issuances of SEC, BSP, etc. In addition, the Bank in compliance with the SEC Memo Cir. No. 10, s2019, considers related party transaction/s, that are either individually, or in aggregate amounting to ten percent (10%) or higher of the Banks total assets based on its latest audited financial statement as Material Related Party Transactions, subject to the rules set on the policy. The policy also ensures that all Material RPTs are entered and conducted in fair and at arm's length terms. The RPT Policy is disclosed on the company website and internal database.

f) Insider Trading Policy. This policy, in general, prohibits covered persons, i.e., directors, officers (SVP and up), and employees who are considered to have knowledge, made aware of or have access to inside information or material non-public information, from buying or selling BPI stocks for their own personal account to benefit themselves or others, especially during the blackout trading period. In compliance with the SEC, directors and officers must file within three (3) business days the required SEC Form 23A/B. Officers and directors are

expected to strictly comply with the Policy and to be knowledgeable of BPI's related policies, standards or internal procedures which impact on compliance with the Insider Trading Policy. A breach of the Insider Trading Policy may result in internal disciplinary action and any violation of related securities laws may also subject the Bank and/or the director to civil liability and possibly monetary penalties. All officers and employees undergo annual mandatory training on the Code of Business Conduct which includes training on the Insider Trading Policy. The Insider Trading Policy is disclosed on the company website and internal database.

g) Anti-Bribery and Anti-Corruption Policy, Anti-Money Laundering and Financial Crime Policies. The Bank puts the highest premium on sound, responsible and effective corporate governance and has a zero-tolerance stand on bribery, corruption or improper payments of any kind. It advocates that Directors, officers and employees do not engage in corruption or any form of bribery nor provide or accept improper inducements in the course of any business dealing. In 2025, the Bank amended its Anti-Bribery and Anti-Corruption (ABC) Policy, to reinforce its commitment to the principles of the UN Global Compact as part of its Sustainability Roadmap, strengthen its efforts to improve policy implementation, monitoring, and compliance, and enhance due diligence requirements on business partners relative to bribery and corruption. Aligned with the Bank's commitment to act fairly and with integrity in all business dealings and relationships, the ABC Policy complements the BPI's financial crime policies/programs such as the Money Laundering and Terrorist Financing Prevention Program and Whistleblower Policy. Guidance on the Bank's Anti-Bribery and Anti-Corruption program is supplemented by the Bank's Standards on Conflict of Interest under Request or Acceptance of Fees, Commissions, Gifts. Monitoring and compliance with the Code of Conduct and related policies are undertaken by departments or units of the Bank such as Human Resources and Corporate Governance, Compliance Division. All officers and employees undergo annual mandatory training on the Code of Conduct which includes training on the ABC Policy. The ABC Policy is disclosed on the company website and internal database.

h) Data Privacy Policy. BPI has a strong Data Privacy Policy in place, which complies with the requirements of the Data Privacy Act and the National Privacy Commission (NPC). BPI's Data Privacy Policy, posted on the company website, is supported by a comprehensive program utilizing a combination of policies, organizational structure, access controls and technologies designed for risk reduction. The Bank has a Data Privacy Office, headed by a Board-appointed Data Privacy Officer (DPO), a lead senior management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks consistent with Data Privacy Act rules and regulations, issuances by the NPC and other applicable laws. Management has also appointed Compliance Officers for Privacy for major business units of the Bank. All officers and employees undergo annual mandatory training on the Data Privacy Policy.

i) Employee Welfare, Health and Safety. Having engaged and competent employees is BPI's goal for delivering best-in-class customer experiences and for achieving its vision of being recognized as the most trusted partner and financial advisor. The Bank strives to be an employer of choice among Philippine financial institutions. We have a wide array of training and development programs and activities designed along the Bank's business objectives, aimed at honing the skills and capabilities of our employees in carrying out their daily duties, as well as preparing them to assume higher responsibilities as the next leaders of the organization. The Bank has adopted a compensation policy that it believes is competitive with industry standards in the Philippines. Regular employees are provided with a comprehensive pay and benefits package, which is reviewed periodically and adjusted to retain current employees and attract new talent. Tied to this is a performance management system that calls for the alignment of individual key results, competencies, and development plans with the Bank's overall business targets and strategy. Officers and employees undergo regular performance evaluations based on their individual accomplishments vis-a-vis their responsibilities, as well as that of the business unit or the Bank. The Bank has an Executive Stock Purchase Plan (ESPP), a major initiative under its long-term incentive program, which aligns management's interest with shareholders and the long-term prospects of the Bank. Moreover, we strive to provide a safe, secure and conducive working environment for our employees, to continually safeguard their health and rights and provide equal opportunity for everyone to realize their fullest potential and make them agents of uplifting change for their communities. (Recommendation 2.9 of the SEC CG Code for PLCs).

V. **Investor Relations, Continuous Disclosure and Transparency**

a) Investor Relations. Through its Investor Relations Office, the Bank employs a program of proactive, uniform, appropriate and timely communication and reporting, in the spirit of full disclosure and in compliance with the Securities Regulation Code and Bangko Sentral, SEC and PSE rules, regulations and disclosure guidelines. The Bank provides company presentations in the Annual Stockholders Meeting and conducts analyst and media or press briefings apart from maintaining the relevant disclosures on its website. The Board has a policy of continuous disclosure and transparency and commits at all times to fully disclose all material information about the company for the benefit of the stockholder and other stakeholders. Such information includes earnings results, materially significant acquisition or disposal of assets, board changes, related party transactions which are not in the ordinary course of business, shareholding of directors and major changes to ownership/voting rights, group structures, intra- group relations, ownership data, and beneficial ownership. As a listed company, BPI files structured and unstructured disclosures through the appropriate Exchange mechanisms for listed companies and submits mandated regulatory reports to the SEC. The Bank also maintains an official company website in accordance with the SEC-prescribed format and template to ensure a comprehensive, cost-efficient, transparent, timely manner of disseminating relevant information to the public. BPI also maintains official company sites on social media-based platforms.

b) Annual Stockholders Meeting (ASM). The Bank's Amended By-Laws allow for the holding of physical as well as fully virtual annual or special stockholders' meetings, subject to the applicable laws, rules and regulations of the Securities Exchange Commission, as may be amended from time to time. The ASM allows shareholders to advise and adopt resolutions on important matters affecting the Bank, such as: ratification of all acts and resolutions of the Board of Directors and Management, approval of the annual report of the President and Bank's statement of condition, amendments to the Articles of Incorporation or By-Laws, election of Board of Directors and external auditor as well as measures to amend the shareholders' equity. In 2025, the BPI virtual ASM was successfully conducted via a livestream webcast at https://conveneagm.com/ph/BPI2025ASM. Shareholders intending to participate by remote communication were requested to notify the Bank by sending email to bpi-asm@bpi.com.ph.

Notice of the ASM. The Notice is sent to shareholders well before the meeting date to allow shareholders to review the meeting's agenda and provide shareholders with sufficient information regarding issues to be decided at the meeting; the Definitive Information Statement, or SEC Form 20-IS is issued in accordance with BPI's Amended By-Laws and SRC Rule 20. In 2025, the Notice, including the DIS, was sent out to stockholders of record by March 24, 2025, 28 days before the ASM.

Voting and Voting Results. All items in the agenda requiring stockholder approval need the affirmative vote of at least a majority of the issued and outstanding voting stock. Stockholders may vote in person or by proxy executed in writing by the stockholder or by a duly authorized attorney-in-fact. In its meeting held on December 11, 2024, the Chairman, acting on the authority delegated by the Board of Directors approved that the ASM be held in a fully virtual format. Stockholders may only attend the meeting by remote communication, by voting in absentia, or by appointing a proxy. Hence, at the April 21, 2025 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code. Voting is considered in a poll, by shares of stock, that is, one share entitles the holder to one vote. Cumulative voting as provided for in the Corporation Code may be applied in the election of the Board of Directors and directors are elected individually. The Rules of Conduct, voting and vote tabulation procedures are likewise explained during the meeting. The Office of the Corporate Secretary tabulates all votes received and an independent third-party validates the results. Voting results are disclosed on PSE EDGE and company's website.

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

Minutes of the Annual Stockholders' Meeting. The Minutes of the ASM includes all information pertinent to the meeting and is promptly disclosed on the company website within the period mandated by the SEC. In this respect, minutes of the 2025 ASM were posted on the company website within five (5) calendar days from the date of the ASM.

c) Annual and Quarterly Reports. The Bank's Annual, Quarterly, and Current Reports are its primary disclosure mechanisms used to impart knowledge about the Bank to all its stakeholders in an informative, structured, and cost-effective manner. The Annual and Quarterly accountability reports effectively detail its performance during the period under review and put that performance in context of the objectives of the Bank, its strategies and future direction. The Current Reports similarly provide timely updates on significant corporate actions undertaken by the Bank. The Annual, Quarterly, and Current Reports are regularly submitted to the SEC pursuant to Section 17 of the SRC, which also prescribes format and content. The Bank also issues a separate Sustainability Report. In this regard, in recent years, the Bank has utilized an Integrated Report comprised of the Annual Report and the Sustainability Report. The Integrated Report, i.e., the Annual Report and Sustainability Report, is approved by the Board of Directors prior to release. The 2024 Integrated Report was approved by the Board on March 19, 2025. These Reports are also disclosed on the websites of the various Exchanges, as previously mentioned. These may also be viewed at www.bpi.com.ph.

VI. **Sustainability, Stakeholder Engagement and ESG Reporting**

a) Sustainability and Stakeholder Engagement

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

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

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

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

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

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

b) Environmental, Social and Governance Reporting

Our ESG performance evaluation and management discussions are likewise disclosed regularly, primarily through the annual publication of the Integrated Report as well as periodic and special updates of the BPI website. Sustainability disclosures are in accordance with the Integrated Reporting <IR> Framework, Global Reporting Initiative (GRI) Standards, and Sustainability Accounting Standards Board (SASB) Standards for Commercial Banks. In line with SEC Memorandum Circular No. 16, series of 2025, BPI is also preparing its sustainability report to be in accordance with the Philippine Financial Reporting Standards (PFRS) on Sustainability. As in previous years, an external assurance provider has been engaged for the ESG disclosures in our integrated report. A copy of the latest BPI Integrated Report is available for download from the BPI website (www.bpi.com.ph).

VII. Corporate Governance Awards and Recognition

In 2025, BPI was a recipient of the following:

- **ICD Golden Arrow Award.** 4 Golden Arrow Award, Top Performing Company in the domestic assessment of the ACGS.
- **Global Banking & Finance Review.** 2025 Best Corporate Governance Bank Award

VIII. Reports on SEC 17-C

Items reported under SEC Form 17-C in 2025:

(1) On 23 January 2025, at the regular meeting of the Board of Directors (the "Board") of the Bank of the Philippine Islands, the Board approved the secondment of EVP Juan Carlos L. Syquia, Head of BPI Institutional Banking, to Ayala Corporation effective 1 May 2025. He will assume a senior role at AC, subject to approval if the Board of Directors of AC.

(2) On 6 February 2025, the Chairman of BPI approved the conduct of the 2025 annual stockholders' meeting in a fully virtual format, together with all necessary arrangements, subject to the applicable rules and regulations of the Securities and Exchange Commission.

(3) On 13 February 2025, BPI approved the appointment of Senior Vice President (SVP) Luis Geminiano E. Cruz as Head of Institutional Banking, effective 1 May 2025, pending regulatory approval. His appointment comes following the secondment of Juan Carlos L. Syquia to Ayala Corporation (AC).

(4) On 26 March 2025, BPI disclosed upcoming fixed income investor meetings in connection with a potential issuance of USD Notes.

(5) On 27 March 2025, BPI announced the issuance of U.S. dollar-denominated notes. These will be offered through one or more drawdowns under BPI's US$3 billion Medium Term Note Programme and listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

(6) On 28 March 2025, BPI successfully priced US$500 Mn 5-Year and US$300 Mn 10-Year Reg S Senior Unsecured Notes.

(7) On 21 April 2025, the results of the Annual Stockholders' Meeting and the Organizational Meeting of the Board of Directors of BPI held on that day were submitted to the SEC and PSE.

(8) On 21 April 2025, the Board approved the 2025 Employee Stock Incentive Program, authorizing the issuance of up to 18,270,400 shares.

(9) On 28 April 2025, BPI announced the upcoming issuance of BPI SINAG Bonds.

(10) On 20 May 2025, BPI priced the SINAG Bonds and opened the offer period.

(11) On 21 May 2025, the Board of BPI approved a cash dividend of Two Pesos and Eight Centavos (P2.08) per common share, payable to all stockholders of record as of 10 June 2025. The payment date is set on 30 June 2025.

(12) On 23 May 2025, BPI shortens offer period for BPI SINAG Bonds following strong and substantial demand across institutional, high net-worth, and retail clients.

(13) On 10 June 2025, BPI listed its ₱40 billion SINAG Bonds on Philippine Dealing and Exchange Corp. (PDEx), marking a milestone in its sustainability journey and its largest peso bond issuance to date.

(14) On 19 November 2025, the Board of BPI approved a cash dividend of Two Pesos and Twenty-Eight Centavos (P2.28) per common share, payable to all stockholders of record as of 03 December 2025. The payment date is set on 18 December 2025.

(15) On 17 December 2025, the Board of BPI authorized Management to proceed with plans to merge BPI Direct BanKo, Inc., A Savings Bank (BanKo), and Legazpi Savings Bank, Inc. (LSB), with BanKo designated as the surviving entity, subject to the review and approval of their respective Boards of Directors and stockholders.

Subsequent Events

(1) On January 5, 2026, BPI announced its plan to issue ₱5 billion worth of peso-denominated, fixed-rate BPI Supporting Individuals Grow, Lead, and Achieve (BPI SIGLA) Bonds, maturing in 2028. The offering, which may be upsized, represents the second tranche under the bank's ₱200 billion Bond and Commercial Paper Program.

(2) On 26 January 2026, BPI prices its BPI SIGLA Bonds and commences public offer period.

(3) On 13 February 2026, BPI announced the successful listing of its BPI SIGLA Bonds on PDEx, with an aggregate principal amount of P50 Bn. This issuance represents the second tranche under BPI's P200 Bn Bond and Commercial Paper Program, which was approved by its Board of Directors on 16 October 2024.

Material Event/s and Uncertainties:

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

a) Any known trends, demands, commitments, events or uncertainties that will have a material impact on its liquidity.

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

c) Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the bank with unconsolidated entities or other persons created during the reporting period.

d) Any material commitments for capital expenditures.

e) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations.

f) Any significant elements of income or loss that did not arise from the Bank's continuing operations.

g) Any seasonal aspects that had a material effect on the financial condition or results of operations.

PART V – EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

a. Exhibits

Securities Regulation Code Forms

(1)	Publication of Notice re: Filing	NA
(2)	Underwriting Agreement	NA
(3)	Plan of Acquisition, Reorganization, Arrangement, Liquidation, or Succession	NA
(4)	(A) Articles of Incorporation	NA
	(B) By-laws	NA
(5)	Instruments Defining the Rights of Security Holders, including indentures	NA
(6)	Opinion re: Legality	NA
(7)	Opinion re: Tax Matters	NA
(8)	Voting Trust Agreement	NA
(9)	Material Contracts	NA
(10)	Annual Report to Security Holders	NA
(11)	Material Foreign Patents	NA
(12)	Letter re: Unaudited Interim Financial Information	NA
(13)	Letter re: Change in Certifying Accountant	NA
(14)	Letter re: Director Resignation	NA
(15)	Letter re: Change in Accounting Principles	NA
(16)	Report Furnished to Security Holders	NA
(17)	Other Documents or Statements to Security Holders	NA
(18)	Subsidiaries of the Registrants	NA
(19)	Published Report Regarding Matters Submitted to Vote of Security Holders	NA
(20)	Consents of Experts and Independent Counsel	NA
(21)	(A) Power of Attorney	NA
	(B) Power of Attorney-Foreign Registrant	NA
(22)	Statement of Eligibility of Trustee	NA
(23)	Exhibits to be filed with Commercial Papers/Bonds Issues	NA
(24)	Exhibits to be filed with Stock Options Issues	NA
(25)	Exhibits to be filed by Investment Companies	NA
(26)	Notarized Curriculum Vitae and Photographs of Officers and Members of the Board of Directors	NA
(27)	Copy of the BOI Certificate for BOI Registered Companies	NA
(28)	Authorization re: Registrant's Bank Accounts	NA
(29)	Additional Exhibits	NA
	Financial Indicators	Exhibit A
	Sch. A – Financial Assets	Exhibit A
	Sch. B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders	Exhibit A
	Sch. C – Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	Exhibit A
	Sch. D - Long-Term Debt	Exhibit A
	Sch. E – Indebtedness to Related Parties	Exhibit A
	Sch. F – Guarantees of Securities of Other Issuers	Exhibit A
	Sch. G – Capital Stock	Exhibit A
	List of Subsidiaries	Exhibit B
	Top 20 Shareholders	Exhibit C
	Statistical Report by Sharelots as of December 31, 2025	Exhibit D

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereto duly notarized, in the City of Makati on APR 14 2026, 2026.

BANK OF THE PHILIPPINE ISLANDS
Issuer

By:

[redacted]
JOSE TEODORO K. LIMCAOCO
President & Chief Executive Officer

[redacted]
ERIC ROBERTO M. LUCHANGCO
Executive Vice-President & Chief Finance Officer

[redacted]
FELICIANA S. CRUZ
Vice-President &
Head, Unibank Central Accounting

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

SUBSCRIBED AND SWORN to before me this APR 14 2026 day of _____; affiant(s) exhibiting to me his/her ID Number, as follows:

NAME(S)	PASSPORT NO. / SSS NO.	DATE / PLACE OF ISSUE	VALID UNTIL
[redacted]			

Doc. No. 107;
Page No. 39;
Book No. II;
Series 2026.

"DOCUMENTARY STAMP TAX PAID"
15769791 (OR SERIAL NUMBER)
4-14-26 (DATE OF PAYMENT)

ATTY. GABRIEL RAY L. LUZANO
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-326 UNTIL DEC. 31, 2026
ROLL OF ATTY NO. 77531
MCLE COMPLIANCE NO VIII-0001919/03.07.2023
VALID UNTIL APRIL 14, 2028
BP NO. 574458; NORTHERN SAMAR; 12.28 2025
PTR NO. 10767268; MAKATI CITY; 01.06.2026
7/F BPI BUENDIA CENTER BLDG., MAKATI CITY

EXHIBIT A

(Audited Financial Statements)

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
BUREAU OF INTERNAL REVENUE

FILING REFERENCE NO.

TIN	: 000-438-366-000
Name	: BANK OF THE PHILIPPINE ISLANDS
RDO	: 125
Form Type	: 1702
Reference No.	: 462600072049398
Amount Payable (Over Remittance)	[redacted]
Accounting Type	: C - Calendar
For Tax Period	: 12/31/2025
Date Filed	: 04/14/2026
Tax Type	: IT

Proceed to Payment

Outlook

Your BIR AFS eSubmission uploads were received

From eafs@bir.gov.ph <eafs@bir.gov.ph>
Date Tue 4/14/2026 5:22 PM
To [redacted]
Cc [redacted]

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Bank of the Philippine Islands,

Valid file

- EAFS000438366AFSTY122025.pdf

Invalid file

- <None>

Transaction Code: **AFS-0-MY44RYTQ0PZMNVT1XNS1ZY4TR03YSYVWSZ**
Submission Date/Time: **Apr 14, 2026 05:21 PM**
Company TIN: **000-438-366**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system generated e mail. Please do not reply.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Bank of the Philippine Islands (the "Bank") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

[redacted]

Jaime Augusto Zobel de Ayala
Chairman of the Board

[redacted]

Jose Teodoro K. Limcaoco
President and Chief Executive Officer

[redacted]

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

[redacted]

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this FEB 18 2026, affiants exhibited to me their Passport with the following details:

Name	Passport No.	Date/Place of Issue	Valid Until
[redacted]			

Doc. No. 28;
Page No. 7;
Book No. I;
Series of 2026.

ATTY GIANCARLO KRISTOFFER D. GABRIEL
NOTARY PUBLIC FOR MAKATI CITY
APPT NO. M-050 UNTIL DEC. 31, 2027
ROLL OF ATTY NO 77378
MCLE EXEMPTION NO. VIII-PGS003919/10.21.2024
VALID UNTIL APRIL 14, 2028
[illegible] MAKATI; 12.18.2025
PTR NO 10767263; MAKATI CITY; 01.06.2026
28/F AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY

"DOCUMENTARY STAMP TAX PAID"
FEB 18 2026
23074028
(OR SERIAL NUMBER) (DATE OF PAYMENT)

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

					P	W	-	1	2	1

Company Name

B	A	N	K		O	F		T	H	E		P	H	I	L	I	P	P	I	N	E		I	S	L	A	N	D	S

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

2	2	/	F	-	2	8	/	F		A	Y	A	L	A		T	R	I	A	N	G	L	E						

G	A	R	D	E	N	S		T	O	W	E	R		2	,		P	A	S	E	O		D	E					

R	O	X	A	S		C	O	R	.		M	A	K	A	T	I		A	V	E	.	,							

B	E	L	-	A	I	R	,		M	A	K	A	T	I		C	I	T	Y		1	2	2	6					

Form Type

A	A	F	S

Department requiring the report

S	E	C	

Secondary License Type, if applicable

	N	A	

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number(s)	Mobile Number
corporate.secretary@bpi.com.ph	8663-6525	+639958726360

No. of Stockholders	Annual Meeting (Month/Day)	Fiscal Year (Month/Day)
11,594	04/21	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number(s)	Mobile Number
Eric Roberto M. Luchangco	emluchangco@bpi.com.ph	8663-6740	N/A

Contact Person's Address

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

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

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

Isla Lipana & Co.

Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") and the parent financial statements of the Bank of the Philippine Islands (the "Parent Bank") present fairly, in all material respects, the financial position of the BPI Group and of the Parent Bank as at December 31, 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.

What we have audited

The financial statements comprise:

- the consolidated and parent statements of condition as at December 31, 2025 and 2024;
- the consolidated and parent statements of income for each of the three years in the period ended December 31, 2025
- the consolidated and parent statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated and parent statements of changes in capital funds for each of the three years in the period ended December 31, 2025;
- the consolidated and parent statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated and parent financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

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

Key audit matters

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment losses on loans and advances We focused on this account because of the complexity involved in the estimation process, and the significant judgments that management makes in ascertaining the provision for loan impairment. The calculation of impairment losses is inherently subject to judgment for any bank. As at December 31, 2025, the total allowance for impairment for loans and advances amounted to PHP56,734 million for the BPI Group and PHP51,007 million for the Parent Bank while provision for loan losses recognized in profit or loss for the year then ended amounted to PHP16,951 million for the BPI Group and PHP12,106 million for the Parent Bank. Refer to Notes 10 and 26 of the financial statements for the details of the impairment losses on loans and advances. Provision for impairment losses on loans that are assessed to be individually credit impaired is determined in reference to the estimated future cash repayments and proceeds from the realization of collateral held by the BPI Group and the Parent Bank.	We assessed the design and tested the operating effectiveness of key controls over loan loss provisioning. These key controls included: • governance over the development, validation and approval of the BPI Group's ECL models to assess compliance with PFRS 9, including continuous re-assessment by the BPI Group that the impairment models are operating in a way which is appropriate for the credit risks in the BPI Group and the Parent Bank's loan portfolios; • review and approval of key judgments, assumptions and forward-looking information used in the ECL models; • review of data from source systems to the detailed ECL model analyses; • assessment of credit quality of loans and advances relative to the established internal credit risk rating system; • the review and approval process for the outputs of the impairment models; and • the review and approval process over the determination of credit risk rating, performance of credit reviews and calculation of required reserves for loans assessed as credit-impaired.

Key Audit Matter	How our audit addressed the Key Audit Matter
(cont'd.)	
For other loan accounts which are not individually credit impaired, these are included in a group of loans with similar risk characteristics and are collectively assessed on a portfolio basis using internal models developed by the BPI Group and the Parent Bank. Key elements in the impairment of loans and advances include: • the application of appropriate impairment models for the collectively assessed accounts. This includes the use of key assumptions in the impairment models (i.e., staging of accounts, significant increase in credit risk, forward-looking information), the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD); and • the identification of credit-impaired loans, and estimation of cash flows (including the expected realizable value of any collateral held) supporting the calculation of individually assessed provisions. The impairment losses include both quantitative and qualitative components. In calculating the loan loss provisioning, the BPI Group and the Parent Bank applied the expected credit loss (ECL) calculation and post-model adjustments as allowed by Philippine Financial Reporting Standard (PFRS) 9, *Financial instruments*, which is a complex process that takes into account forward-looking information reflecting the BPI Group and the Parent Bank's view on potential future economic events.	Our work over the impairment of loans and advances included: • independent assessment of the methodology applied by the BPI Group and the Parent Bank in the development of the ECL models vis-a-vis the requirements of PFRS 9; • independent testing of key assumptions in the ECL models such as PD, LGD, EAD built from historical data, including segmentation. Our assessment included the involvement of our internal specialist. • assessment of the appropriateness of the BPI Group's and the Parent Bank's definition of significant increase in credit risk and staging of accounts through analysis of historical trends and past credit behavior of loan portfolios; • independent comparison of economic information used within, and weightings applied to, forward-looking scenarios in the ECL calculation which includes assumptions used in the post-model adjustments, against available macro-economic data; • testing of the accuracy and completeness of data inputs in the ECL models and in the ECL calculation by comparing them with the information obtained from source systems; • testing the accuracy and reasonableness of the outputs of the ECL models through independent recalculation; • for a sample of individually assessed loans identified as credit-impaired, examined relevant supporting documents such as the latest financial information of the borrower or valuation of collateral used as a basis in estimating the recoverable amount and measuring the loan loss allowance; and • recalculation of the loan loss allowance for selected accounts and portfolios at reporting date using the ECL methodology adopted by the BPI Group and the Parent Bank.

Other Information

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

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

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

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Integrated Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on other legal and regulatory requirements

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

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

Isla Lipana & Co.



Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 8, 2026, Makati City
SEC A.N (individual) as general auditors 88453-SEC, category A;
valid to audit 2025 to 2029 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 18, 2026

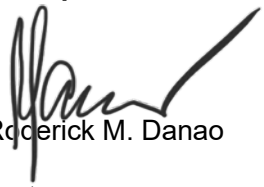
Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

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

We have audited in accordance with Philippine Standards on Auditing the consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") as at December 31, 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 18, 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 BPI Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) Accounting Standards and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards. The components of these financial soundness indicators have been traced to the BPI Group's consolidated financial statements as at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025 and no exceptions were noted.

Isla Lipana & Co.



Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 8, 2026, Makati City
SEC A.N (individual) as general auditors 88453-SEC, category A;
valid to audit 2025 to 2029 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 18, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
1226 Makati City, Philippines
+63 (2) 8845 2728

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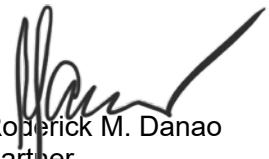
Isla Lipana & Co.

Statement Required by Rule 68
Securities Regulation Code (SRC)

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

We have audited the consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") and the parent financial statements of the Bank of the Philippine Islands (the "Parent Bank") as at and for the year ended December 31, 2025, on which we have rendered the attached report dated February 18, 2026. The supplementary information shown in the Reconciliation of the Parent Bank's Retained Earnings Available for Dividend Declaration, Map of the Conglomerate or Group of Companies within which the Bank of the Philippine Islands belongs effective as at December 31, 2025, as additional components required by Part I, Section 5 of Rule 68 of the Securities Regulation Code, and Schedules A, B, C, D, E, F and G, as required by Part II, Section 6 of Rule 68 of the Securities Regulation Code, is presented for the purposes of filing with the Securities and Exchange Commission and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in the audit of the basic financial statements. In our opinion, the supplementary information has been prepared in accordance with Rule 68 of the Securities Regulation Code.

Isla Lipana & Co.



Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 8, 2026, Makati City
SEC A.N (individual) as general auditors 88453-SEC, category A;
valid to audit 2025 to 2029 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 18, 2026

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CONDITION
December 31, 2025 and 2024
(In Millions of Pesos)

	Notes	Consolidated		Parent	
		2025	2024	**2025**	2024
ASSETS					
CASH AND OTHER CASH ITEMS	4	**53,018**	49,762	**52,159**	49,136
DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)	4	**106,344**	164,571	**89,303**	161,247
DUE FROM OTHER BANKS	4	**38,211**	72,060	**34,007**	68,439
INTERBANK LOANS RECEIVABLE AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL, net	4,5	**35,480**	16,715	**34,909**	9,093
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,7	**85,274**	47,308	**77,245**	39,757
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	8	**285,367**	268,202	**279,354**	263,212
INVESTMENT SECURITIES AT AMORTIZED COST, net	9	**353,145**	343,108	**345,848**	336,233
LOANS AND ADVANCES, net	10	**2,567,131**	2,238,765	**2,500,475**	2,186,928
ASSETS HELD FOR SALE, net		**12,417**	8,411	**12,164**	8,154
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT, net	11	**25,088**	21,209	**23,494**	19,759
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, net	12	**13,047**	10,904	**19,822**	19,165
ASSETS ATTRIBUTABLE TO INSURANCE OPERATIONS	2	**22,649**	20,995	**-**	-
DEFERRED INCOME TAX ASSETS, net	13	**19,166**	18,201	**17,726**	17,183
OTHER ASSETS, net	14	**35,151**	38,602	**34,104**	38,772
Total assets		**3,651,488**	3,318,813	**3,520,610**	3,217,078

(forward)

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CONDITION
December 31, 2025 and 2024
(In Millions of Pesos)

	Notes	Consolidated		Parent	
		2025	2024	**2025**	2024
LIABILITIES AND CAPITAL FUNDS					
DEPOSIT LIABILITIES	15	**2,838,525**	2,614,802	**2,766,496**	2,564,135
DUE TO BSP AND OTHER BANKS		**3,151**	3,135	**3,151**	3,135
DERIVATIVE FINANCIAL LIABILITIES	7	**3,698**	4,976	**3,667**	4,913
BILLS PAYABLE AND OTHER BORROWED FUNDS	16	**223,433**	163,182	**223,139**	163,083
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		**10,460**	9,941	**10,459**	9,935
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		**20,680**	17,327	**18,268**	15,061
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS	2	**17,837**	16,541	**-**	-
DEFERRED CREDITS AND OTHER LIABILITIES	17	**54,834**	56,219	**50,774**	53,050
Total liabilities		**3,172,618**	2,886,123	**3,075,954**	2,813,312
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI	18				
Share capital		**52,747**	52,610	**52,747**	52,610
Share premium		**143,810**	143,278	**143,780**	143,248
Reserves		**16,511**	10,889	**48,837**	43,217
Accumulated other comprehensive loss		**(10,586)**	(12,640)	**(9,125)**	(10,722)
Surplus		**274,071**	236,332	**208,417**	175,413
		476,553	430,469	**444,656**	403,766
NON-CONTROLLING INTERESTS		**2,317**	2,221	**-**	-
Total capital funds		**478,870**	432,690	**444,656**	403,766
Total liabilities and capital funds		**3,651,488**	3,318,813	**3,520,610**	3,217,078

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF INCOME
For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2025	2024	2023	**2025**	2024	2023
INTEREST INCOME							
On loans and advances		**183,758**	159,594	120,900	**168,423**	148,062	114,050
On investment securities		**29,481**	27,251	21,737	**28,924**	26,834	21,466
On deposits with BSP and other banks		**2,027**	3,109	2,935	**1,285**	2,240	2,460
		215,266	189,954	145,572	**198,632**	177,136	137,976
INTEREST EXPENSE							
On deposits	15	**55,569**	53,181	36,027	**52,353**	50,659	34,934
On bills payable and other borrowed funds	16	**11,669**	9,187	5,195	**11,653**	9,045	4,956
		67,238	62,368	41,222	**64,006**	59,704	39,890
NET INTEREST INCOME		**148,028**	127,586	104,350	**134,626**	117,432	98,086
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	26	**17,750**	6,600	4,000	**13,027**	3,428	2,202
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES		**130,278**	120,986	100,350	**121,599**	114,004	95,884
OTHER INCOME							
Fees and commissions	19	**15,677**	15,162	12,717	**13,973**	13,744	11,166
Securities trading gain		**5,833**	3,293	1,919	**5,444**	3,017	1,827
Income attributable to insurance operations	2	**3,573**	3,011	1,843	**-**	-	-
Income from foreign exchange trading, net		**2,571**	3,474	3,223	**2,514**	3,361	3,205
Net (loss) gain on disposals of investment securities at amortized cost	9	**(171)**	4	2	**(29)**	5	2
Other operating income	19	**19,766**	17,609	14,267	**17,565**	13,572	12,741
		47,249	42,553	33,971	**39,467**	33,699	28,941
OTHER EXPENSES							
Compensation and fringe benefits	21	**30,280**	28,939	23,221	**26,341**	25,214	20,310
Occupancy and equipment-related expenses	11,20,21	**27,924**	25,132	22,012	**25,020**	22,648	20,139
Other operating expenses	21	**33,901**	29,725	23,877	**31,143**	27,404	22,142
		92,105	83,796	69,110	**82,504**	75,266	62,591
PROFIT BEFORE INCOME TAX		**85,422**	79,743	65,211	**78,562**	72,437	62,234
INCOME TAX EXPENSE	22						
Current		**19,251**	16,757	13,934	**16,935**	14,993	12,600
Deferred	13	**(676)**	746	(635)	**(201)**	1,060	(419)
		18,575	17,503	13,299	**16,734**	16,053	12,181
NET INCOME AFTER TAX		**66,847**	62,240	51,912	**61,828**	56,384	50,053
Attributable to:							
Equity holders of BPI		**66,615**	62,049	51,687	**61,828**	56,384	50,053
Non-controlling interests		**232**	191	225	**-**	-	-
		66,847	62,240	51,912	**61,828**	56,384	50,053
Basic and diluted earnings per share attributable to the equity holders of BPI during the year	18	**12.62**	11.78	10.90	**11.71**	10.71	10.56

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF TOTAL COMPREHENSIVE INCOME
For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Note	Consolidated			Parent		
		2025	2024	2023	**2025**	2024	2023
NET INCOME FOR THE YEAR		**66,847**	62,240	51,912	**61,828**	56,384	50,053
OTHER COMPREHENSIVE INCOME (LOSS)	18						
Items that may be subsequently reclassified to profit or loss							
Share in other comprehensive income (loss) of associates		**103**	(175)	405	**-**	-	-
Net change in fair value reserve on investments in debt instruments measured at FVOCI, net of tax effect		**1,563**	(810)	556	**1,575**	(891)	546
Fair value reserve on investments of insurance subsidiaries, net of tax effect		**86**	24	90	**-**	-	-
Currency translation differences and others		**202**	349	(54)	**-**	-	-
Cash flow hedge, net of tax effect		**8**	(1)	-	**8**	(1)	-
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit obligation		**(1,233)**	(474)	(2,476)	**(1,212)**	(397)	(2,395)
Share in other comprehensive income (loss) of associates		**143**	(45)	49	**-**	-	-
Net change in fair value reserve on investments in equity instruments measured at FVOCI, net of tax effect		**1,204**	(360)	4,609	**1,226**	(357)	4,616
Total other comprehensive income (loss), net of tax effect		**2,076**	(1,492)	3,179	**1,597**	(1,646)	2,767
Total comprehensive income for the year		**68,923**	60,748	55,091	**63,425**	54,738	52,820
Attributable to:							
Equity holders of BPI		**68,669**	60,536	54,816	**63,425**	54,738	52,820
Non-controlling interests		**254**	212	275	**-**	-	-
		68,923	60,748	55,091	**63,425**	54,738	52,820

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CHANGES IN CAPITAL FUNDS
For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Attributable to equity holders of BPI (Note 18)								
Consolidated	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive income (loss)	Surplus	Total	Non-controlling interests	Total capital funds
Balance, January 1, 2023	49,193	104,123	(33,043)	644	(14,256)	211,061	317,722	2,082	319,804
Comprehensive income									
Net income for the year	-	-	-	-	-	51,687	51,687	225	51,912
Other comprehensive income for the year	-	-	-	-	3,129	-	3,129	50	3,179
Total comprehensive income for the year	-	-	-	-	3,129	51,687	54,816	275	55,091
Transactions with owners									
Executive stock plan exercise and amortization	114	342	-	(84)	-	-	372	-	372
Cash dividends	-	-	-	-	-	(15,934)	(15,934)	(191)	(16,125)
Dividends - treasury shares	-	8,949	33,043	-	-	(42,364)	(372)	-	(372)
Total transaction with owners	114	9,291	33,043	(84)	-	(58,298)	(15,934)	(191)	(16,125)
Other movements									
Transfer from surplus to reserves	-	-	-	13	-	(13)	-	-	-
Others	-	-	-	70	-	530	600	-	600
Total other movements	-	-	-	83	-	517	600	-	600
Balance, December 31, 2023	49,307	113,414	-	643	(11,127)	204,967	357,204	2,166	359,370
Comprehensive income									
Net income for the year	-	-	-	-	-	62,049	62,049	191	62,240
Other comprehensive (loss) income for the year	-	-	-	-	(1,513)	-	(1,513)	21	(1,492)
Total comprehensive income for the year	-	-	-	-	(1,513)	62,049	60,536	212	60,748
Transactions with owners									
Issuance of shares as consideration of the merger	3,140	29,453	-	-	-	-	32,593	-	32,593
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)	(157)	(21,035)
Total transaction with owners	3,303	29,864	-	(32)	-	(20,878)	12,257	(157)	12,100
Other movements									
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-	-	-
Others	-	-	-	4	-	468	472	-	472
Total other movements	-	-	-	10,278	-	(9,806)	472	-	472
Balance, December 31, 2024	52,610	143,278	-	10,889	(12,640)	236,332	430,469	2,221	432,690
Comprehensive income									
Net income for the year	-	-	-	-	-	66,615	66,615	232	66,847
Other comprehensive income for the year	-	-	-	-	2,054	-	2,054	22	2,076
Total comprehensive income for the year	-	-	-	-	2,054	66,615	68,669	254	68,923
Transactions with owners									
Executive stock plan exercise and amortization	137	532	-	5	-	-	674	-	674
Cash dividends	-	-	-	-	-	(23,037)	(23,037)	(158)	(23,195)
Total transaction with owners	137	532	-	5	-	(23,037)	(22,363)	(158)	(22,521)
Other movements									
Transfer from surplus to reserves	-	-	-	5,616	-	(5,616)	-	-	-
Others	-	-	-	1	-	(223)	(222)	-	(222)
Total other movements	-	-	-	5,617	-	(5,839)	(222)	-	(222)
Balance, December 31, 2025	**52,747**	**143,810**	**-**	**16,511**	**(10,586)**	**274,071**	**476,553**	**2,317**	**478,870**

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CHANGES IN CAPITAL FUNDS
For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

Parent (Note 18)	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive income (loss)	Surplus	Total capital funds
Balance, January 1, 2023	49,193	104,123	(33,043)	33,055	(11,843)	157,544	299,029
Comprehensive income							
Net income for the year	-	-	-	-	-	50,053	50,053
Other comprehensive income for the year	-	-	-	-	2,767	-	2,767
Total comprehensive income for the year	-	-	-	-	2,767	50,053	52,820
Transactions with owners							
Executive stock plan exercise and amortization	114	342	-	(80)	-	-	376
Cash dividends	-	-	-	-	-	(15,934)	(15,934)
Dividends - treasury shares	-	8,918	33,043	-	-	(42,364)	(403)
Total transactions with owners	114	9,260	33,043	(80)	-	(58,298)	(15,961)
Other movements	-	-	-	-	-	415	415
Balance, December 31, 2023	49,307	113,383	-	32,975	(9,076)	149,714	336,303
Comprehensive income							
Net income for the year	-	-	-	-	-	56,384	56,384
Other comprehensive loss for the year	-	-	-	-	(1,646)	-	(1,646)
Total comprehensive income for the year	-	-	-	-	(1,646)	56,384	54,738
Transactions with owners							
Issuance of shares as consideration of the merger	3,140	29,454	-	-	-	-	32,594
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)
Total transactions with owners	3,303	29,865	-	(32)	-	(20,878)	12,258
Other movements							
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-
Others	-	-	-	-	-	467	467
Total other movements	-	-	-	10,274	-	(9,807)	467
Balance, December 31, 2024	52,610	143,248	-	43,217	(10,722)	175,413	403,766
Comprehensive income							
Net income for the year	-	-	-	-	-	61,828	61,828
Other comprehensive income for the year	-	-	-	-	1,597	-	1,597
Total comprehensive income for the year	-	-	-	-	1,597	61,828	63,425
Transactions with owners							
Executive stock plan exercise and amortization	137	532	-	4	-	-	673
Cash dividends	-	-	-	-	-	(23,037)	(23,037)
Total transactions with owners	137	532	-	4	-	(23,037)	(22,364)
Other movements							
Transfer from surplus to reserves	-	-	-	5,616	-	(5,616)	-
Others	-	-	-	-	-	(171)	(171)
Total other movements	-	-	-	5,616	-	(5,787)	(171)
Balance, December 31, 2025	**52,747**	**143,780**	**-**	**48,837**	**(9,125)**	**208,417**	**444,656**

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

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CASH FLOWS
For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2025	2024	2023	**2025**	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before income tax		**85,422**	79,743	65,211	**78,562**	72,437	62,234
Adjustments for:							
Impairment losses	26	**17,750**	6,600	4,000	**13,027**	3,428	2,202
Depreciation and amortization	11,14	**5,918**	5,257	6,615	**5,408**	4,786	6,195
Share in net income of associates	12	**(3,205)**	(2,738)	(1,372)	**-**	-	-
Dividend and other income	19	**(91)**	(93)	(100)	**(3,792)**	(1,505)	(3,066)
Share-based compensation	18	**5**	(32)	(84)	**4**	(32)	(80)
Profit from asset sold		**(257)**	(134)	(139)	**(256)**	(134)	(126)
Realized gain - investment securities		**(3,392)**	(2,314)	(949)	**(3,534)**	(2,317)	(949)
Interest income		**(215,266)**	(189,954)	(145,572)	**(198,632)**	(177,136)	(137,976)
Interest received		**213,554**	183,606	142,013	**197,457**	178,854	134,880
Interest expense		**67,697**	62,740	41,543	**64,382**	59,997	40,171
Interest paid		**(65,412)**	(61,381)	(38,341)	**(62,104)**	(59,082)	(37,459)
(Increase) decrease in:							
Interbank loans receivable and securities purchased under agreements to resell		**(18,401)**	5,651	4,117	**(18,399)**	5,395	4,058
Financial assets at fair value through profit or loss		**(37,930)**	(23,569)	(1,455)	**(37,454)**	(22,288)	(450)
Loans and advances, net		**(344,491)**	(244,187)	(181,412)	**(325,410)**	(230,778)	(170,155)
Assets held for sale		**(3,864)**	(1,678)	(761)	**(3,870)**	(1,706)	(773)
Assets attributable to insurance operations		**(715)**	(1,504)	254	**-**	-	-
Other assets		**1,733**	1,061	(5,752)	**2,901**	219	(6,564)
Increase (decrease) in:							
Deposit liabilities		**223,723**	173,533	199,096	**202,361**	157,817	181,540
Due to BSP and other banks		**186**	1,126	(1,151)	**186**	1,126	(1,075)
Manager's checks and demand drafts outstanding		**519**	358	1,708	**524**	383	1,680
Accrued taxes, interest and other expenses		**924**	(587)	798	**917**	(882)	730
Liabilities attributable to insurance operations		**1,256**	1,346	306	**-**	-	-
Derivative financial liabilities		**(1,278)**	2,155	(1,476)	**(1,246)**	2,139	(1,479)
Deferred credits and other liabilities		**(3,510)**	(694)	213	**(4,672)**	(1,477)	353
Net cash (absorbed by) from operations		**(79,125)**	(5,689)	87,310	**(93,640)**	(10,756)	73,891
Income taxes paid		**(18,747)**	(16,084)	(14,004)	**(16,582)**	(14,379)	(12,712)
Net cash (used in) from operating activities		**(97,872)**	(21,773)	73,306	**(110,222)**	(25,135)	61,179

(forward)

BANK OF THE PHILIPPINE ISLANDS

STATEMENTS OF CASH FLOWS
For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2025	2024	2023	**2025**	2024	2023
(*forwarded)*							
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of bank premises, furniture, fixtures and equipment		**(6,297)**	(3,416)	(4,778)	**(5,928)**	(3,267)	(4,578)
Disposal of bank premises, furniture, fixtures and equipment		**519**	849	2,144	**518**	835	2,127
Placements in investment securities		**(318,183)**	(201,348)	(248,565)	**(315,733)**	(200,635)	(247,299)
Proceeds from:							
Maturities/sales of investment securities		**298,047**	227,374	171,331	**297,231**	227,205	171,332
Decrease (increase) in:							
Investment in subsidiaries and associates, net		**1,317**	53	769	**(648)**	(2,182)	(120)
Assets attributable to insurance operations		**(642)**	(418)	(270)	**-**	-	-
Impact of merger		**-**	22,071	-	**-**	20,572	-
Dividends received		**91**	93	100	**3,792**	1,505	3,066
Net cash (used in) from investing activities		**(25,148)**	45,258	(79,269)	**(20,768)**	44,033	(75,472)
CASH FLOWS FROM FINANCING ACTIVITIES							
Cash dividends paid	18	**(23,195)**	(21,035)	(16,125)	**(23,037)**	(20,877)	(15,934)
Issuance cost of treasury shares as dividends		**-**	-	(372)	**-**	-	(403)
Proceeds from share issuance		**669**	573	456	**669**	573	456
Proceeds from bills payable and other borrowed funds	16	**278,737**	392,738	138,190	**256,316**	360,659	122,029
Maturities and repayments of bills payable and other borrowed funds	16	**(219,002)**	(382,090)	(98,931)	**(196,776)**	(346,732)	(81,647)
Payments for principal portion of lease liabilities		**(2,426)**	(2,066)	(1,893)	**(2,106)**	(1,803)	(1,652)
Net cash from (used in) financing activities		**34,783**	(11,880)	21,325	**35,066**	(8,180)	22,849
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(88,237)**	11,605	15,362	**(95,924)**	10,718	8,556
CASH AND CASH EQUIVALENTS							
January 1	4,5	300,087	288,482	273,120	284,723	274,005	265,449
December 31		**211,850**	300,087	288,482	**188,799**	284,723	274,005
Non-cash financing and investing activities	11,16,18						

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

BANK OF THE PHILIPPINE ISLANDS

Notes to the Financial Statements
As at December 31, 2025 and 2024 and for each of the three years
in the period ended December 31, 2025

1 General information

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

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

BPI and its subsidiaries (collectively referred to as the "BPI Group") offer a whole breadth of financial services that include corporate banking, consumer banking, investment banking, asset management, corporate finance, securities distribution and insurance services. At December 31, 2025, the BPI Group has 23,036 employees (2024 - 22,062 employees) and operates 1,315 branches (2024 - 1,266 branches) and 1,750 automated teller machines (ATMs) and cash accept machines (CAMs) (2024 - 1,876), and in partnership with 7,032 partner stores (2024 - 6,434), 987 of which are offering deposit and withdrawal services (2024 - 122), to support its delivery of services. The BPI Group also serves its customers through alternative electronic banking channels such as telephone, mobile phone and the internet.

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

On September 30, 2022, the Board of Directors (BOD) of BPI approved the execution of an agreement between the Parent Bank and Robinsons Bank Corporation ("RBC") and Robinsons Retail Holdings, Inc. and JG Summit Capital Services Corporation, as RBC shareholders, for the merger of BPI and RBC, with BPI as the surviving entity. The merger took effect on January 1, 2024.

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issuance by the BOD of the Parent Bank on February 18, 2026.

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

Subsidiaries	Country of incorporation	Principal activities	% of ownership 2025	% of ownership 2024
BPI Capital Corporation	Philippines	Investment house	100	100
BPI Direct BanKo, Inc., A Savings Bank	Philippines	Banking	100	100
BPI Asset Management and Trust Corporation operating under the trade name, BPI Wealth	Philippines	Asset management	100	100
BPI Wealth Hong Kong Ltd. (formerly BPI International Finance Limited)	Hong Kong	Financing	100	100
BPI Europe Plc.	England and Wales	Banking	100	100
BPI Securities Corporation	Philippines	Securities dealer	100	100
BPI Payments Holdings Inc. (BPHI)	Philippines	Financing	100	100
Filinvest Algo Financial Corp.	Philippines	Financing	100	100
BPI Investments, Inc. (formerly BPI Investment Management, Inc.)	Philippines	Mutual fund distribution	100	100
Santiago Land Development Corporation	Philippines	Land holding	100	100
BPI Computer Systems Corp.	Philippines	Business systems service	100	100
BPI Forex Corp.	Philippines	Foreign exchange	100	100
BPI Remittance Centre (HK) Ltd.	Hong Kong	Remittance	100	100
BPI Wealth Singapore Pte. Ltd.	Singapore	Asset management	100	100
First Far East Development Corporation	Philippines	Real estate	100	100
FEB Stock Brokers, Inc.	Philippines	Securities dealer	100	100
Legazpi Savings Bank, Inc. (LSB)	Philippines	Banking	99.94	99.94
Ayala Plans, Inc.	Philippines	Pre-need	98.93	98.93
FGU Insurance Corporation	Philippines	Non-life insurance	94.62	94.62
BPI/MS Insurance Corporation	Philippines	Non-life insurance	50.85	50.85
FEB Speed International*	Philippines	Remittance	-	100

**FEB Speed International's cessation and dissolution was approved by the SEC in 2024. On May 5, 2025, the Bureau of Internal Revenue (BIR) issued a Certificate of No Outstanding Tax Liability, confirming the company's closure.*

2 Assets and liabilities attributable to insurance operations

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

	Note	**2025**	2024
		(In Millions of Pesos)	
Assets			
Cash and cash equivalents	4	**375**	175
Insurance balances receivable, net		**7,822**	7,137
Investment securities			
Financial assets at fair value through profit or loss		**2,494**	1,954
Financial assets at fair value through other comprehensive income		**7,503**	7,256
Financial assets at amortized cost		**283**	359
Investment in associates		**167**	167
Accounts receivable and other assets, net		**3,887**	3,856
Land, building and equipment		**118**	91
		22,649	20,995

	2025	2024
	(In Millions of Pesos)	
Liabilities		
Reserves and other balances	**15,705**	14,682
Accounts payable, accrued expenses and other payables	**2,132**	1,859
	17,837	16,541

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

	2025	2024	2023
		(In Millions of Pesos)	
Premiums earned and related income	**4,199**	3,481	3,312
Investment and other income	**3,357**	3,019	1,675
	7,556	6,500	4,987
Benefits, claims and maturities	**1,889**	1,673	1,573
Decrease in actuarial reserve liabilities	**(239)**	(208)	(288)
Commissions	**1,231**	1,053	954
Management and general expenses	**1,071**	946	876
Other expenses	**31**	25	29
	3,983	3,489	3,144
Income before income tax and minority interest	**3,573**	3,011	1,843

3 Business segments

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

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

The BPI Group's main operating business segments follow:

- Consumer banking - this segment serves the individual and retail markets. Services cover deposit taking and servicing, consumer lending such as personal, home mortgages, auto loans and credit card finance as well as the remittance business. The segment also includes the entire transaction processing and service delivery infrastructure consisting of network of branches, ATMs and cash acceptance machines, as well as phone and internet-based banking platforms for individual customers. Furthermore, innovative business models such as Partnership and Agency banking are incorporated in this segment.

- Corporate banking - this segment caters both high-end corporations and middle market clients. Services offered include deposit taking and servicing, loan facilities, trade, cash management and internet-based banking platforms for corporate and institutional customers.

- Investment banking - this segment includes the various business groups operating in the investment markets and dealing in activities other than lending and deposit taking. These services cover corporate finance, securities distribution, asset management, trust and fiduciary services as well as proprietary trading and investment activities.

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

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

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

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

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

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

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

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

	2025			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
		(In Millions of Pesos)		
Net interest income	101,215	37,177	15,876	154,268
Provision for (reversal of) credit and impairment losses	19,106	(1,169)	(92)	17,845
Net interest income after provision for credit and impairment losses	82,109	38,346	15,968	136,423
Fees, commissions and other income, net	26,221	4,251	12,752	43,224
Total income	108,330	42,597	28,720	179,647
Compensation and fringe benefits	21,877	3,765	2,272	27,914
Occupancy and equipment-related expenses	9,719	572	1,346	11,637
Other operating expenses	34,608	5,458	2,420	42,486
Total other expenses	66,204	9,795	6,038	82,037
Operating profit	42,126	32,802	22,682	97,610
Income tax expense				18,575
Net income				66,847
Share in net income of associates				3,205
Total assets	995,884	1,816,740	773,948	3,586,572
Total liabilities	1,976,928	921,785	235,189	3,133,902

	2024			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
		(In Millions of Pesos)		
Net interest income	82,975	33,246	16,955	133,176
Provision for (reversal of) credit and impairment losses	11,570	(5,058)	115	6,627
Net interest income after provision for credit and impairment losses	71,405	38,304	16,840	126,549
Fees, commissions and other income, net	24,616	3,584	10,710	38,910
Total income	96,021	41,888	27,550	165,459
Compensation and fringe benefits	20,876	3,587	2,152	26,615
Occupancy and equipment-related expenses	9,075	567	1,121	10,763
Other operating expenses	32,691	4,892	2,268	39,851
Total other expenses	62,642	9,046	5,541	77,229
Operating profit	33,379	32,842	22,009	88,230
Income tax expense				17,503
Net income				62,240
Share in net income of associates				2,738
Total assets	781,780	1,693,238	781,382	3,256,400
Total liabilities	1,890,077	787,196	175,303	2,852,576

	2023			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
	(In Millions of Pesos)			
Net interest income	65,271	28,108	15,117	108,496
Provision for credit and impairment losses	7,711	(3,837)	140	4,014
Net interest income after provision for credit and impairment losses	57,560	31,945	14,977	104,482
Fees, commissions and other income, net	20,328	2,932	8,749	32,009
Total income	77,888	34,877	23,726	136,491
Compensation and fringe benefits	19,375	3,314	1,786	24,475
Occupancy and equipment-related expenses	10,144	1,089	865	12,098
Other operating expenses	26,485	4,082	3,221	33,788
Total other expenses	56,004	8,485	5,872	70,361
Operating profit	21,884	26,392	17,854	66,130
Income tax expense				13,299
Net income				51,912
Share in net income of associates				1,372
Total assets	644,092	1,505,254	717,734	2,867,080
Total liabilities	1,670,879	687,265	163,858	2,522,002

Reconciliation of segment results to consolidated results of operations:

	2025		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
	(In Millions of Pesos)		
Net interest income	154,268	(6,240)	148,028
Provision for credit and impairment losses	17,845	(95)	17,750
Net interest income after provision for credit and impairment losses	136,423	(6,145)	130,278
Fees, commissions and other income, net	43,224	4,025	47,249
Total income	179,647	(2,120)	177,527
Compensation and fringe benefits	27,914	2,366	30,280
Occupancy and equipment-related expenses	11,637	16,287	27,924
Other operating expenses	42,486	(8,585)	33,901
Total other expenses	82,037	10,068	92,105
Operating profit	97,610	(12,188)	85,422
Income tax expense	18,575		18,575
Net income	66,847		66,847
Share in net income of associates	3,205		3,205
Total assets	3,586,572	64,916	3,651,488
Total liabilities	3,133,902	38,716	3,172,618

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

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

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

4 Cash and cash equivalents

The account at December 31 consists of:

	Notes	Consolidated		Parent	
		2025	2024	**2025**	2024
		(In Millions of Pesos)			
Cash and other cash items		**53,018**	49,762	**52,159**	49,136
Due from Bangko Sentral ng Pilipinas (BSP)		**106,344**	164,571	**89,303**	161,247
Due from other banks		**38,211**	72,060	**34,007**	68,439
Interbank loans receivable and securities purchased under agreements to resell (SPAR)	5	**13,902**	13,519	**13,330**	5,901
Cash and cash equivalents attributable to insurance operations	2	**375**	175	**-**	-
		211,850	300,087	**188,799**	284,723

Interest income from BSP and Due from other banks account recognized in the statement of income for the year ended December 31, 2025 amounts to P989 million (2024 - P1,299 million; 2023 - P1,292 million) and P432 million (2024 - P687 million; 2023 - P936 million) for the BPI Group and the Parent Bank, respectively.

5 Interbank loans receivable and SPAR, net

The account at December 31 consists of transactions with:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
BSP	**-**	7,500	**-**	-
Other banks	**35,510**	9,227	**34,939**	9,111
	35,510	16,727	**34,939**	9,111
Accrued interest receivable	**11**	31	**11**	25
	35,521	16,758	**34,950**	9,136
Allowance for impairment	**(41)**	(43)	**(41)**	(43)
	35,480	16,715	**34,909**	9,093

As at December 31, 2025, interbank loans receivable and SPAR maturing within 90 days from the date of acquisition amounting to P13,902 million (2024 - P13,519 million) for the BPI Group and P13,330 million (2024 - P5,901 million) for the Parent Bank are classified as cash equivalents in the statements of cash flows (Note 4).

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current	**35,076**	15,005	**34,505**	7,383
Non-current	**404**	1,710	**404**	1,710
	35,480	16,715	**34,909**	9,093

In 2024, government bonds are pledged by the BSP as collateral under reverse repurchase agreements. The aggregate face value of securities pledged approximates the total balance of outstanding placements as at reporting date.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Peso-denominated	**4.85 - 8.37**	4.95 - 8.37	**4.85 - 8.37**	4.95 - 8.37
Foreign currency-denominated	**0.10 - 3.55**	4.10 - 5.70	**0.10 - 0.47**	4.40 - 5.41

Interest income from interbank loan receivables and SPAR recognized in the statement of income for the year ended December 31, 2025 amounts to P1,038 million (2024 - P1,810 million; 2023 - P1,643 million) and P853 million (2024 - P1,553 million; 2023 - P1,524 million) for the BPI Group and the Parent Bank, respectively.

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

The account at December 31 consists of:

		Consolidated		Parent	
	Note	**2025**	2024	**2025**	2024
			(In Millions of Pesos)		
Debt securities					
Government securities		**75,610**	35,942	**72,335**	33,548
Commercial papers of private companies		**4,946**	5,159	**429**	376
Listed equity securities		**219**	351	**-**	-
Derivative financial assets	7	**4,499**	5,856	**4,481**	5,833
		85,274	47,308	**77,245**	39,757

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

7 Derivative financial instruments

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

- Foreign exchange forwards represent commitments to purchase or sell one currency against another at an agreed forward rate on a specified date in the future. Settlement can be made via full delivery of forward proceeds or via payment of the difference (non-deliverable forward) between the contracted forward rate and the prevailing market rate at maturity.

- Foreign exchange swaps refer to spot purchase or sale of one currency against another with an offsetting agreement to sell or purchase the same currency at an agreed forward rate in the future.

- Interest rate swaps refer to agreement to exchange fixed rate versus floating interest payments (or vice versa) on a reference notional amount over an agreed period.

- Cross currency swaps refer to an exchange of notional amounts on two currencies at a given exchange rate where the parties on the transaction agree to pay a stated interest rate on the received notional amount and accept a stated interest rate on the delivered notional amount, payable and receivable or net settled (non-deliverable swaps) periodically over the term of the transaction.

- Foreign exchange option refers to the agreement between two parties that grants the option holder the right, but not the obligation, to buy or sell a predetermined notional amount of a specified underlying currency at an agreed-upon strike price on or before specified exercise date. In exchange for this right, the option holder pays an upfront premium. The option writer, in turn, is obligated to transact the underlying amount if the option holder elects to exercise the option. This structure allows the buyer to hedge against or speculate on future movements in foreign exchange rates while limiting their downside risk to the premium paid.

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

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

Consolidated

	Assets		Liabilities	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Held for trading				
Foreign exchange derivatives				
Currency swaps	**369**	127	**84**	160
Currency forwards	**3,349**	3,967	**3,203**	3,743
Interest rate swaps	**772**	1,760	**411**	1,069
Interest rate options	**2**	-	**-**	-
Warrants	**-**	2	**-**	-
Held for hedging				
Interest rate swap	**7**	-	**-**	4
	4,499	5,856	**3,698**	4,976

Parent

	Assets		Liabilities	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Held for trading				
Foreign exchange derivatives				
Currency swaps	**369**	127	**84**	160
Currency forwards	**3,331**	3,944	**3,172**	3,680
Interest rate swaps	**772**	1,760	**411**	1,069
Interest rate options	**2**	-	**-**	-
Warrants		2	**-**	-
Held for hedging				
Interest rate swap	**7**	-	**-**	4
	4,481	5,833	**3,667**	4,913

Cash flow hedge of floating rate securities

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

The Parent Bank aims to minimize or reduce the variability in cash flows arising from the floating rate securities through the float-for-fix interest rate swap (IRS) hedging instrument. Under the terms of the IRS, the Parent Bank agrees to receive a fixed rate in exchange of a floating rate which coincides with the interest from the hedged item. The hedge ratio of 1:1 is observed so as not to create an imbalance that would create hedge ineffectiveness. The hedge has been assessed to be effective as at December 31, 2025 and 2024.

As at December 31, 2025, the Parent Bank's IRS hedging instrument notional amount is P596.72 million (2024 - P587.00 million).

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

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

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

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

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Debt securities				
Government securities	**228,174**	231,908	**224,197**	229,754
Commercial papers of private companies	**49,704**	28,852	**49,001**	27,496
	277,878	260,760	**273,198**	257,250
Accrued interest receivable	**4,358**	3,598	**4,332**	3,584
	282,236	264,358	**277,530**	260,834
Equity securities				
Listed	**1,687**	2,293	**1,509**	2,094
Unlisted	**1,444**	1,551	**315**	284
	3,131	3,844	**1,824**	2,378
	285,367	268,202	**279,354**	263,212

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

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**17,059**	55,200	**14,050**	83,578
Non-current (over 12 months)	**265,177**	209,158	**263,480**	177,256
	282,236	264,358	**277,530**	260,834

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Peso-denominated	**2.33 - 8.57**	2.25 - 8.57	**2.33 - 8.57**	2.25 - 8.57
Foreign currency-denominated	**0.43 - 6.24**	0.24 - 7.00	**0.43 - 6.24**	0.24 - 7.00

Interest income from debt instruments recognized in the statement of income for the year ended December 31, 2025 amounts to P13,921 million (2024 - P11,569 million; 2023 - P6,176 million) and P13,727 million (2024 - P11,394 million; 2023 - P6,060 million) for the BPI Group and Parent Bank, respectively.

As at December 31, 2024, government securities aggregating P4.80 billion are used as security for bills payable of the Parent Bank (Note 16). There are no securities used as security for bills payable of the Parent Bank as at December 31, 2025.

Dividend income from equity instruments recognized in the statement of income under other operating income for the year ended December 31, 2025 amounts to P91 million (2024 - P93 million; 2023 - P100 million) and P67 million (2024 - P65 million; 2023 - P66 million) for the BPI Group and Parent Bank, respectively (Note 19).

9 Investment securities at amortized cost, net

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Government securities	**300,921**	285,396	**298,617**	284,620
Commercial papers of private companies	**48,468**	54,186	**43,557**	48,142
	349,389	339,582	**342,174**	332,762
Accrued interest receivable	**3,789**	3,642	**3,707**	3,554
	353,178	343,224	**345,881**	336,316
Allowance for impairment	**(33)**	(116)	**(33)**	(83)
	353,145	343,108	**345,848**	336,233

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Peso-denominated	**2.77 - 8.13**	2.48 - 8.13	**2.77 - 8.13**	2.48 - 8.13
Foreign currency-denominated	**1.10 - 5.92**	0.13 - 8.13	**1.10 - 5.92**	0.80 - 5.92

In 2025, the BPI Group and the Parent Bank recognized a net loss of P171 million and P29 million, respectively, from the sale of close-to-maturity investment securities and those with significant increase in credit risk. In 2024, the BPI Group and Parent Bank recognized a net gain of P4 million and P5 million, respectively, resulting from sale of investments that are close-to-maturity and an insignificant amount of debt securities. In 2023, the Parent Bank recognized a net gain of P2 million resulting from sale of close-to-maturity debt securities.

As at December 31, 2025, government securities aggregating P45.43 billion (2024 - P30.37 billion) are used as security for bills payable of the Parent Bank (Note 16).

Interest income from these investment securities recognized in the statement of income for the year ended December 31, 2025 amounts to P14,265 million (2024 - P14,444 million; 2023 - P14,678 million) and P14,056 million (2024 - P14,282 million; 2023 - P14,549 million) for the BPI Group and the Parent Bank, respectively.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**64,847**	30,866	**63,279**	29,364
Non-current (over 12 months)	**288,298**	312,242	**282,569**	306,869
	353,145	343,108	**345,848**	336,233

As at December 31, 2025, the Parent Bank has P5,874 million (2024 - P5,593 million) outstanding securities overlying securitization structures measured at amortized cost. The securities are held for collection of contractual cash flows until maturity and those cash flows represent solely payments of principal and interest.

Critical accounting judgment - Classification of investment securities at amortized cost

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

10 Loans and advances, net

Details of this account at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Corporate loans				
Large corporate customers	**1,800,399**	1,618,027	**1,793,219**	1,613,767
Small and medium enterprise	**125,397**	103,138	**125,385**	103,119
Retail loans				
Real estate mortgages	**275,596**	236,089	**273,668**	234,520
Credit cards	**238,503**	180,830	**238,503**	180,830
Auto loans	**120,349**	98,166	**120,322**	98,161
Others	**63,022**	50,797	**1,687**	2,459
	2,623,266	2,287,047	**2,552,784**	2,232,856
Accrued interest receivable	**18,941**	18,115	**16,842**	16,598
Unearned discount/income	**(18,342)**	(12,295)	**(18,144)**	(12,147)
	2,623,865	2,292,867	**2,551,482**	2,237,307
Allowance for impairment	**(56,734)**	(54,102)	**(51,007)**	(50,379)
	2,567,131	2,238,765	**2,500,475**	2,186,928

Others include personal loans, microfinance loans and bills purchased for the BPI Group and the Parent Bank as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the BPI Group has no outstanding loans and advances used as security for bills payable (Note 16).

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

Loans and advances are expected to be realized as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**926,911**	798,681	**906,080**	781,931
Non-current (over 12 months)	**1,696,954**	1,494,186	**1,645,402**	1,455,376
	2,623,865	2,292,867	**2,551,482**	2,237,307

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Commercial loans				
Peso-denominated loans	**6.32 - 6.44**	6.24 - 6.44	**6.32 - 6.44**	6.24 - 6.44
Foreign currency-denominated loans	**5.81 - 7.27**	6.38 - 6.81	**5.81 - 7.27**	6.38 - 6.81
Real estate mortgages	**7.25 - 8.44**	7.17 - 8.23	**7.25 - 8.44**	7.17 - 8.23
Auto loans	**10.23 - 38.14**	11.03 - 39.40	**10.23 - 38.14**	11.08 - 39.40
Others	**5.34 - 49.55**	16.85 - 49.41	**0.00 - 5.34**	0.00 - 28.37

For credit cards, the Parent Bank is compliant with BSP Circular No. 1165 which allows banks to impose an interest or finance charge on all credit card transactions not to exceed an annual interest rate of 36% except credit card installment loans which shall be subject to monthly add-on rate not exceeding 1%.

Interest income from loans and advances recognized in the statement of income for the year ended December 31, 2025 amounts to P183,758 million (2024 - P159,594 million; 2023 - P120,900 million) and P168,423 million (2024 - P148,062 million; 2023 - P114,050 million) for the BPI Group and the Parent Bank, respectively.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	**406,920**	348,232	**404,960**	346,616
Project assets	**166,182**	162,641	**166,182**	162,641
Chattel mortgage	**117,501**	94,493	**117,474**	94,488
Others	**61,239**	48,507	**61,208**	48,482
	751,842	653,873	**749,824**	652,227
Unsecured loans	**1,853,082**	1,620,879	**1,784,816**	1,568,482
	2,604,924	2,274,752	**2,534,640**	2,220,709

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

11 Bank premises, furniture, fixtures and equipment, net

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

Consolidated

	2025			
	Land	Buildings and leasehold improvements	Furniture and equipment	**Total**
	(In Millions of Pesos)			
Cost				
January 1, 2025	2,986	38,122	16,940	**58,048**
Additions	68	6,337	2,563	**8,968**
Disposals	(1)	(6,393)	(823)	**(7,217)**
Transfers	8	(33)	22	**(3)**
Other changes	-	287	(53)	**234**
December 31, 2025	**3,061**	**38,320**	**18,649**	**60,030**
Accumulated depreciation				
January 1, 2025	-	21,909	14,930	**36,839**
Depreciation and amortization	-	3,359	1,398	**4,757**
Disposals	-	(6,044)	(561)	**(6,605)**
Transfers	-	(33)	22	**(11)**
Other changes	-	9	(47)	**(38)**
December 31, 2025	**-**	**19,200**	**15,742**	**34,942**
Net book value, December 31, 2025	**3,061**	**19,120**	**2,907**	**25,088**

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

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

Parent

	2025			
	Land	Buildings and leasehold improvements	Furniture and equipment	**Total**
	(In Millions of Pesos)			
Cost				
January 1, 2025	2,977	34,424	16,129	**53,530**
Additions	67	5,800	2,424	**8,291**
Disposals	(1)	(5,687)	(815)	**(6,503)**
Transfers	-	(33)	26	**(7)**
Other changes	-	306	(46)	**260**
December 31, 2025	**3,043**	**34,810**	**17,718**	**55,571**
Accumulated depreciation				
January 1, 2025	-	19,519	14,252	**33,771**
Depreciation and amortization	-	2,921	1,332	**4,253**
Disposals	-	(5,338)	(554)	**(5,892)**
Transfers	-	(33)	26	**(7)**
Other changes	-	-	(48)	**(48)**
December 31, 2025	**-**	**17,069**	**15,008**	**32,077**
Net book value, December 31, 2025	**3,043**	**17,741**	**2,710**	**23,494**

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

As at December 31, 2025, the BPI Group has recognized construction-in-progress amounting to P3.87 billion (2024 - P2.10 billion) in relation to the redevelopment of its main office, of which P1.99 billion relates to costs incurred in 2025 (2024 - P650.84 million).

In 2025, the Parent Bank entered into a memorandum of agreement with a related party to sell a portion of its main office. As at December 31, 2025, the Parent Bank is yet to receive regulatory approvals on the transaction. The expected amount of margin from the future sale is not material to the consolidated financial statements of the BPI Group.

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

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

Depreciation and amortization charges are included in “Occupancy and equipment-related expenses” category in the statement of income.

In 2025, the Parent Bank realized a gain of P408 million (2024 - P216 million; 2023 - P420 million) (Note 19) from the disposal of various assets including certain bank premises, furniture, fixtures and equipment.

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

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

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

12 Investments in subsidiaries and associates, net

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Carrying value (net of impairment)				
Investments at equity method	**13,047**	10,904	**-**	-
Investments at cost method	**-**	-	**19,822**	19,165
	13,047	10,904	**19,822**	19,165

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

Name of entity	Place of business/ country of incorporation	Percentage of ownership interest		Acquisition cost	
		2025	2024	**2025**	2024
		(in %)		In Millions of Pesos)	
Global Payments Asia-Pacific Philippines, Incorporated	Philippines	**49.00**	49.00	**1,342**	1,342
AF Payments, Inc. (AFPI)	Philippines	**20.00**	20.00	**1,140**	1,140
BPI AIA Life Assurance Corporation (formerly BPI-Philamlife Assurance Corporation)	Philippines	**47.97**	47.97	**390**	390
BPI Century Tokyo Lease and Finance Corporation	Philippines	**49.00**	49.00	**316**	316
Beacon Property Ventures, Inc.	Philippines	**20.00**	20.00	**72**	72
CityTrust Realty Corporation	Philippines	**40.00**	40.00	**2**	2
Unicon Insurance and Reinsurance Brokers Corporation	Philippines	**40.00**	40.00	**148**	148
				3,410	3,410

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

	2025	2024
	(In Millions of Pesos)	
Acquisition cost		
At January 1	**3,410**	3,181
Impact of merger	**-**	148
Additions during the year	**-**	81
At December 31	**3,410**	3,410
Accumulated equity in net income		
At January 1	**7,524**	4,920
Share in net income for the year*	**3,205**	2,738
Dividends received	**(1,317)**	(134)
At December 31	**9,412**	7,524
Accumulated share in other comprehensive income		
At January 1	**110**	326
Share in other comprehensive income (loss) for the year	**255**	(216)
At December 31	**365**	110
Allowance for impairment	**(140)**	(140)
	13,047	10,904

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

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

	2025	2024
	(In Millions of Pesos)	
Total assets	**136,117**	137,610
Total liabilities	**108,857**	114,882
Total revenues	**28,991**	30,386
Total net income	**6,660**	5,556

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

	Acquisition cost		Allowance for impairment		Carrying value	
	2025	2024	**2025**	2024	**2025**	2024
	(In Millions of Pesos)					
Subsidiaries						
BPI Europe Plc.	**7,180**	7,180	**-**	-	**7,180**	7,180
BPI Direct BanKo, Inc., A Savings Bank (BanKo)	**2,509**	2,509	**-**	-	**2,509**	2,509
Legazpi Savings Bank, Inc. (LSB)	**2,800**	2,050	**-**	-	**2,800**	2,050
BPI Wealth	**1,512**	1,512	**-**	-	**1,512**	1,512
BPI Payments Holdings Inc.	**982**	892	**(871)**	(700)	**111**	192
BPI Wealth Singapore Pte. Ltd.	**878**	878	**-**	-	**878**	878
Ayala Plans, Inc.	**864**	864	**-**	-	**864**	864
BPI Capital Corporation	**623**	623	**-**	-	**623**	623
FGU Insurance Corporation	**303**	303	**-**	-	**303**	303
BPI Forex Corp.	**195**	195	**-**	-	**195**	195
BPI Wealth Hong Kong Ltd.	**143**	143	**-**	-	**143**	143
Santiago Land Development Corporation	**140**	140	**-**	-	**140**	140
BPI Remittance Centre (HK) Ltd.	**132**	132	**-**	-	**132**	132
First Far East Development Corporation	**91**	91	**-**	-	**91**	91
FEB Stock Brokers, Inc.	**25**	25	**-**	-	**25**	25
BPI Computer Systems Corp.	**23**	23	**-**	-	**23**	23
Others	**23**	35	**-**	-	**23**	35
Associates	**2,270**	2,270	**-**	-	**2,270**	2,270
	20,693	19,865	**(871)**	(700)	**19,822**	19,165

In 2025, the Parent Bank made additional capital infusion to LSB amounting to P750 million (2024 - P750 million), and BPHI amounting to P90 million (2024 - P80 million). In 2024, the Parent Bank made additional capital infusion to BPI Direct BanKo, and BPI Wealth Singapore Pte. Ltd. amounting to P500 million and Singaporean Dollars (SGD) 20 million equivalent to P878 million, respectively. Further, the Parent Bank entered into an Assignment Agreement with BPI Wealth to transfer the trust accounts acquired from merger of with RBC accounted for as additional capital contribution of P10 million.

The merger between BPI and RBC involves the acquisition of RBC's investments in various entities. Investments in associate and subsidiary consists of investments in Unicon Insurance Brokers Corporation (UIBC) and LSB. UIBC is an insurance brokerage company while LSB, 99.94% owned by the Parent Bank, is a thrift bank with teacher's loans as its main product offering.

In 2024, BPI Wealth Singapore Pte. Ltd. issued the SGD20 million ordinary shares to Parent Bank. In 2025, the entity obtained its Capital Markets Services (CMS) License from the Monetary Authority of Singapore (MAS) under the Securities and Futures Act of 2001 (SFA), authorizing it to conduct fund management activities for Accredited and Institutional Investors as defined under the SFA. The entity commenced operations on October 1, 2025 following the approval of the license.

BPI/MS Insurance Corporation

BPI/MS Insurance Corporation was incorporated on September 4, 2006. As at December 31, 2025 and 2024, it is 50.85% owned by BPI. BPI/MS primarily carries on and engages in the business of insurance, reinsurance, bonding, fidelity and guaranty in any and all branches, and acts as agent of other insurance or surety companies, except life insurance.

The proportion of equity interest held by non-controlling interests is 49.15 for the years ended December 31, 2025 and 2024. Dividends paid to the non-controlling interest for the year ended December 31, 2025 amounted to P158.26 millions (2024 - P159.79 millions).

The summarized financial information of BPI/MS Insurance Corporation as at and for the years ended December 31, 2025 and 2024 are provided below. This information is based on amounts before inter-company eliminations.

	December 31, 2025	December 31, 2024
Statement of financial position		
Total assets	**20,661**	18,944
Total liabilities	**16,044**	14,520
Total equity	**4,617**	4,424

	For the years ended December 31	
	2025	2024
Statement of comprehensive income		
Revenue	**4,594**	3,885
Net income	**470**	385
Total comprehensive income	**470**	394

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

Critical accounting estimate - Impairment of investments in subsidiaries and associates

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

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

The BPI Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Management has not identified any indicators of impairment as at December 31, 2025 and 2024 in its subsidiaries apart from BPHI.

In 2025, the Parent Bank recognized an impairment loss of P171 million in its investment in BPHI due to financial losses incurred by BPHI's associate, AFPI (2024 - P28 million).

For the 2025 and 2024 reporting periods, the recoverable amount of the subsidiary was determined based on the higher between fair value less cost to sell and value-in-use (VIU) calculations which require the use of assumptions. The VIU calculations use cash flow projections based on financial budgets approved by management.

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

13 Deferred income taxes

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Deferred income tax assets				
Allowance for credit and impairment losses	**16,226**	14,879	**14,727**	13,916
Pension liability	**2,500**	2,319	**2,448**	2,254
Provisions	**825**	832	**757**	767
Others	**318**	480	**393**	476
Total deferred income tax assets	**19,869**	18,510	**18,325**	17,413
Deferred income tax liabilities				
Unrealized gain on assets	**(130)**	(103)	**(39)**	(39)
Others	**(573)**	(206)	**(560)**	(191)
Total deferred income tax liabilities	**(703)**	(309)	**(599)**	(230)
Deferred income tax assets, net	**19,166**	18,201	**17,726**	17,183

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Beginning of the year	**18,201**	18,185	**17,183**	17,536
Impact of merger	**-**	860	**-**	782
Amounts recognized in statement of income	**676**	(746)	**201**	(1,060)
Amounts recognized in other comprehensive income	**289**	(98)	**342**	(75)
End of the year	**19,166**	18,201	**17,726**	17,183

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

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Allowance for impairment	**(1,282)**	1,286	99	**(811)**	1,580	280
Pension	**(112)**	155	(629)	**(106)**	144	(606)
Others	**718**	(695)	(105)	**716**	(664)	(93)
	(676)	746	(635)	**(201)**	1,060	(419)

Critical accounting judgment - Realization of deferred income tax assets

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

14 Other assets, net

The account at December 31 consists of the following:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Goodwill	**9,518**	9,518	**9,518**	9,518
Intangible assets	**8,008**	9,206	**7,435**	8,636
Accounts receivable	**4,788**	3,806	**6,304**	6,058
Prepaid expenses	**2,978**	2,926	**2,874**	2,842
Documentary stamp taxes	**2,349**	1,113	**2,272**	1,040
Advances to suppliers	**1,417**	762	**1,417**	762
Sundry debits	**1,094**	3,197	**1,007**	3,196
Accrued trust and other fees	**1,008**	857	**152**	134
Rental deposits	**945**	905	**888**	851
Creditable withholding tax	**617**	557	**390**	367
Investment properties	**54**	62	**44**	51
Miscellaneous assets	**4,815**	7,688	**4,175**	7,236
	37,591	40,597	**36,476**	40,691
Allowance for impairment	**(2,440)**	(1,995)	**(2,372)**	(1,919)
	35,151	38,602	**34,104**	38,772

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

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

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

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

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

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

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

Miscellaneous assets include creditable withholding taxes, input value added tax, security deposits with partner stores, pension asset from benefits forfeited from separated employees and stationery and supplies.

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

	Note	Consolidated		Parent	
		2025	2024	**2025**	2024
		(In Millions of Pesos)			
Beginning of the year		**1,995**	1,108	**1,919**	1,019
Provision for impairment losses	26	**613**	1,064	**700**	1,044
Transfer/reallocation		**(12)**	(38)	**(100)**	(5)
Write-off		**(156)**	(139)	**(147)**	(139)
End of the year		**2,440**	1,995	**2,372**	1,919

Other assets are expected to be realized as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**19,805**	21,581	**19,386**	22,340
Non-current (over 12 months)	**17,786**	19,016	**17,090**	18,351
	37,591	40,597	**36,476**	40,691

Critical accounting estimate - Useful lives of intangible assets

The BPI Group determines the estimated useful lives of its intangible assets with finite useful life based on the period over which the asset is expected to generate economic benefits. The BPI Group amortizes intangible assets with a finite useful life, using the straight-line method. Amortization begins when the asset is available for use and ends when it is derecognized or classified as held for sale.

For the year ended December 31, 2025, the BPI Group and the Parent Bank recognized amortization expense attributable to intangible assets amounting to P1,151 million (2024 - P1,047 million; 2023 - P2,708 million) and P1,145 million (2024 - P1,026 million; 2023 - P2,689 million), respectively.

The BPI Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the carrying values of intangible assets.

Critical accounting estimates - Impairment of goodwill

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

The Parent Bank performs assessment of goodwill impairment on an annual basis. For 2025, the recoverable amount of cash-generating unit (CGU) was determined based on value in use calculations which require the use of assumptions. The CGU is defined as the combined Parent Bank and RBC operations since the accounts migrated to the Parent Bank's systems are no longer identified separately and are co-mingled with other accounts. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The following are the key assumptions used in the goodwill impairment assessment:

Interest income volume (% annual growth rate)	10.57%
Other income volume (% annual growth rate)	13.17%
Budgeted gross margin (%)	11.55%
Growth rate	6.00%
Discount rate	11.00%

As at December 31, 2025 and 2024, management assessed that the goodwill is not impaired as the recoverable amount is higher than the carrying amount of the CGU.

15 Deposit liabilities

The account at December 31 consists of:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Demand	**431,962**	426,789	**437,014**	428,977
Savings	**1,291,009**	1,225,451	**1,262,039**	1,207,114
Time	**1,115,554**	962,562	**1,067,443**	928,044
	2,838,525	2,614,802	**2,766,496**	2,564,135

Deposit liabilities include amounts due to related parties (Note 24).

Deposit liabilities are expected to be settled as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**1,645,460**	1,465,575	**1,584,125**	1,425,359
Non-current (over 12 months)	**1,193,065**	1,149,227	**1,182,371**	1,138,776
	2,838,525	2,614,802	**2,766,496**	2,564,135

In 2025, the interest rate on demand and savings deposit ranges from 0.05% to 0.17% (2024 - 0.06% to 0.13%) and 0.05% to 0.08% (2024 - 0.06% to 0.09%) for the BPI Group and Parent Bank, respectively. The interest rate on time deposit ranges from 4.82% to 5.46% (2024 - 5.39% to 5.52%) and 4.79% to 5.44% (2024 - 5.34% to 5.50%) for the BPI Group and Parent Bank, respectively.

In 2019, the Parent Bank issued the first tranche of long-term negotiable certificates of deposit (LTNCD) amounting to P3 billion out of the established P50-billion LTNCD program approved by the BSP. The LTNCD paid interest on a quarterly basis at a rate of 4% per annum and carried a tenor of 5.5 years. These deposits matured on April 25, 2025.

Related interest expense on deposit liabilities is presented below:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Demand	**260**	263	248	**260**	264	248
Savings	**2,269**	2,343	2,115	**1,528**	1,956	2,065
Time	**53,040**	50,575	33,664	**50,565**	48,439	32,621
	55,569	53,181	36,027	**52,353**	50,659	34,934

BSP reserve requirement

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

In 2025, the BSP approved the reduction in minimum reserve requirement against deposit and deposit substitute liabilities for universal and commercial banks to 5% from 7% and for thrift banks to 0% from 1% effective March 28, 2025 by virtue of BSP Circular No. 1211. These rates continue for the remaining period of 2025 from the date of effectivity.

Reserves must be set aside in deposits with the BSP. BSP Memorandum Circular No. M-2025-040 issued on December 12, 2025 mandates the reserve weeks of December 19 to 25, 2025 and December 26, 2025 to January 1, 2026 shall be considered as a single reserve week for the purpose of computing compliance with the reserve requirements. The BPI Group is in full compliance with the reserve requirement as at December 31, 2025 and 2024.

16 Bills payable and other borrowed funds

The account at December 31 consists of:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Bills payable				
Local banks	**15,298**	8,082	**15,004**	7,983
Foreign banks	**49,874**	47,614	**49,874**	47,614
Other borrowed funds	**158,261**	107,486	**158,261**	107,486
	223,433	163,182	**223,139**	163,083

Bills payable

Bills payable include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group in accordance with the agreed financing programs. The payment terms of these bills payable ranges from 2 days to 5 years (2024 - 6 days to 5 years).

As a result of the merger with RBC, BPI assumed peso-denominated borrowings with the Development Bank of the Philippines. As at December 31, 2025, the carrying amount of the borrowings amounts to P4,990 million (2024 - P4,983 million) and is presented as part of bills payable to local banks.

On August 24, 2023, the Parent Bank signed a facility agreement for an unsecured syndicated term loan amounting to US Dollars (USD) 300 million, with Philippine peso equivalent of P16,494 million. The three-year loan bears a floating interest payable on a quarterly basis commencing in November 2023 and was originally scheduled to mature on August 24, 2026. As at December 31, 2024, it has a carrying amount of P17,274 million. On August 29, 2025, the Parent Bank prepaid the loan in full ahead of its maturity. No pretermination fees were incurred upon full prepayment of the loan. The bills payable was presented under foreign banks.

In early 2025, the Parent Bank entered into bilateral loan agreements with three foreign banks, obtaining a total facility amount of USD 300 million with Philippine peso equivalent of P17,592 million. The facilities carry floating rates, with interest payable quarterly. Maturities of these bilateral loans range from two to three years.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Private firms and local banks - Peso - denominated	**0.52 - 6.09**	5.94 - 7.00	**0.52 - 6.09**	5.94 - 7.00
Foreign banks - Foreign currency-denominated	**3.87 - 4.98**	4.40 - 7.23	**3.89 - 4.98**	4.40 - 6.33

Other borrowed funds

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

(a) Peso Bond and Commercial Paper Program

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

Details of the outstanding balances as at December 31, 2025 and December 31, 2024 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
					(In Millions of Pesos)	
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	November 13, 2023	6.43%	May 13, 2025	36,661	**-**	36,586
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	August 9, 2024	6.20%	February 9, 2026	33,700	**33,678**	33,485

On October 16, 2024, the BOD of the Parent Bank approved the establishment of a P200 billion Bond Program to be issued in one or more tranches over a period of three years following the full utilization of the Bank's Bond Program established in 2022. On June 10, 2025, BPI issued the first tranche called BPI Supporting Inclusion, Nature and Growth Bonds ("BPI SINAG Bonds"). The net proceeds of P36,801 million were used for the financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework with outstanding balance as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
					(In Millions of Pesos)	
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	June 10, 2025	5.85%	December 10, 2026	40,000	**39,783**	-

(b) Medium-Term Note (MTN) Program

On June 21, 2018, the BOD of the Parent Bank approved the establishment of the MTN Program in the aggregate amount of up to USD 2,000 million. On December 13, 2023, the BOD approved the increase in size of this program to USD 3,000 million. Details of outstanding balances as at December 31, 2025 and December 31, 2024 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
					(In Millions of Pesos)	
USD 400 million, 5-year senior unsecured fixed rate bonds	March 26, 2024	5.25%	March 26, 2029	23,516	**23,379**	22,967
USD 500 million, 5-year senior unsecured fixed rate bonds	April 7, 2025	5.00%	April 7, 2030	29,395	**29,177**	-
USD 300 million, 10-year senior unsecured fixed rate bonds	April 7, 2025	5.63%	April 7, 2035	17,637	**17,552**	-

(c) Private Placement

On August 25, 2023, the Parent Bank issued a green bond amounting to USD 250 million with the International Finance Corporation as the sole subscriber. The bond carries floating interest payable on a semi-annual basis. The bond is unconditional, unsecured and unsubordinated and is expected to mature on August 25, 2026. As at December 31, 2025, the carrying amount of the bond amounts to P14,692 million (2024 - P14,448 million).

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

	Consolidated			**Parent**		
	2025	2024	2023	**2025**	2024	2023
			(In Millions of Pesos)			
Bills payable	**3,253**	2,727	1,050	**3,237**	2,585	811
Other borrowed funds	**8,416**	6,460	4,145	**8,416**	6,460	4,145
	11,669	9,187	5,195	**11,653**	9,045	4,956

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

	Consolidated		**Parent**	
	2025	2024	**2025**	2024
		(In Millions of Pesos)		
At January 1	**163,182**	137,104	**163,083**	133,726
Impact of merger	**-**	14,952	**-**	14,952
Additions	**278,737**	392,738	**256,316**	360,659
Maturities/repayments	**(221,339)**	(384,648)	**(199,111)**	(349,140)
Amortization of discount	**516**	478	**516**	478
Exchange differences	**2,337**	2,558	**2,335**	2,408
At December 31	**223,433**	163,182	**223,139**	163,083

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**127,721**	70,025	**127,427**	69,926
Non-current (over 12 months)	**95,712**	93,157	**95,712**	93,157
	223,433	163,182	**223,139**	163,083

17 Deferred credits and other liabilities

The account at December 31 consists of the following:

		Consolidated		Parent	
	Notes	**2025**	2024	**2025**	2024
		(In Millions of Pesos)			
Accounts payable		**12,333**	8,180	**10,572**	7,229
Lease liabilities	20	**9,989**	9,824	**8,846**	8,641
		7,654	14,968	**7,654**	14,968
Bills purchased - contra					
Pension and other employment benefits	23	**5,691**	4,516	**5,529**	4,295
Other deferred credits		**3,038**	3,215	**3,037**	3,215
Outstanding acceptances		**3,035**	3,238	**3,035**	3,238
Due to the Treasurer of the Philippines		**2,290**	1,552	**2,277**	1,541
Withholding tax payable		**2,058**	1,962	**1,965**	1,871
Miscellaneous liabilities		**8,746**	8,764	**7,859**	8,052
		54,834	56,219	**50,774**	53,050

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

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

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

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

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

The account is expected to be settled as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**42,221**	46,481	**39,002**	42,908
Non-current (over 12 months)	**12,613**	9,738	**11,772**	10,142
	54,834	56,219	**50,774**	53,050

18 Capital funds

(a) Share capital

Details of authorized share capital of the Parent Bank follow:

	2025	2024	2023
	(In Millions of Pesos, except par value per share)		
Authorized capital (at P10 par value per share)			
Common shares	**54,000**	54,000	54,000
Preferred A shares	**600**	600	600
	54,600	54,600	54,600

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

	2025	2024	2023
	(In absolute number of shares)		
Common shares			
At January 1	**5,272,095,143**	4,945,197,291	4,919,307,531
Subscription of shares during the year	**11,699,080**	12,893,860	25,889,760
Impact of merger	**-**	314,003,992	-
At December 31	**5,283,794,223**	5,272,095,143	4,945,197,291
	(In absolute amounts of Pesos)		
Subscription receivable	**90,517,927**	111,000,871	144,726,145

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

As at December 31, 2025, the Parent Bank has a subscription receivable representing the amortization of Executive Stock Purchase Plan (ESPP) shares in excess of par value and booked against share premium amounting to P532 million (2024 - P411 million; 2023 - P342 million).

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

As at December 31, 2025, 2024 and 2023, the Parent Bank has 11,594, 11,641 and 11,760 common shareholders, respectively. There are no preferred shares issued and outstanding at December 31, 2025, 2024 and 2023.

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

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

BPI and RBC merger

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

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

(b) Reserves

The account consists of:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
General loan loss provision	**15,890**	10,274	-	**15,890**	10,274	-
Reserve for trust business	**400**	400	400	**-**	-	-
Executive stock option plan amortization	**21**	17	49	**8**	4	36
Reserve for trading participants	**73**	73	73	**-**	-	-
Reserve for self-insurance	**34**	34	34	**34**	34	34
Merger reserves	**-**	-	-	**32,905**	32,905	32,905
Others	**93**	91	87	**-**	-	-
	16,511	10,889	643	**48,837**	43,217	32,975

General loan loss provision (GLLP)

In 2018, the BSP issued Circular 1011 which mandates among others, banks to set up GLLP equal to 1% of all outstanding "Stage 1" on-balance sheet loans, except for accounts considered as credit risk-free under existing regulations. Under the said Circular, if the PFRS 9 "Stage 1" loan loss allowance is lower than the required GLLP, the deficiency shall be recognized as an appropriation of retained earnings or surplus. As at December 31, 2025, the Parent Bank appropriated P15,890 million (2024 - P10,274 million) out of surplus representing the excess of GLLP over PFRS 9 Stage 1 loan loss allowance to meet the requirements of the BSP.

Reserve for trust business

In compliance with existing BSP regulations, 10% of income from trust business of BPI Wealth, a wholly-owned subsidiary of the Parent Bank, should be appropriated to surplus reserve. This appropriation is required until the surplus reserve for trust business reaches 20% of BPI Wealth's regulatory net worth. As at December 31, 2023, the appropriated reserve is already equivalent to 20% of its authorized capital, hence, no additional appropriation required for 2024 and 2025.

Reserve for trading participants

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

Reserve for self-insurance

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

Merger reserves

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

Share-based compensation plan

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

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

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

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

	2025	2024	2023
At January 1	**3,260,620**	5,966,559	9,866,999
Granted	**-**	-	-
Exercised	**(1,545,526)**	(2,552,606)	(3,900,440)
Cancelled	**(1)**	(153,333)	-
At December 31	**1,715,093**	3,260,620	5,966,559
Exercisable	**1,715,093**	3,260,620	5,966,559

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

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

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

The subscription price for 2025 ESPP is equivalent to 15% below the volume weighted average price of BPI share for 30-trading days prior to the grant date. The subscribed shares will vest over a period of three (3) years from grant date. The 2025 ESPP was granted on April 22, 2025 and subscriptions were received on May 10, 2025.

(c) Accumulated other comprehensive loss

Details of and movements in the account are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Fair value reserve on financial assets at FVOCI						
At January 1	**(4,063)**	(2,893)	(8,058)	**(3,551)**	(2,303)	(7,465)
Unrealized fair value gain before tax	**6,519**	997	6,996	**6,547**	917	7,005
Amount recycled to profit or loss	**(3,563)**	(2,350)	(947)	**(3,563)**	(2,349)	(947)
Deferred income tax effect	**(189)**	183	(884)	**(183)**	184	(896)
At December 31	**(1,296)**	(4,063)	(2,893)	**(750)**	(3,551)	(2,303)
Share in other comprehensive gain (loss) of insurance subsidiaries						
At January 1	**(22)**	(30)	(80)	**-**	-	-
Share in other comprehensive income (loss) for the year	**55**	10	63	-	-	-
Deferred income tax effect	**(11)**	(2)	(13)	-	-	-
At December 31	**22**	(22)	(30)	-	-	-
Share in other comprehensive income (loss) of associates						
At January 1	**72**	292	(162)	**-**	-	-
Share in other comprehensive income (loss) for the year	**246**	(220)	454	**-**	-	-
At December 31	**318**	72	292	**-**	-	-
Translation adjustment on foreign operations						
At January 1	**(287)**	(636)	(582)	**-**	-	-
Translation differences and others	**202**	349	(54)	**-**	-	-
At December 31	**(85)**	(287)	(636)	**-**	-	-
Cash flow hedge reserves						
At January 1	**(1)**	-	-	**(1)**	-	-
Translation differences and others	**8**	(1)	-	**8**	(1)	-
At December 31	**7**	(1)	-	**7**	(1)	-
Remeasurements of defined benefit obligation, net						
At January 1	**(8,339)**	(7,860)	(5,374)	**(7,170)**	(6,773)	(4,378)
Actuarial (loss) gain for the year	**(1,547)**	(399)	(3,434)	**(1,562)**	(323)	(3,342)
Deferred income tax effect	**334**	(80)	948	**350**	(74)	947
At December 31	**(9,552)**	(8,339)	(7,860)	**(8,382)**	(7,170)	(6,773)
	(10,586)	(12,640)	(11,127)	**(9,125)**	(10,722)	(9,076)

(d) Dividend declarations

Cash dividends

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

Date declared	Amount of dividends	
	Per share	Total
		(In Millions of Pesos)
For the year ended December 31, 2025		
May 21, 2025	2.08	10,990
November 19, 2025	2.28	12,047
		23,037
For the year ended December 31, 2024		
May 15, 2024	1.98	10,439
November 20, 2024	1.98	10,439
		20,878
For the year ended December 31, 2023		
May 17, 2023	1.68	7,626
November 15, 2023	1.68	8,308
		15,934

Property dividends

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

(e) Earnings per share (EPS)

EPS is calculated as follows:

	Consolidated			**Parent**		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos, except earnings per share amounts)					
a) Net income attributable to equity holders of the Parent Bank	**66,615**	62,049	51,687	**61,828**	56,384	50,053
b) Weighted average number of common shares outstanding (in millions)	**5,280**	5,266	4,741	**5,280**	5,266	4,741
c) Basic EPS (a/b) based on net income	**12.62**	11.78	10.90	**11.71**	10.71	10.56

The basic and diluted EPS are the same for the years presented as the impact of stock options outstanding is not significant to the calculation of weighted average number of common shares.

19 Other income

(a) Fees and commission

Details of fees and commission are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Service charges	**11,734**	11,812	9,673	**11,074**	11,055	9,000
Bank commissions	**2,881**	2,694	2,168	**2,899**	2,689	2,166
Underwriting fees	**845**	456	693	**-**	-	-
Stock brokerage fees	**217**	200	183	**-**	-	-
	15,677	15,162	12,717	**13,973**	13,744	11,166

Service charges represent service fees and processing fees collected from customers.

Bank commissions include foreign and domestic commissions collected for services rendered.

(b) Other operating income

Details of other operating income are as follows:

		Consolidated			Parent		
	Notes	**2025**	2024	2023	**2025**	2024	2023
		(In Millions of Pesos)					
Credit card income		**9,515**	8,089	6,209	**9,518**	8,089	6,209
Trust and asset management fees		**5,365**	4,983	4,211	**-**	-	2
Gain on sale of assets	11	**417**	247	407	**408**	216	420
Rental income		**130**	141	135	**156**	156	167
Dividend income	8	**91**	93	100	**3,792**	1,505	3,066
Miscellaneous income		**4,248**	4,056	3,205	**3,691**	3,606	2,877
		19,766	17,609	14,267	**17,565**	13,572	12,741

Dividend income recognized by the Parent Bank substantially pertains to dividend distributions of subsidiaries.

Miscellaneous income includes recoveries on charged-off assets, fees arising from service arrangements with customers and related parties and share in net income (loss) of associates.

20 Leases

The BPI Group (as lessee) has various lease agreements which mainly pertain to branch premises and equipment. Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes. The balances arising from the lease contracts are presented below:

Right-of-use assets and lease liabilities (PFRS 16)

Details of right-of-use assets and lease liabilities as at December 31 are as follows:

		Consolidated		Parent	
	Notes	**2025**	2024	**2025**	2024
		(In Millions of Pesos)			
Right-of-use assets					
Buildings and leasehold improvements	11	8,482	8,287	7,452	7,177
Lease liabilities (included in "Deferred credits and other liabilities")	17				
Current		3,090	2,964	2,642	2,665
Non-current		6,899	6,860	6,204	5,976
		9,989	9,824	8,846	8,641

Additions to the right-of-use assets in 2025 aggregated P2,670 million (2024 - P1,862 million) and P2,363 million (2024 - P1,469 million) for BPI Group and Parent bank, respectively. Total cash outflow for leases in 2025 amounted to P2,885 million (2024 - P2,438 million) and P2,482 million (2024 - P2,096 million) for BPI Group and Parent bank, respectively.

Lease contracts assumed from the merger with RBC mostly pertain to building and parking spaces with terms ranging from 2 to 10 years. The lease contracts are cancellable upon mutual agreement of the parties or renewable at the Parent Bank's option. Additions to the right-of-use asset due to the impact of merger amounted to P411 million (Note 11).

Amounts recognized in the statement of income relating to leases:

		Consolidated		Parent	
	Note	**2025**	2024	**2025**	2024
		(In Millions of Pesos)			
Depreciation expense					
Buildings and leasehold improvements	11	**2,455**	2,278	**2,093**	1,965
Interest expense (included in "Occupancy and equipment-related expenses")		**459**	372	**376**	293
Expense relating to short-term leases (included in "Occupancy and equipment-related expenses")		**326**	450	**321**	449
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in "Occupancy and equipment-related expenses")		**691**	511	**607**	452
		3,931	3,611	**3,397**	3,159

The BPI Group has received COVID-19 related rent discount and deferral of the escalation of lease payments and has applied the practical expedients allowed under PFRS 16, *Leases*, introduced in May 2020 in accounting for the rent concessions. Consequently, the BPI Group recognized the following amounts for the years ended December 31:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Rent concession (included in "Other operating income")	**-**	1	**-**	1

Critical accounting judgment - Determining the lease term

In determining the lease term, the BPI Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Critical accounting judgment - Determining the incremental borrowing rate

To determine the incremental borrowing rate, each entity within the BPI Group:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held which do not have recent third-party financing; and
- makes adjustments specific to the lease (e.g. term, currency and security).

The BPI Group's weighted average incremental borrowing rates applied to the lease liabilities ranged from 4.39% to 6.61% (2024 - 4.08% to 6.84%). The rates were determined in reference to the borrowing rates arising from the most recent debt issuances of the Parent Bank.

21 Operating expenses

(a) Compensation and fringe benefits

Details of the account for the years ended December 31 are as follows:

		Consolidated			Parent		
	Note	**2025**	2024	2023	**2025**	2024	2023
		(In Millions of Pesos)					
Salaries and wages		**24,362**	23,423	18,600	**21,193**	20,562	16,320
Retirement expense	23	**1,598**	1,450	1,232	**1,500**	1,363	1,148
Other employee benefit expenses		**4,320**	4,066	3,389	**3,648**	3,289	2,842
		30,280	28,939	23,221	**26,341**	25,214	20,310

Other employee benefit expenses pertain to employee incentives, HMO coverage and SSS premiums.

(b) Occupancy and equipment-related expenses

The account primarily consists of depreciation and amortization of bank premises, furniture and equipment, interest expense on lease liability, expenses related to short-term leases and leases of low-value assets and technology-related expenses. For the year ended December 31, 2025, the technology-related expenses amounted to P18,796 million (2024 - P16,721 million; 2023 - P14,685 million) and P17,393 million (2024 - P15,607 million; 2023 - P13,850 million) for BPI Group and Parent Bank, respectively.

(c) Other operating expenses

Details of the account for the years ended December 31 are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
			(In Millions of Pesos)			
Fees and commissions	**10,958**	8,921	6,557	**10,630**	8,729	6,460
Insurance	**6,723**	6,371	5,204	**6,581**	6,256	5,140
Advertising	**5,278**	3,996	4,124	**4,432**	3,822	4,020
Travel and communication	**1,502**	1,685	1,575	**1,259**	1,484	1,414
Supervision and examination fees	**1,143**	999	963	**854**	774	783
Management and other professional fees	**967**	1,288	730	**832**	1,244	673
Litigation expenses	**796**	665	477	**780**	653	468
Taxes and licenses	**720**	634	224	**613**	554	165
Office supplies	**611**	579	428	**527**	502	363
Amortization expense	**471**	484	18	**467**	465	1
Others	**4,732**	4,103	3,577	**4,168**	2,921	2,655
	33,901	29,725	23,877	**31,143**	27,404	22,142

Fees and commissions consists primarily of service charges, expenses for outsourced services and fees related to membership licensing.

Insurance expense comprises mainly of premium payments made to PDIC and other product-related insurance costs.

Amortization expense includes the amortization of intangible assets acquired from the merger with RBC (Note 14).

Other expenses mainly include freight charges and other business expenses such as those incurred in staff meetings, donations, periodicals and magazines.

22 Income taxes

The reconciliation between the income tax expense at the statutory tax rate and the effective income tax for the years ended December 31 is shown below:

	Consolidated					
	2025		2024		2023	
	Amount	**Rate (%)**	Amount	Rate (%)	Amount	Rate (%)
			(In Millions of Pesos)			
Statutory income tax	**21,355**	**25.00**	19,936	25.00	16,303	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	**(1,471)**	**(1.72)**	(1,598)	(2.00)	(392)	(0.60)
Tax-exempt income	**(950)**	**(1.11)**	(1,715)	(2.15)	(1,134)	(1.74)
Others, net	**(359)**	**(0.43)**	880	1.10	(1,478)	(2.27)
Effective income tax	**18,575**	**21.74**	17,503	21.95	13,299	20.39

	Parent					
	2025		2024		2023	
	Amount	**Rate (%)**	Amount	Rate (%)	Amount	Rate (%)
			(In Millions of Pesos)			
Statutory income tax	**19,641**	**25.00**	18,109	25.00	15,559	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	**(461)**	**(0.59)**	(579)	(0.80)	(446)	(0.72)
Tax-exempt income	**(1,629)**	**(2.07)**	(1,683)	(2.32)	(1,872)	(3.01)
Others, net	**(817)**	**(1.04)**	206	0.28	(1,060)	(1.70)
Effective income tax	**16,734**	**21.30**	16,053	22.16	12,181	19.57

Capital Markets Efficiency Promotion Act

The Philippines' Republic Act No. 12214, also known as the *Capital Markets Efficiency Promotion Act* (CMEPA), was signed into law on May 29, 2025, to create a fairer and simpler tax system for passive income, encourage more savings and investments, support easier movement of capital, and attract more investment in stocks and debt securities. The law took effect on July 1, 2025.

The implementation of CMEPA did not have a material impact on the consolidated financial statements of the BPI Group as at and for the year ended December 31, 2025.

Base Erosion and Profit Shifting (BEPS) Pillar 2

The BPI Group is within the scope of the OECD Pillar Two model rules. As at December 31, 2025, Pillar Two legislation is not yet enacted in the Philippines, the jurisdiction in which the Parent Bank is incorporated. The BPI Group is in the process of assessing the possible impact of the Pillar Two legislation.

23 Retirement plans

The BPI Group maintains both defined benefit and defined contribution retirement plans. Assets of both retirement plans are held in trust and governed by local regulations and practices in the Philippines. The key terms of these pension plans are discussed below.

a) Defined benefit retirement plan

BPI Group (excluding non-life insurance subsidiaries, offshore subsidiaries and LSB)

BPI has a unified plan which covers all subsidiaries except insurance entities. Under this plan, the normal retirement age is 60 years. Those who elect to retire prior to the normal retirement age will require company approval, subject to meeting the eligibility conditions on age and years of credited services. The normal retirement benefit consists of a lump sum benefit equivalent to 200% of the employee's basic monthly salary at the time of retirement for each year of service, if the employee has rendered at least 10 years of service, or 150% of the basic monthly salary if the employee has rendered less than 10 years of service, plus the cash equivalent of accrued and unused vacation and sick leave, if any, subject to the BPI Group's implementing guidelines and policies. For voluntary retirement, the benefit is equivalent to 112.50% of the employee's basic monthly salary for a minimum of 10 years of service, with the rate factor progressing to a maximum of 200% for 25 or more years of service. The death or disability benefit shall be the highest amount among: (1) the benefit computed on the same basis as voluntary retirement; (2) an amount equivalent to 100% of the employee's basic monthly salary at the time of retirement for each year of service; and (3) the minimum amount required under the Labor Code.

The net defined benefit cost and contributions to be paid by the entities within the BPI Group are determined by an independent actuary.

With the merger of RBC with the Bank effective January 1, 2024, its retirement fund assets were also transferred to the BPI Group's retirement fund.

Non-life insurance subsidiary

BPI/MS Insurance Corporation has a separate trusteed defined benefit plan. Under the plan, the normal retirement age is 60 years. Normal retirement benefit consists of a lump-sum benefit equivalent to 175% of the employee's basic monthly salary at the time of retirement for each year of service, if the employee has rendered as least 10 years of service, or 150% of the basic monthly salary if the employee has rendered less than 10 years of service. The death or disability benefit for all employees of the non-life insurance subsidiary is determined on the same basis as the benefit applicable in normal or voluntary retirement, as the case may be.

LSB

LSB has a stand-alone non-contributory defined benefit plan covering all its regular and permanent employees. Under the retirement plan, all employees are entitled to cash benefits after satisfying certain age and service requirements. As at December 31, 2025, the pension liability amounts to P3 million (2024 - P9 million). The impact of LSB's pension plan is not considered material to the financial statements; thus, the disclosures were limited only to the information mentioned.

Following are the amounts recognized based on recent actuarial valuation exercise:

(a) Pension liability as at December 31 recognized in the statement of condition:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Present value of defined benefit obligation	**20,529**	19,860	**19,930**	19,304
Fair value of plan assets	**(15,026)**	(15,667)	**(14,401)**	(15,182)
	5,503	4,193	**5,529**	4,122
Effect of asset ceiling	**61**	33	**-**	-
	5,564	4,226	**5,529**	4,122

Pension liability is shown as part of Deferred credits and other liabilities in the statement of condition (Note 17).

The movements in plan assets are summarized as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
At January 1	**15,667**	14,103	**15,182**	13,722
Impact of merger	**-**	470	**-**	470
Contributions	**1,243**	1,213	**1,203**	1,165
Interest income	**866**	775	**839**	752
Benefit payments	**(2,539)**	(1,703)	**(2,481)**	(1,691)
Remeasurement (loss) gain - return on plan assets	**(211)**	1,539	**(342)**	1,494
Transfer from the plan	**-**	(730)	**-**	(730)
At December 31	**15,026**	15,667	**14,401**	15,182

The carrying values of the plan assets represent their fair value as at December 31, 2025 and 2024.

The plan assets comprised the following:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Debt securities	**9,224**	10,130	**8,840**	9,817
Equity securities	**4,055**	4,341	**3,886**	4,207
Others	**1,747**	1,196	**1,675**	1,158
	15,026	15,667	**14,401**	15,182

The plan assets of the unified retirement plan include investment in BPI's common shares with aggregate fair value of P3,024 million at December 31, 2025 (2024 - P2,747 million). An officer of the Parent Bank exercises the voting rights over the plan's investment in BPI's common shares.

Others include cash and cash equivalents and other receivables.

The movements in the present value of defined benefit obligation are summarized as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
At January 1	**19,860**	18,632	**19,304**	18,098
Impact of merger	**-**	471	**-**	471
Current service cost	**893**	863	**861**	826
Interest cost	**1,215**	1,124	**1,182**	1,091
Remeasurement - changes in financial assumptions	**26**	(76)	**25**	(73)
Remeasurement - experience adjustment	**1,074**	1,279	**1,033**	1,267
Benefit payments	**(2,539)**	(1,703)	**(2,481)**	(1,691)
Transfer from the plan	**-**	(730)	**6**	(685)
At December 31	**20,529**	19,860	**19,930**	19,304

Other than the regular funding contributions to the BPI Group's retirement fund, the transfer of RBC fund assets were also considered as presented above.

(b) Expense recognized in the statement of income for the years ended December 31 are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Current service cost	**893**	863	757	**861**	826	730
Net interest cost	**349**	349	229	**343**	339	228
	1,242	1,212	986	**1,204**	1,165	958

The principal assumptions used for the actuarial valuations of the unified plan are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Discount rate	**6.09%**	6.12%	**6.09%**	6.12%
Future salary increases	**6.00%**	6.00%	**6.00%**	6.00%

Assumptions regarding future mortality and disability experience are based on published statistics generally used for local actuarial valuation purposes.

The defined benefit plan typically exposes the BPI Group to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the BPI Group. However, the BPI Group believes that due to the long-term nature of the pension liability and the strength of the BPI Group itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the BPI Group's long-term strategy to manage the plan efficiently.

The BPI Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan.

The BPI Group's main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the trustor, as necessary to better ensure the appropriate asset-liability matching.

The BPI Group contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary engaged by management. The expected contributions for the year ending December 31, 2026 for the BPI Group and the Parent Bank amount to P1,421 billion and P1,375 billion, respectively. The weighted average duration of the defined benefit obligation under the BPI unified retirement plan as at December 31, 2025 is 5.26 years (2024 - 5.64 years).

The projected maturity analysis of retirement benefit payments as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Up to one year	**3,842**	3,845	**3,769**	3,754
More than 1 year to 5 years	**15,553**	14,575	**15,106**	14,163
More than 5 years to 10 years	**9,518**	9,837	**9,188**	9,545
More than 10 years to 15 years	**4,581**	4,569	**4,356**	4,340
More than 15 years to 20 years	**3,297**	3,319	**3,125**	3,139
Over 20 years	**2,883**	3,069	**2,695**	2,875

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as at December 31 follows:

Consolidated

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 4.6%**	**Increase by 5.0%**
Salary growth rate	1.00%	**Increase by 5.0%**	**Decrease by 4.6%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

Parent

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 4.6%**	**Increase by 5.0%**
Salary growth rate	1.00%	**Increase by 5.0%**	**Decrease by 4.6%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statement of condition.

b) Defined contribution (DC) retirement plan subject to the requirements of Republic Act (RA) No. 7641

All non-unionized employees hired on or after the January 1, 2016 are automatically under the new defined contribution plan. Employees hired prior to the effective date shall have the option to elect to become members of the new defined contribution plan.

Upon normal or late retirement, employees are entitled to a lump sum benefit equal to the total of the following amounts:

- The greater of the (a) updated member account balance where the company periodically contributes 8% of the basic monthly salary and (b) the minimum legal retirement benefit under the Labor Code; and
- The updated member account balance funded by (a) voluntary employee contribution and (b) employer matching contribution; and
- Cash equivalent of the accrued and unused vacation and sick leave, if any.

The defined contribution retirement plan has a defined benefit minimum guarantee equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the liability for the defined benefit minimum guarantee is actuarially calculated similar to the defined benefit plan.

Upon effectivity of the merger, the active employees of RBC were enrolled in the defined benefit plan. Subsequently, they were provided an option to participate to the BPI Group's defined contribution plan instead resulting to the transfer of P730 million representing the initial balance offer.

The funding status of the defined contribution plan as at December 31 is shown below:

	Consolidated		**Parent**	
	2025	2024	**2025**	2024
		(In Millions of Pesos)		
Present value of the obligation under DC Plan	**4,494**	3,911	**3,895**	3,443
Fair value of plan assets	**(4,571)**	(3,712)	**(3,953)**	(3,270)
(Surplus) deficit	**(77)**	199	**(58)**	173

The pension asset in 2025 represents benefits forfeited from separated employees which will be applied against future contributions. This is presented as part of Miscellaneous assets under Other assets, net in the statement of condition.

The movements in the present value of the obligation under DC Plan follow:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
At January 1	**3,911**	595	**3,443**	531
Current service cost	**148**	62	**125**	54
Interest cost	**239**	36	**210**	33
Benefit payments	**(329)**	(186)	**(291)**	(157)
Remeasurement - changes in financial assumptions	**(18)**	3	**(15)**	3
Remeasurement - experience adjustment	**542**	2,671	**419**	2,262
Transfer to the plan	**1**	730	**4**	717
At December 31	**4,494**	3,911	**3,895**	3,443

The movements in the fair value of plan assets follow:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
At January 1	**3,712**	2,261	**3,270**	1,898
Contribution paid by employer	**648**	591	**534**	496
Interest income	**224**	133	**197**	111
Benefit payments	**(329)**	(186)	**(291)**	(156)
Remeasurement gain - return on plan assets	**316**	183	**243**	191
Transfer to the plan	**-**	730	**-**	730
At December 31	**4,571**	3,712	**3,953**	3,270

Total retirement expense for the year ended December 31, 2025 under the defined contribution plan for the BPI Group and Parent Bank amounts to P163 million (2024 - P68 million) and P139 million (2024 - P59 million), respectively.

The components of plan assets of the defined contribution as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Debt securities	**1,638**	705	**1,417**	621
Equity securities	**3,025**	2,248	**2,616**	1,980
Others	**(92)**	759	**(80)**	669
	4,571	3,712	**3,953**	3,270

The BPI Group contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary engaged by management. The expected contributions for the year ending December 31, 2026 for the BPI Group and the Parent Bank amount to P660 million and P583 million, respectively. The weighted average duration of the defined contribution retirement plan for the BPI Group and Parent Bank is 10.87 years (2024 - 10.45 years).

The sensitivity of the defined contribution obligation to changes in the weighted principal assumptions as at December 31 follows:

Consolidated

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 1.3%**	**Increase by 1.6%**
Salary growth rate	1.00%	**Increase by 1.6%**	**Decrease by 1.3%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 1.70%	Increase by 1.20%
Salary growth rate	1.00%	Increase by 1.20%	Decrease by 1.70%

Parent

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 1.3%**	**Increase by 1.6%**
Salary growth rate	1.00%	**Increase by 1.6%**	**Decrease by 1.3%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 1.70%	Increase by 1.10%
Salary growth rate	1.00%	Increase by 1.10%	Decrease by 1.70%

Critical accounting estimate - Calculation of defined benefit obligation

The BPI Group estimates its pension benefit obligation and expense for defined benefit pension plans based on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, the discount rate and future salary increases. The BPI Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. The present value of the defined benefit obligations of the BPI Group at December 31, 2025 and 2024 are determined using the market yields on Philippine government bonds with terms consistent with the expected payments of employee benefits. Plan assets are invested in either equity securities, debt securities or other forms of investments. Equity markets may experience volatility, which could affect the value of pension plan assets. This volatility may make it inherently impracticable and difficult to estimate the long-term rate of return on plan assets. Actual results that differ from the BPI Group's assumptions are reflected as remeasurements in other comprehensive income. The BPI Group's assumptions are based on actual historical experience and external data regarding compensation and discount rate trends.

24 Asset management business

At December 31, 2025, the total trust and fund assets under management of the BPI Group through BPI Wealth amounts to P1,829 billion (2024 - P1,531 billion).

As required by the General Banking Act, BPI Wealth has deposited government securities with the BSP valued at P1,004 million (2024 - P989 million).

25 Related party transactions

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

The Parent Bank has a Board-level Related Party Transactions Committee (RPTC) that vets and endorses all significant related party transactions which exceed the Parent Bank's set materiality threshold, including those involving DOSRI, for which the latter shall require final BOD approval. The RPTC consists of three directors, majority of whom are independent directors including the Chairman, and two resource persons from management's control groups, namely, the Chief Audit Executive and the Chief Compliance Officer. Those related party transactions involving amounts below the materiality threshold, the Management Vetting Committee (MVC), which is composed of the Parent Bank's Executive Vice Presidents, the Bank's Chief Finance Officer, and the Bank's Treasurer, shall have the authority to vet these transactions. In case any of the vetting committees has conflict of interest, be it actual or perceived, in a particular related party transaction, he or she is required to inhibit from the vetting and endorsement of the particular RPT.

Transactions with related parties have terms and conditions that are generally comparable to those offered to non-related parties and/or to similar transactions in the market. Any deviation or amendment from previously vetted terms and conditions shall require appropriate RPT vetting and approval.

To ensure that related party transactions are within prudent levels, the Parent Bank's BOD shall prescribe, from time to time, internal limits or sub-limits for individual and aggregate credit exposures to related parties that are consistent with the Parent Bank's risk appetite and regulatory guidelines. The limits shall be computed and based on the Parent Bank's prescribed capital metrics.

The RPTC shall report to the BOD, on a regular basis, the status and aggregate exposures of the Parent Bank to each related party as well as the total amount of exposure to all related parties.

A summary of significant related party transactions and outstanding balances as at and for the years ended December 31 is shown below (transactions with subsidiaries have been eliminated in the consolidated financial statements):

Consolidated

	2025		
	Transactions for the year	Outstanding balances	Terms and conditions
		(In Millions of Pesos)	
Loans and advances to:			
Associates	(330)	149	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.99% to 8.27% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	8,248	88,649	
Deposits from:			
Associates	1,116	1,836	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.12% - 0.17% Time - 4.82% to 5.46%
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	4,288	20,856	

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

	2023		
	Transactions for the year	Outstanding balances	Terms and conditions
		(In Millions of Pesos)	
Loans and advances to:			
Associates	71	113	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.45% to 7.58% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(3,087)	61,567	
	(3,016)	61,680	
Deposits from:			
Associates	912	1,949	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.08% to 0.10% Time - 4.35% to 5.38% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(2,239)	687	
Key management personnel	958	1,215	
	(369)	3,851	

Parent

	2025		
	Transactions for the year	Outstanding balances	Terms and conditions
		(In Millions of Pesos)	
Loans and advances to:			
Subsidiaries	103	178	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.49% to 7.79% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Associates	(330)	149	
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	8,351	88,827	
Deposits from:			
Subsidiaries	1,938	7,321	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.07% - 0.08% Time - 4.79% to 5.44%
Associates	1,116	1,836	
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	6,226	28,177	

	2024		
	Transactions for the year	Outstanding balances	Terms and conditions
		(In Millions of Pesos)	
Loans and advances to:			
Subsidiaries	(12)	75	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.33% to 7.71% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Associates	366	479	
Ayala Group	18,335	79,902	
Key management personnel	20	20	
	18,709	80,476	
Deposits from:			
Subsidiaries	(982)	5,383	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.08% to 0.09% Time - 5.34% to 5.50%
Associates	(1,229)	720	
Ayala Group	14,729	15,416	
Key management personnel	(759)	432	
	11,759	21,951	

	2023		
	Transactions for the year	Outstanding balances	Terms and conditions
		(In Millions of Pesos)	
Loans and advances to:			
Subsidiaries	53	87	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.22% to 7.23% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Associates	71	113	
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	(2,963)	61,767	
Deposits from:			
Subsidiaries	442	6,365	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.80% Savings - 0.09% to 0.09% Time - 4.35% to 5.35% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	912	1,949	
Ayala Group	(2,239)	687	
Key management personnel	936	1,191	
	51	10,192	

The aggregate amounts included in the determination of income before income tax (after elimination) that resulted from transactions with each class of related parties are as follows:

Consolidated	**2025**	2024	2023
		(In Millions of Pesos)	
Interest income			
Associates	**-**	-	8
Ayala Group	**4,197**	3,162	2,297
Key management personnel	**1**	1	-
	4,198	3,163	2,305
Other income			
Associates	**2,375**	2,359	327
Ayala Group	**4,978**	1,543	935
	7,353	3,902	1,262
Interest expense			
Associates	**19**	17	18
Ayala Group	**38**	539	4
Key management personnel	**-**	9	14
	57	565	36
Other expenses			
Associates	**1,004**	216	191
Ayala Group	**2,672**	1,632	799
	3,676	1,848	990
Retirement benefits			
Key management personnel	**60**	61	50
Salaries, allowances and other short-term benefits			
Key management personnel	**1,758**	1,646	1,477
Directors' remuneration	**121**	125	113

Parent	2025	2024	2023
		(In Millions of Pesos)	
Interest income			
Subsidiaries	**10**	21	19
Associates	**-**	-	8
Ayala Group	**4,197**	3,162	2,297
Key management personnel	**1**	1	-
	4,208	3,184	2,324
Other income			
Subsidiaries	**3,053**	1,811	209
Associates	**2,375**	2,359	139
Ayala Group	**4,978**	1,543	935
	10,406	5,713	1,283
Interest expense			
Subsidiaries	**8**	21	19
Associates	**19**	17	18
Ayala Group	**38**	539	4
Key management personnel	**-**	9	14
	65	586	55
Other expenses			
Subsidiaries	**628**	48	127
Associates	**1,004**	216	-
Ayala Group	**2,672**	1,632	799
	4,304	1,896	926
Retirement benefits			
Key management personnel	**58**	60	48
Salaries, allowances and other short-term benefits			
Key management personnel	**1,713**	1,603	1,433
Directors' remuneration	**86**	91	88

Other income mainly consists of revenue from service arrangements with related parties in which the related outstanding balance is included under accounts receivable. Other expenses pertain to shared costs with related parties and the related outstanding balance is recognized as accounts payable.

Details of DOSRI loans are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
		(In Millions of Pesos)		
Outstanding DOSRI loans	**23,412**	31,588	23,412	31,588

As at December 31, 2025, allowance for credit losses amounting to P68 million (2024 - P140 million) have been recognized against receivables from related parties.

26 Financial risk management

The BOD carries out its risk management function through the Risk Management Committee (RMC). The RMC is tasked with nurturing a culture of risk management across the BPI Group. The RMC sets the risk appetite; proposes and approves risk management policies, frameworks, and guidelines; and regularly reviews risk management structures, metrics, limits, and issues across the BPI Group, in order to meet and comply with regulatory and international standards on risk measurement and management.

At the management level, the Risk Management Office (RMO) is headed by the Chief Risk Officer (CRO). The CRO is ultimately responsible in leading the formulation of risk management policies and methodologies in alignment with the overall business strategy of BPI, ensuring that risks are prudently and rationally undertaken and within its risk appetite, as well as commensurate and disciplined to maximize returns on shareholders' capital. Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive prior operational experience. BPI's risk managers regularly monitor key risk indicators and report exposures against carefully established financial and business risk metrics and limits approved by the RMC.

Finally, independent reviews are regularly conducted by the Internal Audit group, external auditors, and regulatory examiners to ensure that risk controls and mitigants are in place and functioning effectively as intended.

The possibility of incurring losses is, however, compensated by the possibility of earning more than expected income. Risk-taking is, therefore, not entirely negative to be avoided. Risk-taking actions present opportunities if risks are fully identified and accounted, deliberately taken, and are kept within prudent and rationalized limits.

Credit risk, liquidity risk and market risk, as well as operational and cyber security risks are some of the top risks that the BPI Group manages.

26.1 Credit risk

The BPI Group takes on exposure to credit risk, which is the risk that may arise if a borrower or counterparty fails to meet its obligations in accordance with agreed repayment terms. Credit risk is the single largest risk for the BPI Group's business; management therefore carefully manages its exposure to credit risk as governed by prudent credit policies, standards and methodologies, relevant regulatory requirements, and international benchmarks.

Loans and advances are the most evident source of credit risks; however, other sources of credit risk exist throughout the activities of the BPI Group, including in credit-related activities recorded in the banking books, investment securities in the trading books and off-balance sheet transactions.

26.1.1 Credit risk management

The Credit Policy and Risk Management (CPRM) division is responsible for the overall management of the BPI Group's credit risks. CPRM supports the Senior Management in coordination with various business lending and operations units in identifying, measuring, reporting, and managing credit risk.

The BPI Group employs a range of policies and practices to mitigate credit risks. The BPI Group monitors its loan and investment portfolios based on different segmentations to reflect the acceptable level of diversification and concentration. Concentration risk in credit portfolios is inherent in banking and cannot be eliminated. However, said risk may be reduced by adopting proper risk controls, mitigation, and diversification strategies to prevent undue credit risk concentrations from excessive exposures to counterparties, borrower-groups, industries, countries or regions.

The BPI Group structures the levels of credit risks it undertakes by placing limits or monitoring thresholds on the amount of risks accepted in relation to one borrower, or group of borrowers, industry segments, and countries or regions. Such risks are monitored on a regular basis and subjected to annual or more frequent review, when deemed necessary. Limits on large exposures and credit concentration are approved by the BOD through the RMC.

The exposure to any borrower may also be further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against risk limits are monitored regularly. Methodologies for measuring credit risk vary depending on several factors, including type of asset, borrower or counterparties' risk profiles, risk measurement parameters and risk management and collection processes. Credit risk measurement is based on the probability of default (PD) of an obligor or counterparty, the loss severity given a default (LGD) event and the exposure at default (EAD).

A rigorous control framework is applied in the determination of expected credit loss (ECL) models. The BPI Group has policies and procedures that govern the calculation of ECL, which is performed by the Credit Risk Modeling, Analytics and MIS (CRMA-MIS) division. All ECL models are regularly reviewed by the Risk Management Office to ensure that necessary controls are in place and the models are applied accordingly.

The review and validation of ECL models are performed by groups that are independent of CRMA-MIS, e.g., Risk Models Validation Division, Internal Auditors, and/or external assurance partners. Expert judgments on measurement methodologies and assumptions are reviewed by a group of internal experts from various functions across the Parent Bank.

Credit loss estimates are based on estimates of the PD and loss severity given a default. The PD is the likelihood that a borrower will default on its obligation; the LGD is the estimated loss that would be realized upon the default and takes into consideration collateral and structural support for each credit facility. The estimation process includes assigning risk ratings to each borrower and credit facility to differentiate risk within the portfolio. These risk ratings are reviewed regularly by RMO and revised as needed to reflect the borrower's current financial position, risk profile, related collateral or credit enhancements, and other credit risk mitigants. The calculations and assumptions are based on both internal and external historical experience and management judgment and are reviewed regularly.

The BPI Group's forward-looking, point-in-time PD models are driven by internal forecasts of macroeconomic variables (MEVs) over the next five years. These models are recalibrated annually and a more frequent review and update of these models may be conducted in response to changing macroeconomic conditions.

The BPI Group also manages counterparty credit risk arising from both pre-settlement and settlement risks. Pre-settlement risk is the risk that a counterparty will default prior to the final settlement/maturity of a transaction, while settlement risk pertains to the risk that a counterparty fails to deliver on settlement/maturity date when the Bank has already delivered on its contractual obligations. In managing counterparty risks, pre-settlement and settlement risk limits are established and exposures are monitored daily for each counterparty to cover the aggregate of pre-settlement and settlement risks arising from transactions with the BPI Group. The BPI Group also employs various tools and methods including use of delivery versus payment settlement, payment versus payment settlement, use of collateral agreements, and other acceptable credit risk mitigation techniques to further manage counterparty credit risk.

The BPI Group employs specific control and risk mitigation measures, some of which are outlined below:

(a) Collateral or guarantees

One of the most traditional and common practice in mitigating credit risks is requiring collaterals and/or securities particularly for loans and advances. The BPI Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The BPI Group assesses the valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The common collateral types for loans and advances are:

- Mortgages over physical properties (e.g., real estate and personal);
- Mortgages over financial assets [e.g., guarantees, investments (bonds or equities)]; and
- Margin agreement for derivatives, for which the BPI Group has also entered into master netting agreements.

In order to minimize credit loss, the BPI Group seeks additional collateral and/or securities from the counterparty when impairment indicators are observed for the relevant individual loans and advances.

The BPI Group's policies regarding obtaining collateral have not changed during the reporting period and there has been no significant change in the overall quality of the collaterals held by the BPI Group since the prior period.

(b) Market limits

The BPI Group maintains market limits on net open derivative positions (i.e., the difference between purchase and sale contracts). Credit risk is limited to the net current fair value of instruments, which in relation to derivatives is only a portion of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments (except where the BPI Group requires margin deposits from counterparties).

(c) Master netting arrangements

The BPI Group further restricts its exposure to credit losses by entering master netting arrangements with certain counterparties with which it undertakes significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts (asset position) is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The BPI Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

(d) Credit-related commitments

Documentary and commercial letters of credit - which are written undertakings by the BPI Group on behalf of a customer authorizing a third party to draw drafts on the BPI Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods and therefore carry less risk than a direct loan.

26.1.2 Credit risk rating

The BPI Group uses internal credit risk gradings that reflect its assessment of the PD of individual counterparties. The BPI Group uses its internal credit risk rating system, credit models (e.g. credit risk scorecards) or external ratings from reputable credit rating agencies. Specific data about the borrower and loan are collected at the time of application and credit evaluation (such as financial and business information, source of incomes/revenues, and level of collateral for retail exposures, and turnover and industry type for wholesale exposures) and are used in the internal credit scoring models. In addition, the internal models allow expert judgment from the Credit Risk Rating Committee and consideration of other data inputs not captured into the model in the determination of the final internal credit score for each borrower.

The BPI Group has adopted an internal credit classification system that is aligned with regulatory guidelines and aims to identify deteriorating credit exposures on a timely basis. Exposures are classified into each of the following categories:

- *Standard monitoring* - This category includes accounts which do not have a greater-than-normal risk and do not possess the characteristics of special monitoring and defaulted loans. The borrower or counterparty has the ability to satisfy the obligation in full and therefore minimal loss, if any, is anticipated.

- *Special monitoring* - This category includes accounts which need closer and frequent monitoring to prevent any further credit deterioration. The counterparty is assessed to be vulnerable to highly vulnerable and its capacity to meet its financial obligations is dependent upon favorable business, financial, and economic conditions.

- *Default* - This category includes accounts which exhibit probable to severe weaknesses wherein probability of non-repayment of loan obligation is ranging from high to extremely high.

i. Corporate (including cross-border loans, contracts-to-sell/group plans with recourse, floorstock lines) and Small and Medium-sized Enterprise (SME) loans

The BPI Group's internal credit risk rating system comprises a 22-scale rating with eighteen (18) 'pass' rating levels for large corporate accounts, a 14-scale rating system with ten (10) 'pass' rating grades for SME accounts, and a 23-scale rating with nineteen (19) 'pass' rating levels for cross-border accounts. For cross-border accounts, the BPI Group also uses available external/benchmark credit ratings issued by reputable rating agencies if there is no internal rating. The level of risk and associated PD are determined using either the internal credit risk ratings or external/benchmark credit ratings, as applicable, for corporate loans.

The BPI Group uses the following set of classifications:

Classifications	Large corporate	SME	Cross-Border
Standard monitoring	AAA to B-, unrated, and ≤ 30 days past due (dpd)	AAA to B-, unrated, and ≤ 30 dpd	AAA to B- with no significant increase in credit risk (SICR), and ≤ 30 dpd
Special monitoring	CCC to C or based on prescribed dpd threshold	CCC to C or based on prescribed dpd threshold	Downgraded to lower than BB+ with SICR but not impaired, or based on prescribed dpd threshold
Default	Adversely classified accounts (ACA) or >90 dpd or Items in Litigation (IL)	ACA or >90 dpd or IL	Default/ACA with objective evidence of impairment, or > 90 dpd

ii. Retail loans

The BPI Group uses automated credit scoring models to assess the level of risk for retail accounts. Behavioral indicators are considered in conjunction with other forward-looking information (e.g., industry forecast) to assess the level of risk of a loan. After the date of initial recognition, the payment behavior of the borrower is monitored on a periodic basis to develop a behavioral score which is mapped to a PD.

Classifications	Credit cards	Personal*, auto, housing and MAX 500**	SEME***
Standard monitoring	≤ 29 dpd	≤ 30 dpd	≤ 10 dpd
Special monitoring	30 to 89 dpd	31 to 90 dpd or based on prescribed dpd threshold	Not applicable
Default	>89 dpd or IL	>90 dpd or IL	>10 dpd

**Includes salary-based general purpose consumption loan*
*** A product of BanKo, wholly-owned subsidiary of the Parent Bank, and classified as micro-enterprise loan*
**** A product of BanKo and offered to self-employed micro-entrepreneurs*

iii. Treasury and other investment debt securities

Investments in high grade securities and bills are viewed as a way to gain better credit quality mix and at the same time, maintain a readily available source to meet funding requirements. The level of credit risk for treasury and other investment debt securities and their associated PD are determined using either internal ratings or reputable external ratings and/or available and reliable qualitative and quantitative information. In the absence of both internal and external credit ratings, a comparable issuer or guarantor rating is used. Should there be a change in the credit rating of the chosen comparable, evaluation is made to ascertain whether the rating change is applicable to the security being assessed for impairment.

Classifications	Applicable ratings
Standard monitoring	AAA to B- with no SICR
Special monitoring	Downgraded to lower than BB+ with SICR but not impaired
Default	Default, with objective evidence of impairment

iv. Other financial assets at amortized cost

For other financial assets (non-credit receivables), the BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss methodology. These financial assets are grouped based on shared risk characteristics and aging profile. For some of these, impairment is assessed individually at a counterparty level.

26.1.3 Maximum exposure to credit risk

26.1.3.1 Loans and advances, net

Credit risk exposures relating to on-balance sheet loans and advances are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Corporate and SME loans, net	**1,896,506**	1,685,197	**1,888,967**	1,680,654
Retail loans, net	**670,625**	553,568	**611,508**	506,274
	2,567,131	2,238,765	**2,500,475**	2,186,928

The carrying amount of loans and advances above also represents the BPI Group's maximum exposure to credit risk. The following tables contain an analysis of the credit risk exposure of each financial instrument for which an ECL allowance is recognized.

Credit quality of loans and advances, net

Consolidated

Corporate and SME loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	1,563,975	128,597	-	**1,692,572**	1,419,122	92,448	-	1,511,570
Special monitoring	101,563	74,528	-	**176,091**	104,098	56,728	-	160,826
Default	-	-	54,834	**54,834**	-	-	44,378	44,378
Gross amount	1,665,538	203,125	54,834	**1,923,497**	1,523,220	149,176	44,378	1,716,774
Loss allowance	(1,548)	(3,229)	(22,214)	**(26,991)**	(5,721)	(2,159)	(23,697)	(31,577)
Carrying amount	1,663,990	199,896	32,620	**1,896,506**	1,517,499	147,017	20,681	1,685,197

Retail loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	62 4,538	22,142	-	**646,680**	518,497	18,837	-	537,334
Special monitoring	628	18,525	-	**19,153**	723	12,412	-	13,135
Default	-	-	34,535	**34,535**	-	-	25,624	25,624
Gross amount	625,166	40,667	34,535	**700,368**	519,220	31,249	25,624	576,093
Loss allowance	(5,884)	(4,562)	(19,297)	**(29,743)**	(4,327)	(3,496)	(14,702)	(22,525)
Carrying amount	619,282	36,105	15,238	**670,625**	514,893	27,753	10,922	553,568

Parent

Corporate and SME loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	1,556,617	128,597	-	**1,685,214**	1,414,762	92,448	-	1,507,210
Special monitoring	101,563	74,523	-	**176,086**	104,098	56,727	-	160,825
Default	-	-	54,817	**54,817**	-	-	44,364	44,364
Gross amount	1,658,180	203,120	54,817	**1,916,117**	1,518,860	149,175	44,364	1,712,399
Loss allowance	(1,720)	(3,227)	(22,203)	**(27,150)**	(5,901)	(2,159)	(23,685)	(31,745)
Carrying amount	1,656,460	199,893	32,614	**1,888,967**	1,512,959	147,016	20,679	1,680,654

Retail loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	566,949	22,116	-	**589,065**	472,088	18,810	-	490,898
Special monitoring	628	17,412	-	**18,040**	715	11,655	-	12,370
Default	-	-	28,260	**28,260**	-	-	21,640	21,640
Gross amount	567,577	39,528	28,260	**635,365**	472,803	30,465	21,640	524,908
Loss allowance	(4,751)	(4,538)	(14,568)	**(23,857)**	(3,393)	(3,478)	(11,763)	(18,634)
Carrying amount	562,826	34,990	13,692	**611,508**	469,410	26,987	9,877	506,274

The tables below present the gross amount of “Stage 2” loans and advances by age category.

Consolidated

	2025			2024		
	Corporate and SME loans	Retail loans	**Total**	Corporate and SME loans	Retail loans	Total
			(In Millions of Pesos)			
Current	201,416	15,380	**216,796**	148,490	13,729	162,219
Past due up to 30 days	558	6,971	**7,529**	86	5,355	5,441
Past due 31 - 90 days	1,151	18,316	**19,467**	600	12,165	12,765
Past due 91 - 180 days	-	-	**-**	-	-	-
Over 180 days	-	-	**-**	-	-	-
	203,125	40,667	**243,792**	149,176	31,249	180,425

Parent

	2025			2024		
	Corporate and SME loans	Retail loans	**Total**	Corporate and SME loans	Retail loans	Total
			(In Millions of Pesos)			
Current	201,416	15,361	**216,777**	148,490	13,708	162,198
Past due up to 30 days	558	6,953	**7,511**	85	5,343	5,428
Past due 31 - 90 days	1,146	17,214	**18,360**	600	11,414	12,014
Past due 91 - 180 days	-	-	**-**	-	-	-
Over 180 days	-	-	**-**	-	-	-
	203,120	39,528	**242,648**	149,175	30,465	179,640

26.1.3.2 Treasury and other investment securities, net

Credit risk exposures arising from treasury and other investment securities are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Due from BSP	**106,344**	164,571	**89,303**	161,247
Due from other banks	**38,211**	72,060	**34,007**	68,439
Interbank loans receivable and SPAR, net	**35,480**	16,715	**34,909**	9,093
Financial assets at FVTPL*	**85,055**	46,957	**77,245**	39,757
Financial assets at FVOCI*	**282,236**	264,358	**277,530**	260,834
Investment securities at amortized cost, net	**353,145**	343,108	**345,848**	336,233
	900,471	907,769	**858,842**	875,603

**Excludes equity securities*

Credit quality of treasury and other investment securities, net

Consolidated

	2025				2024			
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring								
Due from BSP	106,344	-	-	**106,344**	164,571	-	-	164,571
Due from other banks	38,211	-	-	**38,211**	72,060	-	-	72,060
Interbank loans receivable and SPAR	35,484	-	-	**35,484**	16,720	-	-	16,720
Financial assets at FVTPL*	85,055	-	-	**85,055**	46,957	-	-	46,957
Financial assets at FVOCI*	282,236	-	-	**282,236**	263,903	455	-	264,358
Investment securities at amortized cost	353,178	-	-	**353,178**	342,189	1,035	-	343,224
Default								
Interbank loans receivable and SPAR	-	-	37	**37**	-	-	38	38
Gross carrying amount	900,508	-	37	**900,545**	906,400	1,490	38	907,928
Loss allowance	(37)	-	(37)	**(74)**	(97)	(24)	(38)	(159)
Carrying amount	900,471	-	-	**900,471**	906,303	1,466	-	907,769

**Excludes equity securities*

Parent

	2025				2024			
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring								
Due from BSP	89,303	-	-	**89,303**	161,247	-	-	161,247
Due from other banks	34,007	-	-	**34,007**	68,439	-	-	68,439
Interbank loans receivable and SPAR	34,913	-	-	**34,913**	9,098	-	-	9,098
Financial assets at FVTPL*	77,245	-	-	**77,245**	39,757	-	-	39,757
Financial assets at FVOCI*	277,530	-	-	**277,530**	260,379	455	-	260,834
Investment securities at amortized cost	345,881	-	-	**345,881**	335,282	1,034	-	336,316
Default								
Interbank loans receivable and SPAR	-	-	37	**37**	-	-	38	38
Gross carrying amount	858,879		37	**858,916**	874,202	1,489	38	875,729
Loss allowance	(37)	-	(37)	**(74)**	(64)	(24)	(38)	(126)
Carrying amount	858,842	-	-	**858,842**	874,138	1,465	-	875,603

**Excludes equity securities*

26.1.3.3 Other financial assets at amortized cost

Other financial assets at amortized cost that are exposed to credit risk are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Accounts receivable, net	**1,628**	2,626	**3,381**	5,010
Rental deposits	**945**	905	**888**	851
Other accrued interest and fees receivable	**74**	98	**24**	5
Others, net	**825**	341	**816**	320
	3,472	3,970	**5,109**	6,186

The carrying amounts of the above financial assets represent the BPI Group's maximum exposure to credit risk.

The BPI Group's other financial assets at amortized cost (shown under Other assets, net) generally arise from transactions with various unrated counterparties with good credit standing. The BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss methodology for other financial assets.

26.1.3.4 Loan commitments

Credit risk exposures arising from undrawn loan commitments are as follows:

Consolidated

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	883,659	2,862	-	**886,521**	704,278	1,609	-	705,887
Special monitoring	20,368	26	-	**20,394**	21,421	19	-	21,440
Default	-	-	590	**590**	-	-	339	339
Gross amount	904,027	2,888	590	**907,505**	725,699	1,628	339	727,666
Loss allowance*	(1,454)	(187)	(28)	**(1,669)**	(1,130)	(112)	(25)	(1,267)
Carrying amount	902,573	2,701	562	**905,836**	724,569	1,516	314	726,399

**Included in "Miscellaneous liabilities" in Note 17*

Parent

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	883,659	2,862	-	**886,521**	704,278	1,609	-	705,887
Special monitoring	20,368	26	-	**20,394**	21,421	19	-	21,440
Default	-	-	590	**590**	-	-	339	339
Gross amount	904,027	2,888	590	**907,505**	725,699	1,628	339	727,666
Loss allowance*	(1,454)	(187)	(28)	**(1,669)**	(1,130)	(112)	(25)	(1,267)
Carrying amount	902,573	2,701	562	**905,836**	724,569	1,516	314	726,399

**Included in "Miscellaneous liabilities" in Note 17*

26.1.4 Credit impaired loans and advances

The BPI Group closely monitors collaterals held for financial assets considered to be credit-impaired (Stage 3), as it becomes more likely that the BPI Group will take possession of collateral to mitigate potential credit losses. Loans and advances that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Consolidated

	2025			2024		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
			(In Millions of Pesos)			
Credit-impaired assets						
Corporate and SME loans	54,834	22,214	32,620	44,378	23,697	20,681
Retail loans	34,535	19,297	15,238	25,624	14,702	10,922
Total credit-impaired assets	**89,369**	**41,511**	**47,858**	70,002	38,399	31,603
Fair value of collateral	**37,199**			31,611		

Parent

	2025			2024		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
			(In Millions of Pesos)			
Credit-impaired assets						
Corporate and SME loans	54,817	22,203	32,614	44,364	23,685	20,679
Retail loans	28,260	14,568	13,692	21,640	11,763	9,877
Total credit-impaired assets	**83,077**	**36,771**	**46,306**	66,004	35,448	30,556
Fair value of collateral	**37,160**			31,570		

The BPI Group acquires assets by taking possession of collaterals held as security for loans and advances.

As at December 31, 2025, the foreclosed collaterals of BPI Group and Parent Bank have carrying amount of P12,417 million (2024 - P8,411 million) and P12,164 million (2024 - P8,154 million), respectively. The related foreclosed collaterals of BPI Group and Parent Bank have aggregate fair value of P31,222 million (2024 - P25,956 million) and P30,735 million (2024 - P25,470 million), respectively. Foreclosed collaterals include real estate (land, building, and improvements) and chattel. Repossessed properties are sold as soon as practicable and are classified as Assets held for sale in the statement of condition. In 2025, the BPI Group realized a total loss of P570 million (2024 - P205 million loss) with book value of P3,258 million (2024 - P3,030 million) while the Parent Bank realized a loss of P561 million (2024 - P237 million loss) from disposals of foreclosed collaterals with book value of P3,244 million (2024 - P2,997 million).

26.1.5 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) in credit risk or becoming credit-impaired in the period, and the consequent transfer between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the year and releases for financial instruments derecognized during the year;
- Write-offs of allowances related to assets that were written off during the year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs during the year;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange translations for assets denominated in foreign currencies and other movements.

The following tables summarize the changes in the loss allowance for loans and advances between the beginning and the end of the annual period. No movement analysis of allowance for impairment is presented for treasury and other investment debt securities and other financial assets subject to impairment as the related loss allowance is deemed insignificant for financial reporting purposes.

Consolidated

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2025	5,721	2,159	23,697	**31,577**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,787)	2,209	3,845	**3,267**
Transfer from Stage 2	9	(283)	246	**(28)**
Transfer from Stage 3	1	1	(76)	**(74)**
New financial assets originated	3,840	-	-	**3,840**
Financial assets derecognized during the year	(1,219)	(526)	(3,314)	**(5,059)**
Changes in assumptions and other movements in provision	(3,484)	(334)	(103)	**(3,921)**
	(3,640)	1,067	598	**(1,975)**
Write-offs and other movements	(533)	3	(2,081)	**(2,611)**
Loss allowance, at December 31, 2025	**1,548**	**3,229**	**22,214**	**26,991**

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2025	4,327	3,496	14,702	**22,525**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(3,644)	3,318	10,267	**9,941**
Transfer from Stage 2	136	(1,967)	3,516	**1,685**
Transfer from Stage 3	4	32	(235)	**(199)**
New financial assets originated	4,613	-	-	**4,613**
Financial assets derecognized during the year	(543)	(174)	(1,186)	**(1,903)**
Changes in assumptions and other movements in provision	1,439	(109)	3,459	**4,789**
	2,005	1,100	15,821	**18,926**
Write-offs and other movements	(448)	(34)	(11,226)	**(11,708)**
Loss allowance, at December 31, 2025	**5,884**	**4,562**	**19,297**	**29,743**

Parent

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2025	5,901	2,159	23,685	**31,745**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,786)	2,209	3,844	**3,267**
Transfer from Stage 2	9	(283)	247	**(27)**
Transfer from Stage 3	1	1	(76)	**(74)**
New financial assets originated	3,838	-	-	**3,838**
Financial assets derecognized during the year	(1,219)	(527)	(3,314)	**(5,060)**
Changes in assumptions and other movements in provision	(3,415)	(335)	(98)	**(3,848)**
	(3,572)	1,065	603	**(1,904)**
Write-offs and other movements	(609)	3	(2,085)	**(2,691)**
Loss allowance, at December 31, 2025	**1,720**	**3,227**	**22,203**	**27,150**

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2025	3,393	3,478	11,763	**18,634**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,773)	3,296	6,733	**8,256**
Transfer from Stage 2	136	(1,673)	3,050	**1,513**
Transfer from Stage 3	4	32	(213)	**(177)**
New financial assets originated	2,591	-	-	**2,591**
Financial assets derecognized during the year	(158)	(172)	(1,025)	**(1,355)**
Changes in assumptions and other movements in provision	961	(394)	2,615	**3,182**
	1,761	1,089	11,160	**14,010**
Write-offs and other movements	(403)	(29)	(8,355)	**(8,787)**
Loss allowance, at December 31, 2025	**4,751**	**4,538**	**14,568**	**23,857**

Consolidated

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	10,596	3,483	25,167	39,246
Impact of merger	160	268	1,470	1,898
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,030	989
Transfer from Stage 2	87	(2,028)	166	(1,775)
Transfer from Stage 3	17	4	(148)	(127)
New financial assets originated	6,189	-	-	6,189
Financial assets derecognized during the year	(1,500)	(749)	(2,720)	(4,969)
Changes in assumptions and other movements in provision	(3,197)	(309)	(3,184)	(6,690)
	(2,955)	(1,572)	(1,856)	(6,383)
Write-offs and other movements	(2,080)	(20)	(1,084)	(3,184)
Loss allowance, at December 31, 2024	5,721	2,159	23,697	31,577

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	4,890	3,242	10,096	18,228
Impact of merger	306	53	963	1,322
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,530)	2,491	7,020	6,981
Transfer from Stage 2	114	(1,745)	2,401	770
Transfer from Stage 3	7	55	(509)	(447)
New financial assets originated	3,076	-	-	3,076
Financial assets derecognized during the year	(449)	(166)	(816)	(1,431)
Changes in assumptions and other movements in provision	(1,150)	(414)	3,691	2,127
	(932)	221	11,787	11,076
Write-offs and other movements	63	(20)	(8,144)	(8,101)
Loss allowance, at December 31, 2024	4,327	3,496	14,702	22,525

Parent

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	10,767	3,483	25,164	39,414
Impact of merger	160	268	1,452	1,880
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,029	988
Transfer from Stage 2	87	(2,028)	166	(1,775)
Transfer from Stage 3	17	4	(148)	(127)
New financial assets originated	6,188	-	-	6,188
Financial assets derecognized during the year	(1,500)	(749)	(2,719)	(4,968)
Changes in assumptions and other movements in provision	(3,193)	(309)	(3,176)	(6,678)
	(2,952)	(1,572)	(1,848)	(6,372)
Write-offs and other movements	(2,074)	(20)	(1,083)	(3,177)
Loss allowance, at December 31, 2024	5,901	2,159	23,685	31,745

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	4,135	3,229	8,271	15,635
Impact of merger	298	52	833	1,183
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,119)	2,475	4,685	6,041
Transfer from Stage 2	113	(1,591)	2,142	664
Transfer from Stage 3	7	54	(475)	(414)
New financial assets originated	1,441	-	-	1,441
Financial assets derecognized during the year	(161)	(165)	(696)	(1,022)
Changes in assumptions and other movements in provision	(1,421)	(557)	3,153	1,175
	(1,140)	216	8,809	7,885
Write-offs and other movements	100	(19)	(6,150)	(6,069)
Loss allowance, at December 31, 2024	3,393	3,478	11,763	18,634

Critical accounting estimate - Measurement of expected credit loss for loans and advances

The measurement of the expected credit loss (ECL) for loans and advances is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). The explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 30.3.2.2.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for SICR;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL; and
- for individually credit-impaired loans, assessing recoverability through future cash flows or through foreclosure of collateral.

Forward-looking information incorporated in the ECL models

Three distinct macroeconomic scenarios (baseline, upside and downside) are considered in the BPI Group's estimation of expected credit losses in Stage 1 and Stage 2. These scenarios are based on assumptions supported by economic theories and historical experience. The downside scenario reflects a negative macroeconomic event occurring within the forecast period. The probability of each scenario is determined using expert judgment and recession probability tools provided by reputable external service providers. The baseline case incorporates the BPI Group's outlook both for the domestic and global economy. The upside and downside scenarios take into account certain adjustments that will lead to a positive or negative economic outcome, respectively.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any climate, regulatory, legislative or political changes is likewise considered as post-model adjustments, if material.

The BPI Group has performed historical analyses and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The most significant assumptions used for the ECL estimate are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

At December 31, 2025

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	4.4	5.9	6.1	6.6	1.8	3.1
Inflation rate (%)	3.0	3.1	2.6	2.4	8.0	8.2
BVAL 5Y (%)	6.0	5.8	5.1	4.9	11.3	11.1
US federal funds rate	3.7	3.0	2.6	2.0	10.1	9.5
Exchange rate	59.540	63.660	59.060	61.073	65.070	80.788

At December 31, 2024

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	7.2	7.3	7.2	7.3	0.2	2.3
Inflation rate (%)	3.6	3.3	2.4	2.1	10.0	9.8
BVAL 5Y (%)	5.7	5.3	4.0	3.5	9.2	8.8
US federal funds rate	3.9	3.8	2.2	2.0	7.4	7.3
Exchange rate	57.500	60.433	54.686	52.006	63.996	83.640

Sensitivity analysis

The loan portfolios have different sensitivities to movements in MEVs, so the above three scenarios have varying impact on the expected credit losses of the BPI Group's portfolios. The allowance for impairment is calculated as the weighted average of expected credit losses under the baseline, upside and downside scenarios. The impact of weighting these multiple scenarios was an increase in the allowance for impairment of BPI Group by P591 million as at December 31, 2025 from the baseline scenario (2024 - P1,036 million).

Transfers between stages

Transfers from Stage 1 and Stage 2 are based on the assessment of SICR from initial recognition. The impact of moving from 12 month expected credit losses to lifetime expected credit losses, or vice versa, varies by product and is dependent on the expected remaining life at the date of the transfer. Stage transfers may result in significant fluctuations in expected credit losses. Assuming all Stage 2 accounts are considered as Stage 1, allowance for impairment for BPI Group would have decreased by P3,191 million as at December 31, 2025 (2024 - P1,664 million).

26.1.6 Concentrations of risks of financial assets with credit risk exposure

The BPI Group's main credit exposure at their carrying amounts, as categorized by industry sectors follow:

Consolidated (December 31, 2025)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	**Total**
					(In Millions of Pesos)				
Financial and insurance activities	106,344	38,211	35,521	4,675	22,871	12,557	260,209	-	**480,388**
Real estate activities	-	-	-	51	3,128	6,051	586,577	-	**595,807**
Manufacturing	-	-	-	-	7,723	4,038	290,069	-	**301,830**
Consumer	-	-	-	585	2,131	411	391,727	-	**394,854**
Transportation, storage and communications	-	-	-	-	4,372	9,331	78,380	-	**92,083**
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	6,741	14,016	322,363	-	**343,120**
Electricity, gas, steam and air-conditioning supply	-	-	-	-	392	2,527	262,261	-	**265,180**
Others*	-	-	-	79,744	234,878	304,247	432,279	5,411	**1,056,559**
Allowance	-	-	(41)	-	-	(33)	(56,734)	(1,939)	**(58,747)**
At December 31, 2025	**106,344**	**38,211**	**35,480**	**85,055**	**282,236**	**353,145**	**2,567,131**	**3,472**	**3,471,074**

**Others include government, information and communication, construction, utilities and mining and quarrying.*

Consolidated (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
					(In Millions of Pesos)				
Financial and insurance activities	164,571	72,060	16,758	25,350	45,393	12,670	241,549	-	578,351
Real estate activities	-	-	-	12	329	4,180	521,509	-	526,030
Manufacturing	-	-	-	263	3,523	4,802	324,932	-	333,520
Consumer	-	-	-	-	983	1,311	305,299	-	307,593
Transportation, storage and communications	-	-	-	21	1,977	9,429	247,634	-	259,061
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	253,819	-	262,529
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,125	-	206,569
Others*	-	-	-	20,890	207,838	287,414	211,000	5,405	732,547
Allowance	-	-	(43)	-	-	(116)	(54,102)	(1,435)	(55,696)
At December 31, 2024	164,571	72,060	16,715	46,957	264,358	343,108	2,238,765	3,970	3,150,504

**Others include government, information and communication, construction, utilities and mining and quarrying.*

Parent Bank (December 31, 2025)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	**Total**
					(In Millions of Pesos)				
Financial and insurance activities	89,303	34,007	34,950	370	22,480	11,674	260,201	-	**452,985**
Real estate activities	-	-	-	51	3,128	6,051	584,555	-	**593,785**
Manufacturing	-	-	-	-	7,723	2,802	287,108	-	**297,633**
Consumer	-	-	-	585	2,131	291	345,900	-	**348,907**
Transportation, storage and communications	-	-	-	-	4,372	7,563	78,001	-	**89,936**
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	6,741	12,976	309,616	-	**329,333**
Electricity, gas, steam and air-conditioning supply	-	-	-	-	392	2,527	262,176	-	**265,095**
Others*	-	-	-	76,239	230,563	301,997	423,925	6,979	**1,039,703**
Allowance	-	-	(41)	-	-	(33)	(51,007)	(1,870)	**(52,951)**
At December 31, 2025	**89,303**	**34,007**	**34,909**	**77,245**	**277,530**	**345,848**	**2,500,475**	**5,109**	**3,364,426**

**Others include government, information and communication, construction, utilities and mining and quarrying.*

Parent Bank (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
					(In Millions of Pesos)				
Financial and insurance activities	161,247	68,439	9,136	21,962	45,393	11,477	241,539	-	559,193
Real estate activities	-	-	-	12	329	4,180	519,857	-	524,378
Manufacturing	-	-	-	210	3,523	3,475	323,052	-	330,260
Consumer	-	-	-	-	983	118	270,573	-	271,674
Transportation, storage and communications	-	-	-	21	1,977	9,429	246,267	-	257,694
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	242,807	-	251,517
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,023	-	206,467
Others*	-	-	-	17,131	204,314	284,219	206,189	7,545	719,398
Allowance	-	-	(43)	-	-	(83)	(50,379)	(1,359)	(51,864)
At December 31, 2024	161,247	68,439	9,093	39,757	260,834	336,233	2,186,928	6,186	3,068,717

**Others include government, information and communication, construction, utilities and mining and quarrying.*

26.1.7 Provision for (reversal of) credit and impairment losses

The BPI Group's provision for (reversal of) credit and impairment losses are attributable to the following accounts:

		Consolidated			Parent		
	Notes	2025	2024	2023	2025	2024	2023
				(In Millions of Pesos)			
Loans and advances	10	16,951	4,693	3,940	12,106	1,513	2,164
Assets held for sale		(142)	837	(222)	(140)	837	(223)
Interbank loans receivable and SPAR	5	-	7	3	-	7	3
Investment securities at amortized cost	9	(74)	56	20	(41)	56	20
Undrawn loan commitments		402	(57)	198	402	(57)	198
Impairment on equity investment	12	-	-	-	-	28	-
Accounts receivable	14	810	689	34	558	639	12
Other assets	14	(197)	375	27	142	405	28
		17,750	6,600	4,000	13,027	3,428	2,202

26.2 Market risk

The BPI Group is exposed to market risk - the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk management in BPI covers managing exposures to trading risk, foreign exchange risk, and interest rate risk in the banking book.

Market risk management is incumbent on the BOD through the RMC. At the management level, the BPI Group's market risk exposures are managed by the RMO, headed by the Parent Bank's CRO who reports directly to the RMC. In order to effectively manage market risk, the Bank has well established policies and procedures approved by the RMC and confirmed by the Executive Committee/BOD. In addition, the Internal Audit is responsible for the independent review of risk assessment measures and procedures and the control environment.

The BPI Group reviews and controls market risk exposures of both its trading and non-trading portfolios. Trading portfolios include those positions arising from BPI's market-making and risk-taking activities. The BPI Group also has derivatives exposures in interest rate swaps, currency swaps and structured notes as part of its trading and position taking activities. Non-trading portfolios include positions arising from core banking activities, which includes the BPI Group's retail and commercial banking assets and liabilities.

Value-at-Risk (VaR) measurement is an integral part of the BPI Group's market risk control system. This metric is estimated at 99% confidence level, the maximum loss that a trading portfolio may incur over a trading day. This metric indicates as well that there is 1% statistical probability that the trading portfolios' actual loss would be greater than the computed VaR. To ensure model soundness, the VaR is periodically subject to model validation and back testing. VaR is supplemented by other risk metrics and measurements that would provide preliminary signals to Treasury and to Management to assess the vulnerability of BPI Group's positions. To control the risk, the RMC sets risk limits for trading portfolios which are consistent with the BPI Group's goals, objectives, risk appetite, and strategies.

Stress tests indicate the potential losses that could arise in extreme conditions that would have adverse effect to the BPI Group's positions. The BPI Group periodically performs price stress testing to assess the BPI Group's condition on assumed stress scenarios. Contingency plans are frequently reviewed to ensure the BPI Group's preparedness in the event of real stress. Results of stress tests are reviewed by Senior Management and by the RMC.

The average daily VaR for the trading portfolios are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Local fixed-income	**73**	66	**65**	62
Foreign fixed-income	**234**	182	**206**	167
Foreign exchange	**294**	186	**185**	107
Derivatives	**79**	46	**79**	46
Equity securities	**21**	24	**-**	-
Mutual fund	**13**	20	**-**	-
	714	524	**535**	382

26.2.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. It arises on financial instruments that are denominated in a foreign currency other than the functional currency which they are measured.

The BPI Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its foreign currency financial position and cash flows. The table below summarizes the BPI Group's exposure to more material foreign currency exchange rate risk primarily in USD, shown in their Peso equivalent at December 31:

Consolidated

	2025			2024		
	USD	Others*	**Total**	USD	Others*	Total
			(In Millions of Pesos)			
Financial assets						
Cash and other cash items	3,303	440	**3,743**	3,363	246	3,609
Due from other banks	19,832	9,993	**29,825**	36,067	25,860	61,927
Interbank loans receivable and SPAR	245	32,219	**32,464**	20	5,957	5,977
Financial assets at FVTPL	22,745	2,957	**25,702**	8,278	2,461	10,739
Financial assets at FVOCI - debt securities	79,578	5,467	**85,045**	67,176	1,164	68,340
Investment securities at amortized cost	119,619	1,156	**120,775**	119,096	1,347	120,443
Loans and advances, net	173,358	12,994	**186,352**	130,881	11,561	142,442
Other financial assets	6	13	**19**	302	1	303
Total financial assets	**418,686**	**65,239**	**483,925**	365,183	48,597	413,780
Financial liabilities						
Deposit liabilities	281,831	60,696	**342,527**	283,061	42,803	325,864
Due to BSP and other banks	2,547	-	**2,547**	2,225	-	2,225
Derivative financial liabilities	493	1,612	**2,105**	1,127	1,865	2,992
Bills payable and other borrowed funds	132,902	2,065	**134,967**	85,128	-	85,128
Manager's checks and demand drafts outstanding	149	3	**152**	200	-	200
Accounts payable	(359)	16	**(343)**	404	3	407
Other financial liabilities	309	-	**309**	1,208	183	1,391
Total financial liabilities	**417,872**	**64,392**	**482,264**	373,353	44,854	418,207
Net on-balance sheet position	**814**	**847**	**1,661**	(8,170)	3,743	(4,427)

**Others category includes financial instruments denominated in JPY, EUR and GBP.*

Parent Bank

	2025			2024		
	USD	Others*	**Total**	USD	Others*	Total
			(In Millions of Pesos)			
Financial assets						
Cash and other cash items	3,303	440	**3,743**	3,363	246	3,609
Due from other banks	19,518	9,988	**29,506**	35,601	25,851	61,452
Interbank loans receivable and SPAR	-	31,891	**31,891**	-	5,859	5,859
Financial assets at FVTPL	20,678	2,088	**22,766**	6,811	1,930	8,741
Financial assets at FVOCI - debt securities	78,921	5,467	**84,388**	66,489	1,164	67,653
Investment securities at amortized cost	114,807	-	**114,807**	113,563	-	113,563
Loans and advances, net	166,524	12,641	**179,165**	127,212	10,974	138,186
Other financial assets	6	12	**18**	302	-	302
Total financial assets	**403,757**	**62,527**	**466,284**	353,341	46,024	399,365
Financial liabilities						
Deposit liabilities	280,101	52,236	**332,337**	281,433	38,304	319,737
Due to BSP and other banks	2,547	-	**2,547**	2,225	-	2,225
Derivative financial liabilities	465	1,612	**2,077**	1,066	1,866	2,932
Bills payable and other borrowed funds	132,608	2,065	**134,673**	85,028	-	85,028
Manager's checks and demand drafts outstanding	149	3	**152**	200	-	200
Accounts payable	(372)	16	**(356)**	401	3	404
Other financial liabilities	309	-	**309**	1,186	168	1,354
Total financial liabilities	**415,807**	**55,932**	**471,739**	371,539	40,341	411,880
Net on-balance sheet position	**(12,050)**	**6,595**	**(5,455)**	(18,198)	5,683	(12,515)

**Others category includes financial instruments denominated in JPY, EUR and GBP.*

Presented below is a sensitivity analysis demonstrating the impact on pre-tax income of reasonably possible change in the exchange rate between US Dollar and Philippine Peso. The fluctuation rate is based on the historical movement of US Dollar against the Philippine Peso year on year.

		Effect on pre-tax income	
Year	Change in currency	**Consolidated**	**Parent**
		(In millions of Pesos)	
2025	**+/- 1.78%**	**+/- 14**	**-/+ 214**
2024	+/- 1.99%	-/+ 163	-/+ 362

26.2.2 Interest rate risk

Interest rate risk is the risk that cash flows or fair value of a financial instrument will fluctuate due to movements in market interest rates.

Interest Rate Risk in the Banking Book (IRRBB)

IRRBB is the current and prospective risk to the BPI Group's capital and earnings arising from the adverse movements in interest rates that affect its banking book positions (core banking activities). The BPI Group is exposed to interest rate risk arising from financial assets and liabilities that have different maturities and repricing schedules and are re-priced taking into account the prevailing market interest rates. Excessive levels of interest rate risks in the banking book can pose a significant threat to the BPI Group's earnings and capital base.

The BPI Group employs two methods to measure the potential impact of interest rate risk in the banking book: (i) one that focuses on the impact on economic value of the future cash flows in the banking book due to changes in interest rates - Balance Sheet VaR (BSVaR), and (ii) one that focuses on the potential deterioration in net interest earnings - Earnings-at-Risk (EaR). The RMC sets limits on the two interest rate risk metrics which are monitored daily by the Market and Liquidity Risk Management Division of the RMO. The EaR and BSVaR are built on the interest rate/repricing gap profile of the bank.

The interest rate gap is the difference between the amount of interest rate sensitive assets and liabilities and off-balance sheet items. It distributes the balance sheet accounts according to their contractual maturity if fixed, or repricing date if floating. For accounts that do not have defined maturity or repricing schedules (i.e., non-maturity deposits), and accounts with embedded optionality (i.e., time deposit pretermination, fixed-rate loan prepayment), historical patterns/behaviors are utilized and assessed to determine their expected repricing schedules. These behavioral assumptions are derived from historical customer behavior and are regularly back tested to ensure accuracy and propriety of these assumptions. Interest rate derivatives are used to hedge banking book interest rate exposures, and these are also included in the repricing gap analysis.

Earnings-at-Risk (EaR)

The EaR is built on the repricing profile of the BPI Group and considers principal payments only. The BPI Group projects interest inflows from its financial assets and interest outflows from its financial liabilities in the next 12 to 36 months as earnings are affected when interest rates move against the BPI Group’s position. In determining the appropriate rate shocks in calculating EaR, the daily year-on-year change in rates is determined using the parametric approach at 99% confidence level. The Parent Bank uses more than ten years’ worth of data in deriving the rate shocks. As at December 31, 2025, the net interest income impact of movement in interest rates will result in an increase of P5,385 million (2024 - P2,695 million) for the whole BPI Group and an increase of P5,438 million (2024 - P2,812 million) for the Parent Bank over a short-term (12-month) horizon. Likewise, the net interest income impact of movement in interest rates over the medium-term (36-month) horizon will result in an increase of P24,307 million (2024 - P15,062 million) for the whole BPI Group and an increase of P24,204 million (2024 - P15,212 million) for the Parent Bank.

Balance Sheet Value at Risk (BSVaR)

The BSVaR model is also built on repricing gap or the difference between the amount of rate-sensitive financial assets and liabilities which considers both principal and interest payments. It measures the deterioration in the economic/present value of the BPI Group's expected net cash flows due to adverse interest rate movements. In determining the appropriate rate shocks in calculating BSVaR, the adverse daily year-on-year change in rates is determined using the historical approach for the past one year at 99% confidence level. As at December 31, 2025, the average monthly BSVaR for the banking book stood at P12,824 million (2024 - P12,966 million) for the whole BPI Group and P12,374 million (2024 - P12,290 million) for the Parent Bank.

The IRRBB levels are closely monitored against RMC-approved limits and results are reported and discussed regularly at the Management level through the Asset and Liability Committee (ALCO) and at the Board level through the RMC. The BPI Group manages interest rate exposures related to its assets and liabilities through a transfer-pricing system administered by Treasury. Investment securities and interest rate derivatives are also used to hedge interest rate risk and manage repricing gaps in the balance sheet.

The BPI Group also conducts price stress tests in the banking book and EaR stress tests utilizing a variety of interest rate shock scenarios to identify the impact of adverse movements in interest rates on the BPI Group's economic value and earnings. The design of the price and EaR stress tests include the following:

- Internal rate shocks scenarios including extreme yet plausible historical stressed events, curve shifting (parallel up/down) and twisting (steepening and flattening yield curves), and forward-looking scenarios; and
- Other rate shocks as prescribed by Basel.

The interest rate shocks applied are calibrated for all major currencies in which the BPI Group has significant positions. The BPI Group also conducts Uniform Stress Testing in accordance with the prescribed scenarios of the BSP.

The results of the stress test are reported to the RMC and Senior Management and are integrated into the overall risk management framework of the BPI Group.

The BPI Group has established comprehensive risk management framework (e.g., policies, procedures, risk limits structures) supported by a robust risk management system. Furthermore, the risk management process, including its various components, is subject to periodic independent review (i.e. internal audit and model validation) and consistently calibrated to ensure accuracy, relevance, propriety and timeliness of data and assumptions employed. The assumptions and parameters used in building these metrics are properly documented. Any changes in the methodology and assumptions used are duly approved by the Chief Risk Officer and noted by the RMC.

The table below summarizes the BPI Group's exposure to interest rate risk, categorized by the earlier of contractual repricing or maturity dates.

Consolidated (December 31, 2025)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	**Total**
	(In Millions of Pesos)				
As at December 31, 2025					
Financial Assets					
Cash and other cash items	-	-	-	53,018	**53,018**
Due from BSP	-	-	-	106,344	**106,344**
Due from other banks	-	-	-	38,211	**38,211**
Interbank loans receivable and SPAR	-	-	-	35,480	**35,480**
Financial assets at FVTPL	145	184	452	84,274	**85,055**
Financial assets at FVOCI	-	-	-	282,236	**282,236**
Investment securities at amortized cost	-	-	-	353,145	**353,145**
Loans and advances, net	1,568,287	292,751	316,301	389,792	**2,567,131**
Other financial assets	-	-	-	3,472	**3,472**
Total financial assets	**1,568,432**	**292,935**	**316,753**	**1,345,972**	**3,524,092**
Financial Liabilities					
Deposit liabilities	1,645,460	497,064	696,001	-	**2,838,525**
Due to BSP and other banks	-	-	-	3,151	**3,151**
Derivative financial liabilities	26	140	245	3,287	**3,698**
Bills payable and other borrowed funds	-	17,592	-	205,841	**223,433**
Manager's checks and demand drafts outstanding	-	-	-	10,460	**10,460**
Lease liabilities	-	-	-	9,989	**9,989**
Other financial liabilities	-	-	-	14,773	**14,773**
Total financial liabilities	**1,645,486**	**514,796**	**696,246**	**247,501**	**3,104,029**
Total interest gap	**(77,054)**	**(221,861)**	**(379,493)**	**1,098,471**	**420,063**

Consolidated (December 31, 2024)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	Total
	(In Millions of Pesos)				
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,762	49,762
Due from BSP	-	-	-	164,571	164,571
Due from other banks	-	-	-	72,060	72,060
Interbank loans receivable and SPAR	-	-	-	16,715	16,715
Financial assets at FVTPL	161	720	879	45,197	46,957
Financial assets at FVOCI	-	-	-	264,358	264,358
Investment securities at amortized cost	-	-	-	343,108	343,108
Loans and advances, net	1,332,408	291,669	313,924	300,764	2,238,765
Other financial assets	-	-	-	3,970	3,970
Total financial assets	1,332,569	292,389	314,803	1,260,505	3,200,266
Financial Liabilities					
Deposit liabilities	1,465,575	458,825	690,402	-	2,614,802
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,903	4,976
Bills payable and other borrowed funds	-	-	-	163,182	163,182
Manager's checks and demand drafts outstanding	-	-	-	9,941	9,941
Lease liabilities	-	-	-	9,824	9,824
Other financial liabilities	-	-	-	9,865	9,865
Total financial liabilities	1,465,740	459,163	690,972	199,850	2,815,725
Total interest gap	(133,171)	(166,774)	(376,169)	1,060,655	384,541

Parent Bank (December 31, 2025)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	**Total**
			(In Millions of Pesos)		
As at December 31, 2025					
Financial Assets					
Cash and other cash items	-	-	-	52,159	**52,159**
Due from BSP	-	-	-	89,303	**89,303**
Due from other banks	-	-	-	34,007	**34,007**
Interbank loans receivable and SPAR	-	-	-	34,909	**34,909**
Financial assets at FVTPL	145	184	452	76,464	**77,245**
Financial assets at FVOCI	-	-	-	277,530	**277,530**
Investment securities at amortized cost	-	-	-	345,848	**345,848**
Loans and advances, net	1,560,500	292,372	315,296	332,307	**2,500,475**
Other financial assets	-	-	-	5,109	**5,109**
Total financial assets	**1,560,645**	**292,556**	**315,748**	**1,247,636**	**3,416,585**
Financial Liabilities					
Deposit liabilities	1,584,125	492,777	689,594	-	**2,766,496**
Due to BSP and other banks	-	-	-	3,151	**3,151**
Derivative financial liabilities	26	140	245	3,256	**3,667**
Bills payable and other borrowed funds	-	17,592	-	205,547	**223,139**
Manager's checks and demand drafts outstanding	-	-	-	10,459	**10,459**
Lease liabilities	-	-	-	8,846	**8,846**
Other financial liabilities	-	-	-	12,999	**12,999**
Total financial liabilities	**1,584,151**	**510,509**	**689,839**	**244,258**	**3,028,757**
Total interest gap	**(23,506)**	**(217,953)**	**(374,091)**	**1,003,378**	**387,828**

Parent Bank (December 31, 2024)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	Total
			(In Millions of Pesos)		
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,136	49,136
Due from BSP	-	-	-	161,247	161,247
Due from other banks	-	-	-	68,439	68,439
Interbank loans receivable and SPAR	-	-	-	9,093	9,093
Financial assets at FVTPL	162	720	879	37,996	39,757
Financial assets at FVOCI	-	-	-	260,834	260,834
Investment securities at amortized cost	-	-	-	336,233	336,233
Loans and advances, net	1,327,577	291,348	313,207	254,796	2,186,928
Other financial assets	-	-	-	6,186	6,186
Total financial assets	1,327,739	292,068	314,086	1,183,960	3,117,853
Financial Liabilities					
Deposit liabilities	1,425,359	455,237	683,539	-	2,564,135
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,840	4,913
Bills payable and other borrowed funds	-	-	-	163,083	163,083
Manager's checks and demand drafts outstanding	-	-	-	9,935	9,935
Lease liabilities	-	-	-	8,641	8,641
Other financial liabilities	-	-	-	8,903	8,903
Total financial liabilities	1,425,524	455,575	684,109	197,537	2,762,745
Total interest gap	(97,785)	(163,507)	(370,023)	986,423	355,108

26.3 Liquidity risk

Liquidity risk is the risk that the BPI Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The BPI Group's liquidity profile is observed and monitored through its metric, the Minimum Cumulative Liquidity Gap (MCLG). The MCLG is the smallest net cumulative cash inflow (if positive) or the largest net cumulative cash outflow (if negative) over the next three (3) months. The MCLG indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the BPI Group. A red flag is immediately raised and reported to management and the RMC when the MCLG level projected over the next 3 months is about to breach the RMC-prescribed MCLG limit.

26.3.1 Liquidity risk management process

The BPI Group's liquidity management process, as carried out within the BPI Group and monitored by the RMC includes:

- day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or as borrowed by customers;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring liquidity gaps and ratios against internal and regulatory requirements;
- managing the concentration and profile of debt maturities; and
- performing periodic liquidity stress testing on the BPI Group's liquidity position by assuming a faster rate of withdrawals in its deposit base.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities (Note 26.3.2) and the expected collection date of the financial assets. Sources of liquidity are regularly reviewed by the BPI Group to maintain a wide diversification by currency, geography, counterparty, product and term.

The BPI Group also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit.

Liquidity Coverage Ratio (LCR)

Pursuant to BSP Circular No. 905 issued in 2016, the Parent Bank is required to hold and maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30 calendar-day period of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis. It is designed to promote short-term resilience of the BPI Group's liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days. HQLA represents the Parent Bank's stock of liquid assets that qualify for inclusion in the LCR which consists mainly of cash, regulatory reserves and unencumbered high-quality liquid securities. This serves as defense against potential stress events.

The main drivers of the Parent Bank's LCR comprise the changes in the total stock of HQLA as well as changes in net cash outflows related to deposits, unsecured borrowings, committed and/or uncommitted facilities, derivatives cash flows and cash inflows from maturing corporate, business and retail loans, among others. Significant portion of funding comes from retail and wholesale deposits, and unsecured wholesale funding. The Parent Bank has derivatives exposures in foreign exchange derivatives and interest rate swaps. Cash outflows from the derivatives contracts are effectively offset by the derivatives cash inflows. These two are accorded 100% outflow and inflow factors, respectively. The exposures coming from derivatives and potential counterparty collateral calls are not significant to impact the LCR, with Parent Bank's Peso and USD LCR both well above the minimum regulatory limit of 100%. There is also no significant currency mismatch noted in the LCR.

The Parent Bank manages its liquidity position through line of business and asset-liability management activities. A centralized approach to funding and liquidity management enhances the Parent Bank's ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

Net Stable Funding Ratio (NSFR)

On January 1, 2019, the Parent Bank adopted BSP Circular No. 1007 issued in 2018 regarding the NSFR requirement. The NSFR is aimed at strengthening the Parent Bank's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items as well as to limit the maturity transformation risk of the BPI Group. The NSFR is expressed as the ratio of Available Stable Funding (ASF) and the Required Stable Funding (RSF) and complements the LCR as it takes a longer view of the BPI Group's liquidity risk profile. The BPI Group's capital, retail deposits and long-term debt are considered as stable funding sources whereas the BPI Group's assets including, but not limited to, performing and non-performing loans and receivables, HQLA and non-HQLA securities as well as off-balance items form part of the required stable funding. The Parent Bank's solo and consolidated NSFRs are well-above the regulatory minimum of 100%.

The Parent Bank maintains a well-diversified funding base and has a substantial amount of core deposits, thereby avoiding undue concentrations by counterparty, maturity, and currency. The Parent Bank manages its liquidity position through asset-liability management activities supported by a well-developed funds management practice as well as a sound risk management system. As part of risk oversight, the Parent Bank monitors its liquidity risk on a daily basis, in terms of single currency and significant currencies, to ensure it is operating within the risk appetite set by the BOD and to assess ongoing compliance with the minimum requirement of the liquidity ratios. Furthermore, the Parent Bank has a set of policies and escalation procedures in place that govern its day-to-day risk monitoring and reporting processes.

The table below shows the actual liquidity metrics of the BPI Group and the Parent Bank:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Liquidity coverage ratio - Single currency	**147.89%**	159.07%	**144.05%**	156.25%
Net stable funding ratio	**133.77%**	145.70%	**132.27%**	138.97%
Leverage ratio	**11.02%**	10.75%	**10.50%**	10.15%
Total exposure measure	**3,650,628**	3,403,607	**3,521,534**	3,315,223

The decrease in the Parent Bank's LCR was driven by higher net cash outflows from deposits. Cash, reserves and due from BSP make up 18% (2024 - 27%) of the total stock of HQLA for the year ended December 31, 2025. Likewise, the Parent Bank's NSFR decreased driven by higher RSF from performing loans.

26.3.2 Maturity profile - Non-derivative financial instruments

The tables below present the maturity profile of non-derivative financial instruments based on undiscounted cash flows including future interest which the BPI Group uses to manage the inherent liquidity risk. The maturity analysis is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date the financial asset will be realized, or the financial liability will be settled.

Consolidated (December 31, 2025)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	**Total**
		(In Millions of Pesos)		
As at December 31, 2025				
Financial Assets				
Cash and other cash items	53,018	-	-	**53,018**
Due from BSP	106,344	-	-	**106,344**
Due from other banks	38,211	-	-	**38,211**
Interbank loans receivable and SPAR	35,271	48	426	**35,745**
Financial assets at FVTPL	60,092	7,335	15,546	**82,973**
Financial assets at FVOCI	39,167	48,577	313,184	**400,928**
Investment securities at amortized cost	83,134	176,690	148,416	**408,240**
Loans and advances	929,575	927,347	1,277,087	**3,134,009**
Other financial assets	3,472	-	-	**3,472**
Total financial assets	**1,348,284**	**1,159,997**	**1,754,659**	**4,262,940**
Financial Liabilities				
Deposit liabilities	1,684,752	504,641	697,668	**2,887,061**
Due to BSP and other banks	3,151	-	-	**3,151**
Bills payable and other borrowed funds	127,720	25,605	70,108	**223,433**
Manager's checks and demand drafts outstanding	10,460	-	-	**10,460**
Lease liabilities	2,760	4,066	4,226	**11,052**
Other financial liabilities	14,773	-	-	**14,773**
Total financial liabilities	**1,843,616**	**534,312**	**772,002**	**3,149,930**
Total maturity gap	**(495,332)**	**625,685**	**982,657**	**1,113,010**

Consolidated (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
		(In Millions of Pesos)		
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,762	-	-	49,762
Due from BSP	164,571	-	-	164,571
Due from other banks	72,060	-	-	72,060
Interbank loans receivable and SPAR	15,171	1,340	559	17,070
Financial assets at FVTPL	28,506	3,491	9,616	41,613
Financial assets at FVOCI	31,931	41,772	227,905	301,608
Investment securities at amortized cost	49,155	192,356	155,373	396,884
Loans and advances	1,136,998	722,198	524,459	2,383,655
Other financial assets	3,970	-	-	3,970
Total financial assets	1,552,124	961,157	917,912	3,431,193
Financial Liabilities				
Deposit liabilities	1,465,575	458,825	690,402	2,614,802
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	70,025	70,190	22,967	163,182
Manager's checks and demand drafts outstanding	9,941	-	-	9,941
Lease liabilities	2,459	3,931	4,234	10,624
Other financial liabilities	9,865	-	-	9,865
Total financial liabilities	1,561,000	532,946	717,603	2,811,549
Total maturity gap	(8,876)	428,211	200,309	619,644

Parent Bank (December 31, 2025)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	**Total**
		(In Millions of Pesos)		
As at December 31, 2025				
Financial Assets				
Cash and other cash items	52,159	-	-	**52,159**
Due from BSP	89,303	-	-	**89,303**
Due from other banks	34,007	-	-	**34,007**
Interbank loans receivable and SPAR	34,700	48	426	**35,174**
Financial assets at FVTPL	57,328	6,703	13,378	**77,409**
Financial assets at FVOCI	34,635	47,032	312,951	**394,618**
Investment securities at amortized cost	81,122	175,161	143,501	**399,784**
Loans and advances	908,244	881,230	1,246,410	**3,035,884**
Other financial assets	5,109	-	-	**5,109**
Total financial assets	**1,296,607**	**1,110,174**	**1,716,666**	**4,123,447**
Financial Liabilities				
Deposit liabilities	1,620,688	500,357	691,301	**2,812,346**
Due to BSP and other banks	3,151	-	-	**3,151**
Bills payable and other borrowed funds	127,426	25,605	70,108	**223,139**
Manager's checks and demand drafts outstanding	10,459	-	-	**10,459**
Lease liabilities	2,350	3,429	3,985	**9,764**
Other financial liabilities	12,999	-	-	**12,999**
Total financial liabilities	**1,777,073**	**529,391**	**765,394**	**3,071,858**
Total maturity gap	**(480,466)**	**580,783**	**951,272**	**1,051,589**

Parent Bank (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
		(In Millions of Pesos)		
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,136	-	-	49,136
Due from BSP	161,247	-	-	161,247
Due from other banks	68,439	-	-	68,439
Interbank loans receivable and SPAR	7,550	1,340	559	9,449
Financial assets at FVTPL	25,540	2,093	8,385	36,018
Financial assets at FVOCI	29,821	40,945	227,730	298,496
Investment securities at amortized cost	47,296	191,387	150,416	389,099
Loans and advances	1,124,452	690,694	483,375	2,298,521
Other financial assets	6,186	-	-	6,186
Total financial assets	1,519,667	926,459	870,465	3,316,591
Financial Liabilities				
Deposit liabilities	1,462,979	463,771	688,044	2,614,794
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	69,926	70,190	22,967	163,083
Manager's checks and demand drafts outstanding	9,935	-	-	9,935
Lease liabilities	2,149	3,348	3,775	9,272
Other financial liabilities	8,903	-	-	8,903
Total financial liabilities	1,557,027	537,309	714,786	2,809,122
Total maturity gap	(37,360)	389,150	155,679	507,469

26.3.3 Maturity profile - Derivative instruments

- *Derivatives settled on a net basis*

The BPI Group's derivatives that are settled on a net basis consist of interest rate swaps, interest rate options, non-deliverable forwards and non-deliverable swaps. The table below presents the contractual undiscounted cash flows of interest rate swaps based on the remaining period from December 31 to the contractual maturity dates that are subject to offsetting, enforceable master netting arrangements and similar agreements.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	**144**	**178**	**450**	**772**
- Outflow	**(26)**	**(140)**	**(245)**	**(411)**
- Net inflow	**118**	**38**	**205**	**361**
Interest rate swap contracts - held for hedging				
- Inflow	**-**	**-**	**7**	**7**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**7**	**7**
Interest rate options				
- Inflow	**-**	**-**	**2**	**2**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**2**	**2**
Non-deliverable forwards and swaps - held for trading				
- Inflow	**157**	**-**	**-**	**157**
- Outflow	**(37)**	**-**	**-**	**(37)**
- Net outflow	**120**	**-**	**-**	**120**

Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	**144**	**178**	**450**	**772**
- Outflow	**(26)**	**(140)**	**(245)**	**(411)**
- Net inflow	**118**	**38**	**205**	**361**
Interest rate swap contracts - held for hedging				
- Inflow	**-**	**-**	**7**	**7**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**7**	**7**
Interest rate options				
- Inflow	**-**	**-**	**2**	**2**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**2**	**2**
Non-deliverable forwards and swaps - held for trading				
- Inflow	**157**	**-**	**-**	**157**
- Outflow	**(34)**	**-**	**-**	**(34)**
- Net outflow	**123**	**-**	**-**	**123**

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Interest rate options				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(486)	-	-	(486)
- Net outflow	(423)	-	-	(423)

Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(485)	-	-	(485)
- Net outflow	(422)	-	-	(422)

- *Derivatives settled on a gross basis*

The BPI Group's derivatives that are settled on a gross basis include foreign exchange derivatives mainly currency forwards and currency swaps and warrants. The table below presents the contractual undiscounted cash flows of foreign exchange derivatives based on the remaining period from reporting date to the contractual maturity dates.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	**3,247**	**174**	**140**	**3,561**
- Outflow	**(3,142)**	**(25)**	**(83)**	**(3,250)**
- Net inflow	**105**	**149**	**57**	**311**
Warrants				
- Inflow	**-**	**-**	**-**	**-**
- Outflow	**-**	**-**	**-**	**-**
- Net inflow	**-**	**-**	**-**	**-**

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	3,883	112	36	4,031
- Outflow	(3,398)	(4)	(15)	(3,417)
- Net inflow	485	108	21	614
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

Parent Bank

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	**3,228**	**174**	**141**	**3,543**
- Outflow	**(3,114)**	**(25)**	**(83)**	**(3,222)**
- Net inflow	**114**	**149**	**58**	**321**
Warrants				
- Inflow	**-**	**-**	**-**	**-**
- Outflow	**-**	**-**	**-**	**-**
- Net inflow	**-**	**-**	**-**	**-**

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	3,860	112	36	4,008
- Outflow	(3,336)	(4)	(15)	(3,355)
- Net inflow	524	108	21	653
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

26.4 Fair value measurement

The following tables present the carrying value of assets and liabilities and the level of fair value hierarchy within which the fair value measurements are categorized:

26.4.1 Assets and liabilities measured at fair value on a recurring or non-recurring basis

Consolidated (December 31, 2025)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	4,499	-	4,499	-	**4,499**
Trading assets					
- Debt securities	80,556	80,556	-	-	**80,556**
- Equity securities	219	63	156	-	**219**
Financial assets at FVOCI					
- Debt securities	282,236	282,236	-	-	**282,236**
- Equity securities	3,131	1,687	323	1,121	**3,131**
	370,641	**364,542**	**4,978**	**1,121**	**370,641**
Financial liabilities					
Derivative financial liabilities	3,698	-	3,698	-	**3,698**
Non-recurring measurements					
Assets held for sale, net	12,417	-	31,222	-	**31,222**

Consolidated (December 31, 2024)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,856	-	5,856	-	5,856
Trading assets					
- Debt securities	41,101	41,101	-	-	41,101
- Equity securities	351	351	-	-	351
Financial assets at FVOCI					
- Debt securities	264,358	264,358	-	-	264,358
- Equity securities	3,844	2,293	399	1,152	3,844
	315,510	308,103	6,255	1,152	315,510
Financial liabilities					
Derivative financial liabilities	4,976	-	4,976	-	4,976
Non-recurring measurements					
Assets held for sale, net	8,411	-	25,956	-	25,956

Parent Bank (December 31, 2025)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	4,481	-	4,481	-	**4,481**
Trading assets					
- Debt securities	72,764	72,764	-	-	**72,764**
- Equity securities	-	-	-	-	**-**
Financial assets at FVOCI					
- Debt securities	277,530	277,530	-	-	**277,530**
- Equity securities	1,824	1,509	315	-	**1,824**
	356,599	**351,803**	**4,796**	**-**	**356,599**
Financial liabilities					
Derivative financial liabilities	**3,667**	**-**	**3,667**	**-**	**3,667**
Non-recurring measurements					
Assets held for sale, net	**12,164**	**-**	**30,735**	**-**	**30,735**

Parent Bank (December 31, 2024)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,833	-	5,833	-	5,833
Trading assets					
- Debt securities	33,924	33,924	-	-	33,924
- Equity securities	-		-	-	-
Financial assets at FVOCI					
- Debt securities	260,834	260,834	-	-	260,834
- Equity securities	2,378	2,378	-	-	2,378
	302,969	297,136	5,833	-	302,969
Financial liabilities					
Derivative financial liabilities	4,913	-	4,913	-	4,913
Non-recurring measurements					
Assets held for sale, net	8,154	-	25,470	-	25,470

The table below shows the valuation techniques and applicable unobservable inputs used to measure the BPI Group's Level 3 financial instruments (equities classified at FVOCI) as at December 31:

			Amount	
Description	Valuation technique	Unobservable inputs	2025	2024
Unlisted equity securities	Net asset value; investment multiple	Net asset value; investment multiple	1,121	1,162

The investment valuation sensitivity of the underlying portfolio investee company is mainly impacted by the movement in net asset value and investment multiple. At December 31, 2025, if the net asset value and investment had increased/decreased by 1% with all other variables held constant, net income and equity as at and for the year ended December 31, 2025 would have been P8.41 million (2024 - P8.71 million) higher/lower.

There were no transfers between the fair value hierarchy levels during the years ended December 31, 2025 and 2024.

26.4.2 Fair value disclosures of assets and liabilities not measured at fair value

Consolidated (December 31, 2025)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	53,018	-	53,018	-	**53,018**
Due from BSP	106,344	-	106,344	-	**106,344**
Due from other banks	38,211	-	38,211	-	**38,211**
Interbank loans receivable and SPAR, net	35,480	-	35,480	-	**35,480**
Investment securities at amortized cost, net	353,145	350,530	-	-	**350,530**
Loans and advances, net	2,567,131	-	-	3,269,285	**3,269,285**
Other financial assets	3,472	-	-	3,472	**3,472**
Financial liabilities					
Deposit liabilities	2,838,525	-	-	2,824,519	**2,824,519**
Due to BSP and other banks	3,151	-	3,151	-	**3,151**
Bills payable and other borrowed funds	223,433	158,261	294	64,878	**223,433**
Manager's checks and demand drafts outstanding	10,460	-	10,460	-	**10,460**
Lease liabilities	9,989	-	-	9,989	**9,989**
Other financial liabilities	14,773	-	-	14,773	**14,773**
Non-financial assets				-	
Investment properties	54	-	603	-	**603**

Consolidated (December 31, 2024)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	49,762	-	49,762	-	49,762
Due from BSP	164,571	-	164,571	-	164,571
Due from other banks	72,060	-	72,060	-	72,060
Interbank loans receivable and SPAR, net	16,715	-	16,715	-	16,715
Investment securities at amortized cost, net	343,108	328,793	-	-	328,793
Loans and advances, net	2,238,765	-	-	2,710,915	2,710,915
Other financial assets	3,970	-	-	3,970	3,970
Financial liabilities					
Deposit liabilities	2,614,802	-	-	2,593,439	2,593,439
Due to BSP and other banks	3,135	-	3,135	-	3,135
Bills payable and other borrowed funds	163,182	107,486	99	55,597	163,182
Manager's checks and demand drafts outstanding	9,941	-	9,941	-	9,941
Lease liabilities	9,824	-	-	9,824	9,824
Other financial liabilities	9,865	-	-	9,865	9,865
Non-financial assets				-	
Investment properties	62	-	472	-	472

Parent Bank (December 31, 2025)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	52,159	-	52,159	-	**52,159**
Due from BSP	89,303	-	89,303	-	**89,303**
Due from other banks	34,007	-	34,007	-	**34,007**
Interbank loans receivable and SPAR, net	34,909	-	34,909	-	**34,909**
Investment securities at amortized cost, net	345,848	344,692	-	-	**344,692**
Loans and advances, net	2,500,475	-	-	3,192,682	**3,192,682**
Other financial assets	5,109	-	-	5,109	**5,109**
Financial liabilities					
Deposit liabilities	2,766,496	-	-	2,753,138	**2,753,138**
Due to BSP and other banks	3,151	-	3,151	-	**3,151**
Bills payable and other borrowed funds	223,139	158,261	-	64,878	**223,139**
Manager's checks and demand drafts outstanding	10,459	-	10,459	-	**10,459**
Lease liabilities	8,846	-	-	8,846	**8,846**
Other financial liabilities	12,999	-	-	12,999	**12,999**
Non-financial assets				-	
Investment properties	44	-	603	-	**603**

Parent Bank (December 31, 2024)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	49,136	-	49,136	-	49,136
Due from BSP	161,247	-	161,247	-	161,247
Due from other banks	68,439	-	68,439	-	68,439
Interbank loans receivable and SPAR, net	9,093	-	9,093	-	9,093
Investment securities at amortized cost, net	336,233	320,711	-	-	320,711
Loans and advances, net	2,186,696	-	-	2,655,343	2,655,343
Other financial assets	6,186	-	-	6,186	6,186
Financial liabilities					
Deposit liabilities	2,564,135	-	-	2,543,600	2,543,600
Due to BSP and other banks	3,135	-	3,135	-	3,135
Bills payable and other borrowed funds	163,083	107,486	-	55,597	163,083
Manager's checks and demand drafts outstanding	9,935	-	9,935	-	9,935
Lease liabilities	8,641	-	-	8,641	8,641
Other financial liabilities	8,903	-	-	8,903	8,903
Non-financial assets					
Investment properties	62	-	472	-	472

The fair value of the above financial assets classified within the Level 2 hierarchy is determined using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The primary source of input parameters like yield curve or counterparty credit risk is Bloomberg.

The fair value of the above financial assets classified within the Level 3 hierarchy is determined using valuation techniques that incorporate significant unobservable inputs. The estimated fair values are determined based on the discounted amount of estimated future cash flows expected to be received or paid.

26.5 Insurance risk management

The non-life insurance entities decide on the retention, or the absolute amount that they are ready to assume insurance risk from one event. The retention amount is a function of capital, experience, actuarial study and risk appetite or aversion.

In excess of the retention, these entities arrange reinsurances either thru treaties or facultative placements. They also accredit reinsurers based on certain criteria and set limits as to what can be reinsured. The reinsurance treaties and the accreditation of reinsurers require BOD's approval.

The insurance risk is not material to the BPI Group as a whole. Refer to Note 2 for assets and liabilities attributable to insurance operations.

27 Capital management

Capital management is understood to be a facet of risk management. The primary objective of the BPI Group is the generation of sustainable positive returns to shareholders. To this end, the BPI Group's policies, business strategies and activities are directed towards the generation of cash flows that are in excess of its fiduciary and contractual obligations to its depositors, and to its various funders and stakeholders.

Cognizant of its exposure to risks, the BPI Group maintains sufficient capital to absorb unexpected losses, stay in business for the long haul, and satisfy regulatory requirements. The BPI Group further understands that its performance, as well as the performance of its various units, should be measured in terms of returns generated vis-à-vis allocated capital and the amount of risk borne in the conduct of business.

Effective January 1, 2014, the BSP, through its Circular No. 781, requires each bank and its financial affiliated subsidiaries to adopt new capital requirements in accordance with the provisions of Basel III. The new guidelines are meant to strengthen the composition of the bank's capital by increasing the level of core capital and regulatory capital. The Circular sets out minimum Common Equity (CET1) ratio and Tier 1 Capital ratios of 6.0% and 7.5%, respectively. A capital conservation buffer of 2.5%, comprised of CET1 capital, was likewise imposed. The minimum required capital adequacy ratio remains at 10% which includes the capital conservation buffer.

Information on the regulatory capital is summarized below:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
CET1	**457,741**	418,664	**457,051**	417,974
Less: Regulatory adjustments to CET1 capital	**55,445**	52,619	**87,290**	81,427
Tier 1 capital	**402,296**	366,045	**369,761**	336,547
Tier 2 capital	**23,473**	20,480	**22,345**	19,553
Total qualifying capital	**425,769**	386,525	**392,106**	356,100
Risk weighted assets	**2,886,738**	2,641,674	**2,779,205**	2,560,487
CAR (%)	**14.75%**	14.63%	**14.11%**	13.91%
CET1 (%)	**13.94%**	13.86%	**13.30%**	13.14%

The BPI Group has fully complied with the CAR requirement of the BSP.

Likewise, regulatory capital structures of certain subsidiaries on a standalone basis are managed to meet the requirements of the relevant regulatory bodies (i.e. Insurance Commission (IC), SEC, PSE etc.). These subsidiaries have fully complied with the applicable regulatory capital requirements.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Bank is likewise fully compliant with this requirement.

28 Commitments and contingencies

At present, there are lawsuits, claims and tax assessments pending against the BPI Group. In the opinion of management, after reviewing all actions and proceedings and court decisions with legal counsels, the aggregate liability or loss, if any, arising therefrom will not have a material effect on the BPI Group's financial position or financial performance.

In the normal course of business, the BPI Group makes various commitments that may not have been presented in the financial statements. The BPI Group does not anticipate any material losses from these commitments.

29 Subsequent events

Planned merger of BPI Direct BanKo, Inc., a Savings Bank and Legazpi Savings Bank

On December 17, 2025, the BOD of the Parent Bank authorized Management to pursue plans to merge BPI Direct BanKo, Inc., A Savings Bank (BanKo) and Legazpi Savings Bank, Inc. (LSB), with BanKo as the surviving entity, subject to the consideration and approval of their respective BOD and stockholders. On January 22, 2026, the BOD of both BanKo and LSB approved the Plan for Merger, subject to shareholder and regulatory approvals.

The merger is subject to conditions precedent including obtaining corporate and regulatory approvals.

Pricing and listing of BPI SIGLA Bonds

BPI priced its P5 Billion Peso-denominated fixed-rate BPI Supporting Individuals Grow, Lead, and Achieve Bonds due 2028 (the "BPI SIGLA Bonds"), with option to upsize, marking the second tranche under BPI's P200 Billion Bond and Commercial Paper Program, approved by its Board of Directors on October 16, 2024 (the "Offer"). The BPI SIGLA Bonds were issued at par value and bear an interest rate of 5.405% per annum, gross of applicable tax, to be paid quarterly. The public offer period ran from January 26, 2026, until February 4, 2026.

The BPI SIGLA Bonds were issued and listed with the Philippine Dealing & Exchange Corp. on February 13, 2026. The BPI SIGLA Bonds have a tenor of two (2) years and carry the "ASEAN Social Bond" label, as affirmed by the Securities and Exchange Commission on December 18, 2025. The net proceeds of the Offer will be used for the financing or refinancing of eligible social projects under BPI's Sustainable Funding Framework, consistent with the ASEAN Social Bond Standards.

30 Summary of material accounting policies

The material information of the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

30.1 Basis of preparation

The financial statements of the BPI Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards;
- PAS Standards; and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

As allowed by the SEC, the pre-need subsidiary of the Parent Bank continues to follow the provisions of the Pre-Need Uniform Chart of Accounts (PNUCA) prescribed by the SEC and adopted by the IC.

The financial statements comprise the statements of condition, statements of income and statements of total comprehensive income shown as two statements, statements of changes in capital funds, statements of cash flows and the notes.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL, financial assets at FVOCI, and plan assets of the BPI Group's defined benefit plans.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the BPI Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the BPI Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are shown below:

Critical accounting estimates

- Determination of fair value of derivatives and other financial instruments (Note 7)
- Useful lives of bank premises, furniture, fixtures and equipment (Note 11)
- Useful lives of intangible assets (Note 14)
- Impairment of goodwill (Note 14)
- Impairment of investments in subsidiaries and associates (Note 12)
- Calculation of defined benefit obligation (Note 23)
- Measurement of expected credit losses for loans and advances (Note 26.1.5)

Critical accounting judgments

- Classification of investment securities at amortized cost (Note 9)
- Realization of deferred income tax assets (Note 13)
- Determining the lease term (Note 20)
- Determining the incremental borrowing rate (Note 20)

30.2 Changes in accounting policy and disclosures

(a) New standard and amendments to existing standards adopted by the BPI Group

There are no new standards or amendments to existing standards effective January 1, 2025 that have a material impact to the BPI Group.

(b) New standards and amendments to existing standard not yet adopted by the BPI Group

The following new accounting standards are not mandatory for December 31, 2025 reporting period and have not been early adopted by the BPI Group:

- *PFRS 17, 'Insurance Contracts'*

  PFRS 17 was issued in May 2017 as replacement for PFRS 4, "Insurance Contracts". On March 17, 2020, the IASB has decided to further defer the effective date of the standard to annual reporting periods beginning on or after January 1, 2023. Taking into consideration the implications of the pandemic, the IC recognizes that the insurance industry has to realign its priority programs and focus on modifying its business operations under a new normal.

  Through IC-CL 2020-62, FSRSC Pronouncement dated December 21, 2021, and BOA Resolution No. 1, s. 2022, the adoption of PFRS 17 was deferred from January 1, 2023 to January 1, 2025.

  On March 10, 2025, the IC issued IC-CL 2025-04 further deferring the application of PFRS 17 effective January 1, 2027, due to gaps in the insurance industry's preparation for PFRS 17 and the need for additional time to ensure smooth transition while maintaining regulatory stability.

  PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period.

  The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9, "Financial instruments." An optional, simplified premium allocation approach (PAA) is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

BPI/MS, the Bank's non-life insurance subsidiary, has substantially completed its implementation plan and will apply the full retrospective approach. BPI/MS assessed that it is eligible to apply PAA. The measurement differences between PFRS 4 and PFRS 17 lead to an upside impact on net worth as at transition date which is mainly a result of the deferral of other directly attributable insurance acquisition cost, as allowed by the Standard, and the impact of discounting to the liability for incurred claims. The adoption of this standard is not expected to have a material impact to the financial statements of the BPI Group as a whole.

- *PFRS 18, 'Presentation and Disclosure in Financial Statements'*

  This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

  The key new concepts introduced in PFRS 18 relate to:
  - The structure of the statement of profit or loss with defined subtotals;
  - Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
  - Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- *PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'*

  This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
  - It does not have public accountability; and
  - It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7*

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  (b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
  (c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  (d) Update the disclosures for equity instruments design.

  The adoption of PFRS 18, PRFS 19 and amendments to PFRS 9 and PFRS 7 are not expected to have a material financial effect to the financial statements of the BPI Group.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2026 that are considered relevant or expected to have a material effect on the financial statements of the BPI Group.

30.3 Financial instruments

30.3.1 Measurement methods

Amortized cost and effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired (see definition on Note 30.3.2.2) at initial recognition - the BPI Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. When the BPI Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the BPI Group commits to purchase or sell the asset.

At initial recognition, the BPI Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in Note 30.3.2.1 below, which results in the loss provision being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the BPI Group recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

30.3.2 Financial assets

30.3.2.1 Classification and subsequent measurement

The BPI Group classifies its financial assets in the following measurement categories: at FVTPL, FVOCI, and at amortized cost. The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on the BPI Group's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the BPI Group classifies its debt instruments into one of the following three measurement categories:

- *Amortized cost*

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The BPI Group's amortized cost financial assets include cash and other cash items, due from BSP, due from other banks, interbank loans receivables and SPAR, loans and advances, and other financial assets.

- *FVOCI*

  Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in the statements of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- *FVTPL*

  Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statements of income within "Securities trading gain" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately.

Business model

The business model reflects how the BPI Group manages the assets in order to generate cash flows. That is, whether the BPI Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified and measured at FVTPL. Factors considered by the BPI Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely Payment of Principal and Interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the BPI Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the BPI Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The BPI Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

The BPI Group subsequently measures all equity investments at FVTPL, except where the BPI Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The BPI Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, even on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as 'Other operating income' when the BPI Group's right to receive payments is established. Gains and losses on equity investments at FVTPL are included in the "Securities trading gain" in the statements of income.

30.3.2.2 Impairment of amortized cost and FVOCI financial assets

The BPI Group assesses impairment as follows:

- individually for loans that exceed specified thresholds. Where there is objective evidence of impairment, individually assessed provisions will be recognized; and
- collectively for loans below the specified thresholds noted above or if there is no objective evidence of impairment. These loans are included in a group of loans with similar risk characteristics and collectively assessed for impairment. If there is objective evidence that the group of loans is collectively impaired, collectively assessed provisions will be recognized.

Expected credit losses

The BPI Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments. The BPI Group recognizes a loss allowance for such losses including post-model adjustments, as applicable, at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the BPI Group.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The BPI Group determines SICR based on prescribed benchmarks approved by the Board of the Directors.
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3".
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with PFRS 9 is that it should consider forward-looking information both in the ECL models and post-model adjustments, as applicable.
- POCI financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3). The BPI Group has no POCI as at December 31, 2025 and December 31, 2024.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

Determination of SICR

The BPI Group compares the probabilities of default occurring over its expected life as at the reporting date with the PD occurring over its expected life on the date of initial recognition to determine SICR. Since comparison is made between forward-looking information at reporting date against initial recognition, the deterioration in credit risk may be triggered by the following factors:

- substantial deterioration in credit quality as measured by the applicable internal or external ratings or credit score or the shift from investment grade category to non-investment grade category;
- adverse changes in business, financial and/or economic conditions of the borrower;
- early warning signs of worsening credit where the ability of the counterparty to honor his obligation is dependent upon the business or economic condition;
- the account has become past due beyond 30 days where an account is classified under special monitoring category (refer to Note 26.1.2 for the description of special monitoring); and
- expert judgment for the other quantitative and qualitative factors which may result to SICR as defined by the BPI Group.

Measuring ECL - Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD, defined as follows:

(a) The PD represents the likelihood that the borrower will default (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining life (lifetime PD) of the asset.

(b) EAD is based on the amounts the BPI Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining life (lifetime EAD). For example, for a revolving commitment, the BPI Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.
- For committed credit lines, the EAD is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default.

(c) LGD represents the BPI Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The LGDs are determined based on the factors which impact the recoveries made post-default.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies and historical recoveries.

The ECL is determined by multiplying the PD, LGD and EAD together for each individual exposure or collective segment. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

Forward-looking economic information is also included in determining the 12-month and lifetime PD. These assumptions vary by product type.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change - are monitored and reviewed regularly.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period from the time of the adoption of PFRS 9 on January 1, 2018 to the reporting date.

Forward-looking information incorporated in the ECL models

The BPI Group incorporates historical and current information, and forecasts forward-looking events and key economic variables that are assessed to impact credit risk and expected credit losses for each portfolio. MEVs that affect a specific portfolio's non-performing loan rate(s) are determined through statistical modelling and the application of expert judgment. The BPI Group's economics team establishes possible global and domestic economic scenarios. With the use of economic theories and conventions, expert judgment and external forecasts, the economics team develops assumptions to be used in forecasting variables in the next five (5) years, subsequently reverting to long run-averages. The probability-weighted ECL is calculated by running each scenario through the relevant ECL models and multiplying it by the appropriate scenario weighting.

The estimation and application of forward-looking information requires significant judgment. As with any economic forecasts, the projections and likelihood of occurrences are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The scenarios and their attributes are reassessed at each reporting date. Information regarding the forward-looking economic variables and the relevant sensitivity analysis is disclosed in Note 26.1.5.

Financial assets with low credit risk

Loss allowance for financial assets at amortized cost and FVOCI that have low credit risk is limited to 12-month expected credit losses. Management considers "low credit risk" for listed government bonds to be an investment grade credit rating with at least one major rating agency. Other debt instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Definition of default and credit-impaired assets

The BPI Group considers a financial instrument in default or credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments (with the exception of credit cards and micro-finance loans where a borrower is required to be 90 days past due and over 7 days past due, respectively, to be considered in default).

Qualitative criteria

The counterparty is experiencing significant financial difficulty which may lead to non-payment of loan as may be indicated by any or combination of the following events:

- The counterparty is in long-term forbearance;
- The counterparty is insolvent;
- The counterparty is in breach of major financial covenant(s) which lead(s) to event of default;
- An active market for the security has disappeared;
- Granting of concession that would not be otherwise considered due to economic or contractual reasons relating to the counterparty's financial difficulty;
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the BPI Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD, and LGD throughout the BPI Group's expected credit loss calculations.

The BPI Group's definition of default is substantially consistent with non-performing loan definition of the BSP. For cross-border, treasury and debt securities, these are classified as defaulted based on combination of BSP and external credit rating agency definitions.

30.3.3 Modification of loans

The BPI Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the BPI Group assesses whether or not the new terms are substantially different to the original terms. The BPI Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the BPI Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the BPI Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in the statements of income as a gain or loss on derecognition.

If the terms are not substantially different, the BPI Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in the statement of income. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

30.3.4 Derecognition of financial assets other than modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the BPI Group transfers substantially all the risks and rewards of ownership, or (ii) the BPI Group neither transfers nor retains substantially all the risks and rewards of ownership and the BPI Group has not retained control.

The BPI Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the BPI Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.5 Write-off of financial assets

The BPI Group writes off financial assets when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The financial assets are then considered uncollectible or worthless. Indicators that there is no reasonable expectation of recovery include any of the following (i) borrower's and co-maker's/guarantor's whereabouts are unknown, or they are insolvent, or their payment capacity is permanently impaired and (ii) where the BPI Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full, or the collaterals no longer have recoverable values.

The BPI Group may write-off financial assets that are still subject to enforcement activity as the write-off process does not prejudice continuance of enforcement efforts and/or legal actions.

The write-off of loans is approved by the BOD in compliance with the BSP requirements. Loans written-off are fully covered with allowance.

Recoveries on written-off assets

Collections on accounts or recoveries, if any, from impaired financial assets previously written off are recognized in profit or loss under Miscellaneous income in the period where the recovery transaction occurs.

30.3.6 Financial liabilities

30.3.6.1 Classification of financial liabilities

The BPI Group classifies its financial liabilities in the following categories: financial liabilities at FVTPL and financial liabilities at amortized cost.

(a) Financial liabilities at FVTPL

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the BPI Group as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the statements of income and are reported as “Securities trading gain”. The BPI Group has no financial liabilities that are designated at fair value through profit loss.

(b) Other liabilities measured at amortized cost

Financial liabilities that are not classified as at FVTPL fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost include deposits from customers and banks, bills payable, amounts due to BSP and other banks, manager’s checks and demand drafts outstanding, subordinated notes and other financial liabilities under deferred credits and other liabilities.

30.3.6.2 Subsequent measurement and derecognition

Financial liabilities at FVTPL are subsequently carried at fair value. Other liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they have been redeemed or otherwise extinguished (i.e. when the obligation is discharged or is cancelled or has expired). Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions is not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.7 Loan commitments

Loan commitments are not issued at below-market interest rates and are not settled net in cash or by delivering or issuing another financial instrument.

30.3.8 Derivative financial instruments

A derivative instrument is initially recognized at fair value on the date a derivative contract is entered into, and is subsequently remeasured to its fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument or is held for trading.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting (and therefore, held for trading) are recognized immediately in profit or loss and are included in “Securities trading gain”.

Hedge accounting

The BPI Group designates derivatives as either:
- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the BPI Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The BPI Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the "Cash flow hedge reserve" within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within "Other operating income".

When the group excludes the forward element of a forward contract and foreign currency basis spread of financial instruments in the hedge designation, the fair value change of the forward element and currency basis spread that relates to the hedged item ('aligned forward element/currency basis spread') is recognized within OCI in the costs of hedging reserve within equity. If the group designates the full change in fair value of the derivative (including forward points and currency basis spreads) the gains or losses relating to the effective portion of the change in fair value of the entire derivative are recognized in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss within other operating income in the same periods during which the hedged future cash flows affect profit or loss. However, if the amount is a loss and the BPI Group expects that all or a portion of that loss will not be recovered in one or more future periods, the amount that is not expected to be recovered shall immediately be reclassified to profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time shall be reclassified to profit or loss in the same periods during which the future cash flows affect profit or loss. When the future cash flows are no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

30.3.8.1 Embedded derivatives

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the BPI Group assesses the entire contract for classification and measurement in accordance with the policy outlined in Note 30.3.2 above. Otherwise, the embedded derivatives are treated as separate derivatives when:

- Their economic characteristics and risks are not closely related to those of the host contract;
- A separate instrument with the same terms would meet the definition of a derivative; and
- The hybrid contract is not measured at FVTPL.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statements of income unless the BPI Group chooses to designate the hybrid contracts at FVTPL.

30.3.9 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

A subsidiary of the Parent Bank has investments in non-marketable equity securities classified under Level 3 as at December 31, 2025 and 2024 (Note 26.4.1).

30.3.10 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognized using the effective interest method.

When calculating the effective interest rate, the BPI Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

30.3.11 Cash and cash equivalents

Interbank loans receivable and securities purchased under agreements to resell (SPAR) are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

30.3.12 Repurchase and reverse repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks and customers and included in the statement of condition under "Interbank loans receivable and securities purchased under agreements to resell". Securities lent to counterparties are also retained in the financial statements.

30.4 Consolidation

The subsidiaries' financial statements are prepared for the same reporting year as the consolidated financial statements. Refer to Note 1 for the list of the Parent Bank's subsidiaries.

(a) Subsidiaries

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the BPI Group, except for the pre-need subsidiary which follows the provisions of the PNUCA as allowed by the SEC.

(b) Associates

Associates are all entities over which the BPI Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in the consolidated financial statements are accounted for using the equity method of accounting.

The BPI Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the BPI Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit (loss) of an associate' in profit or loss.

Unrealized gains on transactions between the BPI Group and its associates are eliminated to the extent of the BPI Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the BPI Group.

(c) Business combination between entities under common control

Business combinations under common control are accounted for using the pooling of interest method following the guidance under the PIC Q&A No. 2018-06. Under this method, the Parent Bank does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over their cost at the time of the common control combination.

(d) Business combination under PFRS 3

The BPI Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the BPI Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any, and fair value of any pre-existing equity interest in the acquiree, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the BPI Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the BPI Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the BPI Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Measurement period

PFRS 3 allows a one year measurement period for the acquirer to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable.

Accounting for loss allowances relating to financial assets acquired through merger

The BPI Group applies the provision in PFRS 3 wherein a separate valuation allowance, such as a provision for impairment of receivables, is not recognized when assets are measured at their acquisition date fair values. The asset's fair value includes the probabilities and uncertainties regarding future cash flows. The BPI Group does not recognize a separate valuation allowance for the contractual cash flows that are deemed to be uncollectable at that date or a loss allowance for expected credit losses. The related provision for credit and impairment losses arising from the acquired financial assets are netted against the assets' fair value.

30.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates in the Parent Bank's separate financial statements are accounted for using the cost method in accordance with PAS 27. Under this method, income from investment is recognized in profit or loss only to the extent that the investor receives distributions from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

The Parent Bank recognizes a dividend from a subsidiary or associate in profit or loss in its separate financial statements when its right to receive the dividend is established.

The Parent Bank determines at each reporting date whether there is any indicator of impairment that the investment in the subsidiary or associate is impaired. If this is the case, the Parent Bank calculates the amount of impairment as the difference between the recoverable amount and carrying value and the difference is recognized in profit or loss.

Investments in subsidiaries and associates are derecognized upon disposal or when no future economic benefits are expected to be derived from the subsidiaries and associates at which time the cost and the related accumulated impairment loss are removed in the statements of condition. Any gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the investment and recognized in profit or loss.

30.6 Segment reporting

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated upon consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with PFRS 8, the BPI Group has the following main banking business segments: consumer banking, corporate banking and investment banking. Its insurance business is assessed separately from these banking business segments (Note 3).

30.7 Bank premises, furniture, fixtures and equipment

Land and buildings comprise mainly of branches and offices. All bank premises, furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the BPI Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Construction-in-progress is initially recognized at cost and will be depreciated once completed and available for use. The cost of construction-in-progress includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items on the site on which it is located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets during the construction period. The construction-in-progress is internally funded by the Parent Bank hence, no borrowing costs were capitalized. The construction-in-progress is recorded as part of Buildings and leasehold improvements.

Land is carried at historical cost and is not depreciated. Depreciation for buildings and furniture and equipment is calculated using the straight-line method to allocate cost or residual values over the estimated useful lives of the assets, as follows:

Building	25-50 years
Furniture and equipment	3-5 years
Equipment for lease	2-8 years

Leasehold improvements are depreciated over the shorter of the lease term (ranges from 5 to 10 years) and the useful life of the related improvement (ranges from 5 to 10 years). Major renovations are depreciated over the remaining useful life of the related asset.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. There are no bank premises, furniture, fixtures and equipment that are fully impaired as at December 31, 2025 and 2024.

30.8 Investment properties

Properties that are held either to earn rental income or for capital appreciation or both, and that are not significantly occupied by the BPI Group are classified as investment properties. Transfers to, and from, investment property are made when, and only when, there is a change in use, evidenced by:

(a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) Commencement of development with a view of sale, for a transfer from investment property to real properties held-for-sale and development;
(c) End of owner occupation, for a transfer from owner-occupied property to investment property; or
(d) Commencement of an operating lease to another party, for a transfer from real properties held-for-sale and development to investment property.

Transfers to and from investment property do not result in gain or loss.

Investment properties comprise land and building. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation on investment property is determined using the same policy as applied to Bank premises, furniture, fixtures, and equipment. Impairment test is conducted when there is an indication that the carrying amount of the asset may not be recovered. An impairment loss is recognized for the amount by which the property's carrying amount exceeds its recoverable amount, which is the higher of the property's fair value less costs to sell and value in use.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains and losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

30.9 Foreclosed assets

Assets foreclosed shown as Assets held for sale in the statements of condition are accounted for at the lower of cost and fair value less cost to sell similar to the principles of PFRS 5. The cost of assets foreclosed includes the carrying amount of the related loan. Impairment loss is recognized for any subsequent write-down of the asset to fair value less cost to sell.

Foreclosed assets not classified as Assets held for sale are accounted for in any of the following classification using the measurement basis appropriate to the asset as follows:

(a) Investment property is accounted for using the cost model under PAS 40;
(b) Bank-occupied property is accounted for using the cost model under PAS 16; and
(c) Financial assets are accounted for under PFRS 9.

When foreclosed assets are recovered through a sale transaction, the gain or loss recognized from the difference between the carrying amount of the foreclosed asset disposed and the net disposal proceeds is recognized in profit or loss.

30.10 Intangible assets

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the BPI Group's share in the net identifiable assets of another entity at the date of acquisition. Goodwill on acquisition is included under Other assets, net in the statements of condition. Separately recognized goodwill is carried at cost less accumulated impairment losses.

Goodwill is an indefinite-lived intangible asset and hence not subject to amortization. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each cash-generating unit is represented by each primary reporting segment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Contractual customer relationships and core deposits

Contractual customer relationships and core deposits acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relationships and core deposits have finite useful lives of 9 years and 18 years, respectively and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the intangible assets. Contractual customer relationships and core deposits are included under Other assets, net in the statements of condition.

(c) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over the expected useful lives (three to five years). Computer software is included under Other assets, net in the statements of condition.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the BPI Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other assets to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(d) Management contracts

Management contracts are recognized at fair value at the acquisition date. They have a finite useful life of five years and are subsequently carried at cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method over the estimated useful life of the contract. Management contracts are included under Other assets, net in the statements of condition.

(e) Branch licenses

Branch licenses arise from the acquisition of branches in a business combination. They have an indefinite useful life and are subject to annual impairment assessment. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable.

30.11 Impairment of non-financial assets

Assets that have indefinite useful lives, like goodwill, are not subject to amortization and are tested annually for impairment and more frequently if there are indicators of impairment. Assets that have definite useful lives are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

30.12 Borrowings and borrowing costs

The BPI Group's borrowings consist mainly of bills payable and other borrowed funds. Borrowings are recognized initially at fair value, which is the issue proceeds, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred. The BPI Group has no qualifying asset as at December 31, 2025 and 2024. Borrowings derecognized when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of income as other income.

30.13 Fees and commission income

The BPI Group has applied PFRS 15 where revenue is recognized when (or as) The BPI Group satisfies a performance obligation by transferring a promised good or service to a customer (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset.

The recognition of revenue can be either over time or at a point in time depending on when the performance obligation is satisfied.

When control of a good or service is transferred over time, that is, when the customer simultaneously receives and consumes the benefits, the BPI Group satisfies the performance obligation and recognizes revenue over time. Otherwise, revenue is recognized at the point in time at the point of transfer control of the good or service to the customer.

Variable consideration is measured using either the expected value method or the most likely amount method depending on which method the BPI Group expects to better predict the amount of consideration to which it will be entitled. This is the estimated amount of variable consideration, or the portion, if any, of that amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Where there is a single performance obligation, the transaction price is allocated in its entirety to that performance obligation. Where there are multiple performance obligations, the transaction price is allocated to the performance obligation to which it relates based on stand-alone selling prices.

The BPI Group recognizes revenue based on the price specified in the contract, net of the estimated rebates/discounts and include variable consideration, if there is any. Accumulated experience is used to estimate and provide for the discounts and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

The BPI Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the BPI Group does not adjust any of the transaction prices for the time value of money.

Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party (i.e. the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses) are recognized on completion of underlying transactions. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis. Asset management fees related to investment funds are recognized ratably over the period in which the service is provided.

30.14 Credit card income

Credit card arrangements involve numerous contracts between various parties. The BPI Group has determined that the more significant contracts within the scope of PFRS 15 are (1) the contract between the BPI Group and the credit card holder (‘Cardholder Agreement’) under which the BPI Group earn miscellaneous fees (e.g., annual membership fees, late payment fees, foreign exchange fees, etc.) and (2) an implied contract between the BPI Group and merchants who accept the credit cards in connection with the purchase of their goods and/or services (‘Merchant Agreement’) under which the BPI Group earn interchange fees.

The Cardholder Agreement obligates the BPI Group, as the card issuer, to perform activities such as process redemption of loyalty points by providing goods, services, or other benefits to the cardholder; provide ancillary services such as concierge services, travel insurance, airport lounge access and the like; process late payments; provide foreign exchange services and others. The amount of fees stated in the contract represents the transaction price for that performance obligation.

The implied contract between the BPI Group and the merchant results in the BPI Group receiving an interchange fee from the merchant. The interchange fee represents the transaction price associated with the implied contract between the BPI Group and the merchant because it represents the amount of consideration to which the BPI Group expects to be entitled in exchange for transferring the promised service (i.e., purchase approval and payment remittance) to the merchant. The performance obligation associated with the implied contract between the BPI Group and the merchant is satisfied upon performance and simultaneous consumption by the customer of the underlying service. Therefore, a portion of the interchange fee is allocated to the performance obligations based on stand-alone transaction price and revenue is recognized when these performance obligations are satisfied.

30.15 Foreign currency translation

(a) Functional and presentation currency

Items in the financial statements of each entity in the BPI Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is the Parent Bank's functional and presentation currency.

(b) Foreign subsidiaries

The results and financial position of BPI's foreign subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at reporting date;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component (Currency translation differences) of Accumulated other comprehensive income (loss) in the capital funds. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

(c) Income from foreign exchange trading

Foreign exchange gains and losses arising from trading of foreign currencies are recorded under "Income from foreign exchange trading" in the statement of income. Gains or losses are calculated as the difference between the carrying amount of the asset sold and the net disposal proceeds at the date of sale.

30.16 Provisions for legal or contractual obligations

Provisions are recognized when all of the following conditions are met: (i) the BPI Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item is included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

30.17 Income taxes

(a) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction.

The BPI Group has substantial income from its investment in government securities subject to final withholding tax. Such income is presented at its gross amount and the final tax paid or withheld is included in Income tax expense - Current.

(b) Deferred income tax

The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

The BPI Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

30.18 Employee benefits

(a) Short-term benefits

The BPI Group recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses, and non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(b) Defined benefit retirement plan

The BPI Group has a defined benefit plan that shares risks among entities within the group. A defined benefit plan is a pension plan that defines 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 liability recognized in the statement of condition in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Defined benefit costs comprise of service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when the plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest income or expense in the statement of income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For individual financial reporting purposes, the unified plan assets are allocated among the BPI Group entities based on the level of the defined benefit obligation attributable to each entity to arrive at the net liability or asset that should be recognized in the individual financial statements.

(c) Defined contribution retirement plan

The BPI Group also maintains a defined contribution plan that covers certain full-time employees. Under its defined contribution plan, the BPI Group pays fixed contributions based on the employees' monthly salaries. The BPI Group, however, is covered under RA No. 7641, otherwise known as The Philippine Retirement Pay Law, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. Accordingly, the BPI Group accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The BPI Group and Parent Bank determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) then, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest and other expenses related to the defined benefit plan are recognized in the statement of income.

The defined contribution liability is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Actuarial gains and losses arising from the remeasurements of the net defined contribution liability are recognized immediately in the other comprehensive income.

(d) Share-based compensation

The BPI Group engages in equity-settled share-based payment transactions in respect of services received from certain employees.

The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of employee services received in respect of the shares or share options granted is recognized in profit or loss (with a corresponding increase in reserves in capital funds) over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined by using option pricing models which take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

When the stock options are exercised or shares are subscribed, the proceeds received are credited to share capital (par value) and share premium for the excess of exercise price over par value.

(e) Bonus plans

The BPI Group recognizes a liability and an expense for bonuses and recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

30.19 Capital funds

Merger reserves

Merger reserves represent the difference between the value of shares issued by the Parent Bank in exchange for the carrying value of the net assets acquired in respect of the acquisition of BFB accounted for under the pooling-of-interest method and the difference between the results of operations of BFB during the year ended December 31, 2021 and the dividends declared on December 29, 2021.

30.20 Fiduciary activities

The BPI Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the BPI Group (Note 24).

30.21 Leases

30.21.1 BPI Group is the lessee

Measurement of right-of-use assets and lease liabilities

Lease payments to be made under reasonably certain extension options are included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the BPI Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the BPI Group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the BPI Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the BPI Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Lease modification

Lease modifications are accounted either as a separate lease or not a separate lease. The BPI Group accounts for the lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right of use to one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modification that is not accounted for a separate lease, at the effective date of lease modification, the BPI Group:

- allocates the consideration in the modified contract on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.
For a lease modification that is not accounted for as a separate lease, the BPI Group accounts for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease; and
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The BPI Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statements of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

30.21.2 BPI Group is the lessor

BPI Group (as a lessor) continues to classify its leases as operating leases.

30.22 Insurance and pre-need operations

(a) Non-life insurance

The more significant accounting policies observed by the non-life insurance subsidiaries follow: (a) gross premiums written from short-term insurance contracts are recognized at the inception date of the risks underwritten and are earned over the period of cover in accordance with the incidence of risk using the 24th method; (b) acquisition costs are deferred and charged to expense in proportion to the premium revenue recognized; reinsurance commissions are deferred and deducted from the applicable deferred acquisition costs, subject to the same amortization method as the related acquisition costs; (c) a liability adequacy test is performed which compares the subsidiaries' reported insurance contract liabilities against current best estimates of all contractual future cash flows and claims handling, and policy administration expenses as well as investment income backing up such liabilities, with any deficiency immediately charged to profit or loss; and (d) financial assets and liabilities are measured following the classification and valuation provisions of PFRS 9.

(b) Pre-need

The material provisions of the PNUCA as applied by the pre-need subsidiary follow: (a) costs of contracts issued and other direct costs and expenses are recognized as expense when incurred; (b) pre-need reserves which represent the accrued net liabilities of the subsidiary to its plan holders are actuarially computed based on standards and guidelines set forth by the Insurance Commission; the increase or decrease in the account is charged or credited to other costs of contracts issued in profit or loss; and (c) insurance premium reserves which represent the amount that must be set aside by the subsidiary to pay for premiums for insurance coverage of fully paid plan holders, are actuarially computed based on standards and guidelines set forth by the Insurance Commission.

31 Supplementary information required under BSP Circular No. 1074

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

(i) Basic Quantitative Indicators of Financial Performance

The key financial performance indicators follow (in %):

	Consolidated		Parent	
	2025	2024	**2025**	2024
Return on average equity				
- Daily average[1]	**14.54**	15.07	**14.35**	14.45
- Simple average[2]	**14.69**	15.67	**14.57**	15.24
Return on average assets				
- Daily average[3]	**1.96**	1.98	**1.88**	1.86
- Simple average[4]	**1.91**	2.00	**1.84**	1.87
Net interest margin				
- Daily average[5]	**4.59**	4.31	**4.31**	4.08
- Simple average[6]	**4.47**	4.31	**4.19**	4.07

[1]*Net income divided by average total equity for the period indicated. Average equity is based on the daily average balance of equity for the years ended December 31, 2025 and 2024.*
[2]*Net income divided by average total equity for the period indicated. Average total equity is based on the year-on-year balance of equity for the years ended December 31, 2025 and 2024.*
[3]*Net income divided by average total assets as at period indicated. Average total assets are based on the daily average balance of total assets as at December 31, 2025 and 2024.*
[4]*Net income divided by average total assets as at period indicated. Average total assets are based on the year-on-year balance of total assets as at December 31, 2025 and 2024.*
[5]*Net interest income divided by average interest-earning assets. Average interest earning assets is based on the daily average balance of interest earning assets as at December 31, 2025 and 2024.*
[6]*Net interest income divided by average interest-earning assets. Average interest earning assets is based on the year-on-year balance of interest earning assets as at December 31, 2025 and 2024.*

a. Description of Capital Instrument Issued

BPI considers its common shares as capital instrument for purposes of calculating its capital adequacy ratio as at December 31, 2025 and 2024.

Significant credit exposures

Details of the loans and advances portfolio as to concentration per industry/economic sector over total loan portfolio (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Real estate, renting and other related activities	**22.36**	22.74	**22.91**	23.24
Consumer	**14.93**	13.32	**13.56**	12.09
Wholesale and retail trade	**12.29**	11.07	**12.13**	10.85
Manufacturing	**11.06**	14.17	**11.25**	14.44
Electricity, gas, steam and air-conditioning supply	**10.00**	8.16	**10.28**	8.36
Financial institutions	**9.92**	10.53	**10.20**	10.80
Transportation, storage and communications	**2.99**	10.80	**3.06**	11.01
Agriculture and forestry	**1.91**	1.57	**1.94**	1.59
Others	**14.54**	7.64	**14.67**	7.62
	100.00	100.00	**100.00**	100.00

Details of the loans and advances portfolio as to concentration per industry/economic sector over Tier 1 Capital (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Real estate, renting and other related activities	**145.81**	142.47	**158.64**	154.47
Manufacturing	**72.10**	88.77	**78.45**	95.99
Consumer	**97.37**	83.40	**105.94**	80.40
Transportation, storage and communications	**19.48**	67.65	**21.20**	73.17
Wholesale and retail trade	**80.13**	69.34	**87.18**	72.15
Financial institutions	**64.68**	65.99	**70.37**	71.77
Electricity, gas, steam and air-conditioning supply	**65.19**	51.12	**70.93**	55.57
Agriculture and forestry	**12.49**	9.84	**13.58**	10.54
Others	**94.97**	47.81	**103.32**	50.72

Breakdown of total loans

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	**406,920**	348,232	**404,960**	346,616
Project assets	**166,182**	162,641	**166,182**	162,641
Chattel mortgage	**117,501**	94,493	**117,474**	94,488
Others	**61,239**	48,507	**61,208**	48,482
	751,842	653,873	**749,824**	652,227
Unsecured loans	**1,853,082**	1,620,879	**1,784,816**	1,568,482
	2,604,924	2,274,752	**2,534,640**	2,220,709

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

Breakdown of performing and non-performing loans net of allowance for credit losses, as reported to the BSP, are as follows:

Consolidated

	2025			2024		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	**1,779,580**	**21,243**	**1,800,823**	1,663,158	22,391	1,685,549
Credit cards	**211,603**	**10,386**	**221,989**	161,855	7,265	169,120
Other retail loans	**542,658**	**25,237**	**567,895**	401,387	18,708	420,095
	2,533,841	**56,866**	**2,590,707**	2,226,400	48,364	2,274,764
Allowance for probable losses	**(12,989)**	**(33,592)**	**(46,581)**	(11,229)	(29,940)	(41,169)
Net carrying amount	**2,520,852**	**23,274**	**2,544,126**	2,215,171	18,424	2,233,595

**Amounts exclude accrued interest receivables and GLLP per financial reporting package*

Parent

	2025			2024		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	**1,775,273**	**20,846**	**1,796,119**	1,658,994	22,235	1,681,229
Credit cards	**211,603**	**10,386**	**221,989**	161,855	7,265	169,120
Other retail loans	**489,174**	**20,294**	**509,468**	354,903	15,462	370,365
	2,476,050	**51,526**	**2,527,576**	2,175,752	44,962	2,220,714
Allowance for probable losses	**(12,978)**	**(29,741)**	**(42,719)**	(11,409)	(27,583)	(38,992)
Net carrying amount	**2,463,072**	**21,785**	**2,484,857**	2,164,343	17,379	2,181,722

**Amounts exclude accrued interest receivables and GLLP per financial reporting package*

BSP Circular 941, *Amendments to Regulations on Past Due and Non-Performing Loans,* states that loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and if there is an evidence that full repayment of principal and interest is unlikely without foreclosure of collateral. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

(ii) Information on Related Party Loans

Details of related party loans are as follows (transactions with subsidiaries have been eliminated in the consolidated financial statements):

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Loans and advances to:				
Subsidiaries	**-**	-	**178**	75
Associates	**149**	479	**149**	479
Ayala Group	**88,490**	79,902	**88,490**	79,902
Key management personnel	**10**	20	**10**	20
Other related parties	**-**	-	**-**	-

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	**88,649**	80,401	**88,827**	80,476
% to total outstanding related party loans				
Subsidiaries	**-**	-	**0.20**	0.09
Associates	**0.17**	0.60	**0.17**	0.60
Ayala Group	**99.82**	99.38	**99.62**	99.29
Key management personnel	**0.01**	0.02	**0.01**	0.02
Other related parties	**-**	-	**-**	-

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	**88,649**	80,401	**88,827**	80,476
% to total outstanding related party loans				
Unsecured related party loans	**60.50**	47.85	**60.58**	47.88
Past due related party loans	**-**	-	**-**	-
Non-performing related party loans	**-**	-	**-**	-

Details of DOSRI loans are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Outstanding DOSRI loans	**23,412**	31,588	**23,412**	31,588

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In percentages)			
% to total outstanding loans and advances	**0.90**	1.39	**0.92**	1.42
% to total outstanding DOSRI loans				
Unsecured DOSRI loans	**4.16**	1.61	**4.16**	1.61
Past due DOSRI loans	**0.01**	0.02	**0.01**	0.02
Non-performing DOSRI loans	**0.04**	0.03	**0.04**	0.03

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at December 31, 2025 and 2024.

(iii) Secured Liabilities and Assets Pledged as Security

The BPI Group's Bills payable (Note 16) include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group. As at December 31, 2025 and 2024, part of the bills payable of the Parent Bank is secured by government securities classified as investment securities at amortized cost (Note 9).

Contingencies and commitments arising from off-balance sheet items

The following is a summary of BPI's contingencies and commitments at their equivalent peso amounts as reported to the BSP:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Trust accounts	**1,829,881**	1,530,708	**-**	-
Derivatives	**596,237**	496,116	**582,771**	489,149
Commitments	**396,986**	245,341	**396,986**	245,341
Financial standby letters of credit - foreign	**34,428**	36,103	**34,428**	36,103
Bills for collection	**29,256**	35,060	**29,256**	35,060
Spot foreign exchange contracts	**20,272**	24,679	**20,272**	24,679
Performance standby letters of credit - foreign	**10,239**	11,228	**10,239**	11,228
Commercial letters of credit	**10,672**	10,242	**10,672**	10,242
Guarantees issued	**6,876**	3,555	**6,876**	3,555
Trade related guarantees	**1,152**	2,758	**1,152**	2,758
Other contingent accounts	**134,952**	40,285	**52,649**	39,545
	3,070,951	2,436,075	**1,145,301**	897,660

Derivatives refers to the notional amount of derivatives contracts of the BPI Group and the Parent Bank as defined under BSP Manual of Accounts – Asset Accounts Item (5.c).

Other contingent accounts pertain to late deposits or payments received, deficiency claims receivable, items held for safekeeping, and items held as collateral.

Significant credit risk exposures arising from off-balance sheet items are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Undrawn loan commitments	**842,980**	663,659	**842,980**	663,659
Unused letters of credit	**64,525**	64,007	**64,525**	64,007
Gross carrying amount	**907,505**	727,666	**907,505**	727,666
Loss allowance	**(1,669)**	(1,267)	**(1,669)**	(1,267)
Carrying amount	**905,836**	726,399	**905,836**	726,399

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the BPI Group is required to provide a loan with pre-specified terms to the customer. These off-balance sheet items are within the scope of PFRS 9 where the BPI Group estimates that the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to the off-balance sheet items is recognized in Miscellaneous liabilities (Note 17).

The BPI Group has no other off-balance sheet items other than the items listed above.

32 Supplementary information required by the Bureau of Internal Revenue

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS Accounting Standards.

Below is the additional information required by RR No. 15-2010 that is relevant to the Parent Bank. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

(i) Documentary stamp tax

Documentary stamp taxes paid through the Electronic Documentary Stamp Tax System for the year ended December 31, 2025 consist of:

	Amount (In Millions of Pesos)
Deposit and loan documents	13,921
Trade finance documents	712
Mortgage documents	770
Shares of stocks	1
Others	8
	15,412

(ii) Withholding taxes

Withholding taxes paid/accrued and/or withheld for the year ended December 31, 2025 consist of:

	Amount		
	Paid	Accrued	**Total**
	(In Millions of Pesos)		
Final income taxes withheld on interest on deposits and yield on deposit substitutes	8,939	714	**9,653**
Income taxes withheld on compensation	3,803	360	**4,163**
Creditable income taxes withheld (expanded)	1,291	169	**1,460**
Final income taxes withheld on income payment	1,090	616	**1,706**
Fringe benefit tax	127	30	**157**
Withholding value-added tax	424	105	**529**
Withholding tax on withdrawal from decedent's account	112	1	**113**
	15,786	**1,995**	**17,781**

(iii) All other local and national taxes

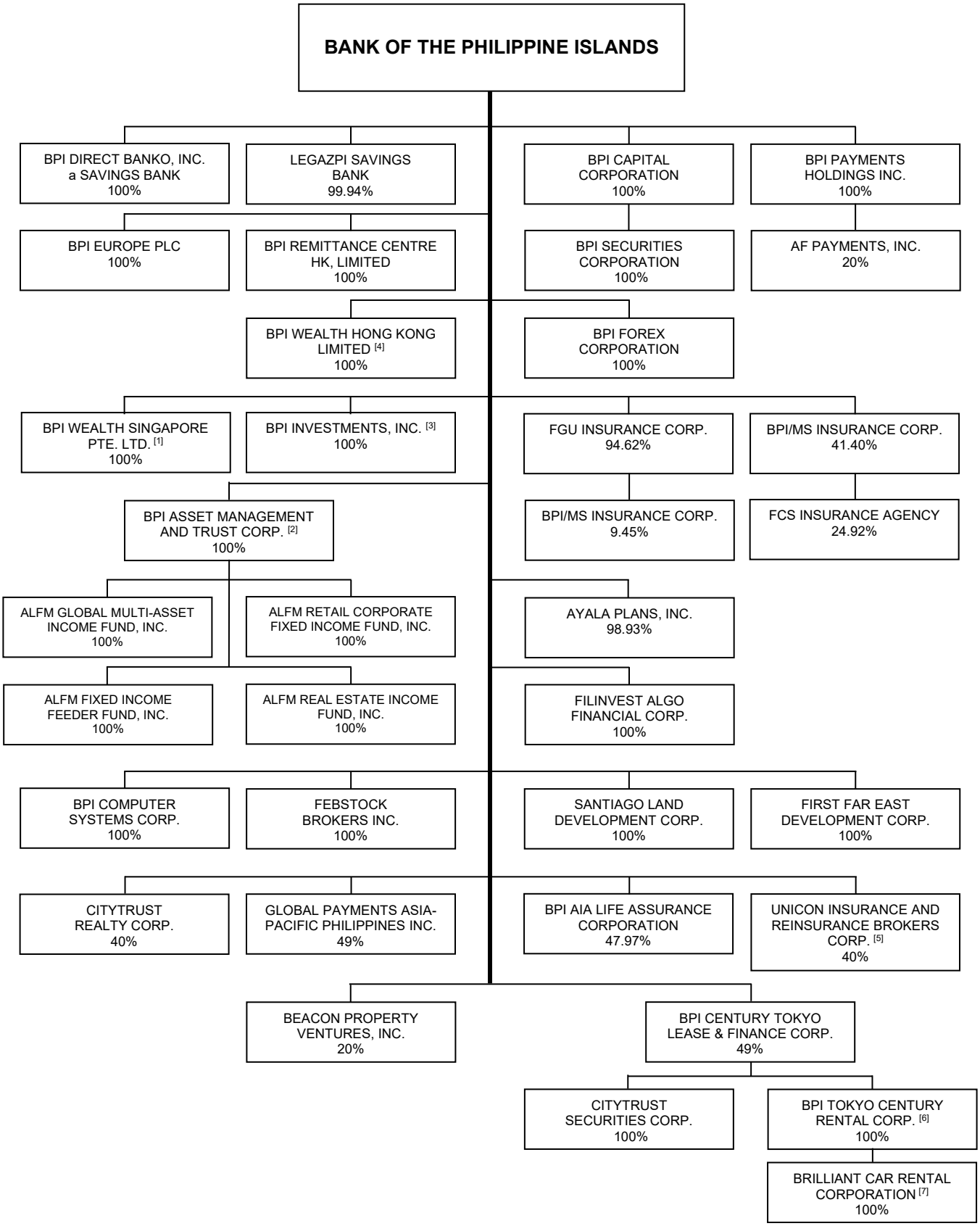
All other local and national taxes paid/accrued for the year ended December 31, 2025 consist of:

	Amount		
	Paid	Accrued	**Total**
	(In Millions of Pesos)		
Gross receipts tax	9,518	820	**10,338**
Municipal taxes	600	-	**600**
Real property tax	123	-	**123**
Others	8	-	**8**
	10,249	**820**	**11,069**

Municipal and other taxes imposed by the government which are incurred under the normal courses of business are part of "Taxes and licenses" within Other operating expenses (Note 21).

(iv) Tax cases and assessments

As at reporting date, the Parent Bank has various claims of tax refund pending with tax authorities. There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.



Notes:

[1] Incorporated on June 20, 2023 with the Accounting and Corporate Regulatory Authority of Singapore and with Capital Markets Services license issued last July 17, 2025 by the Monetary Authority of Singapore under the Securities and Futures Act of 2001.

[2] Doing business under the trade name and style of BPI Wealth – A Trust Corporation

[3] Formerly BPI Investment Management, Inc.

[4] Formerly BPI International Finance Limited

[5] Formerly Unicon Insurance Brokers Corp.

[6] Formerly BPI Century Tokyo Rental Corp.

[7] Wholly owned subsidiary of BPI Tokyo Century Rental Corp. Acquisition was completed on May 23, 2024.

**Updated as of February 20, 2026*

BANK OF THE PHILIPPINE ISLANDS

Supplementary Schedule of External Auditor Fee-Related Information
December 31, 2025 and 2024

	2025	2024
Total audit fees*	**32,143,000**	26,522,200
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	8,334,000	8,225,600
Total non-audit fees	**8,334,000**	8,225,600
Total audit and non-audit fees	**40,477,000**	34,747,800

Audit and non-audit fees of other related entities

	2025	2024
Audit fees	-	-
Non-audit services fees:		
Other assurance services	-	-
Tax services	-	-
All other services	-	-
Total audit and non-audit fees of other related entities	**-**	-

**Includes fee related to the issuance of September 30, 2025 audited financial statements of BPI Direct BanKo, Inc., A Savings Bank (BPI BanKo) and Legazpi Savings Bank Inc. (LSB) for purposes of the application for merger.*

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	Audited FS (AFS)	Submitted Report FRP	Discrepancy		Reasons For Discrepancy	
Cash And Other Cash Items	53,018	53,018	-			
Due From Bangko Sentral Ng Pilipinas	106,344	106,344	-			
Due From Other Banks	38,211	36,802	**1,409**	**/1**	DFFB-Outgoing remittances treated as interoffice per FRP (see item /13)	(7)
					Classified as Interbank Loan per FRP (see item /2)	1,415
					Rounding off difference	1
						1,409
Interbank Loans Receivable and Securities Purchased Under Agreements To Resell	35,480	36,885	**(1,405)**	**/2**	Accrued Interest Receivable (AIR) Interbank Loans with separate line in FRP (see item /13)	15
					Collective Allowance for Interbank Loans reported under GLLP in FRP (see item /6)	(5)
					Classified as Due from Other Banks in Audited FS (see item /1)	(1,415)
						(1,405)
Financial Assets At Fair Value Through Profit Or Loss	85,274	85,002	**272**	**/3**	AIR - TAS presented in AIR line per FRP (see item /13)	150
					AIR-HFT Securities - Resident classified as AIR Financial Assets per FRP (see item /13)	11
					Non- Financial subs not consolidated in FRP	111
						272
Financial Assets At Fair Value Through Other Comprehensive Income	285,367	279,927	**5,440**	**/4**	Non- Financial subs not consolidated in FRP	9
					AIR - AFS with separate line in FRP (see item /13)	4,357
					IAS entries:	
					AFS Other Investment	79
					Accum market G/L - AFS Other Investment	995
						5,440
Investment Securities At Amortized Cost, Net	353,145	349,356	**3,789**	**/5**	AIR - HTM with separate line in FRP (see item /13)	3,789
Loan And Advances, Net	2,567,131	2,550,953	**16,178**	**/6**	AIR - Loans & Discounts with separate line in FRP (see item /13)	18,941
					AIR - Allowance (L&D) with separate line in FRP (see item /13)	(2,756)
					Collective Allowance for Interbank Loans reported under GLLP in FRP (see item /2)	5
					IAS Entries:	
					Unearned Interest Discount	(6)
					Real Estate Loans - Others	(7)
					rounding off difference	1
						16,178
Assets Held For Sale, Net	12,417	437	**11,980**	**/7**	Classified as Real and Other Properties Aquired in FRP (see item /9)	9,634
					Difference in impairment computation	(902)
					IAS entries:	
					Reversal of Accumulated Depreciation of ROPA-IP per AFS	2,903
					NCAS - ROPA Building	322
					Non-financial subs not consolidated in FRP	23
						11,980
Bank Premises, Furniture, Fixtures	25,088	25,132	**(44)**	**/8**	Investment Property classified as Other Resources in Audited FS (see item /13)	(44)
Real & Other Properties Acquired		9,634	**(9,634)**	**/9**	Classified as Assets Held for Sale in Audited FS (see item /7)	(9,634)

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	Audited FS (AFS)	Submitted Report FRP	Discrepancy		Reasons For Discrepancy	
Investment In Subsidiaries And Associates, Net	13,047	17,644	**(4,597)**	**/10**	Non- Financial subs and INSCOS not consolidated in FRP	(3,971)
					Difference in Equity Investment in Financial Subsidiaries	(626)
						(4,597)
					.	
Assets Attributable To Insurance Operations	22,649	-	**22,649**	**/11**	Insurance companies not consolidated in FRP	22,649
Deffered Income Tax Assets, Net	19,166	19,551	**(385)**	**/12**	Non- Financial subs not consolidated in FRP	1
					DIT Liability netted off against DIT Asset in Audited FS, with separate line in FRP (see item /20)	(599)
					IAS entry: DIT Liability	443
					DIT Asset presented net of DTL in Audited FS (see item /20)	(15)
					Difference in Elimination (non financial subs)	(126)
					Difference in treatment of Miscellaneous Asset/Liab (see item /20)	(88)
					rounding off difference	(1)
						(385)
Other Resources,Net	35,151	135,949	**(100,798)**	**/13**	Accrued Interest Receivable classified as AFS/HTM/Loans/Interbank per AFS (see items /2, /3, /4, /5, and /6)	(24,507)
					Investment property classified as Bank Premises, Furniture, Fixtures, and Equipment in FRP (see item /8)	44
					Difference in HOBA Treatment (see item /20)	(7)
					Difference in Sundry Treatment (see item /20)	(32,721)
					Receivable from Customers-Cash account netted off against Due to Customers Account (Other Liabilities) in Audited FS (see item /20)	(78)
					Receivable from Clearing House netted off against Due to Customers (Other Liab) Account in Audited FS (see item /20)	(164)
					Miscellaneous Liabilty borrowings FCDU netted off against Miscellaneous Asset lending RBU (see item /20)	(43,292)
					Difference in elimination (non financial subs)	(15)
					Classified as Due From Other Banks in Audited FS (see item /1)	7
					IAS entries:	
					Other Investment	(79)
					Allowance for Impairment - other investment	25
					Other Assets	(16)
					Non- financial Subs (AR) not consolidated per FRP	4
					rounding off difference	1
						(100,798)
Total Assets	3,651,488	3,706,634	**(55,146)**			
Deposit Liabilities	2,838,525	2,839,955	**(1,430)**	**/14**	Due to Foreign Banks restricted to FCD classified as Due to Other Banks in Audited FS (see item /17)	(180)
					Difference in Elimination (Non-fin Subs)	(1,258)
					AIP classified as Accrued Interest Expense on Financial Liabilities per FRP (see item /18)	8
						(1,430)
Derivative Financial Liabilities	3,698	3,698	-			
Bills Payable	223,433	65,172	**158,261**	**/15**	Bonds Payable (Net) with separate line in FRP (see item /16)	158,261
Bonds Payable	-	158,261	**(158,261)**	**/16**	Classified as Bills Payable in Audited FS (see item /15)	(158,261)
Due To Bangko Sentral Ng Pilipinas And Other Banks	3,151	2,569	**582**	**/17**	Due to Foreign Banks restricted to FCD, classified as Deposit Liabilities-Demand in FRP (see item /14)	180
					Due to CB-BIR classified as Other Liabilities in FRP (see item /20)	402
						582
Manager's Checks And Demand Drafts Outstanding	10,460	10,460	-			
Accrued Taxes, Interest And Other Expenses	20,680	20,688	**(8)**	**/18**	AIP added to Deposit Liabilities per Audited FS (see item /14)	(8)
Liabilities Attributable To Insurance Operations	17,837		**17,837**	**/19**	Insurance companies not consolidated in FRP	17,837

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	Audited FS (AFS)	Submitted Report FRP	Discrepancy		Reasons For Discrepancy	
Deffered Credits And Other Liabilities	54,834	132,200	**(77,366)**	**/20**	Due to Central Bank - BIR classified as Due to Other Banks in Audited FS (see item /17)	(402)
					Deferred income tax liability netted off against DIT asset in Audited FS (see item /12)	(599)
					Difference in HOBA Treatment (see item /13)	(7)
					Difference in Sundry Treatment (see item /13)	(32,721)
					Miscellanous Liability borrowings FCDU netted off against misc asset lending RBU in Audited FS (see item /13)	(43,292)
					Receivable from Customers-Cash classified as Other Resources in FRP (see item /13)	(78)
					Receivable from Clearing House classified as Other Resources in FRP (see item /13)	(164)
					DIT Asset presented net of DTL in AFS (see item /12)	(15)
					Difference in treatment of Miscellaneous Asset/Liab (see item /12)	(88)
						(77,366)
Total Liabilities	3,172,618	3,233,003	**(60,385)**			
Share Capital	52,747	52,747	-			
Share Premium	143,810	143,810	-			
Treasury Shares	-	-	-			
Reserves	16,511	16,568	**(57)**	**/21**	IAS Entry on Surplus Reserves	(492)
					Difference in accounting Method used-Cost Method in Audited FS, Equity Method in FRP (Net Unrealized) (see item /23)	(264)
					IAS Entry on Merger Reserves	18
					Other Comprehensive Income classified as Reserves per Audited FS (see item /23)	681
						(57)
Surplus	274,071	271,670	**2,401**	**/22**	Non Financial Subs not consolidated per FRP	120
					IAS Entries:	
					Surplus Free	(686)
					Surplus Reserves	492
					Gain (Loss) from ROPA-IP Derecognized/Disposed/Redeemed	(134)
					Depreciation Expense - ROPA, IP, Building	1,329
					Miscellaneous Income - Equity Income	4
					Provision for Deferred Tax	(2)
					Provision for Impairment Losses	10
					Share in Profit/(Loss) of Unconsolidated Subs not taken up in FRP	(3)
					Difference in Elimination	1,975
					IAS Entry: Below the line (BPHI)	(1,000)
					IAS Entry: Reversal of Net Unrealized Gain / (Loss) (see item /23)	296
						2,401

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	Audited FS (AFS)	Submitted Report FRP	Discrepancy		Reasons For Discrepancy	
Accumulated Other Comprehensive Income (Loss)	(10,586)	(11,164)	**578**	**/23**	IAS Entry: Net Unrealized Gain / (Loss)	1,291
					Difference in accounting Method used-Cost Method in Audited FS, Equity Method in FRP (Fluctuation Reserves) (see item /21)	264
					Difference in accounting Method used-Cost Method in Audited FS, Equity Method in FRP (Net Unrealized) (see item /22)	(296)
					Other Comprehensive Income classified as Reserves per Audited FS (see item /21)	(681)
						578
Non-Controlling Interest	2,317	-	**2,317**	**/24**	Insurance companies not consolidated in FRP	2,317
Total Capital Funds	478,870	473,631	**5,239**			
Total Liabilities and Capital	3,651,488	3,706,634	**(55,146)**			
Total Income	262,515	274,142	**(11,627)**	**/25**	IAS Entries:	
					Gain (Loss) from ROPA-IP Derecognized/Disposed/Redeemed	(134)
					Miscellaneous Income - Equity Income	4
					FX reval presented per item in AFS; classified as FX P/L in FRP	(268)
					Total Income presented as net of GRT in Audited FS (see item /27)	(9,606)
					Difference in Elimination (non financial subs)	(5,565)
					Non financial subs not consolidated in FRP	3,942
						(11,627)
Total Expenses	177,093	190,563	**(13,470)**	**/26**	FX reval presented per item in AFS; classified as FX P/L in FRP	243
					IAS Entries:	
					DEPRECIATION EXPENSE-ROPA-IP-BUILDING	(1,329)
					Provision for Impairment Losses	10
					GRT netted off against Net Income in Audited FS (see item /26)	(9,606)
					Difference in Elimination (non financial subs)	(2,796)
					Non financial subs not consolidated in FRP	8
						(13,470)
Net Income before Tax	85,422	83,579	**1,843**			
Provision for Income Tax	18,575	18,367	**208**	**/27**	IAS entries:	
					DIT - Non BSP adj (Prov for Inc Tax - deferred)	(2)
					FX REVAL	25
					Difference in Elimination (non financial subs)	(60)
					Non-financial subs not consolidated in FRP	245
						208
Net Income for the year	**66,847**	**65,212**	**1,635**			

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	Audited FS AFS	Submitted Report FRP	Discrepancy		Reason for Discrepancy	
Cash And Other Cash Items	52,159	52,159	-			
Due From Bangko Sentral Ng Pilipinas (BSP)	89,303	89,303	-			
Due From Other Banks	34,007	34,014	(7)	/1	DFFB-Outgoing remittances treated as IO per FRP (see item /12)	(7)
Interbank Loans Receivable And SecuritiesPurchased Under Agreements To Resell, Net	34,909	34,902	7	/2	AIR- Interbank Loans Receivable/RRP presented in separate line per FRP (see item /12)	11
					Collective Allowance for Interbank Loans classified as GLLP under Loan Portfolio in FRP (see item /6)	(4)
						7
Financial Assets At Fair Value Through Profit Or Loss	77,245	77,095	150	/3	AIR- TAS presented in separate line per FRP (see item /12)	150
Financial Assets At Fair Value Through Other Comprehensive Income	279,354	273,948	5,406	/4	AIR - AFS presented in AIR line per FRP (see item /12)	4,332
					IAS Entries:	
					AFS Other Investment booked as Other Asset per FRP	79
					Accum Market G/L - AFS other investment	995
						5,406
Investment Securities At Amortized Cost, Net	345,848	342,141	3,707	/5	AIR- HTM presented in separate line per FRP (see item /12)	3,707
Loans And Advances, Net	2,500,475	2,485,473	15,002	/6	AIR- L&D presented in separate line per FRP (see item /12)	16,842
					AIR- L&D Allowance presented in separate line per FRP (see item /12)	(1,836)
					Collective Allowance for Interbank Loans classified as GLLP under Loan Portfolio in FRP (see item /2)	4
					IAS Entry: Real Estate Loans - Others	(7)
					rounding off difference	(1)
						15,002
Assets Held For Sale, Net	12,164	427	11,737	/7	Classified as Real and Other Properties Acquired in FRP (see item /9)	9,443
					IAS entries:	
					Allowance for Probable Losses - ROPA IP	(772)
					Allowance for Probable Losses - ROPA NCAHS	(130)
					Accumulated Depreciation - ROPA IP (reversal)	2,888
					Accumulated Depreciation - NCAS ROPA Building	308
						11,737
Bank Premises, Furniture, Fixtures and Equipment, Net	23,494	23,538	(44)	/8	Bank Premises, Furniture, Fixture and Equipmen classified as Investment Property per Board FS (see item /12)	(44)
Real & Other Properties Acquired		9,443	(9,443)	/9	ROPA classified as Assets Held for Sale in Audited FS (see item /7)	(9,443)
Investments In Subsidiaries And Associates, Net	19,822	51,855	(32,033)	/10	Difference in Accounting method used- Cost method in AFS; Equity method in FRP	
					Surplus Free	(29,187)
					Surplus Reserves	(630)
					Net Unrealized gain/loss (see item /18)	130
					Fluctuation Reserves (see item /18)	(264)
					Unrecognized Actuarial Gain / Loss (see item /18)	252
					Share in Profit/(Loss) of Unconsolidated Subs not taken up in FRP (see item /17)	(2)
					IAS Entry:	
					Cumulative Foreign currency translation of subsidiaries (see item /18)	(405)
					Equity Inv vs Miscellaneous Liabilities (see item /15)	2
					Equity Investment/Equity Income	(1,057)
					Allowance for Impairment Losses - Equity Investment	(871)
					rounding off difference	(1)
						(32,033)

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	Audited FS AFS	Submitted Report FRP	Discrepancy		Reason for Discrepancy	
Deferred Income Tax Assets, Net	17,726	17,882	(156)	/11	Deferred Tax Liability netted off against Deferred Tax Asset per Audited FS (see item /15)	(599)
					IAS Entry: Deferred Tax Assets	443
						(156)
Other Assets, Net	34,104	133,335	(99,231)	/12	Accrued Interest Receivable classified as ASS/HTM/Loans/Interbank per Audited FS (see items /2, /3, /4 , /5, /6)	(23,206)
					Miscellaneous Liabilities borrowings FCDU netted off against misc asset lending RBU in Audited FS (see item /15)	(43,292)
					Difference in sundry treatment reclass (see item /15)	(32,722)
					Investment Property classified as Bank Premises, Furniture and Fixtures in FRP (see item /8)	44
					Difference in treatment of Miscellaneous Asset/Liab (see item /15)	(8)
					DFFB-Outgoing remittances classified as Due from Other Banks in FRP (see item /1)	7
					IAS entries:	
					Other Investment	(79)
					Allowance for impairment losses	25
						(99,231)
Total Assets	**3,520,610**	**3,625,515**	**(104,905)**			
Deposit Liabilities	2,766,496	2,766,676	(180)	/13	Due to Foreign Banks-FCCL restricted to FCD; classified as Dep liab - demand in FRP (see item /14)	(180)
Due To BSP And Other Banks	3,151	2,569	582	/14	Due to Foreign Banks-FCCL restricted to FCD; classified as Dep liab - demand in FRP (see item /13)	180
					Due to Central Bank - BIR classified to Other Liabilities in FRP (see item /15)	402
						582
Derivative Financial Liabilities	3,667	3,667	-			
Bills Payable And Other Borrowed Funds	223,139	223,139	-			
Manager's Checks And Demand Drafts Outstanding	10,459	10,459	-			
Accrued Taxes, Interest And Other Expenses	18,268	18,268	-			
Deferred Credits And Other Liabilities	50,774	127,796	(77,022)	/15	Deferred income tax liability netted off against DIT asset in Audited FS (see item /11)	(599)
					Due to Central Bank - BIR classified as Due to Other Banks in Audited FS (see item /14)	(402)
					Miscellaneous Liabilities borrowings FCDU netted off against misc asset lending RBU in Audited FS (see item /12)	(43,292)
					Difference in Sundry Treatment (see item /12)	(32,722)
					IAS entry: Equity Investment vs Miscellaneous Liabilities (see item /10)	2
					Difference in treatment of Miscellaneous Asset/Liab (see item /12)	(8)
					rounding off difference	(1)
						(77,022)
Total Liabilities	**3,075,954**	**3,152,574**	**(76,620)**			
Share Capital	52,747	52,747	-			
Share Premium	143,780	143,780	-			
Treasury Shares	-	-	-			
Reserves	48,837	16,567	32,270	/16	Difference in accounting Method used-Cost Method in Audited FS, Equity Method in FRP (see item /17, /18)	32,882
					IAS Entry - Merger Reserves	(612)
						32,270
Surplus	208,417	270,984	(62,567)	/17	Share in Profit/(Loss) of Unconsolidated Subs not taken up in FRP (see item /10)	(2)
					IAS entries:	
					Depreciation Expense-Ropa-IP-Building	1,323
					Provision For Deferred Tax	(2)
					Surplus Free	(29,875)
					Gain (Loss) From Ropa-Ip Derecognized/Disposed/Redeemed	(133)
					Miscellaneous Income-Equity Income	4
					Provision For Impairment Losses (see item /20)	8
					Difference in accounting Method used-Cost Method in Audited FS, Equity Method in FRP (see item /16)	(33,890)
						(62,567)

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	Audited FS AFS	Submitted Report FRP	Discrepancy		Reason for Discrepancy	
Accumulated Other Comprehensive Loss	(9,125)	(11,137)	2,012	/18	Unrecognized Actuarial Gain / Loss of subsidiaries booked under equity investment (see item /10)	252
					Net unrealized Gain/Losses on Available for sale securities of subsidiaries booked under equity investment (see item /10)	130
					IAS entry: Net Unrealized Gain/Losses - AFS - Other Investments	1,291
					Difference in accounting Method used-Cost Method in Audited FS, Equity Method in FRP (Net Unrealized) (see item /16)	116
					Difference in accounting Method used-Cost Method in Audited FS, Equity Method in FRP (Actuarial Gain or Loss) (see item /16)	892
					Cumulative FX Translation (see item /10)	(405)
					Fluctuation Reserves (see item /10)	(264)
						2,012
Total Capital Funds	**444,656**	**472,941**	**(28,285)**			
Total Income	238,099	252,711	(14,612)	/19	FX Reval presented per item in Audited FS	(268)
					Difference in Accounting method used- Cost method in AFS;Equity method in FRP-Equity Investment-Equity Income	(8,336)
					Difference in Accounting method used- Cost method in AFS;Equity method in FRP-Dividends Received	3,725
					Difference in Accounting method used- Cost method in AFS;Equity method in FRP- Febspeed International	5
					IAS entries:	
					Gain(Loss) fr ROPA IP derecognized/disposed/redeemed (see item /17)	(133)
					GRT netted off against Income in Audited FS (see item /20)	(9,606)
					Reinstatement of Unrealized Income Circ 601	1
						(14,612)
Total Expenses	159,537	170,712	(11,175)	/20	FX Reval presented per item in Audited FS	(243)
					Difference in Accounting method used- Cost method in AFS;Equity method in FRP- Febspeed International	5
					IAS Entries:	
					Reversal of ROPA-IP Depreciation	(1,323)
					Provision for Impairment Losses (see item /17)	(8)
					GRT netted off against Income in Audited FS (see item /19)	(9,606)
						(11,175)
Net Income Before Tax	**78,562**	**81,999**	**(3,437)**			
Provision for Income Tax	16,734	16,757	(23)	/21	FX Reval presented per item in Audited FS	(25)
					IAS Entry: Provision for Income Tax - DIT	2
						(23)
Net Income for the year	**61,828**	**65,242**	**(3,414)**			

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FOREIGN CURRENCY DEPOSIT UNIT
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(In Millions of Pesos)

	Audited FS AFS	Submitted Report FRP	Discrepancy		Reason for Discrepancy	
Cash And Other Cash Items	3,988	3,988	-			
Due From Other Banks	20,614	20,621	(7)	/1	DFFB-Outgoing remittances treated as IO per FRP (see item /7)	(7)
Interbank Loans Receivable And SecuritiesPurchased Under Agreements To Resell, Net	31,891	31,894	(3)	/2	Collective Allowance for Interbank Loans classified as GLLP under Loan Portfolio in FRP (see item /6)	(4)
					rounding off difference	1
						(3)
Financial Assets At Fair Value Through Profit Or Loss	21,231	21,184	47	/3	AIR- TAS presented in separate line per FRP (see item /7)	47
Financial Assets At Fair Value Through Other Comprehensive Income	84,388	83,259	1,129	/4	AIR - AFS presented in AIR line per FRP (see item /7)	1,129
Investment Securities At Amortized Cost, Net	114,807	113,203	1,604	/5	AIR- HTM presented in separate line per FRP (see item /7)	1,604
Loans And Advances, Net	166,697	165,302	1,395	/6	AIR- L&D presented in separate line per FRP (see item /7)	1,394
					AIR- L&D Allowance presented in separate line per FRP (see item /7)	(3)
					Collective Allowance for Interbank Loans classified as GLLP under Loan Portfolio in FRP (see item /2)	4
						1,395
Other Assets, Net	43,904	48,077	(4,173)	/7	Accrued Interest Receivable classified as ASS/HTM/Loans/Interbank per Audited FS (see items /3, /4, /5, /6)	(4,171)
					IAS Entry: Reversal of Unrealized Income Reinstatement (Circ 601) (see item /12)	(61)
					DFFB-Outgoing remittances classified as Due from Other Banks in FRP (see item /1)	7
					Difference in sundry and miscellaneous asset/liability treatment (see item /11)	52
						(4,173)
Total Assets	**487,520**	**487,528**	**(8)**			
	-	-				
Deposit liabilities	337,056	337,236	(180)	/8	Due to Foreign Banks-FCCL restricted to FCD; classified as Dep liab - demand in FRP (see item /9)	(180)
Derivative Financial Liabilities	836	836	-			
Bills payable and other borrowed funds	132,608	132,608	-			
Due to other banks	2,547	2,367	180	/9	Due to Foreign Banks-FCCL restricted to FCD; classified as Dep liab - demand in FRP (see item /8)	180
Manager's checks and demand drafts outstanding	152	152	-			
Accrued taxes, interest and other expenses	1,712	1,713	(1)	/10	rounding off difference	(1)
				/11	Difference in sundry and miscellaneous asset/liability treatment (see item /7)	52
					rounding off difference	1
Other liabilities	4,978	4,925	53			53
Total Liabilities	**479,889**	**479,837**	**52**			
		-				

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Surplus Free		61	(61)	**/12** IAS Entry: Reversal of Unrealized Income Reinstatement (Circ 601) (see item /7)	(61)
Accumulated net income	7,899	7,899	-		
Accumulated Other Comprehensive Loss	(268)	(269)	1		
Total Capital Funds	**7,631**	**7,691**	**(60)**		
Total Liabilities And Capital Funds	**487,520**	**487,528**	**(8)**		
	-	-			
Total Income	19,533	19,824	(291)	**/13** FX Reval presented per item in Audited FS	(268)
				GRT netted off against Income in Audited FS (see item /14)	(23)
					(291)
Total Expenses	10,449	10,715	(266)	**/14** FX Reval presented per item in Audited FS	(243)
				GRT netted off against Income in Audited FS (see item /13)	(23)
					(266)
Net Income Before Tax	**9,084**	**9,109**	**(25)**		
Provision for Income Tax	1,185	1,210	(25)	**/15** FX Reval presented per item in Audited FS	(25)
Net Income for the year	**7,899**	**7,899**	**-**		

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BANK OF THE PHILIPPINE ISLANDS
Financial Indicators
As at December 31, 2025 and 2024

Ratio	Formula (in Millions of Pesos, except ratios)		Current Year	Prior Year
			in percentage	
Liquidity ratio	Total current assets divided by total current liabilities		47.50	59.36
	Total current assets including future interest in the 12 next months	1,348,284		
	Divided by: Total deposits	2,838,525		
	Liquidity ratio	0.4750		
Debt-to-equity ratio	Total liabilities (Bills payable and Bonds payable) divided by total equity		46.89	37.91
	Total liabilities (Bills payable and Bonds payable)	223,433		
	Divided by: Total equity	476,553		
	Debt-to-equity ratio	0.4689		
Asset-to-equity ratio	Total assets divided by total equity		766.23	770.98
	Total assets	3,651,488		
	Divided by: Total equity	476,553		
	Asset-to-equity ratio	7.6623		
Interest rate coverage ratio	Earning before interest expense, income taxes, depreciation, and amortization		235.85	236.29
	EBITDA	158,578		
	Divided by: Total interest expense	67,238		
	Interest rate coverage ratio	2.3585		
Return on average equity	Net income divided by average equity		14.54	15.07
	Net income	66,615		
	Divided by: Daily average equity	458,030		
	Return on equity	0.1454		
Return on average assets	Net income divided by average assets		1.96	1.98
	Net income	66,615		
	Divided by: Daily average assets	3,398,885		
	Return on assets	0.0196		

Net interest margin (NIM)	Net interest income (return on investment less interest expense) divided by daily average net interest bearing assets Net interest income 148,028 Divided by: Daily average Net Interest Bearing Assets 3,223,510 NIM 0.0459	4.59	4.31
Other ratios:			
Average assets to average equity	Average assets divided by average equity Average assets 3,398,885 Divided by: Daily average equity 458,030 Average asset to average equity 7.4207	742.07	760.80
Net interest to average assets (NRFF)	Net interest income divided by average assets Net interest income 148,028 Divided by: Daily average assets 3,398,885 NRFF 0.0436	4.36	4.07
Cost to income ratio	Total operating expense divided by total income (Net interest income and Other income) Total operating expense 92,105 Divided by: Total income (Net Interest income and Other income) 195,277 Cost to income ratio 0.4717	47.17	49.25
Cost to asset ratio	Total operating expense divided by average asset Total operating expense 92,105 Divided by: Daily average assets 3,398,885 Cost to asset ratio 0.0271	2.71	2.67
Capital to assets ratio	Total equity divided by total assets Total equity 476,553 Divided by: Total assets 3,651,488 Capital to assets ratio 0.1305	13.05	12.97

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

Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025
(in Millions of Pesos)

Unappropriated retained earnings, beginning of the year		**173,685**
Add: Category A: Items that are directly credited to Unappropriated retained earnings		
Reversal of Retained earnings appropriation/s	-	
Effect of restatements or prior-period adjustments	-	
Others (describe nature)	-	**-**
Less: Category B: Items that are directly debited to Unappropriated retained earnings		
Dividend declaration during the reporting period	23,037	
Retained earnings appropriated during the reporting period	5,616	
Effect of restatements or prior-period adjustments	-	
Others (Realized Loss on Sale of FVOCI equity securities)	171	**28,824**
Unappropriated retained earnings, as adjusted		**144,861**
Add/Less: Net Income (loss) for the current year		**61,828**
Less: Category C.1: Unrealized income recognized in the profit or loss during the year (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	1,324	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	997	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	**2,321**
		59,507

(continued)

Bank of the Philippine Islands
Reconciliation of Retained Earnings Available for Dividend Declaration
For the year ended December 31, 2025

Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to Cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	-	
Realized fair value gain of Investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS (describe nature)	-	**-**
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	1,658	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	70	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS, previously recorded (describe nature)	-	**1,728**
Adjusted net income/loss		**61,235**
Add: Category D: Non-actual losses recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	-	**-**
Add/Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year		
Others (describe nature)	-	**-**
		-

(continued)

Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	-	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right of use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS/GAAP – gain (loss)	-	
Others	-	-
Total retained earnings, end of the year available for dividend declaration		**206,096**

BANK OF THE PHILIPPINE ISLANDS
December 31, 2025

Schedule A – Financial Assets

	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (in millions of Pesos)	Income received and accrued (in millions of Pesos)
Due from Bangko Sentral ng Pilipinas		106,344	
Due from other banks		38,211	
Interbank loans receivable and securities purchased under agreements to resell		35,480	
Subtotal		180,035	2,027
Financial assets at fair value through profit or loss- Trading securities (*)		80,775	1,295
Financial assets at fair value through profit or loss- Derivative financial assets		4,499	
Subtotal		85,274	
Financial assets at fair value through other comprehensive income (FVOCI) (*)		285,367	13,921
Investment securities at amortized cost (*)		353,145	14,265
Loans and advances, net		2,567,131	183,758
Others		3,472	
TOTAL		**3,474,424**	**215,266**

(*) Please refer to succeeding pages for the detailed information on these financial assets.

BANK OF THE PHILIPPINE ISLANDS
As of December 31, 2025

	Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet* (in Millions of Pesos) (ii)	Valued based on market quotation at end of reporting period (in Millions of Pesos) (iii)	Interest Income (in millions of Pesos)
A	**FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**				
	ALFM MONEY MARKET FUND	199,784,960	209	209	
	ALFM MONEY MARKET FUND - UNITS	360,710,898	376	376	
	ALFM MUTUAL FUND	182,539,939	183	183	
	AYALA LIFE FIXED-INCOME FUND	1,397,938,368	1,457	1,457	
	ALFM EURO BOND FUND	3,298,929	4	4	
	ALFM DOLLAR BOND FUND	251,411,990	265	265	
	ASIAN DEVELOPMENT BANK	352,740,000	490	474	
	BANGKO SENTRAL NG PILIPINAS	3,207,530,000	3,202	3,202	
	BDO UNIBANK INC.	28,983,470	29	29	
	BPI WEALTH BUILDER MULTI-ASSET MUTUAL FUND - UNITS	595,334,740	625	625	
	CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC.	2,604,900	3	3	
	EUROPEAN INVESTMENT BANK	764,270,000	764	761	
	BPI GLOBAL BOND INDEX FUND - PHP	50,000,000	55	55	
	BPI GLOBAL BOND INDEX FUND - USD	55,474,994	61	61	
	HSBC BANK PLC	176,370,000	179	176	
	INTERNATIONAL CONTAINER TERMINAL	5,082,300	5	5	
	JAPAN GOVERNMENT	225,960,000	226	226	
	JOLLIBEE WORLDWIDE PTE LTD	152,854,000	159	157	
	MAYNILAD WATER SERVICES INC	3,709,404	4	4	
	MERALCO	10,106,031	10	10	
	PAMI GLOBAL BOND FUND, INC.	38,498,228	48	48	
	PHILIPPINE GOVERNMENT	52,185,082,661	52,120	51,993	
	PHILIPPINE STOCK INDEX FUND-UNIT	46,781,000	44	44	
	RIZAL COMMERCIAL BANKING CORP	58,790,000	62	60	
	RL COMMERCIAL REIT INC.	34,169,116	41	41	
	UNITED KINGDOM GOVERNMENT	293,950,000	400	395	
	US TREASURY BILL	18,912,037,520	18,786	18,757	
	US TREASURY	881,850,000	880	880	
	OTHERS	397,383	88	113	
	TOTAL	**80,478,260,831**	**80,775**	**80,613**	**1,295**
	ACCRUED INTEREST RECEIVABLE (AIR)	**-**	**-**	**162**	**-**
	TOTAL INCLUDING AIR	**80,478,260,831**	**80,775**	**80,775**	**1,295**

**Amount includes accrued interest receivables*

	Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet* (in Millions of Pesos) (ii)	Valued based on market quotation at end of reporting period (in Millions of Pesos) (iii)	Interest Income (in millions of Pesos)
B.	**FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**				
	A P MOLLER MAERSK A S	470,320,000	509	501	
	AC MEDISYSTEMS	30,000,000	26	26	
	AERCAP IRELAND CAPITAL DESIGNATED ACTIVITY COMPANY AND AERCAP GLOBAL AVIATION TRUST	1,469,750,000	1,455	1,434	
	ALABANG COUNTRY CLUB, INC.	15,919,410	135	135	
	AMBANK BERHAD	881,850,000	927	906	
	ARROW ELECTRONICS INC	470,320,000	490	481	
	BAGUIO COUNTRY CLUB	747,143	48	48	
	BANCNET	22,158,051	22	22	
	BANCO SANTANDER SA	587,900,000	647	631	
	BANGKOK BANK PUBLIC COMPANY LIMITED	587,900,000	631	615	
	BARCLAYS BANK PLC	918,711,330	937	918	
	BAYER AG	311,486,850	339	330	
	BIOGEN INC	587,900,000	625	621	
	BNP PARIBAS FRANCE	911,245,000	925	912	
	BRITISH TELECOM PLC	293,950,000	360	359	
	CANLUBANG GOLF CLUB	9,263,000	51	51	
	CARD MRI RIZAL BANK, INC.	50,371,400	50	50	
	CARDINAL HEALTH INC	1,205,195,000	1,262	1,244	
	CARTERA INTERCHANGE CORPORATION	85,885,700	2	2	
	CDW LLC OR CDW FINANCE CORP	352,740,000	368	361	
	CEBU COUNTRY CLUB, INC.	184,500	72	72	
	CIGNA GROUP	1,058,220,000	1,087	1,071	
	CITIBANK N.A	293,950,000	315	312	
	CONAGRA BRANDS	1,440,355,000	1,498	1,464	
	CREDIT AGRICOLE SA	764,270,000	811	799	
	CVS HEALTH CORPORATION	470,320,000	496	494	
	DELL TECHNOLOGIES INC	1,234,590,000	1,291	1,273	
	DEUTSCHE BANK AG	293,950,000	299	294	

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet* (in Millions of Pesos) (ii)	Valued based on market quotation at end of reporting period (in Millions of Pesos) (iii)	Interest Income (in millions of Pesos)
DM WENCESLAO	497,542,800	207	207	
ELEVANCE HEALTH INC	999,430,000	1,039	1,027	
EXPEDIA GROUP INC	293,950,000	309	303	
FISERV INC	1,058,220,000	1,079	1,058	
FPC RESOURCES LIMITED	1,448,644,390	1,457	1,438	
GENERAL MOTORS FINANCIAL CO.	1,058,220,000	1,094	1,075	
GENUINE PARTS COMPANY	470,320,000	529	523	
GERMAN GOVERNMENT	346,096,500	310	310	
GLOBAL PAYMENTS INC	734,875,000	759	745	
GRUMA SAB DE CV	235,160,000	243	241	
GT CAPITAL HOLDINGS, INC.	164,500,000	175	175	
HDFC BANK LTD	382,135,000	397	389	
HEWLETT PACKARD ENTERPRISE	764,270,000	772	762	
HSBC HOLDINGS PLC	764,270,000	788	778	
HYUNDAI CAPITAL AMERICA	352,740,000	366	361	
ICTSI TREASURY BV	587,900,000	556	554	
INDONESIAN GOVERNMENT	4,930,352,250	5,559	5,430	
INVESTMENT CAPITAL OF THE PHILS. HOLDINGS CORP	15,000,000	450	450	
INVESTMENT MANAGEMENT ACCOUNT (IMA) - USD - BCC INTERNATIONAL INVESTMENTS	783,901,074	657	657	
BANK OF NEW ZEALAND	58,790,000	61	60	
CHINA CONSTRUCTION BANK CORP	88,185,000	88	88	
COMMONWEALTH BANK AUSTRALIA	117,580,000	111	111	
EXPORT-IMPORT BANK OF KOREA	235,160,000	243	238	
INDONESIA GOVERNMENT INTERNATIONAL BOND	235,160,000	240	234	
MACQUARIE BANK LIMITED	146,975,000	149	149	
NATIONAL AUSTRALIA BANK	58,790,000	58	58	
PHILIPPINE GOVERNMENT INTERNATIONAL BOND	94,064,000	97	96	
US TREASURY BILL	764,270,000	757	757	
JAPAN GOVERNMENT	2,410,240,000	2,410	2,410	
JD COM INC	587,900,000	591	587	
JOLLIBEE WORLDWIDE PTE LTD	1,708,202,240	1,753	1,728	
KIA CORPORATION	293,950,000	289	288	
KINGDOM OF SAUDI ARABIA	293,950,000	319	312	

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet* (in Millions of Pesos) (ii)	Valued based on market quotation at end of reporting period (in Millions of Pesos) (iii)	Interest Income (in millions of Pesos)
LEGAZPI SAVINGS BANK	30,200,000	30	30	
LGU GUARANTEE CORP.	10,199,966	10	10	
LKQ CORPORATION	470,320,000	506	504	
MANILA GOLF & COUNTRY CLUB	325,000	155	155	
MANILA POLO CLUB	3,965,826	150	150	
MERCEDES BENZ FINANCE NORTH AMERICA LLC	881,850,000	913	893	
METROPOLITAN BANK AND TRUST COMPANY	436,339,380	461	454	
MICRON TECHNOLOGY INC	1,352,170,000	1,410	1,383	
MIRAE ASSET SECURITIES CO LTD	1,022,946,000	1,061	1,040	
MISC CAPITAL TWO LABUAN LIMITED	205,471,050	206	204	
MORGAN STANLEY DIRECT LENDING FUND	1,175,800,000	1,212	1,204	
NATIONAL REINSURANCE CORP. OF THE PHILS.	500,399,595	224	224	
NATIONAL REINSURANCE CORP. OF THE PHILS.	176,370,000	183	179	
NOMURA HOLDINGS INC	1,469,750,000	1,379	1,358	
NTT FINANCE CORPORATION	1,469,750,000	1,558	1,522	
NXP BV OR NXP FUNDING LLC	881,850,000	890	876	
ORACLE CORPORATION	352,740,000	343	338	
PANASONIC HOLDINGS CORPORATION	293,950,000	311	304	
PHILIPPINE CLEARING HOUSE CORP	16,563,309	17	17	
PHILIPPINE GOVERNMENT	186,983,513,351	196,044	192,830	
PHILIPPINE NATIONAL BANK	470,320,000	481	476	
POWER SECTOR ASSET TAX EX	176,370,000	200	198	
PT INDONESIA INFRASTRUCTURE FINANCE	579,081,500	560	556	
PT SARANA MULTI INFRASTRUKTUR	479,138,500	474	473	
PT TOWER BERSAMA INFRASTRUCTURE TBK	88,185,000	86	86	
REPUBLIC OF THE PHILIPPINES	12,011,860,041	11,741	11,594	
RIZAL BANK, INC.	122,579,647	79	79	
RIZAL COMMERCIAL BANKING CORPORATION	793,665,000	835	816	
ROYAL CARRIBEAN CRUISES LTD	293,950,000	305	301	
ROYALTY PHARMA PLC	537,810,920	561	552	
RURAL ELECTRIFICATION CORPORATION LIMITED	293,950,000	300	297	
SK HYNIX INC	587,900,000	638	624	
SMBC AVIATION CAPITAL FINANCE DAC	881,850,000	904	895	

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet* (in Millions of Pesos) (ii)	Valued based on market quotation at end of reporting period (in Millions of Pesos) (iii)	Interest Income (in millions of Pesos)
SMIC SG HOLDINGS PTE LTD	437,221,230	459	448	
SMRC AUTOMOTIVE HOLDINGS NETHERLANDS BV	529,110,000	554	540	
SOCIETE GENERALE CORPORATE & INVESTMENT BANKING	764,270,000	782	771	
STA. ELENA GOLF CLUB	7,770,000	8	8	
STANDARD CHARTERED BANK LONDON	824,529,750	844	836	
SUMITOMO CORPORATION	352,740,000	375	366	
SUMITOMO MITSUI BANKING CORP	293,950,000	317	309	
THE AES CORPORATION	293,950,000	302	300	
THE CAMPBELLS COMPANY	293,950,000	294	293	
THE COUNTRY CLUB DEVELOPMENT CORP	4,150,000	16	16	
THE MANILA SOUTHWOODS GOLF & COUNTRY CLUB INC	2,750,000	10	10	
TYSON FOODS INC	764,270,000	821	807	
UBER TECHNOLOGIES INC	646,690,000	651	642	
UNION BANK OF SWITZERLAND AG	496,187,600	507	497	
US TREASURY	13,874,440,000	13,575	13,503	
VERIZON COMMUNICATIONS INC	587,900,000	591	588	
VICTORIA'S MILLING COMPANY	18,445,592	12	12	
VOLKSWAGEN GROUP AMERICA FINANCE LLC	881,850,000	908	892	
WACK WACK GOLF & COUNTRY CLUB	10,573,925	400	400	
OTHERS	256,674,222	124	124	
TOTAL	**274,192,752,042**	**285,367**	**281,009**	**13,921**
ACCRUED INTEREST RECEIVABLE (AIR)	**-**	**-**	**4,358**	**-**
TOTAL INCLUDING AIR	**274,192,752,042**	**285,367**	**285,367**	**13,921**

**Amount includes accrued interest receivables*

	Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet* (in Millions of Pesos) (ii)	Valued based on market quotation at end of reporting period (in Millions of Pesos) (iii)	Interest Income (in millions of Pesos)
C	**INVESTMENT SECURITIES AT AMORTIZED COST**				
	ABOITIZ POWER CORP	1,017,000,000	986	992	
	ALIBABA GROUP HOLDING LIMITED	1,146,405,000	1,165	1,147	
	AT&T INC	1,086,968,310	1,165	1,130	
	AYALA CORP	50,000,000	50	50	
	AYALA LAND INC.	239,450,000	241	237	
	BAIDU INC	1,555,054,290	1,614	1,589	
	BANGKO SENTRAL NG PILIPINAS	2,885,707,150	3,160	3,149	
	BAYER US FINANCE LLC	241,920,850	248	252	
	BAYFRONT INFRASTRUCTURE CAPITAL IV PTE LTD	881,850,000	901	882	
	BAYFRONT INFRASTRUCTURE CAPITAL V PTE LTD	1,917,973,062	1,918	1,918	
	BAYFRONT INFRASTRUCTURE CAPITAL VI PTE LTD	902,589,488	906	903	
	BAYFRONT INFRASTRUCTURE CAPITAL VII PTE LTD	2,851,315,000	2,867	2,851	
	BDO UNIBANK INC.	199,886,000	202	200	
	BRITISH TELECOM PLC	764,270,000	836	820	
	BROADCOM INC	411,530,000	420	409	
	CEBU LANDMASTERS INC	300,900,000	301	301	
	CITIGROUP INC	1,175,800,000	1,203	1,176	
	COMCAST GROUP	1,175,800,000	1,307	1,261	
	CONVERGE INFORMATION AND COMMUNICATIONS TECHNOLOGY SOLUTIONS, INC.	1,715,220,000	1,737	1,709	
	CVS HEALTH CORP	940,640,000	968	971	
	DELL TECHNOLOGIES INC	104,704,990	107	107	
	DEUTSCHE TELEKOM AG	858,745,530	901	894	
	EBAY INC	823,060,000	834	824	
	EUROPEAN INVESTMENT BANK	235,160,000	261	259	
	ENERGY DEVELOPMENT CORP	977,760,000	983	997	
	FILINVEST LAND, INC.	1,362,600,000	1,361	1,348	
	GENERAL MOTORS - DFW	117,580,000	122	122	
	GOLDMAN SACH GROUP INC	1,175,800,000	1,178	1,176	
	HYUNDAI CAPITAL AMERICA	646,690,000	649	645	
	PT INDONESIA INFRASTRUCTURE FINANCE "IIF"	117,580,000	118	113	
	INDONESIAN GOVERNMENT	176,370,000	171	176	
	INTERNATIONAL FINANCE CORPORATION	789,886,560	804	832	

Name of Issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet* (in Millions of Pesos) (ii)	Valued based on market quotation at end of reporting period (in Millions of Pesos) (iii)	Interest Income (in millions of Pesos)
JD COM INC	1,125,828,500	1,138	1,131	
JOLLIBEE WORLDWIDE PTE LTD	117,580,000	120	118	
LG CHEM LTD	1,058,220,000	1,041	1,040	
MARVELL TECHNOLOGY INC	453,270,900	451	450	
MAYNILAD WATER SERVICES INC	1,000,000,000	1,015	1,021	
MCDONALDS CORPORATION	117,580,000	120	112	
MONDELEZ INTERNATIONAL INC-A	176,370,000	180	166	
OWENS CORNING	293,950,000	291	291	
PARAMOUNT GLOBAL	176,370,000	198	170	
PHILIPPINE GOVERNMENT	221,052,392,752	222,853	218,179	
POWER SECTOR ASSET	1,450,525,670	1,682	1,664	
PT TOWER BERSAMA INFRASTRUCTURE TBK	1,375,686,000	1,368	1,365	
RURAL ELECTRIFICATION CORPORATION LIMITED	293,950,000	297	302	
PHILIPPINE GOVERNMENT	63,474,387,200	70,117	68,840	
RIZAL COMMERCIAL BANKING CORP	700,000,000	709	672	
REPUBLIC OF THE PHILIPPINES	411,530,000	419	415	
ROYALTY PHARMA PLC	764,975,480	729	718	
RURAL ELECTRIFICATION CORPORATION LIMITED	176,370,000	175	172	
SK HYNIX INC	235,160,000	239	233	
SM INVESTMENT CORPORATION	140,000,000	142	138	
SM PRIME HOLDINGS INC	1,288,000,000	1,292	1,275	
STAR ENERGY GEOTHERMAL	9,479,534,760	9,540	9,480	
SUMITOMO MITSUI FINANCIAL GROUP	615,825,250	610	603	
T MOBILE US INC	1,058,220,000	1,076	1,072	
TESCO PLC	293,950,000	389	367	
THE AES CORPORATION	117,580,000	117	117	
TYSON - XNA	176,370,000	182	182	
US TREASURY BILL	5,408,680,000	5,425	5,387	
US TREASURY	293,950,000	291	298	
VIACOMCBS INC	770,149,000	784	782	
VODAFONE GROUP PLC	524,935,910	550	542	
OTHERS	-	(80)	-	
TOTAL	**343,467,557,652**	**353,145**	**346,637**	**14,265**
ACCRUED INTEREST	-	-	**3,789**	-
TOTALS	**343,467,557,652**	**353,145**	**350,530**	**14,265**

**Amount is net of accrued interest receivable and expected for credit losses*

BANK OF THE PHILIPPINE ISLANDS

December 31, 2025

Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)

Name and Designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written off	Current	Non-current	Balance at end of period
Nothing to report. Transactions with these parties are made under the normal course of business.							

BANK OF THE PHILIPPINE ISLANDS

December 31, 2025

(In Millions of Pesos)

Schedule C - Amounts Receivable from Related Parties which are eliminated during the consolidation of financial statements

Name and designation of debtor	Balance at beginning of period	Additions	Amount collected	Amount written off	Current	Non-current	Balance at end of period
BPI DIRECT BANKO, INC., A SAVINGS BANK	2,677	-	588	-	2,089	-	2,089
BPI CAPITAL CORPORATION	10	3	-	-	13	-	13
BPI INVESTMENTS, INC.	8	-	7	-	1	-	1
BPI SECURITIES CORPORATION	137	-	37	-	100	-	100
BPI ASSET MANAGEMENT AND TRUST CORPORATION	48	104	-	-	152	-	152
BPI/MS INSURANCE CORPORATION	11	5	-	-	16	-	16
	2,891	112	632	-	2,371	-	2,371

BANK OF THE PHILIPPINE ISLANDS
December 31, 2025
(In Millions)

Schedule D - Long-term Debt

Title of issue and type of obligation	Amount authorized by indenture (Original currency)	Amount shown under caption "Current portion of long-term debt" in related balance sheet (in PHP)	Amount shown under caption "Long-term debt" in related balance sheet (in PHP)	Terms of long-term debts
Parent Bank				
BONDS PAYABLE - INTERNATIONAL FINANCE CORPORATION	USD 250	14,692	-	Int Rate: 6.21% Frequency of Payment: Semi-annual Maturity Date: 08/25/2026 Face Value: USD 250,000,000
BONDS PAYABLE – UBS AG	USD 400	-	23,379	Int Rate: 5.25% Frequency of Payment: Semi-annual Maturity Date: 03/26/2029 Face Value: USD 400,000,000
BONDS PAYABLE – UBS AG	USD 300	-	17,552	Int Rate: 5.63% Frequency of Payment: Semi-annual Maturity Date: 04/07/2035 Face Value: USD 300,000,000
BONDS PAYABLE – UBS AG	USD 500	-	29,177	Int Rate: 5.00% Frequency of Payment: Semi-annual Maturity Date: 04/07/2030 Face Value: USD 500,000,000
BONDS PAYABLE - BPI SEED 2026	PHP 33,700	33,678	-	Int Rate: 6.20% Frequency of Payment: Quarterly Maturity Date: 02/09/2026 Face Value: Php 33,700,000,000
BONDS PAYABLE - BPI SINAG 2026	PHP 40,000	39,783	-	Int Rate: 5.85% Frequency of Payment: Quarterly Maturity Date: 12/10/2026 Face Value: Php 40,000,000,000
BILLS PAYABLE - ANZ SG	USD 100	-	5,862	Int Rate: 4.62792% Frequency of Payment: Quarterly Maturity Date: 05/19/2028 Face Value: USD 100,000,000
BILLS PAYABLE - UOB	USD 100	-	5,868	Int Rate: 4.67792% Frequency of Payment: Quarterly Maturity Date: 05/19/2028 Face Value: USD 100,000,000
BILLS PAYABLE - HSBC SG	USD 100	-	5,862	Int Rate: 4.40627% Frequency of Payment: Quarterly Maturity Date: 06/16/2028 Face Value: USD 100,000,000
REPO BILLS PAYABLE - HSBC HK	USD 25	-	1,484	Int Rate: 3.890% Frequency of Payment: Quarterly Maturity Date: 11/24/2027 Face Value: USD 25,000,000
REPO BILLS PAYABLE - HSBC HK	USD 25	-	1,538	Int Rate: 3.890% Frequency of Payment: Quarterly Maturity Date: 11/24/2027 Face Value: USD 25,000,000
PROMISSORY NOTE - DBP	PHP 5,000	-	4,990	Int Rate : 6.09% Frequency of Payment: Quarterly Maturity Date : 04/08/2027 Face Value : Php 5,000,000,000
TOTAL		**88,153**	**95,712**	**183,865**

BANK OF THE PHILIPPINE ISLANDS
December 31, 2025

Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)

Name and related party	Balance at beginning of period	Balance at end of period
Nothing to report.		

BANK OF THE PHILIPPINE ISLANDS
December 31, 2025

Schedule F - Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
Nothing to report.				

BANK OF THE PHILIPPINE ISLANDS
December 31, 2025

Schedule G - Capital Stock

Title of issue	Number of shares authorized	Number of shares issued and outstanding as shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights *	Number of shares held by related parties	Directors, officers and employees	Others
Common Shares	5,400,000,000	5,283,794,223	1,715,093	2,338,395,880	83,859,690	2,861,538,653
Preferred A Shares	60,000,000	-	-	-	-	-

** Shares granted but not yet exercised*

EXHIBIT B

(List of Subsidiaries)

LIST OF SUBSIDIARIES

1. BPI Capital Corporation
2. BPI Direct BanKo, Inc., A Savings Bank
3. BPI Asset Management and Trust Corporation operating under the trade name, BPI Wealth
4. BPI Wealth Hong Kong Ltd. (formerly BPI International Finance Limited)
5. BPI Europe Plc.
6. BPI Securities Corporation
7. BPI Payments Holdings Inc. (BPHI)
8. Filinvest Algo Financial Corp.
9. BPI Investments, Inc. (formerly BPI Investment Management, Inc.)
10. Santiago Land Development Corporation
11. BPI Computer Systems Corp.
12. BPI Forex Corp.
13. BPI Remittance Centre (HK) Ltd.
14. BPI Wealth Singapore Pte. Ltd.
15. First Far East Development Corporation
16. FEB Stock Brokers, Inc.
17. Legazpi Savings Bank, Inc. (LSB)
18. Ayala Plans, Inc.
19. FGU Insurance Corporation
20. BPI/MS Insurance Corporation
21. FEB Speed International*

*FEB Speed International's cessation and dissolution was approved by the SEC in 2024. On May 5, 2025, the Bureau of Internal Revenue (BIR) issued a Certificate of No Outstanding Tax Liability, confirming the company's closure.

EXHIBIT C

(Top 20 Stockholders)

Stock Transfer Service, Inc.
BANK OF THE PHILIPPINE ISLANDS
List of Top 20 Stockholders
As of Record Date: December 31, 2025

Count	Full Name	Shares	Percentage
1	AYALA CORPORATION	1,515,177,839	28.6759%
2	PCD NOMINEE CORPORATION (NON-FILIPINO)	966,418,656	18.2902%
3	PCD NOMINEE CORPORATION (FILIPINO)	881,853,794	16.6898%
4	LIONTIDE HOLDINGS INC.	823,218,041	15.5801%
5	ROMAN CATHOLIC ARCHBISHOP OF MANILA	357,297,439	6.7621%
6	ROBINSONS RETAIL HOLDINGS INC.	287,627,499	5.4436%
7	JG SUMMIT CAPITAL SERVICES CORP.	188,399,564	3.5656%
8	MICHIGAN HOLDINGS INC.	100,993,230	1.9114%
9	BPI ESPP 2024	12,371,340	0.2341%
10	BPI ESPP 2025	11,699,080	0.2214%
11	MERCURY GRP. OF COMPANIES INC	8,339,940	0.1578%
12	ESTATE OF VICENTE M. WARNS	8,160,037	0.1544%
13	BPI - ESPP 2021	7,600,561	0.1438%
14	BPI ESPP 2023	7,081,270	0.1340%
15	BPI - ESPP 2022	6,935,158	0.1313%
16	SOCIAL SECURITY SYSTEM	4,554,911	0.0862%
17	BPI GROUP OF COMPANIES RETIREMENT FUND	4,548,420	0.0861%
18	XAVIER P. LOINAZ AND/OR MA. TERESA J. LOINAZ	4,255,918	0.0805%
19	HERMANN BARRETTO WARNS	3,135,572	0.0593%
20	SAHARA MANAGEMENT AND DEVELOPMENT CORPORATION	2,952,394	0.0559%
	Total Outstanding shares	**5,202,620,663**	**98.4637%**

EXHIBIT D

(Statistical Report by Sharelots)

BANK OF THE PHILIPPINE ISLANDS
Statistical Reports by Share Lots
As of 12/31/2025

Share	Lots	No. of Records	No. of Shares
1	100	1,685	61,361
101	500	3,929	1,033,651
501	1,000	1,761	1,257,209
1,001	5,000	2,850	6,021,078
5,001	10,000	504	3,512,653
10,001	50,000	591	12,405,118
50,001	100,000	109	7,551,756
100,001	500,000	124	25,812,558
500,001	1,000,000	15	10,454,696
1,000,001	5,000,000	11	32,510,695
5,000,001	10,000,000	5	38,116,966
10,000,001	50,000,000	2	24,070,420
50,000,001	100,000,000	0	0
100,000,001	UP	8	5,120,986,062
Grand Totals :		11,594	5,283,794,223

BPI

Foundations for the Future

Elevating Financial Services for All

Integrated Report 2025



In 2025, we continued our commitment to champion our reimagined Vision, Mission, and Values, which we launched in 2021 with the goal of expressing them in a clearer, more concise, and more relatable way for all BPI Unibankers. At the heart of this refresh was our deliberate shift toward a more customer-centered organization, designed to connect and unify all that we believe in as an institution.

Approved by the BPI Executive Committee, these refreshed statements embody our highest aspirations as an organization. They reaffirm our steadfast commitment to achieving our goals amid an increasingly dynamic and challenging business landscape, while underscoring the principles and way of life that every Unibanker is called to uphold each day.

As we reflect on what we achieved in 2025, we are humbled to continue doing more for the Philippines, especially heading toward our 175th anniversary—a milestone we look forward to celebrating as we honor our legacy and shape the future ahead.

OUR VISION

Building a better Philippines—one family, one community at a time.

By family we mean our clients who we hope to serve and guide to the best of our abilities—so they may achieve their financial goals. Behind every account, loan, investment, credit card—behind all that we create and offer should be for their best interest.

We will do this one at a time because we pay attention to their specific needs—treating them as individuals and not just business opportunities.

OUR MISSION

We are your trusted financial partner, nurturing your future and making life easier.

Our knowledge and expertise will be for naught unless we gain the trust of our customers. It is our responsibility to provide sound advice, show them what we can do, and offer our services so that they can have a more prosperous future.

CORE VALUES

N - We are Nurturing
- > We show concern for others.
- > We help our customers achieve a better life.
- > We serve with passion and care.

C - We are Customer Obsessed
- > We anticipate our customers' needs and serve with a heart.
- > We innovate to give them the best solutions.
- > We make it easy for our customers.

I - We act with Integrity
- > We act honestly, responsibly, and respectfully at all times.
- > We treat everyone with fairness.
- > We deliver on our commitments and take ownership of our actions.

E - We act with Excellence
- > We work as one to get the job done.
- > We do things right the first time.
- > We give our best to all.

BPI CREDO

We believe our first responsibility is to our CLIENTS. If we understand and address our clients' financial needs, we will be entrusted with their most important financial transactions, and we will build lasting relationships. We do well when our clients do well.

We believe in our responsibility to our PEOPLE. We seek to hire the best people for each job, provide them with the means to perform at a high level, and reward them fairly. We value integrity, professionalism, and loyalty. We promote a culture of mutual respect, meritocracy, performance, and teamwork. We strive to be the employer of choice among Philippine financial institutions.

We believe in our responsibility to our SHAREHOLDERS. We treat capital as a most valuable asset and seek to generate superior returns while being prudent in risk-taking, spending, and investment.

We believe in our responsibility to our COUNTRY. Our prosperity is greatly dependent on the well-being of our nation. We aim to be inclusive and responsible in nation-building. Through BPI Foundation, we are committed to improving the welfare and sustainability of the communities we serve.

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IBC About the Cover

ABOUT THE REPORT

The BPI 2025 Integrated Report, titled Elevating Financial Services for All, highlights how BPI's core business model and strategic direction foster sustainable and inclusive growth, delivering long-term value for the Filipino people.

BPI's report offers a holistic overview of the Bank's performance across financial as well as Environmental, Social, and Governance (ESG) key result areas, covering the period from January 1 to December 31, 2025.

REPORTING BOUNDARY

This report covers the BPI Group of Companies, comprising the parent bank as well as its subsidiaries and affiliates across both local and international offices, unless otherwise noted. Differences in reporting boundaries may occur due to variations in data sources, the adequacy of available information, and the extent of management's control over data accessibility.

REPORTING FRAMEWORKS AND DISCLOSURES

BPI's 2025 Integrated Report has been prepared following globally recognized reporting frameworks and regulatory guidelines to ensure transparency, accountability, and relevance. These include:

- International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- Global Reporting Initiative (GRI) Standards
- Sustainability Accounting Standards Board (SASB) Standards
- Bangko Sentral ng Pilipinas (BSP) Guidelines
- Philippine Securities and Exchange Commission (SEC) Guidelines for Annual and Sustainability reports

The disclosures recommended by the Task Force on Climate-Related Financial Disclosures (TCFD) can be tracked through the appendices on page 339, following the Task Force's discontinuation in October 2023.

The financial and operational performance disclosures of BPI are submitted to the following regulatory agencies:

- Bangko Sentral ng Pilipinas (BSP)
- Securities and Exchange Commission (SEC)
- Philippine Stock Exchange (PSE)
- Philippine Bureau of Internal Revenue (BIR)
- Philippine Dealing and Exchange Corporation (PDEx)
- Singapore Exchange (SGX)
- Other relevant domestic and international regulatory bodies, as applicable

DATA SOURCES

Data on macroeconomic, behavioral, and demographic trends in the Philippine banking industry were primarily obtained from reports issued by the Bangko Sentral ng Pilipinas (BSP), the Philippine Statistics Authority (PSA), and the World Bank. Supplementary sources are referenced in the footnotes.

DISCLOSURE PRINCIPLES

The preparation and presentation of this report were guided by the seven Integrated Reporting (<IR>) principles, ensuring clarity, consistency, and the creation of value in the information disclosed.

Materiality – BPI conducted a review and refinement of stakeholder concerns and material topics to ensure alignment with best practices and the latest ESG standards. The updated list of material topics can be found on pages 322 to 323.

Conciseness – Where relevant, this report references previously published information. It presents only material topics that influence BPI's value creation.

Consistency and Comparability – This report was prepared in alignment with GRI and SASB disclosure standards. Where relevant, comparative data from prior years have been included.

Reliability and Completeness – Business units, including subsidiaries, regularly report their performance to management. Internal Audit conducts periodic examinations across the BPI Group. For the 2025 year-end data, BPI engaged Isla Lipana & Co. to audit the Bank's financial statements and DNV AS Philippine Branch, to provide limited external assurance on sustainability disclosures, covering both financial and non-financial data.

Connectivity – This report recognizes the interconnections and relationships among the various factors that shape BPI's ability to create and sustain value.

Stakeholder relationships – Key stakeholders play a vital role in shaping BPI's business, while also being directly impacted by its operations. A detailed discussion of formal engagement platforms and responses to stakeholder concerns is provided on pages 32 to 33.

Strategic focus and future orientation – This report provides a detailed discussion of how the Bank creates financial and non-financial value for its stakeholders, together with its long-term approach to managing risks and opportunities. The discussion is presented on pages 34 to 37.

FEEDBACK

For questions, comments, and suggestions, contact us through:

BPI Investor Relations
investorrelations@bpi.com.ph

BPI Public Affairs and Communications
corporateaffairs@bpi.com.ph

BPI Sustainability Office
sustainability@bpi.com.ph

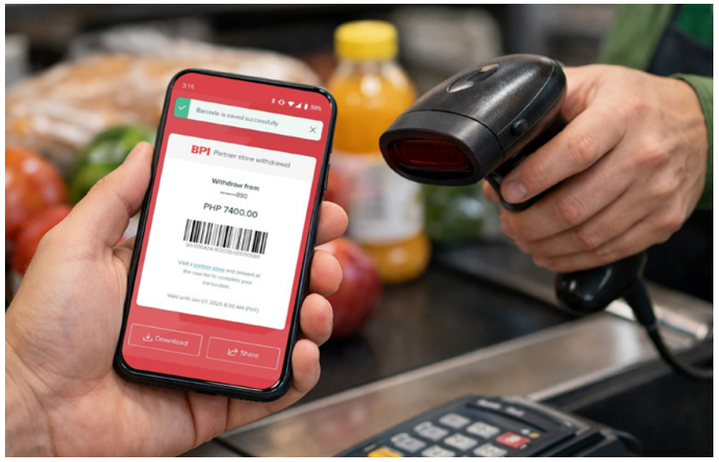
OUR BUSINESS

As the oldest bank in the Philippines and Southeast Asia, the Bank of the Philippine Islands (BPI), a member of the Ayala Group of Companies, is among the earliest institutions to be listed on the Philippine Stock Exchange (PSE). BPI has built a long standing history of client trust, financial strength, and innovation. Since 1851, the Bank's business, products, and services have created sustainable value and played a significant role in the daily lives of Filipinos and in the growth of the nation's economy.

BPI aims to provide greater access to financial services for every Filipino. The Bank aspires for all—individuals, enterprises, and institutions—to directly and indirectly benefit from the economic value generated and enabled by its business. It will continue to provide products and services efficiently, always mindful of the corporate values that have guided the company through 174 years. BPI's approach is grounded in nurturing relationships with customers and communities, while fostering integrity, excellence, and customer focus among its employees. A fully diversified universal bank and a recognized leader in the banking industry, BPI, together with its subsidiaries and affiliates, offers a diverse range of products and services in consumer and corporate banking as well as in asset management, payments, insurance, investment banking, foreign exchange, leasing, and securities distribution.

Aside from the branches, BPI continues to enhance its technological infrastructure to deliver a truly digital banking experience. Clients can access the Bank's services through its online and mobile platforms and agency banking partners.

As of December 31, 2025, the Bank's network consists of 1,318 branches and branch-lite units across BPI, BPI Direct BanKo (BanKo), and Legazpi Savings Bank (LSB) as well as 7,032 partner stores through Agency Banking.



The Bank also has 2,610 automated teller machines (ATMs) and cash accept machines (CAMs), serving 18.24 million clients through a workforce of 23,580 employees. Together with subsidiaries and affiliates in the BPI group, the Bank seeks to serve a broad range of clients, including corporate, consumer, as well as micro, small, and medium enterprises (MSMEs).

Overseas, BPI offers diverse value-added services through three banking subsidiaries: BPI Wealth Hong Kong Limited (formerly known as BPI International Finance Limited), Bank of the Philippine Islands (Europe) Plc, with a head office in London, and BPI Wealth Singapore, which secured a Capital Markets Services License effective October 1, 2025. This global presence is further strengthened through 121 remittance tie-ups in 27 countries, remittance centers in Hong Kong, and representative offices in Tokyo and Dubai, which have been established to meet the financial service needs of overseas Filipinos.

The Bank's headquarters is located at the 22nd to 28th floors of Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, Bel-Air, Makati City, and it is currently redeveloping its original head office at the corner of Ayala Avenue and Paseo de Roxas.

BUSINESS MODEL AND VALUE CREATION

2025 Performance

OUR CAPITALS

FINANCIAL

PHP 2,998 billion in total deposit franchise and bond issuances

PHP 474 billion worth of equity capital from investors

HUMAN

23,580 employees (65% women, 35% men)

SOCIAL AND RELATIONSHIP

Over 18 million client base across various segments

1,102 service providers

34 agency banking partner brands with over 7,000 brick-and-mortar stores providing BPI banking services

N.I.C.E. culture enriching the Bank's relationships

MANUFACTURED

1,318 branches and branch-lite units

2,610 ATMs and CAMs

7 digital platforms for clients

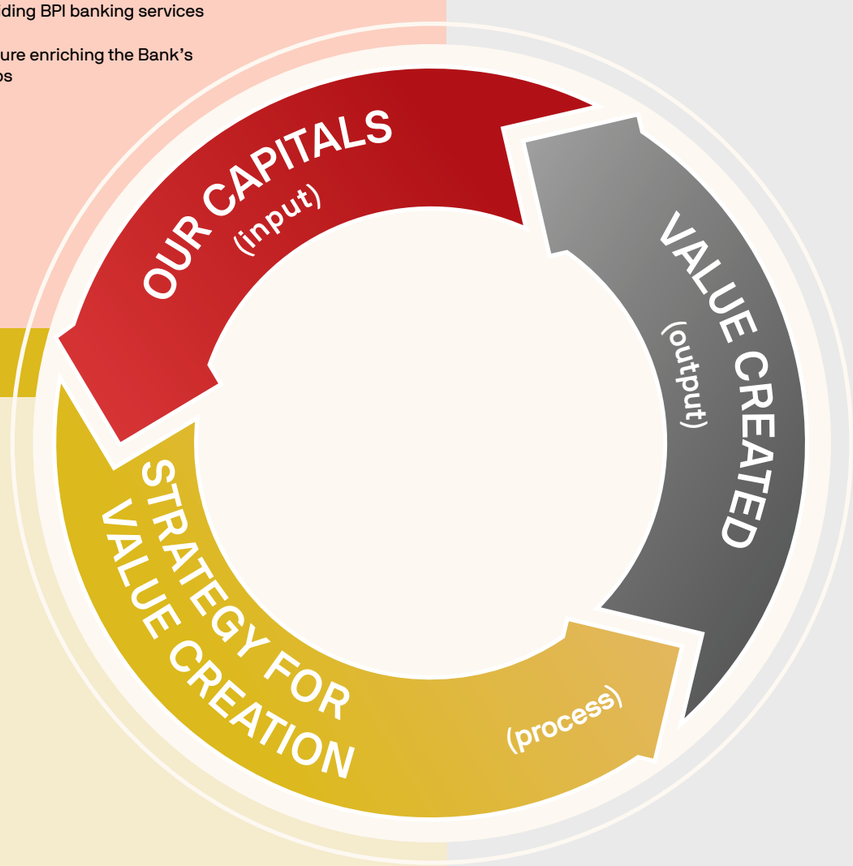
INTELLECTUAL

Nearly 175 years of banking experience

Robust policies and standards in accordance with regulations guiding the Bank's operations

HOW WE CREATE VALUE





THE VALUE WE CREATE

FINANCING SUSTAINABLE DEVELOPMENT

PHP 1,007 billion (or 51%) of BPI's corporate and SME portfolio in support of the UN SDGs

FINANCIAL INCLUSION

PHP 24 billion microfinance loans disbursed to self-employed micro-entrepreneurs (SEMEs)

SUPPORTING NATION BUILDING

PHP 64 billion outstanding loans to small and medium enterprises (SMEs)

ECONOMIC VALUE GENERATED AND DISTRIBUTED (in PHP Mn)	
ECONOMIC VALUE GENERATED	195,277
ECONOMIC VALUE DISTRIBUTED	133,024
Payments to Suppliers	41,268
Payments to Employees	29,993
Payments to Providers of Capital	23,037
Payments to Government	38,316
Payments to Communities	410
ECONOMIC VALUE RETAINED	62,253



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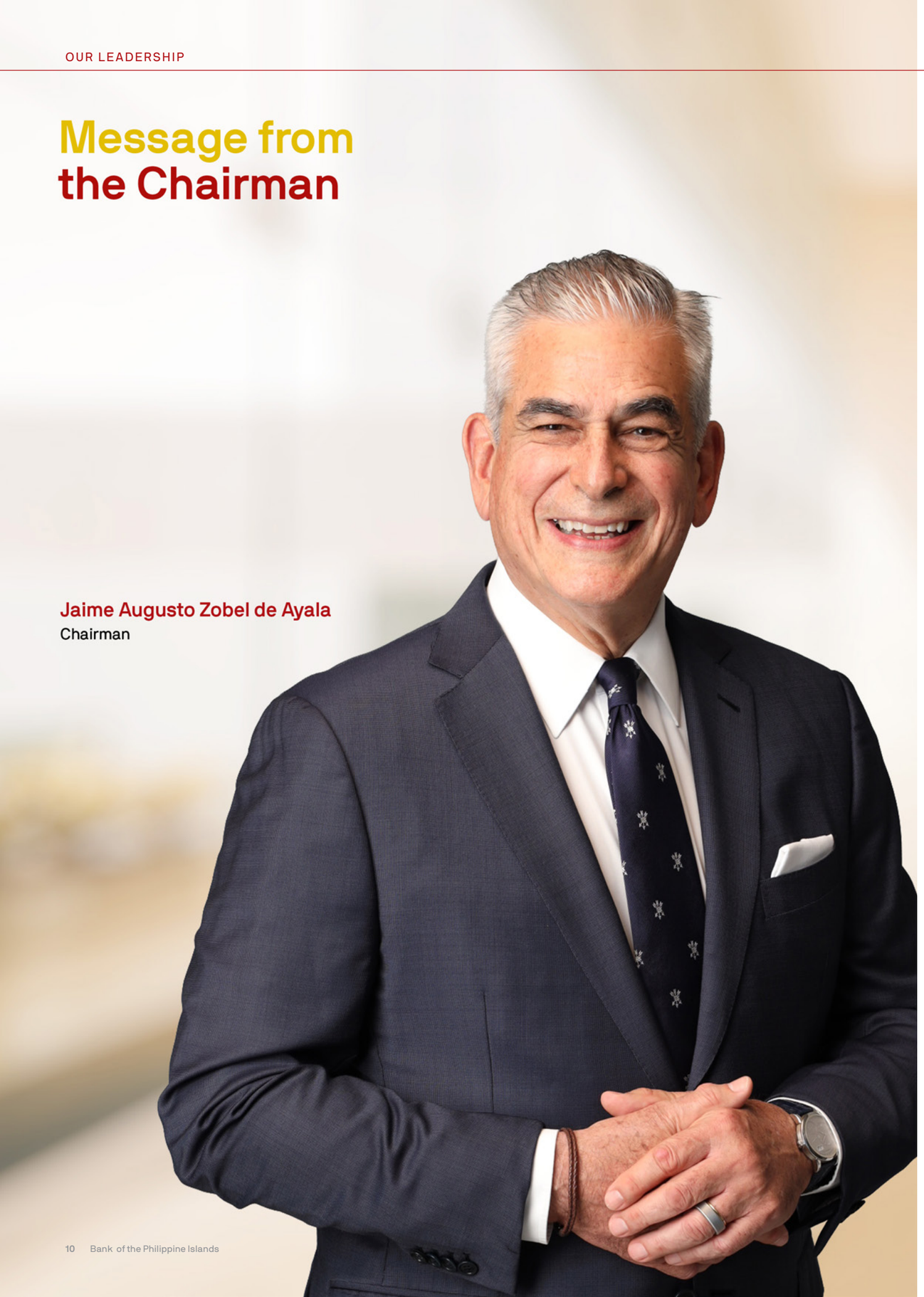
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Message from the Chairman



Jaime Augusto Zobel de Ayala
Chairman

> Resilience is not just how we endure challenges, but how we transform them into opportunities to serve better, operate smarter, and build a stronger, future-ready BPI.

Dear Fellow Shareholders,

In the Philippine banking landscape, resilience is more than simply enduring periods of uncertainty — it is built on a steady commitment to prudential discipline, responsible risk taking, and unwavering compliance with the standards that safeguard our system. As regulations evolve and digital innovation accelerates, our strength lies in our ability to adapt with integrity, invest in secure and modern infrastructure, and continuously enhance the trust our clients and regulators place in us. Resilience is not just how we endure challenges, but how we transform them into opportunities to serve better, operate smarter, and build a stronger, future-ready BPI.

2025: A YEAR OF RESILIENCE

Looking back, 2025 was a year that tested the strength and resilience of the Philippine economy. Despite clear signs of moderating growth, the Philippine economy demonstrated resilience anchored on steady domestic consumption and easing price pressures. These positive factors were tempered by governance issues that weighed on investor sentiment, weak public investment arising from on-going reviews of infrastructure programs, and persistent headwinds from global uncertainty.

The economic performance reflected these cross currents. After a stable first half, GDP growth slowed in the latter months of the year, bringing full-year expansion to 4.4%, the weakest performance in four years. Even so, household consumption remained the economy's primary and stable driver, supported by a resilient labor market, although its expansion slowed due to storm-related disruptions. Public investment, meanwhile, was constrained by a heightened review of infrastructure projects, leading to a more cautious pace in the awarding of contracts. As a result, public sector's contribution to growth remained modest throughout the year.

A key bright spot was the inflationary environment. Headline inflation eased significantly, averaging 1.7% in 2025, down from 3.2% in 2024, comfortably within the BSP target range. This low-inflation environment allowed the BSP to continue its easing cycle. By year-end, the reverse repurchase rate had been brought down to 4.5%, supporting liquidity and credit conditions across the economy. Complementing this, the BSP implemented a 200 basis point reduction in the reserve requirement ratio for banks, lowering it to 5.0% and injecting additional liquidity to stimulate lending and investment activity.

Against this macroeconomic backdrop, the Philippine banking industry once again demonstrated resilience with another year of healthy balance sheet expansion, rising profits, and healthy loan demand. Industry data show that total net loans, including interbank loans and reverse repurchase transactions, grew 11.9% to PHP 16.61 trillion in 2025 from PHP 14.84 trillion in 2024, reflecting improving credit demand across consumers and corporates. Total deposits expanded by 7.4% to PHP 21.88 trillion from PHP 20.37 trillion over the same period. Overall, the Philippine banking industry solidified its role as a key pillar of economic stability in 2025. Despite the challenges of a shifting interest rate landscape, banks maintained strong asset quality, ample liquidity, and robust capital positions. At the same time, the sector advanced its digitalization agenda, expanded access to financial services, and supported both consumption and investment, reinforcing its essential role in the country's sustainable growth.

EXPANDING MARKET REACH

Industry data continues to affirm BPI's strong and resilient competitive position in the Philippine banking sector, as we remain firmly among the country's top three financial institutions with leading shares across assets, loans,

Our customer-first mindset continues to define who we are and what we stand for. Every product we launch, every service we enhance, and every interaction we deliver is designed to enrich the lives of our clients.

and deposits. By end-December 2025, BPI total assets reached PHP 3.65 trillion, with approximately 12.2% of the Philippine banking system's total assets – reflecting both the scale and resilience of our franchise. Our loan portfolio expanded to PHP 2.62 trillion, a robust 16.6% share of system loans, reflecting the strength of our customer relationships and credit discipline. On the funding side, BPI reported PHP 2.84 trillion in total deposits, which translated to a 13.0% market share, reinforcing our standing as one of the country's most trusted and dominant deposit-gathering institutions. Taken together, these results demonstrate how our sustained performance continues to solidify BPI's position as one of the Philippines' largest, most stable, and most influential financial institutions.

Beyond strengthening our domestic franchise, we also expanded our regional presence in 2025 with the launch of BPI Wealth Singapore. This strategic milestone gives Filipinos and Asian clients access to one of the world's most dynamic financial hubs, deepening our capacity to serve their global investment and wealth management needs.

EMPOWERING OUR CUSTOMERS

Our customer-first mindset continues to define who we are and what we stand for. Every product we launch, every service we enhance, and every interaction we deliver is designed to enrich the lives of our clients. Over the past year, we strengthened our customer engagement, responded more effectively to evolving client needs, and consistently delivered excellence across all touchpoints. These efforts reinforce why Filipinos continue to place their trust in BPI and why our people remain the driving force behind that trust.

As a testament to unwavering focus, our client base surged 14.1% from 15.98 million as of 31 December 2024 to 18.24 million as of 31 December 2025. This expansion reflects not only our ability to attract new clients but also the deepening loyalty of those who we serve.

We also advanced our mission of broadening access to financial services, ensuring meaningful inclusion across communities. Through our expanded Agency Banking and Partner Store network, essential banking services are now more accessible beyond our traditional branch footprint. This brings BPI closer to families, small businesses, and underserved communities — and is made possible by the dedication of Unibankers across our operations, technology, risk, service, and of course, frontline teams.

In 2025, Agency Banking took an even more significant forward by transforming partner stores into branch-like hubs, extending BPI's reach across urban centers and underserved communities. Today, 987 stores are now enabled to process deposit and withdrawal transactions, significantly improving cash access and everyday banking convenience for underserved Filipinos. This rapid growth underscores BPI's commitment to financial inclusion – meeting clients where they are, both physically and digitally, through a trusted retail network.

A major milestone was achieved in September 2025, when Agency Banking piloted BPI app-enabled withdrawals. This innovation redefined convenience for existing BPI customers, allowing them to complete transactions directly through the BPI app within their everyday retail environment. Beyond elevating customer experience, this initiative further strengthened the role of partner stores as high-value service and distribution points within BPI's omnichannel ecosystem.

At the same time, our traditional branch network remains central to our strategy. Though our Branch Phygital Transformation, we are redefining the banking experience by seamlessly integrating digital convenience with the warmth and reliability of face-to-face interactions. Designed around the needs of today's empowered and financially proactive customers, our branches now feature an intuitive lay-out, modular flexibility, and spaces conducive to meaningful financial conversations. This reflects the expanded role of our branches. From being transaction-centric environments, our branches have evolved into advisory-focused centers. Just a few years back, only 30.0% of a branch's time was devoted to financial advisory. As of December 2025, this has risen to 46.0%, demonstrating a fundamental shift toward deeper client engagement and relationship management. Together, these efforts highlight our commitment to empowering customers, expanding access, and elevating service across all digital and physical channels. They affirm BPI's mission to provide every Filipino with a banking experience that is not only accessible and secure but also meaningful, personal, and transformative.

BUILDING OUR NATION SUSTAINABLY

Sustainability continued to guide our choices throughout the year. We finance projects that uplift lives, strengthen communities, and help protect the environment — demonstrating that responsible banking and strong financial performance are not opposing goals but complementary commitments that reinforce each other.

This year marked a new chapter in our journey. BPI became the first Philippine bank to publish a decarbonization roadmap for our Scope 1 and 2 greenhouse gas emissions—a milestone that reflects our commitment to lead by example. We have set ambitious but achievable reduction targets: a 50% emission cut by 2030 and 70% by 2050, supported by the assurance work completed by an independent and reputable foreign external assurance provider.

These commitments are matched by real, tangible progress across our network. Today, 70 of our branches and four of our corporate offices are powered entirely by renewable energy. We now have 46 EDGE-certified green branches, and we continue to modernize our operations through the adoption of environment-friendly appliances. Each of these initiatives brings us even closer to a more efficient, resilient, and responsible way of doing business.

Our long-standing climate advocacy also earned global recognition as BPI became a pioneering Philippine member of the Alliance for Green Commercial Banks, a coalition in the Asia Pacific region advancing green finance across emerging markets.

We also strengthened our leadership in sustainable finance. In 2025, we expanded our Sustainable Funding Framework to include 17 new green and social project categories – broadening the avenues through which we can direct capital toward high-impact development. We also issued the PHP 40 billion SINAG sustainability-labelled bonds, mobilizing funds toward projects that uplift communities and preserve the environment.

Our commitment to responsible conduct extends to how we treat people. This year, we consolidated long standing human rights principles into a comprehensive unified Human Rights Policy, ensuring that dignity, fairness, and respect remain at the center of how we engage our employees, clients, suppliers, and communities.

Consistent with our role as an industry leader in compliance and governance, BPI, in partnership with the Institute of Corporate Directors, successfully held the first Future of Compliance Conference. With the theme "Breaking New Ground in the Compliance Frontier," the conference brought together regulators, industry leaders, and practitioners, to examine developments shaping the future of compliance in the Philippines.

Through BPI Foundation, our commitment to uplifting underprivileged local communities remained strong. Our programs champion initiatives across education, sustainability, and enterprise development. FinEd Unboxed brought financial education to millions of Filipinos—from students and public school teachers to farmers, fisherfolk, uniformed personnel, and grassroots communities—recognizing that the ability to manage one's finances is foundational to long-term security and opportunity. Our Farm to Table program continued to equip farmers with essential tools and skills, advancing agricultural productivity while reinforcing food security and rural development, while uplifting the dignity of their work. Our TechVoc programs equipped the underemployed and unemployed with practical, in-demand skills that help them secure dignified work and uplift their families. At the same time, we continued to deepen support for MSMEs and social enterprises through BPI Foundation initiatives Small Enterprise Acceleration Lab (SEAL) and BPI Sinag, helping nurture resilient, purpose-driven businesses that create jobs, uplift communities, and foster more inclusive growth across the country.

These collective efforts—and the dedication behind them—earned BPI 28 ESG-focused recognitions from global, regional, and local institutions. More importantly, they reaffirm the path we have chosen: to pursue growth that is not only profitable, but purposeful; not only strategic, but sustainable.

As we look ahead, we remain steadfast in our belief that banking can be a force for good, and that leadership means shaping a future where economic opportunity and environmental stewardship advance together.

FORGING ON, ONE FAMILY, ONE COMMUNITY AT A TIME

I extend my deepest appreciation to our Board of Directors for their steadfast guidance and the confidence that continue to strengthen our resolve and sharpen our strategic direction. I also extend my deepest appreciation to my fellow Unibankers, whose dedication, professionalism, and ingenuity have propelled BPI to new heights and prepared us for the future. Most importantly, thank you—our shareholders, customers, and clients—for your unwavering trust and support which inspires us to remain steadfast in our mission of building a better Philippines, one family and one community at a time.



JAIME AUGUSTO ZOBEL DE AYALA
Chairman

Message from the President and CEO



Jose Teodoro K. Limcaoco
Director, President, and
Chief Executive Officer

To be recognized alongside the world's leading institutions is both a privilege and a powerful reminder of the responsibility we bear—to continue raising standards, challenge conventions, and help shape the future of Philippine finance.

Dear Fellow Shareholders,

In 2025, we once again demonstrated what is possible when purpose meets performance. BPI was honored by Euromoney as the Best Bank in the Philippines, a recognition that speaks not only of our outstanding financial results, but also the phenomenal growth of our client base and our pioneering initiatives in sustainability and digital innovation. This achievement marks our third win in five years—following earlier awards in 2020 and 2023—a testament to enduring excellence amid an ever-changing landscape.

To be recognized alongside the world's leading institutions is both a privilege and a powerful reminder of the responsibility we bear—to continue raising standards, challenge conventions, and help shape the future of Philippine finance. As the country's best bank, our work is driven by a deeper purpose: to expand the reach of financial inclusion, to uplift everyday lives through innovation, and to ensure that progress is not experienced by just a few, but shared by many. Through digital transformation, pioneering solutions, and our steadfast commitment to nation-building, we remain focused on bringing more Filipinos into the formal banking system—empowering them to participate fully, to prosper, and to move with confidence toward a brighter, more inclusive future.

RECORD-BREAKING FINANCIAL PERFORMANCE

As we set record financial performance year after year, 2025 proved to be no exception. This year, we once again set new benchmarks, achieving record financial results across multiple fronts. We closed the year with a net income of PHP 66.62 billion, up 7.4% from the previous year's PHP 62.05 billion, driven by robust revenues, which more than offset higher provisions and operating expenses, and allowed us to maintain positive jaws.

Total revenues rose to PHP 195.28 billion, up 14.8% year-on-year, propelled by a 16.0% increase in net interest income to PHP 148.03 billion. This uplift was supported by an 8.9% expansion in the average earning asset base and a 28-basis-point improvement in net interest margin (NIM). The uplift in NIM reflects the successful and deliberate shift in our loan portfolio toward higher-yielding loan segments, which now accounts for 30.5% of the total portfolio – achieved a full year ahead of schedule, underscoring the strong execution of our strategic initiatives. Our non-interest income also posted solid growth, rising 11.0% to PHP 47.25 billion, bolstered by PHP 8.29 billion in trading gains, up 21.3% year-on-year.

Several businesses delivered standout performances: Card fees grew 13.8% driven primarily by credit cards which reported an 8.0% increase in customer base, 16.6% increase in transaction count, and 4.0% increase in average transaction amount, contributing to a 21.3% increase in billings from retail, cash advances, and installment loans. Wealth Management fees increased 6.6% on record net contribution from clients. Assets Under Management grew an impressive 18.7% year-on-year to close the year at PHP 1.91 trillion, giving us a commanding a 19.9% market share in the trust industry. This was complemented by a 26% expansion in the customer base, supported by major wholesale onboarding, landmark institutional deals and deepened strategic partnerships. Income from Bancassurance increased 11.4% comprising equity income from our life and non-life insurance joint ventures; royalty fees, and branch commissions, which were up 13.6%, 21.6%, and 4.6%, year-on-year, respectively.

Total assets reached PHP 3.65 trillion, reflecting a 10.0% growth year-on-year. Total loans stood at PHP 2.62 trillion, a 14.7% increase over the previous year, reflecting sustained demand across every segment of our franchise.

As the main operating bank for many of our corporate clients, we saw Institutional Loans grow by 10.4%, fueled by higher capital expenditure requirements as clients invested in acquisitions, infrastructure, and capacity expansion. Additionally, working capital loans also increased, supporting ongoing operational needs across various industries.

Our Business Banking segment catering to Small and Medium Enterprises (SMEs), delivered exceptional momentum, with loans expanding by 79.7%. This surge was driven by targeted promotional programs, enhanced client engagements, and roll-out of pre-qualified lending initiatives that enhanced accessibility and expedited approval cycles for clients.

As a trusted lifestyle and spending partner, Credit Card Loans grew by 31.9%, driven by strong growth in both Installment Loans and Retail Loans. This was boosted by various gadget-focused flash deals and new brand partnerships, aided by multiple Shop Anywhere campaigns and travel-focused promotions particularly for our premium cardholders.

Our pursuit of digital innovation is more than just a strategic priority — it is a commitment to reimagining how banking can empower every Filipino.

In our role as a partner in our clients' life journeys, Mortgage Loans increased 15.7%, while Auto Loans expanded 22.9%, respectively, reflecting healthy demand in housing and mobility financing.

The integration of Robinsons Bank continues to exceed expectations. Teachers' Loans surged by 82.7%, supported by higher releases. New availments more than doubled, increasing by over 135.4%, while re-availments rose more than 73.3%. Our Motorcycle loans portfolio also gained significant traction, with market share rising to 13.4%, up 2.6% year-on-year. Meanwhile, our client base has grown by 10% year-on-year to nearly 103,000 clients. The strong trajectory underscores the substantial growth runway ahead as these products continue to benefit from BPI's expanded scale and broader customer touchpoints.

Finally, Microfinance Loans grew by 15.3%, driven primarily by the NegosyoKo Loan, reinforcing its role as the cornerstone of our Microfinance portfolio.

True to our culture of prudent risk management, we pursued volume expansion balanced with disciplined underwriting as our NPL ratio held steady at 2.2%, six basis points higher than last year while our NPL cover eased to 94.9%. Coverage level under the BSP methodology stayed robust at 122.8%. Overall, the Bank's asset quality remained more favorable than the industry, sustaining an NPL ratio below the sector averages.

We continue to optimize our funding strategy by shifting from time deposits to bond issuances, taking advantage of incentives for sustainable financing that provide a more favorable effective yield than top-tier time deposit rates. While deposits remain our primary source of funding, borrowed funds grew 36.9% and now account for 7.3% of total funding. Our key funding metrics remained stable with a Loan-to-Deposit ratio of 92.4%, and Loans-to-Total Funding at 85.7%. Strengthening our deposit base remains our priority, with greater focus on CASA which continues to be predominantly retail at 76.7%, supported by contributions from Microfinance and SME clients. Growth in CASA was driven by the Core Mass and Mid-Market segments, supported by an expansion in the client base and higher average balances.

Our capital position remained robust, strengthened by strong income generation that offset the impact of higher capital distribution to shareholders and increased credit risk-weighted assets. Total equity stood at PHP 476.55 billion, with a Common Equity Tier 1 Ratio of 13.9% and a Capital Adequacy Ratio of 14.7%, both comfortably above regulatory requirements.

The year 2025 marks the fourth year since we shifted from a fixed dividend amount per share to a variable payout structure based on a 35 to 50% payout ratio of the prior year's earnings. Last year we declared a PHP 4.36 dividend per share, representing a 10.1% increase from the previous year and a 142.2% increase compared to the fixed dividend amount we paid until 2021.

Despite a challenging environment, we sustained strong returns, delivering a Return on Equity of 14.5% and a Return on Assets of 2.0%. Earnings per share (EPS) grew for the fourth straight year, climbing to PHP 12.61, up 7.1% compared to last year's EPS of PHP 11.78.

BANKING EXCELLENCE ANCHORED ON TRUST AND THE BEST DIGITAL OFFERS

Our pursuit of digital innovation is more than a strategic priority — it is a commitment to reimagining how banking can empower every Filipino. In 2025, we elevated our digital platforms to deliver experiences that are simpler, faster, and more secure, ensuring that every touchpoint reflects the trust, the care, and the unwavering service that define BPI.

Over the past year, adoption of digital channels continued to rise at an impressive pace. Client enrollment in the BPI app reached 9.11 million, marking an increase of 1.29 million, or 16.6%, from the previous year. Digital financial transactions grew 28.1% year-on-year, contributing PHP 1.41 billion in revenue and validating our strategy to position the app as a fully integrated mobile banking platform for our clients. We also strengthened the app's value proposition by improving the bills payment and fund transfer experience of our users, as well as introducing new ways for clients to withdraw their money via partner stores. Beyond convenience, this represents our broader commitment to financial literacy, reinforcing BPI's role as a trusted partner in the financial journey of millions of Filipinos. The app also received awards for Technology Excellence and Enterprise Innovation from the Asian Business Review and the ASEAN Innovation Business Platform, respectively.

The launch of the new BPI BizLink platform marked a major step in elevating standards in corporate digital banking. Transactions for clients have been made more seamless, with account setups, authorization matrices, and user profiles fully replicated to ensure continuity. This rollout was reinforced by comprehensive communication efforts, structured training programs, and hypercare support. Client feedback has been overwhelmingly positive, citing marked improvements in both user experience and system speed.

Our commitment to serving micro and small enterprises was likewise strengthened through BizKo, which continues to gain momentum. Despite 2025 being a year defined largely by organic growth, the platform achieved a notable 43.6% increase from 9.4 thousand in 2024 to 13.5 thousand subscribers this year. We also recorded a 12.5% increase in the number of transacting subscribers, underscoring the trust and reliance placed on BizKo by small business owners. This sustained client engagement reinforces the Bank's strategic direction to develop dedicated solutions tailored for micro and small business owners. In the first half of 2025, BizKo further expanded its existing 'Pay Employees' facility by incorporating ePayroll, a streamlined digital payroll solution designed to simplify employee account opening and onboarding, while reducing reliance on manual branch-based processes.

Since its launch in 2022, e-Invest has evolved into a powerful, all-in-one digital platform designed to simplify the investment journey for Filipinos. It streamlines account opening, equips clients with essential investor knowledge, and enables them to open an account and make their first investment in under five minutes – setting a new industry benchmark for accessibility and use. A major milestone was the introduction of digital onboarding for Portfolio Management Accounts (PMA)—the first of its kind in the country—giving investors seamless online access to professionally managed, diversified portfolios that were previously available only through face-to-face engagements. These advancements delivered outstanding results. By the end of 2025, e-Invest had facilitated over 73,617 successful account openings, contributing more than PHP 4 billion in assets under management (AUM).

Continuing its mission to be the digital arm for financial inclusion the BanKo Mobile App has made significant progress in empowering everyday Filipinos with accessible financial solutions. We simplified and strengthened our deposit products to enhance customer experience and acquisition, and grow deposit balances. At the same time, we re-engineered InstaCashKo Loan, transforming it into a flexible revolving credit line designed to better meet the evolving needs of our mass market clients. Behind the scenes, we invested in more advanced analytics capabilities through Appsflyer, Meta SDK, and Firebase integration. With these enhancements improving our ability to attribute user activity accurately and optimize credit, BanKo is now better positioned to acquire more SEME and C2D customers, offer increasingly tailored financial products, and ensure a secure, efficient, and scalable digital banking experience.

The online BPI Trade platform recorded its second consecutive year of 20.5% growth in volume. This performance is particularly noteworthy given that overall market volumes grew only by 10.2% per annum on average over the past two years, underscoring the platform's rising competitiveness and the trust clients place in our digital investment capabilities. A key milestone was the eReserve feature designed to make subscribing to initial public offerings (IPO) and stock rights offerings (SRO) much more convenient for investors. The IPO module of eReserve was successfully used for the Maynilad IPO resulting in positive feedback from our clients. BPI Trade will continue to play a pivotal role in expanding access to capital markets and strengthening our position as a trusted partner in financial empowerment.

In 2025, we strengthened our leadership in cybersecurity and consumer protection with the organization of the first CyberProtect Conference which carried the theme "Global Best Practices in Consumer Protection: New Threats, New Defenses". This event brought more than 230 leaders from government agencies and private institutions, uniting key stakeholders in the fight against rising cyber threats and financial fraud. Through this initiative, BPI reaffirmed its commitment to leading industry dialogue, advancing innovation, and fortifying the nation's cyber defenses to help build a safer, more inclusive digital ecosystem for all Filipinos.

Parallel to these efforts, we strengthened our sustainability agenda by reinforcing the 10% minimum sustainability component in performance ratings and appraisal. This measure directly supported BPI's achievement of several record-setting ESG initiatives, including the early attainment of our PHP 1 trillion UN SDG portfolio target, which includes the financing of key renewable energy projects such as wind, hydro, and solar. We also pioneered operational initiatives, including the shift to 100% renewable energy usage and green building certification for branches.

These innovations allow us to meet the needs of today while opening doors to the possibilities of tomorrow. By building seamless and inclusive digital pathways, we empower more individuals, more businesses, and more communities to move forward with confidence — embracing a future where opportunity is within reach for all.

LOOKING AHEAD: THE ROAD TO 175

We are here to serve — to bring banking to more Filipinos, to uplift families and enterprises, and to strengthen the communities we belong to. Answering this call to serve is each and every Unibanker. In 2025, we achieved an exceptional 95% employee engagement score in the 2025 BPI Engage Survey, with a 99% response rate representing more than 23,000 Unibankers across the BPI Group. This marks a five-point increase from the 2023 survey and places BPI four points above the Philippine National Norm and eight points above the Global High-Performing Companies benchmark. Near-perfect scores in pride, belief in BPI's goals, and discretionary effort reflect a workforce deeply committed to our purpose. Further affirming our people-first culture, BPI was certified as a Great Place to Work® in 2025, reinforcing our standing among the world's leading workplaces. 88% of our employees regard BPI as a great place to work compared to 65% of employees at a typical company in the Philippines. I am honored to call these individuals my team and I would like to recognize all their contributions and efforts in driving the Bank to what we have become.

I end with expressing my deepest thanks to our Board of Directors for their wise counsel and the conviction they have shown us; and all of you, our shareholders, customers, and clients, for your steadfast support as we look ahead to 2026 and BPI's 175th anniversary. Our rallying cry remains clear: Do More Philippines!



JOSE TEODORO K. LIMCAOCO
President and CEO/Director

BOARD OF DIRECTORS



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Mariana Beatriz E. Zobel de Ayala
Director

EXECUTIVE MANAGEMENT



1 **Dino R. Gasmen**
Treasurer
Head, Global Markets

2 **Ma. Cristina L. Go**
Head, Consumer Banking

3 **Eric Roberto M. Luchangco**
Chief Finance Officer and
Chief Sustainability Officer



4 **Maria Theresa D. Marcial**
President and CEO, BPI Wealth

5 **Elfren Antonio S. Sarte**
Head, Payments Council
retired effective Jan. 1, 2026

6 **Juan Carlos L. Syquia**
Head, Institutional Banking
on secondment effective May 1, 2025

7 **Joseph Anthony M. Alonso**
Chief Credit Officer

8 **Ma. Cristina F. Asis**
Chief Risk Officer

9 **Luis Geminiano E. Cruz**
Head, Institutional Banking
effective May 1, 2025

10 **Maria Virginia O. Eala**
Chief Human Resources Officer

11 **Jose Raul E. Jereza IV**
Head, Agency Banking





12 **Jenelyn Z. Lacerna**
Head, Mass Retail Products

13 **Dominique R. Ocliasa**
Head, Business Banking

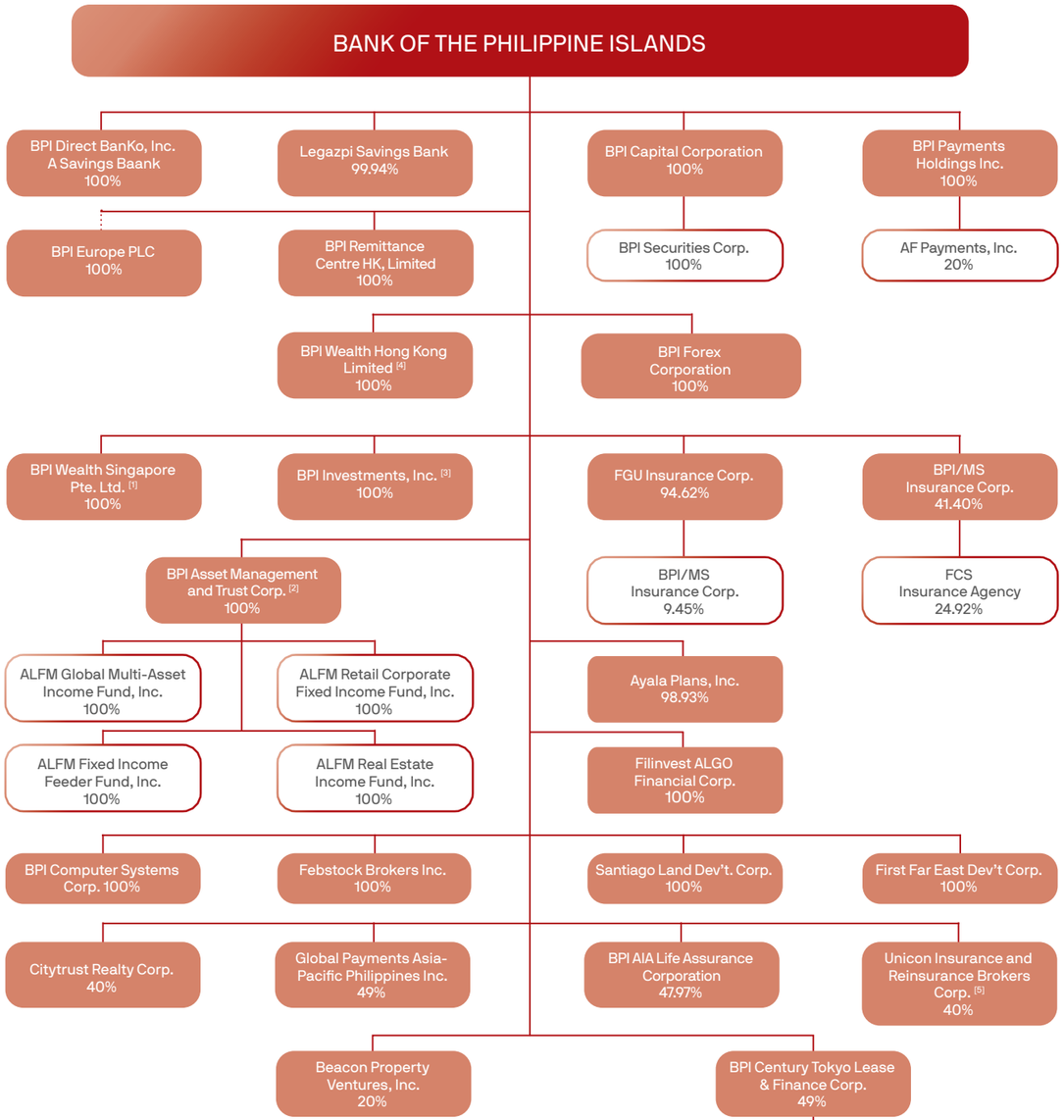
14 **Ricardo D. Peña**
Head, Enterprise Operations

15 **Mary Catherine Elizabeth P. Santamaria**
Chief Customer and Marketing Officer

16 **Alexander G. Seminiano**
Chief Technology Officer

BPI CONGLOMERATE MAP

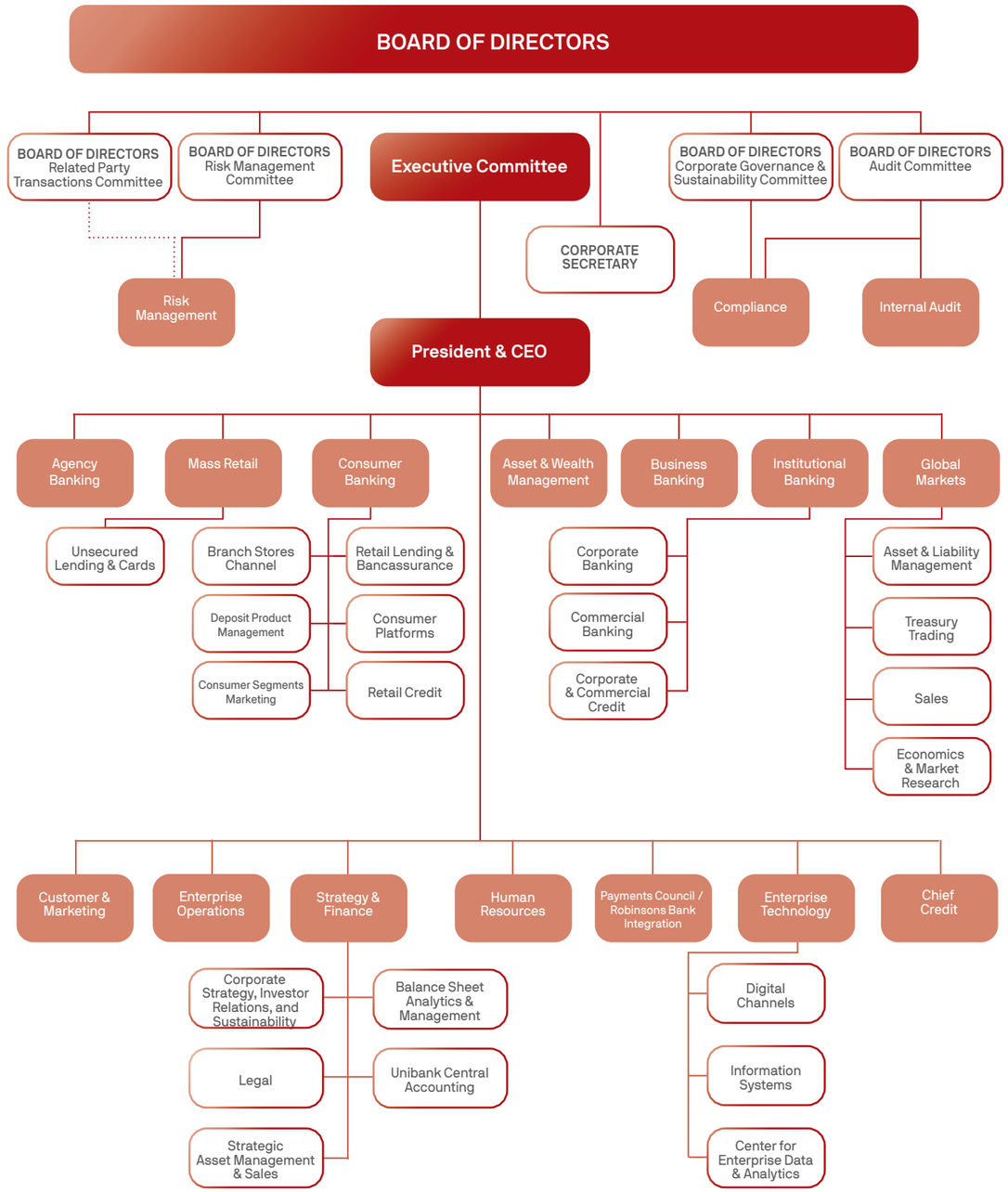
As of Dec. 31, 2025



Notes:
[1] Acquired on Jan. 1, 2024 as a result of the merger between BPI and Robinsons Bank Corporation
[2] Doing business under the trade name and style of BPI Wealth – A Trust Corporation
[3] Incorporated on Jun. 20, 2023 with the Accounting and Corporate Regulatory Authority of Singapore; with Capital Market Services license application still pending approval by the Monetary Authority of Singapore
[4] Formerly BPI Investment Management, Inc.
[5] Formerly ALFM Principal Preservation Fund, Inc.
[6] Formerly Unicon Insurance Brokers Corp.
[7] Formerly BPI Century Tokyo Rental Corp.
[8] Formerly BPI International Finance Limited
[9] Wholly owned subsidiary of BPI Tokyo Century Rental Corp. Acquisition was completed on May 23, 2024.
[10] Formerly Beacon Property Ventures

BPI TABLE OF ORGANIZATION

As of Dec. 31, 2025



Note: The following board-level committees also exist: Retirement/Pension Committee, Personnel & Compensation Committee, and Nomination Committee

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ECONOMIC REVIEW AND OUTLOOK



The Philippine economy is projected to maintain its expansionary trajectory over the medium term, supported by domestic fundamentals despite the headwinds. Household consumption has been the primary engine of growth, accounting for 60-70% of GDP expansion. This consumption-led model is closely tied to the structure of the economy, with services as the biggest sector on the supply side.

From a credit perspective, consumer lending retains significant upside potential, as household debt-to-GDP ratio remains low relative to ASEAN peers and many purchases continue to be equity-funded. This low leverage provides banks with substantial room to expand loan portfolios even as broader macroeconomic conditions evolve.

In the near-term, however, prospects appear relatively complex and uncertain. The previous narrative of manageable price pressures has been disrupted by a significant supply shock following the US-Israel war with Iran that began on February 28, 2026. Escalating conflict in the Middle East amid persistent military exchanges among the said countries raises the risk of supply disruptions, particularly through the Strait of Hormuz, a key transit point for global oil. Given the Philippines' heavy reliance on imported fuel from the region, this exposes the economy to significant price shocks. Higher oil prices could feed into transportation and food costs, leading to second-round effects that may further pressure inflation. Rice prices were already on an upward trajectory prior to the latest shock amid elevated import costs, logistics constraints, and tighter domestic supply. The recent surge in oil prices has only exacerbated this trend, reinforcing upside risks to food inflation. Sustained supply shocks historically bleed into demand, increasing the likelihood of a more hawkish monetary stance if inflation expectations de-anchor, with potential adverse effects on growth.

The ongoing geopolitical tensions also introduce notable risks to the remittance outlook. Approximately two million Filipinos work in the Middle East (about 40% of the overseas workforce), with roughly 2,900 of them already repatriated. Accelerated repatriation could disrupt remittance flows, especially as displaced workers face limited employment alternatives amid the heightened risk of a global economic downturn triggered by the conflict. Elevated oil prices and weakened remittances could widen the current account deficit, increase USD demand, and pressure the Philippine Peso. A rapid depreciation may amplify imported inflation, creating an FX-inflation feedback loop that could compel the BSP to tighten policy even amid a supply-driven shock.

The global backdrop remains uncertain amid volatile trade policies and geopolitical risks. While resilient domestic demand may provide some buffer, downside risks persist, including slower public sector spending, labor market disruptions from technological shifts, and climate-related shocks.

Consequently, the 2026 growth outlook is becoming increasingly dependent on the duration of regional hostilities. Under a brief, one-month conflict scenario, GDP growth is projected at 4.8% with a year-end USD/PHP rate of 60.100. Conversely, a conflict lasting six months or longer could drag growth down to 3.9%, push inflation to a 5.4% average, and see the Philippine Peso depreciate to 61.300. Compounding these external risks are domestic structural concerns, particularly the persistent overhang of flood control issues. Inadequate infrastructure and recurring flood-related disruptions continue to weigh on productivity and agricultural output, posing a further drag on growth and reinforcing upside risks to food inflation. The BSP's previous path toward monetary easing has been challenged; the current policy rate of 4.25% is below historical restrictive levels, and forecasts suggest rates could rise to as high as 5.75% to address external risks and ensure the economy does not suffer further if expectations de-anchor.

RISKS AND OPPORTUNITIES

Major Risk Areas	Potential Impact	Management and Mitigation	Risk Exposure	Opportunities
CREDIT RISK & ASSET QUALITY 1. Default Risk - Risk of loss due to a borrower's or counterparty's non-payment of either the principal or interest, or both, of a loan and/or other credit accommodation on an agreed date 2. Concentration Risk - Risk arising from excessive exposure to a single borrower, group of connected borrowers, industry, geographic area, or product segment	1. Deterioration of asset quality, including collateral valuation and/or coverage, and its corresponding reputational implication 2. Decrease in profitability due to an actual (or expected) increase in loan losses, provisions, and/or credit costs 3. Heightened vulnerability to sector-specific or regional economic downturns 4. Pressure on provisioning levels and ensuring adequacy of capital 5. Financial and administrative penalties from non-compliance with regulatory reporting standards, limits, and ceilings	Comprehensive set of credit risk management policies, standards, methodologies, and procedures covering: 1. Assessment of borrowers using internal credit risk rating models and credit risk scorecards 2. Use of eligible collaterals and legally enforceable collateral and security documentation 3. Prompt identification, workout, and close monitoring of deteriorating credit exposures 4. Adequate review of loan classification and assignment of loan loss provisions 5. Strict collection and exhaustive remedial measures for problem credits 6. Conduct of regular credit stress testing on loan portfolios 7. Use of data analytics for credit risk model development, recalibration, projection, and validation 8. Increased monitoring of emerging high-risk, delinquent, and restructured accounts across all portfolios 9. Regular monitoring against internal and regulatory limits, setting internal credit limits and action points/processes	Moderate, but mitigated	1. Strengthening of counterparty assessment and limit frameworks (including client selection and pricing based on counterparty risk profiles) 2. Portfolio diversification across industries, borrower types and regions 3. Strategic expansion into priority sectors with strong fundamentals (e.g., infrastructure, renewable energy, agricultural value chain, and other sustainable financing initiatives)[1] 4. Enhanced risk-adjusted returns through disciplined exposure limits and efficient utilization within the prescribed limits for good credits 5. Development of new products, programs, and other initiatives, that promote financial inclusion and target consumer segments and clientele with acceptable credit risks, including SMEs, microfinance, and underserved or unbanked segments
MARKET & LIQUIDITY RISKS Risk to earnings and capital from adverse movements in risk factors that affect the market value of financial assets and products in the Bank's portfolios, and the risk arising from the potential inability to meet obligations to clients, counterparties or markets in any location and in any currency at any time when they fall due	1. Decline in earnings and capital 2. Deterioration of the quality of liquid assets; increased funding needs 3. Consequences from non-compliance to regulatory changes	Comprehensive set of market, interest rate risk in the banking book (IRRBB), and liquidity risk management policies and standard procedures covering: 1. Identification, assessment, control/ mitigation, monitoring, and reporting of market risk exposures; interest rate risk exposures in the banking book; and liquidity and funding concentration risks against thresholds and limits 2. Maintenance of adequate liquidity levels at all times 3. Establishment of a contingency funding plan 4. Regular conduct of stress tests and simulation/scenario analysis 5. Enhancement of risk models, assumptions, and systems using data analytics and updated methodologies	Moderate, but mitigated	Opportunities of robust market and liquidity risk systems include: 1. Building trust and confidence with stakeholders through a proactive approach in risk management, thereby enhancing the Bank's brand reputation and deposit franchise particularly during times of uncertainties 2. Becoming the bank counterparty of choice known for disciplined risk management approach 3. Enabling access to cheaper funding and unlocking new and diversified funding sources to support the Bank's activities 4. Enhancing financial resilience and the ability to quickly respond to business & investment opportunities, given the controlled levels of liquidity and market risks 5. Contributing to the overall financial stability that fosters an environment conducive to business activity and economic expansion
OPERATIONAL & INFORMATION TECHNOLOGY (IT) / CYBERSECURITY RISKS Risk of loss due to inadequate or failed internal processes, people, systems, or from external events and risk of adverse outcome due to the use of or reliance on IT	1. Increase in operational losses 2. Disruptions in daily operations 3. Unauthorized access to information assets 4. Inaccurate, incomplete, inconsistent, and/or unavailable information 5. Damage to physical and intangible assets 6. Damage to brand and reputation 7. Legal liabilities and tax implications 8. Consequences from non-compliance to regulatory changes 9. Unavailability of workforce	Comprehensive set of operational and IT risk management policies and standard procedures covering: 1. Identification, assessment, control/ mitigation, monitoring, and reporting of operational and IT risks 2. Risk management processes are embedded in business activity processes (e.g., product development, outsourcing engagements, and process enhancements) 3. Development and monitoring of Key Risk Indicators (KRIs) 4. Loss event management process 5. Incident management 6. Establishment of systems and programs on business continuity management, information security/ cybersecurity management, vendor/ third-party management, and physical security management 7. Conduct of operational and IT risk management awareness and appreciation initiatives	Low and mitigated	Advanced operational risk management and systems provide opportunities to: 1. Increase operational efficiency by implementing process improvements and adopting new tools, which enhance capabilities for a remote/hybrid workforce arrangement, and foster cross-functional collaboration among various business units 2. Enforce dynamic strategies (i.e., thinking long-term while acting in the short-term thereby addressing clients' urgent needs, but at the same time improving and expanding current solutions) 3. Offer and provide clients safe, convenient, fast, and timely solutions despite disruptions such as a pandemic through rapid digital adoption 4. Acquire and build a long-term business relationship with a new group of adopters of digital solutions

[1] BSP Cir. 1085: Sustainable Finance Framework
BSP Cir. 1128: Environmental and Social Risk Management Framework
BSP Cir. 1159: Implementing Rules and Regulations of the Mandatory Agriculture, Fisheries and Rural Development Financing under Republic Act (R.A.) No. 11901
BSP Cir. 1174: Amendments to the Implementing Rules and Regulations, and Prudential Reports Relative to the Mandatory Agriculture, Fisheries and Rural Development (AFRD)

RISKS AND OPPORTUNITIES

Major Risk Areas	Potential Impact	Management and Mitigation	Risk Exposure	Opportunities
BUSINESS & STRATEGIC RISKS Risk to earnings or capital arising from adverse business decisions or strategies, improper implementation of decisions, lack of responsiveness to industry changes, incorrect assessment of changes in business, and/or imposition of new regulations (e.g., moratorium on fee hikes, interest rate caps)	1. Decline in earnings 2. Legal liabilities and other regulatory implications resulting from non-compliance 3. Increase in operational losses 4. Damage to brand and reputation	1. Close monitoring of global and domestic macroeconomic variables, banking, and financial industry trends 2. Close monitoring of financial and operational performance, strategies, and policies 3. Development and monitoring of key risk indicators 4. Regular reporting to Senior Management and Board of Directors	Moderate, but mitigated	1. Faster than expected economic recovery following the slowdown in the second half of 2025 2. Fast growing digital economy 3. Many Filipinos remain unbanked 4. Reduction in reserve requirement ratio
ENVIRONMENTAL & SOCIAL RISKS Risk of potential adverse financial, legal and/or reputational effects arising from possible E&S issues (including those which are climate-related) impacting the Bank's key business activities, investments, and operations	May lead to the following if not adequately managed: 1. Aggravation of existing risk areas such as credit and operational risks 2. Potential operational losses from damages of physical assets due to extreme weather events or environmental disasters 3. Damage to brand and reputation arising from environmental and social issues 4. Consequences from health and safety concerns leading to operational disruptions 5. Legal liabilities and regulatory implications resulting from non-compliance with environmental and social regulations	Delivery of shared value through the following activities: 1. Integration of environmental and social considerations into credit assessments in alignment with regulations and UN SDGs, through the implementation of robust risk management systems 2. Sustainable development financing through green, social, and sustainability-driven products and services 3. Financial inclusion and wellness programs to reach underserved and underbanked segments and communities 4. Digitalization initiatives to streamline operations, minimize resource consumption, and enhance customer experience in accessing the Bank's services 5. Development of nation-building initiatives supporting SMEs and Overseas Filipinos (OFs) 6. Transitioning the Bank's assets to low-carbon technologies and optimizing resource management for greater efficiency and reduced environmental impact 7. Prioritization of social responsibility activities on employee well-being and client experience through sound and ethical business practices 8. Enhanced vendor evaluation through compliance checks against environmental and social standards to ensure alignment to organizational values and sustainability objectives 9. Regular conduct of environmental and climate risk assessments of physical assets, and corporate and commercial lending clients' business operations and collaterals 10. Consideration of climate and environmental risk scenarios in stress testing exercises which support capital and recovery planning 11. Staying informed about regulatory changes, adapting policies and practices accordingly, and actively participating in industry initiatives	Increasing, but mitigated	Enhanced environmental and social risk management brings opportunities such as: 1. Improved operational efficiency and resilience to reduce the risk and impact of disruptions 2. Development of E&S products and solutions, which potentially expands revenue streams and attracts a wider investor base 3. Long-term value creation through improved customer trust, credibility, and positive brand recognition 4. Agility in responding to regulatory and policy developments 5. Increased level of employee and stakeholder engagement 6. Possible regulatory incentives for innovation and early adoption

STAKEHOLDER ENGAGEMENT

BPI recognizes the importance of sustained and meaningful communication with our stakeholders to ensure that our strategic direction and initiatives remain aligned with their evolving needs and expectations.

In 2025, we conducted a comprehensive review of our material topics through a Double Materiality Assessment (DMA). This process evaluated environmental, social, and governance (ESG) topics based on both their inward impact—how these issues influence the Bank's financial performance—and their outward impact, or how our operations affect stakeholders and society at large.

The assessment covered topic areas that matter most to a broad range of stakeholders, including clients across different segments (private wealth, institutional banking, business banking, microfinance, and retail), members of the Board of Directors, senior management, employees, service providers, and community partners. Feedback was gathered through surveys, interviews, and consultations, complemented by a desktop review of relevant local and global standards established by intergovernmental organizations and regulatory bodies.

To ensure impartiality and alignment with global best practices, BPI engaged a third-party foreign consultant, Anthesis, to facilitate the stakeholder engagements. In total, over 7,000 stakeholders participated in the assessment and rated, on a scale of 1 to 5, the importance of prioritizing various ESG topic areas.

The insights gathered from this assessment have deepened our understanding of the issues that matter most to our stakeholders. These results will guide BPI in strengthening our ESG focus areas, enhancing risk resilience and mitigation, and shaping strategies that support long-term value creation for all.

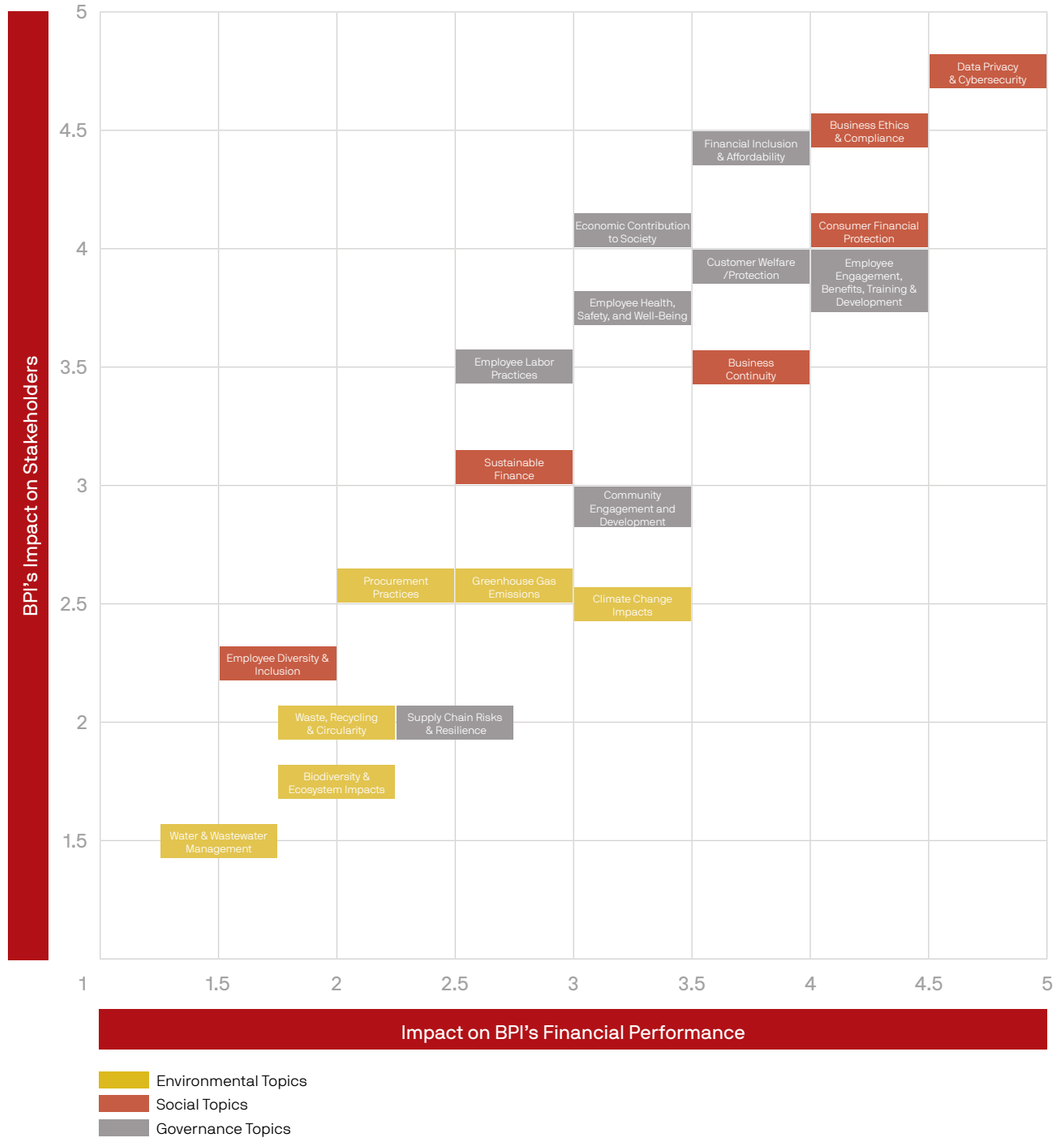
HOW WE ENGAGE OUR STAKEHOLDERS

To ensure consistent and meaningful engagement, BPI uses a range of transaction and communication channels tailored to the needs and preferences of our diverse stakeholder groups. Through a combination of physical and digital channels, BPI supports day to day banking transactions, delivers timely and accurate information, gathers feedback, and addresses stakeholder concerns. These channels enable efficient transaction processing, strengthen relationships, support regulatory compliance, and inform decision making. The table below outlines the key engagement channels BPI uses for each stakeholder group.

STAKEHOLDER GROUP	ENGAGEMENT CHANNELS						
	Branches	Digital Platforms	E-mail/ SMS	Physical/ Virtual Meetings	Physical/ Virtual Events	Social Media	Surveys/ Interviews
Communities and Civil Society Organizations			●	●	●	●	●
Customers	●	●	●	●	●	●	●
Employees		●	●	●	●	●	●
Government and Regulatory Agencies			●	●	●	●	●
Industry Associations			●	●	●	●	●
Investors		●	●	●	●	●	●
Suppliers and Contractors			●	●	●		●

MATERIALITY MATRIX

Below is BPI's indicative materiality matrix showing the relative significance of the company's most relevant ESG topics. Impact on stakeholders (outward impact) has been estimated based on the results of the desktop review, stakeholder interviews, and stakeholder surveys. Meanwhile, impact on financial performance (inward impact) has been estimated using the results from the materiality workshop. Topics in the top right are considered most material.



STRATEGIC HIGHLIGHTS

Our strategy remains central to fulfilling our vision of building a better Philippines, one family, one community at a time. Each year, we undertake a review of the Bank's strategic direction where we assess our strengths, weaknesses, opportunities, and threats in the context of prevailing macroeconomic environment industry trends, regulatory landscape, competitive dynamics and the expectations of our stakeholders. The insights gathered from these assessments refine our priorities, which continue to center on financial inclusion, digitalization, and sustainability.

Our strategy is firmly anchored on our NICE (Nurturing, Integrity, Customer Obsessed, Excellence) core values and CHANGE (Customer Obsessed, High Performance, Aspiration, Nurturing Spirit, Growth Mindset, Excellence) competencies. These guiding principles shape the way we lead, execute, and uphold our responsibilities. They ensure that we remain focused on delivering our strategic imperatives and strengthen our position as an investment of choice, trusted by both domestic and offshore investors who seek growth, performance and long-term value.

Our strategic imperatives have progressed as follows:

LEADERSHIP IN DIGITAL BANKING

As part of our commitment to digital leadership, we further advanced the scale of our seven client engagement platforms. Each platform sustained growth in both enrolled and active users, as transaction volumes continued to shift toward digital channels. This shift has been enabled by new partnerships, enhanced functionalities, and continuous platform improvements designed to elevate client experience and operational efficiency.

- Our flagship BPI Mobile App for retail clients expanded its capabilities with the introduction of the Buy and Sell US Dollar facility, Regular Subscription Plans, Mobile Check Deposit, and Virtual Privilege Cards. These enhancements strengthen the app's position as a comprehensive tool for everyday financial transactions. We also enhanced payments efficiency by reducing the InstaPay fee and onboarding more than 600 new billers. In addition, BPI-to-BPI transfers remain free of charge, and continuous refinements to the user interface and navigation are contributing to overall ease of use.
- For VYBE, our e-wallet, sign-ups have reached 2.5 million, with 77.8% of them being VYBE Pro users.
- For corporate clients, the BPI BizLink platform introduced key upgrades including Web Approvals via SMS OTP, Mobile Multi Factor Authentication, Pay Foreign with Multi-currency, and Express Check Deposit. These upgrades are facilitating seamless migration to mobile app and supporting faster, more secure transaction approval.
- The BPI BizKo app for SMEs, now serves nearly 30,000 subscribers, driven by the introduction of e-Payroll and Salary-on-Demand services which are designed to unify payments tools for clients, and drive deeper platform usage.
- The BanKo app remains central to financial inclusion, offering simplified deposits and accessible revolving credit products to underserved and unbanked sectors.
- BPI Wealth Online, catering to high-net-worth individuals, recorded an 8.2% year-on-year increase in active users to 2,800 through sustained activation initiatives.
- Finally, BPI Trade strengthened engagement among equity investors, with higher transaction count in 2025 and new features such as e-registration for New-To-Bank, e-deposit for real-time funding and eReserve for follow on offerings and tender offers to improve overall accessibility and client engagement.

Overall across all platforms, we continue to expand our open banking capabilities and invest in UI/UX enhancements to deliver a more seamless digital experience.

As of December 2025, our open banking ecosystem comprises 131 API partners, up from 74 in 2019, supporting over 17 thousand brands, compared to only 749 in 2019. This growth reflects our strategic commitment to building a robust digital ecosystem that enhances value for clients and partners.

Digitalization has also changed the way we support our operations. The BPI Re-engineering and Process Automation (RPA) initiative transformed how we handle repetitive, high-volume tasks by replacing manual processes with intelligent automation. As a result, processing times dropped by up to 90%, errors were significantly reduced, and productivity gains delivered cost savings worth PHP 104 million over 2.5 years—equivalent to the output of several full-time roles.



GROWING THE NON-INSTITUTIONAL LOAN BOOK

Our lending business continues to demonstrate strong momentum, supported by sustained growth across all customer segments. Our loan portfolio expanded to PHP 2.62 trillion, rising 14.7% year-on-year and posting a solid 14.3% three-year Compounded Annual Growth Rate (CAGR).

Growth was broad-based, with both institutional and non-institutional segments contributing significantly. Institutional loans grew 10.4%, while non-institutional loans rose at a faster pace of 25.8%, led by Business Banking, up 79.7%, Credit Cards, up 31.9%, and Personal Loans, up 28.3%. Non-institutional lending remained the primary growth engine – posting an exceptional 29.5% three-year CAGR while institutional loans accelerated at 9.5%. This rapid growth drove a big shift in our loan mix: by 2025, non-institutional loans accounted for 30.5% of total loans, up from 21.1% in 2021. We achieved our target of a 30% non-institutional mix one year ahead plan, which underscores the strength of our execution and the growing relevance of our consumer franchise.

We continued to gain market share since 2021. Our share in gross loans was up 388 basis points to 18.3%; while credit card loans was up 248 basis points to 19.8%; and auto loans was up 563 basis points to 17.8% and mortgage loans, up 549 basis points to 23.1%.

The performance of newly integrated lending businesses acquired from merger is benetting from operational synergies. Our Motorcycle loans business, has emerged as a strong growth contributor, with outstanding loan balance increasing to PHP 4.86 billion—up 25.6% year-on-year and 28.9% since merger integration. This was driven by a sharp rebound in loan releases in 2024 and sustained momentum into 2025. Market share increased to 13.4%, and client base expanded by over 10% to nearly 103,000 customers. Similarly, Legazpi Savings Bank's Teachers Loans portfolio has demonstrated robust results post-merger. Enhanced teacher-friendly processes, deeper engagement with the Department of Education, and stronger productivity across BPI and BanKo branches fueled significant growth. Outstanding loans reached PHP 12.2 billion, reflecting a 72% year-on-year increase and a 105% rise since January 2024. The customer base grew to 56,265 teachers – up 79% year-on-year.

To support long-term growth, we continued to scale lending programs – structured initiatives with clearly defined parameters designed to test new credit models, borrower segments, or loan products prior to a full roll-out.

Each program has a dedicated budget with an expected level of delinquencies aligned to the risk profile. These initiatives are data-driven and leveraging extensive historical client data. Since the launch, numerous lending programs have been run, with a portion eventually fully implemented. Regularized programs have become an important contributor to the non-institutional loan book.

FUNDING LEADERSHIP

The Bank's deposit base continues to be anchored by a strong and resilient deposit franchise. Retail deposits have consistently accounted for the largest share of total deposits which demonstrates the depth of our customer relationships and the effectiveness of our omni-channel distribution strategy. From 2021 to 2025, the Bank delivered solid deposit growth of 45.2% to PHP 2.8 trillion, with market share in total deposits increasing 67 basis point from 12.04% in 2021 to 12.71% in 2025.

Retail deposit acquisition continued to be a core strength. The number of new-to-bank deposit clients grew at a 30.1% CAGR over five years, driven by digital onboarding, which surged 240.5% – far outpacing the 14.2% CAGR for branch-acquired accounts. By December 2025, CASA booked via digital channels has reached 38x its 2020 level.

NEW ROLE OF BRANCHES

Despite the Bank's strong push toward digitalization, we continue to invest in our physical network by selectively opening branches in targeted growth areas while optimizing our overall footprint through consolidation and co-location efforts. In 2025, we further rationalized our network by opening three and relocating and consolidating 37 others.

To elevate customer experience across the network, the remaining branches are redesigned into Phygital, Prime Phygital and Flagship formats. These formats are tailored to the needs of specific, customer segments and locations and are designed to blend the strengths of our physical stores and digital capabilities. Our role of branches has evolved significantly as part of this transformation. Branches have shifted from a predominantly transaction-focused, handling day-to-day transactions to advisory centers. Over the past few years, only 30.0% of a branch personnels' time was dedicated to advisory, with 70.0% spent on operations. In 2025, operations work has decreased to 54.0%, while advisory now accounts for 46.0%. Following its transformation into the Phygital format, we recorded notable improvements across several performance metrics, including higher new-to-bank acquisition, increased average daily deposit balances, greater digital adoption among customers, and increased internal Net Promoter Scores.

Closely aligned with our branch rationalization initiative is the continued expansion of Agency Banking, which plays a critical role in strengthening the Bank's presence beyond traditional branches and deepening our ability to acquire new clients in communities nationwide. Agency Banking allows customers to open accounts, transact, and access banking products services in partner locations embedded in their daily routines.

In 2025, we expanded the network to 34 Partners and over 7,000 Partner Stores, driven largely by partnerships with trusted national and local brands, particularly in Visayas and Mindanao. What began as a channel focused primarily on product onboarding has rapidly scaled. By year-end – 987 partner stores – across 18 partner brands – were enabled to process deposit-withdrawal transactions, thereby broadening our ability to serve customer segments outside the branch network.

In 2025, total products sold reached 515.3 thousand, a five-fold increase from the 95.7 thousand recorded in 2024, with insurance and deposits as the primary products. Deposits and withdrawal transactions grew sharply, supported by an increase in enabled stores and stronger marketing efforts. Transaction values and volumes also expanded, reinforcing Agency Banking as a viable initiative to increase deposits.

CHAMPIONING SUSTAINABILITY

In 2025, BPI continued to champion sustainability, integrating Environmental, Social, and Governance (ESG) principles as a core part of our business, under our Board-approved Sustainability Agenda. Reinforcing this commitment, our unique sustainability formula—ESG + E_2—emphasizes the need for Economic Benefits (E_2) to be truly sustainable. These benefits include revenue uplift, cost efficiencies, as well as strengthened compliance and risk mitigation.

Our Sustainability Agenda stands on the pillars: Responsible Banking and Responsible Operations. Through Responsible Banking, we embed ESG principles into our products and services while Responsible Operations ensures that sustainability is reflected in how we manage day-to-day activities. This is supported by a strong risk management and compliance culture, which provides checks and balances to both pillars.

Sustainability is further embedded across the organization through performance management, with all employees required to allocate at least 10% of their performance goals to sustainability objectives. Senior management remuneration is likewise based on a scorecard with a minimum of 10% allocated for ESG/sustainability key performance indicators (KPIs). This enabling environment has resulted in substantial progress throughout the year.

On Responsible Banking, we continued to advance our sustainable finance agenda and expand our sustainability-oriented products and services.

- We made significant progress in our institutional ESG targets, having surpassed our PHP 1 trillion target for the UN SDG Portfolio one year ahead of schedule. We also remained on-track with our coal phase-out and financial inclusion commitments.
- We further supported sustainable financing through the successful issuance of our PHP 40 billion BPI Supporting Inclusion, Nature, and Growth (SINAG) Bonds, which were eight times oversubscribed. Bond proceeds were allocated to projects delivering clear environmental and social benefits.
- To address the diverse needs of institutional clients, we executed 14 ESG-themed financing deals, supporting renewable energy, sustainable water systems, and affordable housing projects.
- To advance financial inclusion, we introduced five sustainability products and services – InstaProtect, BPI Freelancer, BPI Kaya Care, BPI PasaHERO, and BPI Remit – providing targeted solutions for underserved segments.

On Responsible Operations, we continued initiatives aimed at minimizing the environmental impact of our operations.

- We became the first Philippine bank to adopt the Retail Aggregation Program, enabling 70 branches to fully shift to renewable energy. We also transitioned our fourth corporate office – BPI Binondo Rosario – to 100% renewable energy.
- We augmented our IFC EDGE green building certifications, securing 24 additional certifications during the year for a total of 46 certified branches. BPI remains the first Philippine bank to earn IFC EDGE certification for the green building conversion of our branches.
- Finally, we became the first Philippine bank to publish a Scope 1 and 2 Decarbonization Roadmap, outlining our pathway toward a 70% emissions reduction by 2050.

BPI's presence strengthened in the global sustainability ecosystem through our membership in the Alliance for Green Commercial Banks, with our directors participating in the alliance's ESG-focused training in Hong Kong.

On Corporate Social Responsibility, our BPI Foundation supported the development of over 3.6 million beneficiaries. We also pledged support for the Forest for Life Program of the Department of Environment and Natural Resources (DENR).

Our collective sustainability efforts were widely recognized, earning BPI a record 28 ESG-focused awards in 2025.

CUSTOMER EXPERIENCE

BPI's Customer Obsession journey reflects our relentless drive to go above and beyond for our customer. In 2021, we set a bold ambition: to become the number one bank in Net Promoter Score (NPS). The following year, we introduced the NICE values and the Customer Delight System at the ELITE Summit for AVPs and above, then cascaded these across the organization through a series of customer-obsession engagements. By 2023, our officers deepened their connection to frontline realities through immersion programs such as In the Kitchen and Leaders Show and Share, sparking new ideas on how we can better support and delight our customers. In 2024, *I am BPI* was launched to empower every employee to contribute meaningfully to the customer experience. One of its key initiatives, the Quarterly Selling Blitz, brought Unibankers into communities to share BPI products with the goal of making someone's day—and future—better. This year, *I am BPI* had evolved beyond a campaign. It is becoming embedded in how we onboard, develop, and lead our people. Through its integration into the New Employees Orientation, Officership Training Program, leadership programs, and mandatory learning, we continue strengthening our path toward achieving the number one NPS ranking. Read more about our Customer Experience on page 92.

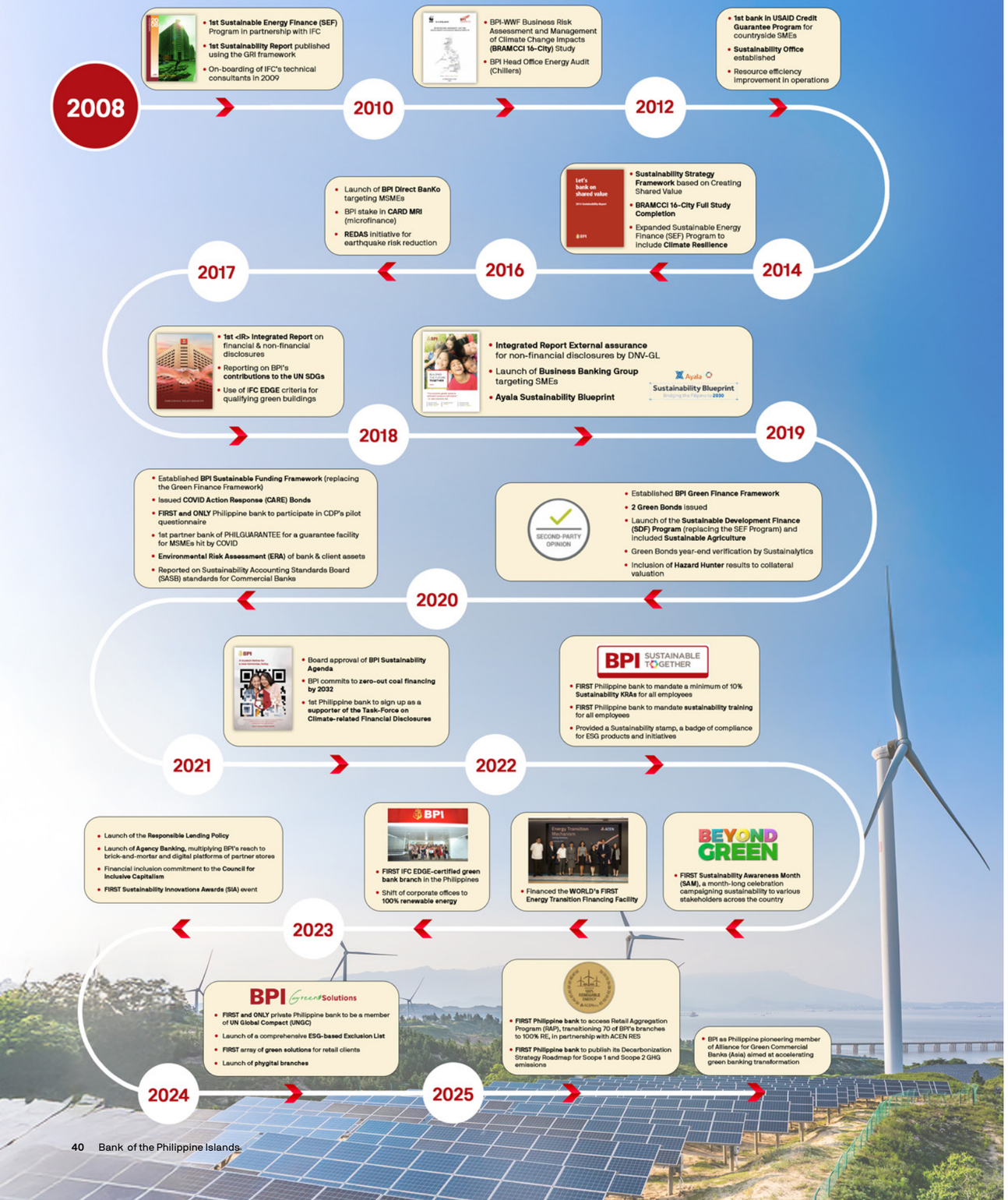
FINANCIAL AND OPERATING PERFORMANCE HIGHLIGHTS

	CONSOLIDATED			PARENT		
	2025	2024		**2025**	2024	
BALANCE SHEET (in PHP Mn)			**YoY change**			**YoY change**
Assets	**3,651,488**	3,318,813	10.0%	**3,520,610**	3,217,078	9.4%
Liquid Assets	**318,327**	350,416	-9.2%	**287,623**	327,672	-12.2%
Treasury Securities	**723,786**	658,618	9.9%	**702,447**	639,202	9.9%
Gross Loans	**2,623,266**	2,287,047	14.7%	**2,552,784**	2,232,856	14.3%
Net Loans	**2,567,131**	2,238,765	14.7%	**2,500,475**	2,186,928	14.3%
Deposits	**2,838,525**	2,614,802	8.6%	**2,766,496**	2,564,135	7.9%
Equity [1]	**476,553**	430,469	10.7%	**444,656**	403,766	10.1%
INCOME STATEMENT (in PHP Mn)						
Net Interest Income	**148,028**	127,586	16.0%	**134,626**	117,432	14.6%
Non-Interest Income	**47,249**	42,553	11.0%	**39,467**	33,699	17.1%
Net Revenues	**195,277**	170,139	14.8%	**174,093**	151,131	15.2%
Operating Expenses	**92,105**	83,796	9.9%	**82,504**	75,266	9.6%
Pre-provision Profit	**103,172**	86,342	19.5%	**91,589**	75,865	20.7%
Impairment Losses	**17,750**	6,600	168.9%	**13,027**	3,428	280.0%
Net Income [1]	**66,615**	62,049	7.4%	**61,828**	56,384	9.7%
FINANCIAL PERFORMANCE INDICATORS						
PROFITABILITY			**In bps**			**In bps**
Return on Equity	**14.54%**	15.07%	-53	**14.35%**	14.45%	-10
Return on Assets	**1.96%**	1.98%	-2	**1.88%**	1.86%	+2
MARGINS AND LIQUIDITY						
Net Interest Margin	**4.59%**	4.31%	+28	**4.31%**	4.08%	+23
Net Loans to Deposit Ratio	**90.4%**	85.6%	+482	**90.4%**	85.3%	+510
COST EFFICIENCY						
Cost to Income Ratio	**47.2%**	49.3%	-209	**47.4%**	49.8%	-241
Cost to Average Assets Ratio	**2.71%**	2.67%	+4			
ASSET QUALITY						
NPL Ratio [2]	**2.18%**	2.13%	+6			
NPL Cover	**94.9%**	106.2%	-1,135			
CAPITAL AND LEVERAGE						
Tier 1 Ratio	**13.94%**	13.86%	+8	**13.30%**	13.14%	+16
CET 1 Ratio	**13.94%**	13.86%	+8	**13.30%**	13.14%	+16
Capital Adequacy Ratio	**14.75%**	14.63%	+12	**14.11%**	13.91%	+20
Leverage Ratio	**11.02%**	10.75%	+27	**10.50%**	10.15%	+35

	CONSOLIDATED		
	2025	2024	
DISTRIBUTION NETWORK AND MANPOWER			**YoY change**
Branch Licenses/International Offices	**1,318**	1,266	4.1%
ATMs	**2,610**	2,581	1.1%
Employees	**23,580**	22,603	4.3%
Officers	**9,588**	9,084	5.5%
Staff	**13,992**	13,519	3.5%
SHAREHOLDER INFORMATION			**YoY change**
MARKET VALUE			
Share Price	**116.10**	122.00	-4.8%
Market Capitalization (in PHP Mn)	**520,454**	643,196	-19.1%
VALUATION			
EPS, Basic and Diluted	**12.62**	11.78	7.1%
Book Value per Share	**89.85**	81.65	10.0%
Price-Earnings Ratio	**9.2x**	10.4x	-11.3%
Price to Book Value	**1.3x**	1.5x	-13.5%
DIVIDENDS			
Cash Dividends Paid to Common Shareholders (in PHP Mn)	**23,037**	20,878	10.3%
Cash Dividends per Common Share	**4.36**	3.96	10.1%
GRI ECONOMIC METRICS (in PHP Mn)			**YoY change**
Economic Value Generated (Revenue)	**195,277**	170,139	14.8%
Economic Value Distributed	**133,024**	120,013	10.8%
Payments to Suppliers	**41,268**	36,558	12.9%
Payments to Employees	**29,993**	28,735	4.4%
Payments to Providers of Capital	**23,037**	20,879	10.3%
Payments to Government	**38,316**	33,605	14.0%
Payments to Communities	**410**	236	73.7%
Economic Value Retained	**62,253**	50,126	24.2%

[1] Attributable to equity holders of BPI
[2] Based on BSP Circular 941

SUSTAINABILITY PERFORMANCE HIGHLIGHTS



In 2025, BPI continued to strengthen leadership in sustainability, advancing both Responsible Banking and Responsible Operations pillars. Guided by our Sustainability Agenda, we advanced our sustainability strategy through innovative financing solutions, expanded green operations, and deeper engagement with clients and communities.

This year's achievements reflect the integration of ESG principles into our core business, enabling BPI to mobilize capital towards inclusive growth, accelerate our decarbonization pathway, and pioneer first-in-market initiatives in the Philippine financial sector.

The following highlights the Bank's sustainability milestones for the year.

2025 MAJOR SUSTAINABILITY ACHIEVEMENTS

PILLAR #1: RESPONSIBLE BANKING

PHP 1 trillion
UN SDG portfolio target achieved, representing 51% of the total Corporate and SME portfolio

Over 1.5 million
Micro, Small, and Medium Enterprises (MSMEs) served

5 New ESG-Focused Products and Services
Including remittance services as well as low-cost insurance packages for freelancers, for daily commuters, and for critical illnesses

PHP 40 billion
ESG-focused funds raised through a public Sustainability bond issuance

Pioneering member of Alliance for Green Commercial Banks (Asia)
Accelerating green banking transformation

14 sustainability financing deals
Including Philippine banking firsts:

> Cebu Landmaster's Inc: First Philippine SLN directly linked to a social objective
> Maynilad: First Southeast Asian Green Equity
> Green Investment Partnership: BPI as the first and only Philippine bank participant

PILLAR #2: RESPONSIBLE OPERATIONS

Over 500 million
Transactions facilitated in 7 digital platforms

Over 7,000
Brick-and-mortar & virtual partner stores of 34 agency banking partners, with nearly 1,000 doors accepting deposits and withdrawals for free

46 Green Branches
IFC EDGE-certified green bank branches, an increase of 24 over last year

70 branches shifted to 100% Renewable Energy
First Philippine bank to access the Retail Aggregation Program (RAP) in partnership with ACEN RES

First to publish a Decarbonization Strategy Roadmap
First Philippine bank to publish a Decarbonization Strategy Roadmap for Scope 1 and Scope 2 GHG emissions

Over 14,000
Attendees of the annual Sustainability Awareness Month (SAM)

Sustainability Commitments

BPI LEADERS

I am delighted that BPI has taken sustainability to heart. It is part of our mindset, our strategies, and daily activities, and embedded in our DNA. I am confident that, with the talent, energy, and passion that I see from our Unibankers every day, whether at the head office or at our branches, no challenge is insurmountable.

JAIME AUGUSTO ZOBEL DE AYALA
Chairman of Ayala Corporation and
Bank of the Philippine Islands

Sustainability has always been a high priority at BPI. We are committed to responsible banking, and we will continue to champion sustainability towards a better Philippines. BPI's unique sustainability formula ESG+E_2 refers to Environmental (E), Social (S), and Governance (G) initiatives resulting in Economic (E_2) gains.

JOSE TEODORO K. LIMCAOCO
BPI President and
Chief Executive Officer

At BPI, sustainability is a strategic priority. We integrate global ESG principles and standards in our products, services, and operations. Through phygital channels, we reach underserved and underbanked Filipinos while lowering our carbon footprint and enhancing risk resilience.

We are committed to delivering positive environmental and financial impact as we help build a better Philippines, one family, one community at a time.

ERIC M. LUCHANGCO
Executive Vice President,
BPI Chief Sustainability Officer,
and Chief Finance Officer

RESPONSIBLE BANKING

We bank the most influential local and foreign institutions in the Philippines. "Likas-kayang pagunlad and pananatili"* is core to our business practices.

We commit to continue to (1) actively promote, facilitate, and support sustainable practices of our clients; (2) integrate ESG criteria into our business decisions across all relevant products, and (3) provide and develop technical assistance programs that support the UN SDGs.

*Filipino term for "sustainability"

LUIS GEMINIANO E. CRUZ
Senior Vice President and Head of Institutional Banking

We recognize the valuable role of SMEs in driving local employment and nation-building.

We commit to expand our reach and deepen our impact with accessible, sustainable and innovative solutions. By harnessing technology and leveraging data-driven strategies, we enable Filipino SMEs to realize long-term growth. Through capacity-building initiatives and strategic partnerships, we empower them to build a more inclusive and resilient economy.

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

At the core of our Sustainability commitment are the customers we serve – ensuring we enable a future that is better and brighter for generations to come. Three years ago, we embarked on a Phygital Transformation journey that has since expanded our digital capabilities, optimized branch presence, and enhanced customer experience.

We will continue to:

1. pursue greater financial inclusion and onboard 2 million more customers;
2. reduce our carbon footprint, consolidate 77 more branches, and enroll 2 million customers in our digital channels; and
3. enhance our financial advisory and product suite so we can expand access of customers to affordable loans, protection, and investments.

We commit to the principles of Sustainable Banking so we may build a better Philippines – one family, one community at a time.

MA. CRISTINA L. GO
Executive Vice President
and Head of Consumer Banking

We help ensure the unbanked and underbanked are included in the country's economic growth by providing sustainable financial solutions tailor-fit for microbusinesses, farmers, fishermen, and the salaried C2D income earners.

With LSB, we are now able to extend our reach to public school teachers equipping them in achieving their financial goals.

We also provide loan products to make financing for solar panels, schools, and hospitals more accessible and affordable for retail clients. For most of the new credit cards we issue, we have already migrated to recycled PVC — a more sustainable material compared to the old plastics that we use.

And through digital innovations, we will continue to make our processes more sustainable and paperless.

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

Sustainability is in Global Markets' DNA.

And as we grow our portfolio of sustainability loans and bonds, we also aim to grow our expertise in sustainable finance by learning the latest regulations, global standards, and best practices in managing a balance sheet built to grow our commitment to sustainability.

We will also continue to raise ESG-themed funding that aims to motivate, challenge, and enable our partners to deploy these funds in qualified sustainable assets.

Finally, we will continue to provide essential Treasury services to our clients that support priority sectors with positive environmental and social impacts, which include MSMEs, social services, and clean energy.

DINO R. GASMEN
Executive Vice President and Treasurer

BPI Wealth sets the standard in purposeful investing—driving impact, financial inclusivity, and long-term value.

We have investment funds that support green and social projects aligned with the UN Sustainable Development Goals.

In 2024, we introduced BPI Wealth Builder—a first-of-its-kind solution combining financial growth with lifestyle, health, medical, and insurance benefits at various investment milestones.

This year, we are expanding access to global investment opportunities with the launch of a peso share class for the BPI Sustainable Funds—making it easier for more Filipinos to invest meaningfully.

We continue to champion financial inclusivity through learning programs like the BPI Wealth Summit and FinQuest.

BPI PERA is now available online thru e-Invest, enabling more Filipinos to start preparing for retirement.

Beyond finance, we help develop next-gen financial stewards through the Wealth Elite Academy.

At BPI Wealth, we don't just grow your wealth—we help Build Your Best Future.

MARIA THERESA D. MARCIAL
President & CEO,
BPI Wealth - A Trust Corporation

Agency Banking has always emphasized inclusivity and convenience through strong partnerships for seamless digital transactions. Combining our partners' physical touchpoints with BPI's innovative digital solutions ensures accessible banking for all.

We are committed to reducing our carbon footprint and promoting sustainability, fostering environmental stewardship. Our goal is to create a more inclusive, convenient banking experience that benefits communities while protecting the planet for future generations.

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

We commit to continue to maintain and promote adherence to Sustainability Goals as an integral component in our appreciation and evaluation of credit underwriting proposals.

JOSEPH ANTHONY M. ALONSO
Senior Vice President and
Chief Credit Officer

We, at the Customer and Marketing Group, will continue to raise sustainability awareness by driving change. Beyond promoting sustainability principles and best practices, we are committed to amplifying the Bank's initiatives that make banking smarter, more efficient, and more accessible for all.

We have now empowered close to 50% of Filipinos with knowledge of sustainability. And we won't stop there.

Our mission continues: to weave sustainability into every message, inspiring more Filipinos to embrace, support, and shape a future that is truly sustainable.

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

RESPONSIBLE OPERATIONS

In Enterprise Operations, sustainability is the foundation of our long-term strategy and permeates all that we do. We continually strengthen this commitment by fostering awareness within our network, promoting community engagement, and driving positive change across all touchpoints. Through innovation, digitalization, and intelligent automation, we are reengineering processes to be more efficient, customer-centric, and environmentally responsible.

Guided by the principles of responsible operations, we ensure that every step we take moves towards an ever more efficient use of resources, because sustainability isn't just what we do; it's a passion we truly believe in.

RICARDO D. PEÑA
Senior Vice President and Head of Enterprise Operations

HR envisions a House of BPI where employees are healthy, well, and highly engaged, with ready new generation leadership, with highly capable and high performing workforce that is progressively digital to the core. Overlaying these goals is building a strong culture anchored on our NICE-values and CHANGE competencies. In pursuit of this vision, HR commits to provide programs aligned to this aspiration and create a working environment where employees can do more and be more.

MARIA VIRGINIA O. EALA
Senior Vice President and Head of Human Resources

We are committed to shaping a payment future that is fast, inclusive, and planet-friendly – where every transaction helps build a more sustainable world.

ELFREN ANTONIO S. SARTE
Executive Vice President and Head of Payments Council and Robinsons Bank Integration

We, at the Chief Risk Segment, are dedicated to continuously enhance the integration of Environmental, Social, and Governance (ESG) principles into our enterprise risk management, compliance, and internal control frameworks to ensure the effectiveness of our governance systems and processes.

Our primary goal is to create value for the entire BPI organization while proactively managing environmental and social risks across the bank's activities. Through these efforts, we can help foster a sustainable future, ensure the resilience and long-term success of BPI and the communities we serve, and demonstrate our unwavering commitment to responsible governance.

MA. CRISTINA F. ASIS
Senior Vice President and Chief Risk Officer

At Enterprise Technology, we are fully committed to leading BPI's digital transformation journey. Our dedication is reflected in our continuous investment in cutting-edge technology, encompassing advanced analytics, innovation, and data-driven decision-making. These efforts are geared towards propelling the Bank towards its objectives of expanding its customer base and enhancing service efficiency.

We are dedicated to championing sustainability and actively working to reduce our carbon footprint. By leveraging state-of-the-art digital technologies, we ensure that BPI's banking solutions are not only safe and secure but also accessible and affordable for Filipinos everywhere. Our mission is to transcend economic barriers and geographical boundaries, making banking services available to all.

ALEXANDER G. SEMINIANO
Senior Vice President and Head of Enterprise Technology

SUSTAINABLE FINANCE-RELATED AWARDS

- ESG PROGRAM OF THE YEAR (DOMESTIC) — ABF RETAIL BANKING AWARDS 2025
- SUSTAINABILITY INITIATIVE OF THE YEAR (DOMESTIC) — ABF RETAIL BANKING AWARDS 2025
- GREEN FINANCING BANK OF THE YEAR (DOMESTIC) — ABF WHOLESALE BANKING AWARDS 2025
- TOP SUSTAINABILITY ADVOCATES IN ASIA — FOR 4 CONSECUTIVE YEARS — ACES AWARDS 2025
- SUSTAINABILITY COMPANY OF THE YEAR — PART OF THE CIRCLE OF EXCELLENCE FOR 4 CONSECUTIVE YEARS — ASIA CEO AWARDS 2025
- BEST ESG INITIATIVE — FOR 2 CONSECUTIVE YEARS — CORPORATE TREASURER AWARDS 2025
- BEST BANK 2025: PHILIPPINES — FOR DIGITAL BANKING, EDGE CERTIFIED BRANCHES, PARTNER PORTALS AND SHIFT TO RENEWABLE ENERGY — EUROMONEY AWARDS FOR EXCELLENCE 2025
- BEST BANK FOR SMES 2025: PHILIPPINES — EUROMONEY AWARDS FOR EXCELLENCE 2025
- BIGGEST ESG IMPACT IN THE PHILIPPINES — FOR 2 CONSECUTIVE YEARS — FINANCE ASIA AWARDS 2025
- BEST SUSTAINABLE BANK – DOMESTIC — FOR 6 CONSECUTIVE YEARS — FINANCE ASIA AWARDS 2025
- BEST BANK FOR SUSTAINABLE BONDS – ASIA PACIFIC — GLOBAL FINANCE SUSTAINABLE FINANCE AWARDS 2025
- BEST BANK FOR SUSTAINABLE BONDS – GLOBAL — GLOBAL FINANCE SUSTAINABLE FINANCE AWARDS 2025
- BEST BANK FOR SUSTAINABLE FINANCE – PHILIPPINES — FOR 4 CONSECUTIVE YEARS — GLOBAL FINANCE SUSTAINABLE FINANCE AWARDS 2025
- BEST BANK FOR SUSTAINING COMMUNITIES – ASIA PACIFIC — FOR 2 CONSECUTIVE YEARS — GLOBAL FINANCE SUSTAINABLE FINANCE AWARDS 2025
- LEADING PROVIDER OF SUSTAINABLE FINANCING IN THE PHILIPPINES 2025 — INTERNATIONAL BUSINESS MAGAZINE AWARDS 2025
- BEST SUSTAINABLE BANK PHILIPPINES 2025 — FOR 4 CONSECUTIVE YEARS — INTERNATIONAL BUSINESS MAGAZINE AWARDS 2025
- BEST SUSTAINABILITY BOND – LOCAL CURRENCY (PHILIPPINES) — FOR SEED BONDS — THE ASSET TRIPLE A SUSTAINABLE FINANCE AWARDS 2025

MEDIA-RELATED AWARDS

- GOLD WINNER FOR ASIA (LARGE COMPANIES) ESG TRANSFORMATION — FOR DECARBONIZATION & DIGITALIZATION EFFORTS — ASIA ESG POSITIVE IMPACT AWARDS
- LEADERS FOR SUSTAINABILITY AND CORPORATE PURPOSE – CONTINUING EDUCATION (SILVER) — FOR BPI FOUNDATION: FinEd Unboxed — ASIA PACIFIC TAMBULI AWARDS 2025
- LEADERS FOR SUSTAINABILITY AND CORPORATE PURPOSE – INCLUSIVE GROWTH (BRONZE) — FOR BPI FOUNDATION: ENTERPRISE DEVELOPMENT AND LIVELIHOOD — ASIA PACIFIC TAMBULI AWARDS 2025
- GOLD AWARD FOR ESG TRANSFORMATION — FOR DECARBONIZATION & DIGITALIZATION EFFORTS — INQUIRER ESG AWARDS
- SILVER AWARD FOR ESG TRANSFORMATION — FOR EDGE-CERTIFIED GREEN BANK BRANCHES — INQUIRER ESG AWARDS
- SILVER AWARD FOR INNOVATIVE PARTNERSHIPS — FOR MAY BPI DITO — INQUIRER ESG AWARDS

INVESTMENT BANKING-RELATED AWARDS

- BEST BLUE BOND IN SOUTHEAST ASIA — FOR MAYNILAD'S BLUE BOND (BPI CAPITAL AS SOLE ISSUE MANAGER, JOINT LEAD UNDERWRITER, AND JOINT BOOKRUNNER) — ALPHA SOUTHEAST ASIA 18TH ANNUAL ESG GREEN FINANCE AWARDS 2024
- BEST LOCAL CURRENCY BOND DEAL OF THE YEAR IN SOUTHEAST ASIA — FOR ALI'S SUSTAINABILITY-LINKED BOND (BPI CAPITAL AMONG THE JOINT LEAD UNDERWRITERS AND BOOKRUNNERS) — ALPHA SOUTHEAST ASIA 18TH ANNUAL ESG GREEN FINANCE AWARDS 2024
- BEST SUSTAINABILITY-LINKED TRANSACTION — FOR ALI'S SUSTAINABILITY-LINKED BOND (BPI CAPITAL AMONG THE JOINT LEAD UNDERWRITERS AND BOOKRUNNERS) — ALPHA SOUTHEAST ASIA 18TH ANNUAL ESG GREEN FINANCE AWARDS 2024
- MOST INNOVATIVE DEAL IN SOUTHEAST ASIA — FOR ACEN'S SUSTAINABILITY-LINKED LOAN (BPI AS CO-FUNDER) — ALPHA SOUTHEAST ASIA 18TH ANNUAL ESG GREEN FINANCE AWARDS 2024
- MOST INNOVATIVE DEAL OF THE YEAR — FOR MAYNILAD'S BLUE BOND (BPI CAPITAL AS SOLE ISSUE MANAGER, JOINT LEAD UNDERWRITER, AND JOINT BOOKRUNNER) — ALPHA SOUTHEAST ASIA 18TH ANNUAL ESG GREEN FINANCE AWARDS 2024



Awards

28 ESG-focused awards and recognitions received in 2025



SUSTAINABILITY AWARENESS MONTH 2025

In June 2025, BPI held the Sustainability Awareness Month (SAM) for the fourth year in a row, with the theme "Beyond Green – Risk Reduction & Resilience". The 2025 SAM comprised 24 face-to-face and virtual events conducted nationwide, drawing more than 14,000 participants.

PUBLIC EVENTS

BPI Booth at the 2025 Palarong Pambansa and Trade Fair Mariano Marcos State University (MMSU), Laoag, Ilocos Norte	**BPI Wealth Financial Awareness and Strategy Talks (F.A.S.T)** Across 6 Corporate Clients' Employees	**#BestLifeRun: Corporate Race 2025** Ayala Triangle, Makati City
BPI Sustainability Bond Issuance and Listing: Supporting Inclusion, Nature, and Growth (SINAG) Bond SEC Headquarters	**Ka-Nego Talk: Grow Green, Grow Smart** Seda Manila Bay, Pasay City	**RealiTalk Session (public edition)** via online platform
Beyond Green: Building Risk-Resilient Poultry & Piggery through Sustainable Innovation Bai Hotel Cebu and via Zoom	**BPI Participation: 12th CorporateTreasurer CTWeek PH** Fairmont Makati	**BPI Participation: DOST-PHIVOLCS Public Consultation on the Crafting of the IRR of RA 12180** DOST Office, Quezon City
Advancing Corporate Sustainability: A Learning Session with the Securities and Exchange Commission Ayala Triangle Gardens – Tower 2, Makati City	**BPI VYBE Booth** Department of Agriculture (DA) Anniversary Expo, Quezon City	**BPI Participation: Global Compact Network Philippines (GCNP) "Peer Learning Session on Forward Faster: Finance & Investment"** Ayala Triangle Gardens – Tower 2, Makati City

SAM ENDORSED EVENTS

Asia Clean Energy Forum 2025 ADB Headquarters, Manila	**Circular Economy Forum Forum 2025** ADB Headquarters, Manila	**SEC Small and Medium Industries and Large Enterprises Embracing Sustainability (SMILEES)** Tagaytay Roadshow

INTERNAL EVENTS

Launch of Employee Commute Survey via RHEA	**Introduction to Climate Smart Agriculture (CSA): Scoring and risk models** via Zoom	**Introduction to CSA: Ecosystem Finance and identifying opportunities in increasing the Green Portfolio** via Zoom	**FinQuest 2025: Internal Kick-off** via online platform
SustAIn-novate Ayala Triangle Gardens – Tower 2, Makati City and via Zoom	**Sort Smart: Building Sustainable Habits at Work and Beyond** BPI Buendia Center	**RealiTalk Session (BPI edition)** BPI University, Vertis North, South Park, and FGU Alabang	**BPI Sustainability Summit and Sustainability Innovations Awards (SIA)** Manila Polo Club, Makati and via #BePartOfIt Facebook Page

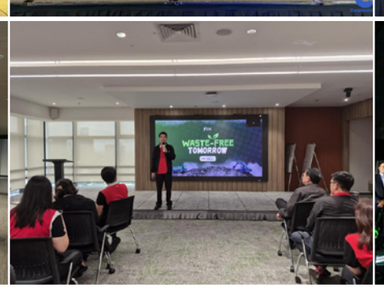
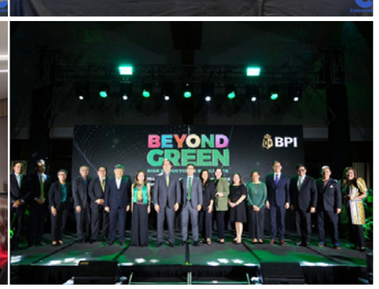










BPI FOUNDATION

In 2025, BPI Foundation (BPIF), the social and corporate responsibility arm of BPI, deepened its commitment to advancing financial inclusion and sustainable community development by delivering targeted, high-impact programs. For the long-term development of the communities we serve, we prioritized on ground and holistic engagements that guided them toward self-sustaining empowerment.

BPIF reached over 3.6 million beneficiaries through our Financial Education and Enterprise Development and Livelihood initiatives, while extending our reach to over 7.3 million individuals via traditional and social media platforms—broadening access to knowledge and opportunities for underserved sectors.

FINANCIAL EDUCATION PROGRAMS

Financial education remained to be BPIF's largest impact area in 2025, benefitting 3.3 million beneficiaries through inclusive and scalable learning initiatives.

Key programs included the Estudyantipid Series in partnership with Knowledge Channel, the distribution of Knowledge TVs to seven last-mile schools, and the continued rollout of FinEd Unboxed sessions in collaboration with institutional and community partners.

To ensure long-term sustainability, the Train the Trainers Program was expanded across educational institutions, empowering educators and community advocates to embed financial literacy deeper within their localities.

In 2025, more than 1,400 individuals were trained across 12 partner communities, including LGUs and higher education institutions.

ENTERPRISE DEVELOPMENT AND LIVELIHOOD

BPIF continued to strengthen local economies by equipping microentrepreneurs, social enterprises, farmers, and job seekers with the tools needed to achieve sustainable growth.

Expanding Opportunities for Nano, Micro and Small Social Enterprises

Through the Sinag Program, BPIF supported over 190,000 beneficiaries with capacity-building, mentoring, grants, and market access—helping social enterprises scale responsibly while generating community-wide impact.

Meanwhile, over 8,600 beneficiaries were supported through the Small Enterprise Accelerator Lab (SEAL), which empowered informal economies to formalize their businesses through SEAL BEGIN (Business Education and Growth Initiative for Nano-entrepreneurs), and helped strengthen and scale emerging enterprises into more resilient and sustainable enterprises through SEAL BETA (Business Expansion through Training and Application).

In addition, BPIF facilitated 22 market access opportunities for beneficiary enterprises—connecting them to platforms, partnerships, and potential buyers that helped expand their reach, increase visibility, and unlock new pathways for sustainable growth.

Strengthening Agriculture-Based Livelihoods

The Farm to Table Program advanced sustainable agriculture and improved economic outcomes for farming and fishing communities, supporting over 8,200 beneficiaries across key growth areas:

- Polomolok, South Cotabato
- Leyte, Leyte
- Asuncion, Davao del Norte
- Milagros, Masbate
- San Carlos, Negros Occidental
- Manjuyod, Negros Oriental
- Sablayan, Paluan, and Rizal, Occidental Mindoro

These interventions focused on strengthening production capabilities, improving market connections, and enhancing organizational readiness within rural communities.

Bridging Employment Gaps Through Skills Training

Through the TechVoc Program, BPIF provided livelihood training to over 4,600 beneficiaries, equipping unemployed and underemployed individuals with workforce-ready and entrepreneurial skills.

The program achieved a strong employment rate of 90.32%, underscoring its effectiveness in translating training into tangible economic opportunities.

EMPLOYEE VOLUNTEERISM

Employee volunteerism continued to be a defining strength of the BPIF's social impact strategy, reflecting a strong culture of service across the organization.

In 2025, more than 4,400 employee volunteers rendered over 47,000 hours in various community engagements as part of BPIF's volunteerism initiatives.

These initiatives benefited farmers, fisherfolk, persons with disabilities, indigenous peoples, single parents, out-of-school youth, and unemployed individuals.







Volunteer-led interventions ranged from livelihood skills training—including candle making, crocheting, basket weaving, baking, and soap production—to coastal cleanups, mangrove planting, and reef dome installations, advancing both economic empowerment and environmental protection.

Volunteers played a vital role in delivering financial education to communities, helping individuals and families build essential money management skills, strengthen financial resilience, and supporting informed long term decisions.

RECOGNITION PROGRAMS

In 2025, BPIF further advanced its institutionalized recognition programs, anchoring them on measurable outcomes and impact to community relevance.

To further promote volunteerism across the Bank, the BPI Bayan Awards recognized 38 employee-led projects that generated livelihood opportunities while promoting environmental stewardship across NCR, Luzon, Visayas, and Mindanao—demonstrating the impact of collective action in addressing community needs.

BPIF also partnered with the Department of Science and Technology (DOST) for the BPI-DOST Innovations Awards, where Secretary Renato Solidum highlighted the importance of cross-sector collaboration in advancing inclusive innovation.

Thirteen universities from across the Philippines submitted innovations spanning AI-assisted cancer diagnostics, non-invasive cardiac screening, aquaculture disease prevention, smart agriculture, and environmental monitoring. The top finalists—from University of Santo Tomas, Iloilo State University of Fisheries Science and Technology, and University of Science and Technology of Southern Philippines—represented the program's dual focus on tech-driven healthcare and ecological solutions, while entries from institutions like Mindanao State University and University of the Philippines Visayas underscored the geographic and disciplinary reach of Filipino innovation.

ARTS MANAGEMENT

BPIF continued to champion Filipino heritage and creative expression by expanding public access to arts and culture.

The exhibit "Of Grit and Steel: BPI's Commitment to Nation-Building", hosted in partnership with the Ayala Museum, attracted over 16,700 visitors, artists, expanding access to the arts and highlighting Filipino artists. Presented by BPIF, the exhibition featured metal artworks that celebrate Filipino resilience and reflect BPI's long-standing commitment to the arts as a foundation of nation-building.

The BPI Cebu Museum's participation in Gabii sa Kabilin, Cebu's annual "Night of Heritage," drew over 1,400 visitors, deepening public engagement with local history and culture. Gabi sa Kabilin is a cultural event where museums and heritage sites open their doors to celebrate history, art, and culture to preserve and promote local heritage in partnership with Ramon Aboitiz Foundation Inc. (RAFI).

Through these initiatives, we reinforced our commitment to preserving cultural heritage and fostering creative communities.

BUILDING A CULTURE OF LEARNING

We remained committed to continuous learning and professional development, equipping employees with the skills needed to deliver responsive and high-impact programs.

MOVING COMMUNITIES FORWARD

Through our integrated approach to financial education, enterprise development, volunteerism, and cultural stewardship, we continue to empower individuals, strengthen livelihoods, and support long-term economic resilience. By prioritizing depth of impact over reach alone, we advance our mission to build a more financially empowered Philippines—one family, one community at a time.

Business Review

As BPI marks close to 175 years of leadership in Philippine banking, it builds on a legacy of industry-first innovations - including ATMs, debit cards and mobile banking - to advance customer-centric financial solutions that addresses the evolving daily financial needs of customers.

In 2025, BPI served more than 18 million customers and Filipino-led businesses through a comprehensive and diversified range of financial products and services. We continued to direct capital towards initiatives that support long-term economic expansion and sustainable development. Our loan portfolio grew by 15% year-on-year to PHP 2.62 trillion, marking our fourth consecutive year of double-digit growth.

FINANCIAL INCLUSION

Financial inclusion has long been a priority for BPI, grounded in the belief that accessible and affordable formal financial services are essential to achieving equitable and broadly shared economic growth.

BPI has made a public financial inclusion commitment to the Council of Inclusive Capitalism, pledging to double the number of underbanked and underserved Filipino clients served by the Bank to 20 million over a five-year period from 2025 to 2030.

In line with this priority, BPI has embedded within its organizational structure dedicated segments and subsidiaries focused on serving the distinct needs of underbanked and underserved sectors across the country. These sectors include not only individuals but also small and medium enterprises (SMEs) and self-employed micro-entrepreneurs (SEMEs).

BPI's Financial Inclusion Commitment

BPI has committed to the Council for Inclusive Capitalism (CIC) its contribution to advancing economic growth by enhancing the affordability and accessibility of its financial solutions, with the goal of expanding its reach from 10 million underbanked and underserved Filipinos at year-end 2025 to 20 million by 2030.



We wanted a bank that offers competitive financing terms while sharing our commitment to sustainability. BPI fits that profile. Having BPI as a partner adds a layer of credibility and bankability that we genuinely value.

Carmen Diaz
Chief Finance Officer
Alternergy Holdings Corporation



Powering Progress through Wind Energy

Filipinos have long associated wind power with the Bangui Wind Farm in Ilocos Norte—Southeast Asia's first commercial wind farm and one of the country's most iconic renewable energy (RE) landmarks. But the Philippine story of wind power extends well beyond Bangui. It includes the pioneering efforts of Alternergy Holdings Corporation's founders—RE and energy policy experts—who helped bring the landmark project to life in 2005 before formally establishing the company in 2007.

"RE is embedded in our DNA. We take pride in being among the first movers in this space. Every milestone we've reached has reinforced our conviction that clean energy is the right path forward for the country," said Alternergy CFO Carmen Diaz.

Since then, the company has built multiple solar and wind projects, most notably the 54-megawatt (MW) Pililla Wind Farm in Rizal. Currently, it is developing a 128 MW wind farm in nearby Tanay. Once completed, the wind farm will connect to the Luzon Grid, which serves as the main transmission highway carrying power supply for mainland Luzon, including Metro Manila.

"Tanay is a familiar ground for us. The Pililla Wind Farm has been operating successfully there since 2015, so we already know the wind resource is strong and reliable. We also understand the local landscape and have a good relationship with the local government unit (LGU). For any power developer, having a solid relationship with the LGU is critical, and in Tanay, we've built that trust over the years. It made sense to deepen our presence in a location where we've already proven the concept," she said.

Like many large-scale energy developments, the Tanay Wind Farm project encountered its share of challenges—from securing permits to working around the site's mountainous terrain and coordinating with various government agencies and the National Grid Corporation of the Philippines. Amid the many hurdles, Alternergy remained clear about what it wanted in a bank.

"We wanted a bank that offers competitive financing terms while sharing our commitment to sustainability. BPI fits that profile. Having BPI as a partner adds a layer of credibility and bankability that we genuinely value," Carmen said.

BPI Wealth supported the Bank's partnership with Alternergy as its trust agent for the Tanay project, with BPI Institutional Banking as one of the lenders and BPI Capital as one of the lead arrangers. The Bank used proceeds from its International Finance Corporation (IFC) bond offers to fund the project.

Carmen said the loan facility from BPI strengthened the project's appeal among sustainability-focused funds and ESG-oriented investors, while also aligning the company with IFC Performance Standards—an important benchmark in the global energy sector.

"BPI helped us keep our growth momentum. Being our biggest asset to date, this project is a key step toward our goal of reaching Green Gigawatt by 2030, and we couldn't have moved it forward at this pace without the Bank's support," she emphasized.

With a strong working relationship and shared mission, Alternergy sees its partnership with BPI as an important pillar in its continued expansion—one that supports the delivery of clean, reliable, and sustainable energy to Filipinos.

It was refreshing to learn that BPI offered this kind of loan. It shows that the Bank recognizes that having solar energy is now considered a necessity. The Green Solutions program really made a solar-powered home achievable for us.

Jose Alexis & Eliza Dee
BPI Green Solutions clients



Financing a Brighter, Greener Way of Living

Spouses Jose Alexis and Eliza Dee are among the growing number of Filipinos turning to renewable energy to power their homes. Although installing a solar power system required a significant investment, the couple recognized its long-term benefits, among them lower electricity bills and a reduced carbon footprint.

"Learning more about solar energy helped us realize how it could lower our daily expenses. It allows us to use our appliances more freely without constantly worrying about the monthly bill, and at the same time, it's better for the environment," Alexis said.

Recognizing the long-term benefits of a solar-powered home, the Dees turned to BPI for financing through the Bank's Green Solutions solar mortgage. BPI was already familiar to them, having supported their Housing Loan years earlier.

"BPI helped us build our house back in 2011, so it has always been the first bank we think of for our financial needs. Its strong reputation and the thorough guidance of its loan officers made it a partner we trusted through the years," Eliza shared.

The couple was pleased to find that the Bank offered a product that met their needs.

"It was refreshing to learn that BPI offered this kind of loan. It shows that the Bank recognizes that having solar energy is now considered a necessity. It also made it easier for us to access financial information, thus giving us more time and freedom to plan," Alexis happily shared.

They also had a reassuring experience when securing the loan.

"The transaction was smooth and straightforward. Once we informed BPI of our plans, they guided us through every step of the process. The Green Solutions program really made a solar-powered home achievable for us," Eliza narrated.

After the installation, the couple immediately noticed a drop in their electric bill—savings that increased further when they enrolled in their power distributor's net metering program. Under the scheme, solar-powered households get to sell the energy they produce to power distributors instead of buying electricity from them.

While they recognize that fully recovering their investment will take time, the Dees are already experiencing its positive impact.

"Fully recovering our investment won't happen overnight, but having an almost zero electricity bill already makes us feel that the process has begun. For us, the biggest return is the peace of mind—no more stress about rising electricity costs," Eliza shared.

Grateful for BPI's support in making their solar setup possible, Eliza encourages other homeowners to consider the same direction.

"Go to the bank that understands your needs. BPI offers financing options that won't strain your budget. Through BPI Green Solutions, owning a solar power system becomes easier and more attainable," Eliza advised.

Business Banking

Over

110,000

SME clients served

PHP64Bn

Outstanding SME loans

Business Banking caters specifically to the unique financing needs of SMEs, which are regarded as the backbone of the Philippine economy, employing 63% of the country's workforce.

In 2025, Business Banking sustained its strong growth momentum, posting an 80% loan growth to PHP64 million. This growth was backed by an extensive distribution infrastructure that enables SMEs to access tailored financing solutions that are *madali* (easy), *magaan* (convenient), and *mabilis* (fast).

Business Banking offers a simplified menu of Ka-Negosyo Loans, addressing the financing requirements of SMEs from major capital expenditures such as product line expansions and property acquisitions, to day-to-day and seasonal operating expenses. These products and services are complemented by accessible and intuitive touchpoint channels, such as the Ka-Negosyo On The Go (KNOTG) digital platform which provides end-to-end online assistance in loan product selection, loan eligibility checking, and loan application. KNOTG saw a three-fold increase in loan amount and approved accounts year-on-year, totaling PHP 4.74 billion and serving the funding requirements of 1,500 SME clients.

To further deepen the engagement with SME clients across the country, Business Banking hosted 16 business talk sessions nationwide throughout the year, attended by over 1,100 clients. Branded as BizTalk, Ka-Nego Talk, and Ka-Negososyo, these sessions featured industry leaders and subject matter experts covering topics such as economic outlook, taxation, digital banking, franchising, and emerging business opportunities.

Additionally, Business Banking also produced digital on-demand capacity-building resources, registering over 100 million views and 70,000 engagements across various online platforms in 2025.

To further scale its reach and efficiency, Business Banking pursued the adoption of predictive credit models, enabling faster loan evaluation turnaround time and expanding access to SMEs nationwide – all while upholding sound risk management.



"I chose BPI because of its credibility, accessible loan programs for small businesses, and manageable payment terms. The BPI Business Banking team made the conversation comfortable and informative rather than intimidating."

Joseph Odita
Owner
Calle Café by Don Gabriel



From Payatas to Tagaytay: An Entrepreneur's Journey of Growth

Joseph Odita believes his entrepreneurial journey wasn't accidental. While he faced unexpected challenges, he believes these were instrumental to the success he enjoys today.

The entrepreneur is behind Calle Café, which has grown to five branches: one in Montalban, Rizal, three in Manila, and another in Tagaytay City. Beyond serving coffee and other comfort food, the café offers live music as entertainment for customers.

The spark for Calle Café came unexpectedly during Joseph's month-long stay in Brazil at the start of the pandemic. While there, he learned to make coffee drinks at a café run by fellow Filipinos. When he returned home and saw the surge of café culture in the Philippines, he decided to take a leap—starting not in a fancy location, but in a modest, unassuming spot.

"Calle Café started in 2021 in Payatas. *Nung una, plano lang naming magtayo sa likod ng nakaparadang kotse sa daan.* Starting my business at that time was one of the most challenging decisions I've ever made. Every day felt like a risk—not just financially, but in keeping the operations going," he said.

Joseph faced constant hurdles - cash flow issues, shifting health protocols, supply shortages, and unpredictable sales - but he pushed forward out of a deep sense of responsibility and purpose. Although the journey tested him mentally and emotionally, he drew strength from his earlier experience as a fast-food service crew member, which shaped his outlook and fueled his determination to grow.

"May realization *ako noon na kailangan kong umasenso. Nagkaroon ako ng* mindset *na sa Pilipinas, kung hindi ka mag-abroad, mahirap ang buhay – maliban na lang kung magnenegosyo ka,"* he shared.

From a roadside setup in Payatas, Calle Café went on to establish its first standalone outlet in Montalban. When Joseph decided to open more branches, he returned to BPI — having availed himself of an Auto Loan before — this time for a Ka-Negosyo Loan.

"I chose BPI because of its credibility, accessible loan programs for small businesses, and manageable payment terms. The BPI Business Banking team made the conversation comfortable and informative rather than intimidating. Instead of feeling like an obligation, the loan became a valuable tool that helped strengthen our operations and allowed us to continue serving our customers while accelerating our growth plans," he said.

Joseph's vision for Calle Café is far from finished, as he hopes to open three to five more branches in the near future.

With his continued drive and BPI's reliable support—whether for capital, equipment upgrades, or branch development—Joseph remains confident that the business will continue to thrive.

BanKo



BanKo is the BPI group's dedicated subsidiary for microfinance, focused on providing tailored financial solutions for underserved and underbanked SEMEs. BanKo offers formal financial products accessible to local communities, providing Filipinos equitable alternatives to predatory lending channels often charging exorbitant interest rates.

Following a strong market penetration from 2023 to 2024, BanKo pivoted towards a strategic sustainable portfolio consolidation in 2025. Even with this deliberate pivot, year-end loan outstanding balances still grew by 15% year-on-year to PHP 17 billion.

The stabilization phase emphasized a disciplined balance between loan growth and asset quality supported by a strengthened campaign focused on proactive account management. Through the campaign, BanKo adopted a humane and dignified approach to debt recovery, repositioning collections as a compassionate educational and consultative process. Field teams conducted capacity building sessions on financial literacy and effective cash flow management, complemented by discussions on viable loan restructuring options.

BanKo continued to provide support to more underserved and underbanked sectors, pursuing on-ground client engagement efforts in wet markets and local communities. We also extended credit to the agriculture sector through strategic partnerships with farmer-led associations and cooperatives, allowing us to provide efficient financing to farmers in rural provinces across the country. BanKo also formed partnerships with corporate clients acting as institutional end-buyers of farmers' produce, which ensured a secured market for the farmers' output.

BanKo remains as one of the country's leaders in microfinance, with more than 30% market share.

Over

1.4Mn

Clients served

PHP17Bn

Outstanding microfinance loans

Mas madaling kausap ang **BanKo**. *Ang aming mga miyembro ay hindi nangangamba sa gastos sa kanilang tanim kasi may* **BanKo** *na pwedeng magpahiram sa kanila sa mababang interes.*



Mary Ann Casita
General Manager
Onion and Vegetable Producer Cooperative
San Jose City, Nueva Ecija

Planting Hope, Growing Opportunities

Onions are an essential aromatic ingredient in Filipino cooking, valued for the depth of flavor they add to many dishes. In the Philippines, most onions come from Nueva Ecija, a province often referred to as the "Rice Bowl of the Philippines."

Every October, farmers plant onion seeds across their fields, then harvest onion bulbs by February and March. These are supplied to different types of buyers (institutional, wholesale, and retail buyers).

One of the active farmer groups in the province is the San Jose City-based Onion and Vegetable Producer Cooperative (OVEPCO), a partner cooperative of the Jollibee Group Foundation, Inc. (JGF) under its Farmer Entrepreneurship Program (FEP). Through this partnership, together with the city's Local Government Unit, farmer members of OVEPCO were developed and strengthened to engage in agro-enterprise and were linked to the Jollibee Group. Since 2013, OVEPCO has been to the Jollibee Group. Since 2013, OVEPCO has been delivering to the Jollibee Group a significant portion of the onion harvest for use as an ingredient in its different products.

At the beginning of this partnership, the cooperative relied on financing institutions to support its planting activities, providing farmers with accessible financing options. Recognizing opportunities to further strengthen financial sustainability, JGF explored a potential partnership with BanKo in 2022 to help OVEPCO and other FEP groups access tailored financing support.

"Pinakilala sa amin ng JGF *ang* BanKo *na nag-offer sa amin ng* loan," said Mary Ann Casita, OVEPCO's General Manager.

Responding to the cooperative's request, BanKo provided a business loan that allowed farmers to access more affordable financing for their onion crops. BanKo's interest rate was significantly lower than that significantly lower than that of other existing financing institutions, making it a more viable and empowering option.

The impact was immediate. With more accessible loan terms, the cooperative's membership grew significantly.

"'Yung dating 19 active farmers *bago kami kumuha ng loan sa* BanKo *ay naging* 33 *na. Imbes na kung saan-saan sila mangutang, mas pipiliin nilang maging miyembro ng* coop *dahil makakahiram sila sa* BanKo," Mary Ann recalled.

"Mas madaling kausap ang BanKo. *Ang aming mga miyembro ay hindi nangangamba sa gastos sa kanilang tanim kasi may* BanKo *na pwedeng magpahiram sa kanila sa mababang interes,"* she added.

OVEPCO is looking to broaden its engagement with BanKo to finance other crops tended by its farmers, such as eggplants, red chilis, pechay, and palay. This would hopefully strengthen the livelihoods of its members and support a more robust local agricultural ecosystem.

KEY BANKO PARTNERSHIP STORIES IN 2025



1. PHP 24.8 million cumulative loan disbursements to small scale farmers supplying onions to Jollibee Foods Corporation (JFC) since 2022



2. Bespoke financing solutions for farmers extended to approximately 8,000 Nestle-affiliated coffee growers in Bukidnon, allowing them to gain access to affordable credit for farm inputs, equipment, labor, and other productivity enhancing needs



3. More than 1,800 Bayer-affiliated farmers with BanKo accounts, enjoying the benefits of fast, secure, and convenient digital cash disbursements

Legazpi Savings Bank

Legazpi Savings Bank (LSB), a subsidiary of the BPI group, offers personalized financial services to professionals working in the country's education sector.

As an accredited Private Lending Institution (PLI) providing Teachers' Loan through the Automatic Payroll Deduction System of the Department of Education (DepEd), LSB achieved a record loan growth in 2025, doubling its loan portfolio to PHP 15.5 billion.

This growth was largely driven by the expansion of our field sales units and agent network, enabling wider reach and deeper penetration into schools across the country. The increased presence on the ground allowed LSB to engage more teachers directly within their communities. In addition, LSB strengthened our customer touchpoints, making our services more accessible and convenient, which further supported the increase in loan uptake. LSB's presence was further strengthened by our availability across over 1,000 BPI and BanKo branches nationwide, on top of the 42 LSB branches and branch lite units (BLUs).

Through our engagement with BPI and BanKo, we were able to significantly modernize and streamline our payment process. This transition not only strengthened our operational efficiency, but also enabled us to reach previously unbanked growers.

Patrick Pfaeffle
Country Finance Lead
Bayer Philippines



Advancing Inclusive Payments for Farmers

Bayer Philippines' Crop Science division has been working closely with partner farmers in Luzon and Mindanao to help produce seeds. Under the partnership, growers produced corn crops that were processed, bagged, and sold as commercial corn seeds. While the program created livelihood opportunities, the company faced persistent operational challenges—particularly in paying the farmers.

Many of the growers were unbanked and hence were paid manually via checks. This approach resulted in high encashment fees, lengthy processing times due to manual check printing and delivery, and delays that often affected farmers during peak harvest seasons. These issues became a major pain point for growers, highlighting the need for a more efficient, inclusive, and farmer-friendly payment solution.

To address these challenges, Bayer worked with its relationship managers from BPI Institutional Banking, who then connected the company to BPI Direct BanKo, BPI's microfinance arm. Recognizing the opportunity to modernize the disbursement process, BanKo proposed shifting from manual checks payments to electronic fund transfers, supported by a simplified account opening and a payment setup tailored to the needs of the farmers.

This collaboration enabled 1,893 farmers to open their first bank account, allowing them to receive payments quickly without the burden of high fees or maintaining balance requirements.

"Through our engagement with BPI and BanKo, we were able to significantly modernize and streamline our payment process. This transition not only strengthened our operational efficiency, but also enabled us to reach previously unbanked growers, expanding our ability to conduct business seamlessly across rural communities," said Bayer Philippines Country Finance Lead Patrick Pfaeffle.

"BanKo's offering aligned perfectly with our goals of improving payment efficiency while supporting financial inclusion for our growers. Aside from providing a solid payment solution, their strong rural presence offers more opportunities for previously unbanked farmers to learn and access more financial services, which could help improve their financial awareness and better outcomes for their livelihood," he added.

The shift delivered a clear impact. Bayer achieved a 70% reduction in payment transaction costs and significantly improved payment lead times, resulting in higher farmer satisfaction and a stronger working relationship with growers

"This partnership between Bayer and the farmers has delivered both business value and strong community uplift. Our growers see us as a solid partner that not only helps them with technical agricultural knowledge but also helps open doors to knowledge on financial services that are not a burden and a pain to access from where they live," the company executive shared.

As Bayer, BPI, and BanKo continue working together, their shared efforts demonstrate how partnerships can meaningfully advance financial inclusion, operational efficiency, and community empowerment across the agricultural sector.

"Beyond access, the program embeds sustainability principles—promoting digital transactions that reduce travel-related emissions, and enabling transparent and traceable payment flows. The initiative also helps raise the farmer grower's awareness on financial services and instruments which can help them grow resilient, sustainable farm businesses," he said.

Super thankful ako sa LSB *kasi 'di ko alam ang mangyayari sa akin nang mawala lahat. Parang gumuho mundo ko noon. Malaki talaga ang naitulong sa akin ng* Teachers' Loan.



Edmar Mabag
Public school teacher
Legazpi Savings Bank client

A Financial Lifeline

Edmar Mabag has long been passionate about helping young people in his community prepare for their future. This commitment has shaped his 12 years of dedicated service as a teacher at a public school in Caloocan City.

For the past five years, he has focused on teaching kindergarten students—an age group increasingly dependent on digital tools for learning. As digital communication rapidly evolved, gadgets became essential in the classroom, motivating Edmar to continually adapt and integrate technology to better support his students' growth.

"Sa pagtuturo sa kindergarten, *mas* responsive *ang mga bata sa* visuals – *kailangan nila ng may napapanood sa* TV. *Ginagamit ko ang* cellphone *ko para sa* wi-fi, *at* laptop *para maipakita ang mga* learning *materials galing sa* YouTube, *para mas madali nilang maintindihan ang* lessons *namin,"* Edmar shared.

Despite his dedication, Edmar faced a major setback when his laptop suddenly crashed, and his mobile phone was stolen – both essential tools for his work. He immediately needed to buy replacements.

"Paano ko maituturo yung galaxy *gamit lang ang* chalk *at* blackboard*? Paano maituturo ang anyong lupa at anyong tubig kung maliit ang larawan? Kailangan sa* kinder, *makita ang kulay at laki ng mga bagay na itinuturo namin. Kung wala akong* laptop, *hindi ko maipapakita sa kanila,"* he shared.

Incidentally, a sales team from Legazpi Savings Bank (LSB) was visiting the school to offer Teacher's Loans around the time the incidents occurred. Edmar quickly applied and was pleased that LSB offered lower interest rates and required fewer documents than other banks he had previously borrowed from. Soon after submitting his application, Edmar received the funds he needed to replace his gadgets.

"Super thankful *ako sa* LSB *kasi 'di ko alam ang mangyayari sa akin nang mawala lahat. Parang gumuho mundo ko noon. Malaki talaga ang naitulong sa akin ng* Teachers' Loan," he said.

With his new tools, Edmar is back on track with his teaching pace. Outside his regular work, he is working toward completing his master's degree and dreams of eventually earning a doctorate to he can become a principal someday. He also hopes to see the siblings he supports finish college and wishes to buy a home for his parents in the province.



Over
69,000
Teachers Served

PHP 15.5 Bn
Outstanding Teachers' Loans

LSB solved the biggest pain points teachers experience with traditional loan providers. Through LSB's fully digital onboarding platform, teachers can apply online anytime, anywhere—without leaving their school or visiting a branch. They no longer need to sign physical documents, as all loan forms are digitally viewed and signed. Funds are released quickly and directly to their preferred bank account, providing unmatched speed and convenience.

This is a superior experience not offered by many teacher-loan providers today.

Additionally, LSB increased its presence through multiple acquisition programs and promos, as well as the continued participation in national and regional on-ground events – including Palarong Pambansa, Brigada Eskwela, and National Teachers' Day – enabling LSB to engage more than 30,000 new educators across the country.

URBAN DWELLERS' TRANSFORMATION

Beyond financial inclusion, BPI supports Filipino communities through initiatives that promote long-term stability and well-being. One such effort is the Bank's urban dwellers' transformation initiative, which involved close engagement with Carparts Homeowners Association Inc. ("Carparts").

Formerly informal settlers occupying a foreclosed property, Carparts residents became legitimate homeowners following the granting of a substantial purchase discount, subject to conditions promoting order, cleanliness, and community safety.

In March 2025, ownership of the property was formally transferred to the association, benefiting 252 individuals across 84 families, who no longer face uncertainty regarding the legality of their housing.

CUSTOMER ACQUISITION AND DIGITALIZATION

As a key driver to both financial inclusion and business growth, BPI further deepened its focus on expanding and enhancing physical and digital customer touchpoints in 2025, making our broad range of financial solutions more accessible for more Filipinos.

BPI's initiatives increased the adoption of agency banking and digital platforms while repositioning branches as advisory and sales centers.



Agency Banking

To extend our reach to remote communities across the country—including settlements in remote islands – we ventured into Agency Banking in 2022. The Agency Banking model allows BPI to offer banking products and services through third-party partner stores with established brick-and-mortar presence in these communities. These include convenience stores, supermarkets, drug stores, department stores, and even gasoline stations.

In 2025, BPI Agency Banking sustained its strong upward trajectory, evolving from an acquisition-led initiative into a scalable banking ecosystem. Building on the foundations established over the past three years, we continued transforming partner stores into branch hubs, embedding more financial services directly into partner stores where Filipinos already shop and pay. This has deepened our presence across everyday retail touchpoints.

Our customers already visit our stores regularly. Making banking available where they shop saves them a great deal of time. Partnering with BPI feels like a natural fit.

Robina Gokongwei-Pe
Chairman
Robinsons Retail Holdings, Inc.



Banking where Pinoys Shop

Since its establishment in 1980, Robinsons Retail Holdings, Inc. (RRHI) has been deeply embedded in the Filipino way of life—bringing everyday essentials and retail staples closer to communities nationwide. More than four decades on, RRHI is extending its role beyond retail through its partnership with BPI, bringing banking services directly into its stores and making financial access more convenient for millions of Filipinos.

Through BPI's Agency Banking program, customers can access banking services in over 700 Robinsons Retail outlets across the country. These include applying for bank products, completing basic transactions, and managing everyday financial needs—all during their regular shopping trips.

"Our customers already visit our stores regularly. Making banking available where they shop saves them a great deal of time," says RRHI Chairman Robina Gokongwei-Pe. "Partnering with BPI feels like a natural fit."

She adds that choosing BPI was a natural decision. "BPI's 174-year legacy of trust and stability was a key factor for us. The Bank has served generations of Filipinos, and that long-standing credibility—combined with customer-centric innovation—aligns strongly with our mission at Robinsons Retail."

For RRHI, integrating banking services into its stores enhances the customer experience while strengthening brand loyalty. "Robinsons Retail has evolved into a multi-service destination where customers can accomplish more in a single visit," Gokongwei-Pe explains. "When we make life simpler for our customers, satisfaction grows, repeat visits increase, and our stores become even more meaningful—because they now support our customers' financial journeys as well."

She also underscores the strength of BPI's execution and partnership approach. "BPI's digital and operational capabilities allow us to deliver smooth, reliable financial experiences inside our stores. Their team works closely with us, providing hands-on support to ensure seamless implementation and continuous improvement."

At its core, the BPI–RRHI partnership reflects a shared commitment to making banking easier, more accessible, and seamlessly integrated into everyday life. "Together, we believe that banking should be nearby, simple, and accessible," Gokongwei-Pe says

Through this collaboration, BPI and RRHI are not only enhancing the shopping experience—but also advancing financial inclusion, one store, one transaction, and one empowered Filipino at a time.

Over

7,000

Partner stores nationwide

Over

500,000

Products sold through partner stores

Expansion remained a defining theme, as we grew our partner store network from 24 to 34 partner brands year-on-year, representing over 7,000 partner stores nationwide. Customers can now access basic financial services at our partner stores, including account opening as well as applications for loans, credit cards, and even insurance. In addition, the number of partner stores equipped to process deposit and withdrawal transactions increased nearly ten-fold to about 1,000 in 2025.

In 2025, more than half a million products were sold through our partner stores, a remarkable 400% increase year-on-year, while deposit and withdrawal transactions facilitated through our partner stores increased nearly 12 times. The strong growth in the usage of transaction services at partner stores was backed by enhancements such as enabling cash withdrawals using a BPI app-generated barcode, piloted with Robinsons Retail Holdings, Inc. (RRHI) brands. The feature is a first in the Philippine banking industry, allowing Filipinos to withdraw cash from their bank accounts in partner stores without the need for a debit card.

The sustained increase in customers served via partner stores further reinforces BPI's presence across the country – even in underserved far-flung communities such as Siargao and Bantayan Island in Cebu – as embodied by the tagline "May BPI Dito." This also reflects deeper customer engagement and trust in partner stores as credible

Digital Platforms

In 2025, BPI recorded over a 35% increase in the utilization of our digital client engagement platforms, with over 500 million facilitated transactions.

After completing the rollout of our seven digital platforms in 2024, we focused on improving and expanding platform features and expanding the portfolio of digitally accessible products and services.

Over

500Mn

client transactions facilitated





BPI'S SEVEN DIGITAL PLATFORMS

BPI APP For retail clients	VYBE BY BPI Digital wallet and rewards platform	BPI TRADE For securities trading	BPI WEALTH For high-net-worth clients
BIZLINK For corporate clients	BIZKO For SME clients	BANKO MOBILE APP For self-employed micro-entrepreneurs	

As an institution focused on customer experience, we aligned the enhancements to the BPI app with the themes of "Move", "Grow", and "Protect", ensuring that the app's features support the common financial goals of Filipinos.

The strategy allows our digital platforms to be more attuned to customer needs, especially as digital banking adoption continues to grow among Filipinos.

The BPI app remains our largest digital platform, serving over 9 million clients. In 2025, transactions facilitated through the BPI app increased by 28% year-on-year.

MOVE

Reduced InstaPay fee for real-time transfers to other banks and e-wallets from PHP 25 to PHP 10 per transaction	Enabled cash withdrawals at partner stores through the BPI app, using a simple and secure app-generated barcode	Introduced PHP-to-USD on top of USD-to-PHP currency conversion for clients who maintain both USD and PHP accounts, improving currency liquidity management using the BPI app

GROW

Enhanced product and service recommendations tailored to clients' profiles and behaviors through our AI-driven Track & Plan feature	Enabled deposit account opening or non-depositor and VYBE-only clients

PROTECT

Made recent credit card transaction records available in real time, improving visibility and control over card activity	Enhanced security of BPI online log-ins, with a QR scanning option for mobile key-enabled device authentications

As additional enhancements under the "Grow" pillar, we also introduced first-in-the-market features to our digital investment platform e-Invest, accessed using the BPI app credentials. We allowed joint digital investment account openings for Portfolio Management Accounts (PMA), which are bespoke investment funds managed to meet the unique risk profiles and investment objectives of clients. We also enabled the set-up and modification of Regular Subscription Plans for clients with investment accounts, supporting disciplined and on-the-go investing. To address any client concerns, we added the Talk to Us feature in e-Invest, allowing them access to a live expert whenever needed. Finally, we also made BPI Wealth Builder available, enabling mobile investment account opening with a minimum placement of PHP 1,000 and access to tiered benefits as assets grow.

BPI's other digital client engagement platforms also underwent significant enhancements in 2025, with improvements tailored to more effectively meet the specific needs of their respective users. VYBE by BPI introduced new features such as mobile load purchases and cash-in via partner kiosks through ECPay, eTap, and Pay&Go, as well as expanded our list of billers to over 500 partners. Meanwhile, BPI Trade added new functionalities such as eReserve which allowed clients to subscribe to initial public offerings and stock rights offerings, as well as eRegistration which made online account opening possible. We also made available through our BPI Trade platform, in-depth and full-blown research on Philippine stocks in a wide array of sectors such as real estate, consumer, banking, mining, telecommunications, power, and utilities, brought by one of the larger equities research teams in the country.

To complement the enhancements made to our digital platforms, we also implemented several client acquisition initiatives throughout the year. VYBE, in particular, participated in major festivals nationwide – including *Sinulog* in Cebu, *Panagbenga* in Baguio, *Dinagyang* in Iloilo, and *Masskara* in Bacolod - by setting up digital registration booths for client acquisition. VYBE also launched a referral program that rewarded successful referrals with food incentives, generating over 10,000 new sign-ups. In support of BSP's push for digitalization, our VYBE team also participated in their Paleng-QR PH Program, to on-board Filipinos working in wet markets and tricycle terminals in using digital banking platforms.

As a result of these improvements, our digital platforms posted an increase in both user bases and utilizations. VYBE recorded a remarkable 920% increase in gross transaction volume while BPI Trade saw a 20% surge in volume and BizKo expanded its user base by 12%.

BPI's push for digitalization also supports sustainable development by reducing the consumption of environmental resources such as paper and fuel, while enabling improved access for the underbanked Filipinos, including persons with disabilities (PWDs), senior citizens, and isolated communities.

ADVANCING CASH MANAGEMENT THROUGH INNOVATION AND INTEGRATION

In 2025, BPI processed 142 million Cash Management transactions amounting to PHP 16.4 trillion, reflecting a 13% increase in volume and a 45% increase in value year-on-year. Our growth was primarily driven by expanded digital capabilities and deeper integration with major corporate clients.

Key initiatives launched are as follows:

- Automated prefunding for the merchant wallets of G-Xchange, Inc., enabling near real-time top-ups for merchant-partners through BPI BizLink.
- Integration with Globe Telecom's corporate portal with BPI Corporate e-Payment, allowing seamless in-portal corporate payments.
- Expanded Cash360 deployments for Robinsons Retail Holdings, Inc. and Ayala Malls, improving cash visibility, deposit security, and reconciliation efficiency across store networks and mall tenants.
- Advanced collection and disbursement solutions for Kuok Group, including host-to-host connectivity to automate and secure high-volume payment operations.
- Managed disbursements for MDC Equipment Solutions and MSC Concrete, Inc., streamlining receivables for businesses.
- BPI strengthened its digital collections ecosystem with the November 2025 roll-out of BizLink Express Check Deposit, enabling corporates to securely delegate check deposits through an agent-enabled extension of Mobile Check Deposit.

THE DIGITAL TRANSFORMATION OF TRADE AND SUPPLY CHAIN FINANCING

Building on our earlier efforts to digitalize our operations, BPI has continued to raise the standards of supply chain financing in the Philippines. As of year-end 2025, we are the only local bank offering an end-to-end digital platform for supply chain financing.

Suppliers of all sizes and credit profiles now benefit from prompt and seamless access to funding. Our supply chain financing platform provides real-time online invoice visibility and allows suppliers to request early payments on their invoices, receiving the proceeds fast and efficiently within a day.

Digital supply chain financing has demonstrated how technology can bridge funding gaps and support the development of more resilient and efficient supply chains. By combining speed and transparency, BPI helps corporate clients and their respective supplier networks optimize working capital, thereby driving financial inclusion across the entire ecosystem.

Driven by these innovations, transactions facilitated through the platform grew by 12% year-on-year, while actual throughput increased by 25% year-on-year.

Phygital Transformation

We are pursuing the phygital transformation of our 823-strong BPI branch network in 2025, seamlessly integrating digital innovation with the warmth and reliability of physical branch interactions. By blending intuitive design, modular flexibility, and natural interaction, we tailored branch formats to meet specific client needs—creating spaces that are welcoming, adaptive, and conducive to expert financial guidance.

With 104 branches having already undergone phygital transformation, we were able to focus more on providing financial advisory to clients, with branch time spent on advisory having increased from 30% to 46%.

Phygital, prime phygital, and flagship branches are all equipped with top-of-the-line features, such as a concierge desk, a quick-transact area, as well as meeting pods and meeting rooms equipped with virtual conferencing capabilities.

To make this phygital experience seamless in practice, branches are also enabled with secure and reliable Wi-Fi connectivity. This allows clients to transition smoothly between digital and in-branch services—completing transactions, exploring products, and receiving assistance in real time.

Complementing our branch transformation, we continue to strengthen the sales and advisory capabilities of our frontline personnel through digital enablement, equipping branch teams with tools such as Salesforce, Talkdesk, and BEAi—an AI-enabled internal platform that provides easy access to service guidelines and standards. Supported by continuous training, these platforms enable more consistent advisory practices, deeper client insights, and seamless client interactions.

Throughout the year, we also continued the integration of Robinsons Bank branches into BPI's network, further strengthening operational alignment and service consistency. We target to complete the full integration of all Robinsons Bank branches in 2026.

Phygital





83

148 ongoing

TARGET CUSTOMER	LOCATION	CUSTOMER EXPERIENCE
• Retail, Corporate • Transactional	• Urbanized City • Size: 250 sqm	• Physical + Digital engagement • Physical/Virtual Relationship Managers (RM) • Self-Service facilities

Prime Phygital





18

28 ongoing

TARGET CUSTOMER	LOCATION	CUSTOMER EXPERIENCE
• Affluent/High Net Worth • Preferred Customers	• High-profile Area • Size: 300 sqm	• Premium Experience: With an enclosed Preferred Lounge designed for a more intimate client engagement with the Preferred RM • Levelled-up customer experience

Flagship





3

9 ongoing

TARGET CUSTOMER	LOCATION	CUSTOMER EXPERIENCE
• All Customer Segments	• Key/Highly Urbanized City • Size: 400 sqm	• Marketplace that showcases various BPI Products • Lounges and counters that cater to various segments such as Institutional, Corporate, and Business Banking clients.

BUSINESS GROWTH

BPI's sustained focus on financial inclusion, customer experience, and digitalization has led to yet another banner year, marked with double digit growths in our institutional, MSME, and retail loan portfolio as well as in key fee-based businesses such as cards, insurance, and investment banking.

Loans

BPI's portfolio book surged by 14.7% year-on-year to PHP 2.62 trillion, outpacing the 9.7% industry average among universal and commercial banks. The strong growth was primarily led by SME loans, credit card loans, and personal loans in terms of percentage growth, as we continued our focus on growing our non-institutional loan book.

LOANS

- PHP1,825Bn — Institutional Loans
- PHP64Bn — SME Loans
- PHP17Bn — Microfinance Loans
- PHP302Bn — Housing Loans
- PHP131Bn — Auto Loans
- PHP239Bn — Credit Card Loans
- PHP46Bn — Personal Loans

Institutional Loans

BPI's institutional loan portfolio achieved a steady 10.4% loan growth year-on-year to end 2025 at PHP 1.83 trillion, ahead of the 9.7% industry average loan growth. This was primarily driven by large-scale transactions including acquisition financing as well as power and infrastructure projects.

Our institutional loan portfolio continues to be supported by specialized credit products such as Agribusiness and Sustainable Development Finance (SDF) to meet the bespoke financial engineering and technical evaluation requirements of specific sectors such as agriculture and energy. In 2025, our outstanding loans from specialized credit products increased by 22.6% year-on-year reaching PHP 626 billion.

We also continued supporting institutional clients in their specialized financing needs, such as project finance, cross-border, and structured credits, which includes asset-backed securities as well as structured bonds and loans, among others.

Included in the projects we have supported throughout the year are renewable energy deals, such as the PHP 26.12 billion facility with Ahunan Power, Inc. to finance their 1,400 MW pumped storage hydropower plant in Laguna and the PHP 9.75 billion facility with Olympia Violago Water & Power, Inc. to finance their 600 MW pumped storage hydropower plant in Rizal, both under Prime Infra of the Razon Group. Additionally, we have also supported AP Renewable Energy Corp. with a PHP 7.40 billion facility to finance their 221-MWp solar power plant in Zambales, and Cornerstone Energy Development Inc. with a PHP 6.10 billion facility to finance their 58.5 MW wind power plant in Camarines Sur, both under the Aboitiz Group.



Beyond RE projects, we have also provided structured financing solutions to infrastructure development projects such as the Laguindingan Airport in Misamis Oriental serving Northern Mindanao.

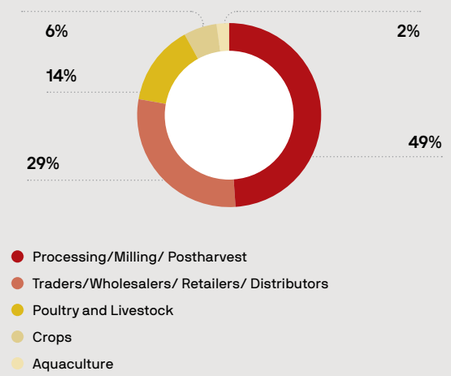
AGRIBUSINESS

Recognizing the role of agriculture in supporting food security and livelihoods in the Philippines, BPI maintains an Agribusiness Division that serves businesses across the agriculture value chain.

In 2025, we supported the poultry sector by financing 106 broiler farms that can produce approximately 314 million poultry, helping stabilize local supply amid continued imports of frozen poultry products. The Bank also extended working capital to 62 layer farms, enabling an estimated output of 2.3 billion table eggs during the year.

Beyond poultry, the Bank continued to support the swine industry despite ongoing challenges from African Swine Fever (ASF). In 2025, we assisted 67 swine farms with an estimated annual production of 3.5 million pigs, contributing to national recovery efforts aligned with Department of Agriculture programs.

BPI'S AGRIBUSINESS PORTFOLIO







SUSTAINABLE DEVELOPMENT FINANCE





BPI's pioneering and multi-awarded Sustainable Development Finance (SDF) Program remained a key driving force in expanding our financing across renewable energy, energy efficiency, climate resilience (including green buildings), sustainable agriculture, sustainable water, and pollution control projects.

In 2025, our disbursements under the SDF program increased by 20%, supporting additional PHP 54 billion in projects and bringing cumulative financing to PHP 376 billion since 2008. With 532 projects funded over the same period – the highest in the Philippine banking industry – the SDF portfolio is estimated to reduce greenhouse gas (GHG) emissions by 41 million tCO2e annually. Additionally, our sustainable water projects have likewise contributed to the treatment of 100 million cubic meters of water per year, benefiting around 200,000 households.

BPI's SDF Program continues to support both large companies and SMEs by providing free technical and financial evaluations delivered by top-tier consultants trained and accredited by the International Finance Corporation (IFC) of the World Bank Group.

POWER GENERATION PORTFOLIO

BPI fully supports the Philippines' targets in transitioning to sustainable energy and ensuring climate resilience:

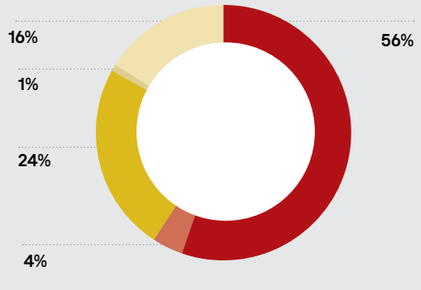
- 75% cumulative GHG emission reduction and avoidance from a Business-As-Usual (BAU) scenario from 2020 to 2030, as the Philippines' Nationally Determined Contributions (NDCs) to the Paris Climate Agreement
- 50% renewable energy (RE) share of the Philippines' power generation mix by 2040, as part of the Philippine Energy Plan

In contribution to the country's NDC targets, BPI continues to bolster RE financing through the SDF Program, while still recognizing that a complete and immediate abandonment of non-RE is not yet feasible due to the electricity demand required to support the day-to-day living of Filipino communities.

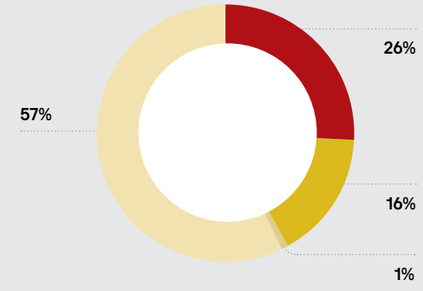
BPI's outstanding RE financing comprises 56% of our total power generation mix as of year-end 2025, still significantly higher compared to the Philippines' total share of RE at 26% in the national grid as of December 2025.

BPI is also on-track with our commitment to zeroing out our coal power generation portfolio by 2032, lowering our exposure from 24% of our power generation financing mix as of year-end 2024 to 16% as of year-end 2025.

BPI'S POWER GENERATION FINANCING MIX
(as of December 2025)



NATIONAL GRID ENERGY GENERATION MIX
(as of December 2025)



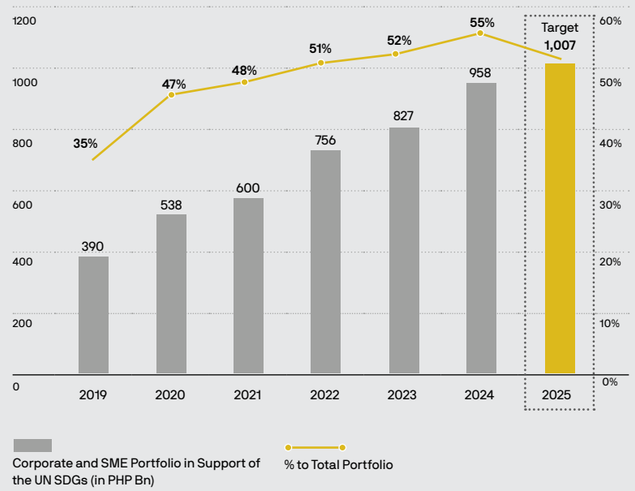
*Source: National Grid Corporation of the Philippines

UN SDG PORTFOLIO

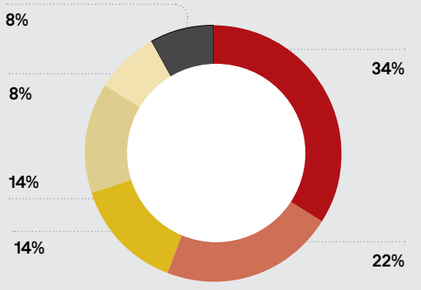
As a financial institution, BPI recognizes it's important role in directing funds towards the country's sustainable development. As such, BPI remained steadfast in financing companies and projects in support of the UN Sustainable Development Goals (SDGs).

In 2025, BPI successfully achieved its UN SDG portfolio target one year ahead of its 2026 commitment, crossing the PHP 1 trillion threshold to end the year at PHP 1.007 trillion corporate and SME portfolio in support of the UN SDGs.

UN SDG PORTFOLIO GROWTH



BREAKDOWN PER SDG
(as of December 2025)



SDG #	2024	2025
SDG 9: Industry, Innovation, and Infrastructure	409	347
SDG 2: Zero Hunger	192	221
SDG 7: Affordable and Clean Energy	128	144
SDG 8: Decent Work and Economic Growth	105	138
SDG 11: Sustainable Cities and Communities	57	76
Others	66	81
Total	958	1,007

BPI'S CONSOLIDATED LOAN PORTFOLIO BY INDUSTRY

TYPE OF BUSINESS / INDUSTRY	% SHARE
Real Estate	22.40%
Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles	12.26%
Manufacturing	10.68%
Electricity, Gas, Steam, and Air-Conditioning Supply	9.20%
Financial and Insurance	8.71%
Information and Communication	7.18%
Transportation and Storage	2.97%
Construction	2.12%
Agriculture, Forestry, and Fishing	1.92%
Water supply, Sewerage, Waste management, and Remediation Activities	1.13%
Accommodation and Food Service	0.96%
Human Health and Social Work	0.70%
Professional, Scientific, and Technical	0.66%
Other Service Activities	0.55%
Administrative and Support Service Activities	0.27%
Others	18.29%
Total	**100%**

BPI recognizes the potential environmental and social (E&S) risks associated with certain sectors and activities. These risks can include increased greenhouse gas emissions, negative impacts on local communities, biodiversity loss, and other adverse effects. For example, financing greenfield coal-fired power generation plants poses significant environmental challenges. In response, we have committed to reduce our exposure to such projects to zero by 2032, supported further by the expansion of our Exclusion List to reinforce our commitment to Responsible Banking.

Acknowledging these risks, we aim to promote the financing of projects geared towards sustainability. This approach seeks to increase the Bank's portfolio share in sustainable industries and activities, thereby contributing meaningfully to a more resilient and sustainable future.

Housing Loans



BPI's housing loan portfolio jumped by 16% year-on-year to PHP 302 billion in 2025, primarily driven by our deliberate focus on affordability and financial inclusion, along with our active engagement of potential homebuyers through the branch network and our broadened partnerships with both accredited brokers and developers.

In line with BPI's thrust on furthering financial inclusion, our housing loan products are designed with flexible payment structures, competitive pricing, and reduced upfront costs, enabling more Filipinos, including first-time homebuyers and middle-income households, to enter or re-enter the housing market.

A key offering reflecting this focus is MyBahay, a low-cost housing loan solution featuring a minimum downpayment requirement of five percent, loan terms of up to 30 years, and a lower minimum monthly income requirement of PHP 25,000. By reducing initial cash outlays and extending repayment periods, MyBahay broadens access to formal housing financing for a wider segment of Filipino household. As of year-end 2025, we have served more than 1,000 families through MyBahay, with our portfolio increasing 74% year-on-year to PHP 1.5 billion.

To complement BPI's affordable product structures, we also implemented targeted affordability campaigns, including the 5-6-7-8 housing loan promo and the Dream on Us promo which both offered lower fixed interest rates and waived bank fees. The Dream on Us promo also came with exclusive partner discounts from participating developers, electronic gift certificates for clients applying through digital channels, and raffle programs offering qualified borrowers the chance to win up to PHP 3 million toward the payment of their loan balances. Our campaign promos have resulted in over 14,000 families onboarded as housing loan clients, including first-time borrowers.

Auto and Motorcycle Loans



BPI's combined auto and motorcycle loan portfolio continued to gain momentum in 2025, recording a 23% year-on-year increase, significantly outpacing the industry's 4% growth in total vehicle sales during the same period[1].

A primary growth driver was the broad-based performance across branch and dealer channels, underpinned by strengthened partnerships with key dealers and sustained engagement through the branch network. As a result, our combined auto and motorcycle loan portfolio reached PHP 131 billion by year-end, despite the headwinds which includes the excise tax on pickup trucks and natural disasters affecting selected regions.

BPI's auto loan programs support a broad spectrum of Filipinos, including first-time car buyers, salaried employees, and individuals using vehicles for their livelihood or small businesses. We continued offering the first-in-the-market low interest auto loan solution which allowed clients to extend loan terms up to 84 moths. This loan offering enhanced accessibility and affordability by reducing monthly amortizations and improving cash flow management.

[1] According to data from the Chamber of Automotive Manufacturers of the Philippines (CAMPI)



In line with this strategy, we continued to grow our motorcycle loan portfolio, which often serves as a key entry point for Filipinos into formal banking. In 2025, majority of the 41,000 motorcycle loan clients onboarded were new to the Bank, highlighting the product's role in expanding the retail franchise.

Throughout the year, we participated in community-based engagements anchored on the Motorsiklo Loan Program. This initiatives included outreach activities with Tricycle Operators and Drivers Associations (TODA), livelihood groups, and local transport communities. Our on-ground initiatives enabled basic financing education with direct client interactions, allowing on-site loan inquiries and referrals. By working closely with organized transport groups and dealer partners, the Bank strengthened trust, improved awareness of formal financing options, and expanded access to credit for underserved and livelihood-dependent segments.

Finally, BPI further expanded access to financing solutions for environment-friendly mobility options such as electric and hybrid vehicles. In partnership with BYD Cars Philippines, we rolled out an electric vehicle financing initiative that offered zero percent interest financing on select electric vehicle models. The program featured flexible loan terms and reduced upfront requirements, making electric vehicle ownership more attainable for clients nationwide.

Credit Cards

BPI's credit cards business delivered another year of strong growth in 2025. Our portfolio expanded by 32% to PHP 239 billion, driven by strategic client acquisition initiatives that strengthened our customer base. We also increased credit lines which allowed allow us to provide greater access to credit, and to service needs for installment loans.

In 2025, we rebranded our Special Installment Plan (SIP) to Flexipay to further strengthen our installment facility, underscoring more flexible payment options for customers' big-ticket purchases. We also further enhanced the value proposition of our products through benefits aligned with cardholder needs and lifestyle trends. Premium offerings such as airport lounge access, installment options for airline tickets, and travel-focused programs, including competitive foreign exchange offers, improved customer delight and strengthened brand loyalty, translating to higher usage and billings.

Digitalization across acquisition, transactions, and servicing have also enhanced operational efficiency and customer experience. Key processes such as card activation and credit line increase requests were seamlessly integrated into BPI's help and support channels, enabling faster turnaround times and reduced manual handling for greater convenience and comfort.

BPI credit cards also continued to use recycled PVCs, highlighting our commitment to a circular economy while providing essential banking services.

Our credit cards business continued to operate with disciplined and prudent risk management, ensuring that growth remained sustainable and controlled. As a result, our credit card loan portfolio maintained one of the lowest past due rates among top banks, reflecting our balanced approach to growth, inclusion, and risk.

Personal Loans

BPI's personal loans jumped by 28% year-on-year to PHP 46 billion in 2025, continuing to provide fast, secure, and collateral-free funding for Filipinos nationwide.

Our personal loan portfolio was boosted by a 101% increase in our Teachers' Loans from Legazpi Savings Bank.

Our growth drivers include channel diversification and cross-selling, with telesales now complementing branch and digital origination. Meanwhile, cross-selling initiatives targeting BPI depositors and cardholders were also expanded, generating higher-quality leads, stronger conversion, and larger ticket sizes compared to the previous year.

Deposits

In 2025, our deposits increased by 8.6% to PHP 2.8 trillion, primarily driven by growths in both CASA and time deposit placements. Particularly, CASA volume from existing retail clients increased by 4.2%, further solidifying our robust deposit base. We also saw a significant increase in deposit placements from new-to-bank institutional and business accounts.

BPI further strengthened its position as a leading deposit franchise through a diversified suite of products designed to meet the evolving needs of our customers. Maxi-Saver rewards higher balances through bonus interest and fee waivers on select banking products, enhancing our value proposition for savers. For clients who seek both savings and protection, Pamana Savings provides free life insurance coverage equivalent to three times the account balance, underscoring our commitment to financial security and long-term planning. Meanwhile, Saver Plus rewards customers to earn VYBE rewards as they build their savings, enhancing engagement with our digital ecosystem. Our #SaveUp and #MySaveUp continue to broaden access to formal banking by offering seamless digital account opening and no maintaining balance requirements – supporting our mission to promote financial inclusion at scale. Through this differentiated deposit product portfolio, BPI reinforces our strength as one of the most trusted institutions for secure, accessible, and innovative deposit solutions.

Complementing our deposit products, BPI deposit accountholders can also enjoy a BPI Debit Mastercard, which provides secure and convenient access to funds through an ATM, while enabling both in-store and online payments directly from deposit accounts. By reducing the dependence on physical cash and expanding payment capabilities, the BPI Debit Mastercard plays a critical role in deepening customer engagement and supporting a continued shift towards digital financial behaviors.

In 2025, the total purchase value coursed through BPI Debit Mastercards grew by 11%, across more than 100 million individual payment transactions. Growth was broad-based, with e-commerce transactions rising 29% year-on-year while local and international in-store purchases increasing by 18%, underscoring the continued shift toward digital and card-based payments.

Throughout the year, we further expanded and strengthened customer touchpoints to enhance accessibility, convenience, and security of everyday banking. Enhancements to the BPI app delivered more personalized insights, expanded a range of biller options, improved navigation, and reinforced security measures. Complementing the BPI app, Agency Banking played a critical role in broadening our nationwide reach by facilitating digital account opening and supporting transactions through an expanding network of partner stores.

This enhancement provides depositors with greater protection and confidence, reinforcing trust in the formal banking system and supporting the continued growth of deposits as more Filipinos choose to safeguard their savings with regulated financial institutions.

BPI GREEN DEPOSITS REPORT

BPI has issued Green Saver Time Deposits, which allowed clients to take part in funding projects with clear environmental benefits.

Detailed below are the projects funded by BPI Green Deposits.

DEPOSIT PRODUCT NAME	OUTSTANDING SIZE (IN PHP BN)	TENOR
Green Saver Time Deposit	9.61	5 years

ESTIMATED IMPACT FROM ALLOCATED GREEN PROJECTS

CATEGORY	PROJECT	SUBCATEGORY	ALLOCATED AMOUNT (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION FROM ENERGY (in tCO_2 /year)	PROJECTED GHG EMISSION REDUCTION FROM MATERIALS (in tCO_2 /year)	ELECTRICITY SAVINGS (in MWh/ Year)	PERCENTAGE ELECTRICITY SAVINGS (v.s. baseline value)	WATER SAVINGS (in m^3/ year)
Renewable Energy	1	Wind	5.895	Luzon	89,495	-	-	-	-
	2	Solar	0.431	Luzon	6,666	-	-	-	-
Sub-Total			**6.326**		**96,161**	**-**	**-**	**-**	**-**
Energy Efficiency	3	Equipment	0.266	Visayas	11	-	16	25	-
Sub-Total			**0.266**		**11**	**-**	**16**	**25**	**-**
Green Buildings	4	EDGE (Compliant)	2.539	NCR	265	1,653	551	-	-
	5	EDGE (Certified)	0.182	NCR	46	631	92	-	-
Sub-Total			**2.721**		**311**	**2,284**	**643**	**-**	**-**
Sustainable Water	6	Water Efficiency	0.522	NCR	-	-	-	-	8,697
Sub-Total			**0.522**		**-**	**-**	**-**	**-**	**8,697**
Total			**9.835**		**96,483**	**2,284**	**659**		**8,697**

Bond Issuances

In 2025, BPI continued to tap the debt capital markets to support balance sheet growth, which included our largest issuances in both the international and domestic markets. We successfully tapped the international capital market with a dual-tranche USD bond offering, including a 5-year USD 500 million tranche and a 10-year USD 300 million tranche. The transaction marked our first 10-year issuance, as we continued to diversify the maturity of our funding sources.

In the domestic market, we issued the PHP 40 billion BPI Supporting Inclusion, Nature, and Growth (SINAG) Bond, which was affirmed by the Philippine SEC as an ASEAN Sustainability Bond. Proceeds from the SINAG Bonds are exclusively allocated to finance or refinance eligible green and social projects in accordance with BPI's Sustainable Funding Framework, as detailed in the BPI Sustainability Bond Report.

BPI'S OUTSTANDING BOND ISSUANCES

DESCRIPTION	ISSUE SIZE	COUPON RATE	ISSUE DATE	MATURITY DATE
BPI SEED Bonds due 2026	PHP 33.7 Bn	6.20%	09 Aug 2024	09 Feb 2026
BPI SINAG Bonds due 2026	PHP 40.0 Bn	5.85%	10 Jun 2025	10 Dec 2026
USD Bonds due 2029	USD 400 Mn	5.25%	26 Mar 2024	26 Mar 2029
USD Bonds due 2030	USD 500 Mn	5.00%	07 Apr 2025	07 Apr 2030
USD Bonds due 2035	USD 300 Mn	5.625%	07 Apr 2025	07 Apr 2035

BPI SUSTAINABILITY BONDS REPORT

BPI raised funds through sustainability bonds issued under an earlier version of its Sustainable Funding Framework dated August 2024.

BPI's Framework is in accordance with the following standards and principles:

- International Capital Market Association (ICMA) Green and Social Bond Principles and Sustainability Bond Guidelines
- Loan Market Association (LMA) Green and Social Loan Principles
- Association of Southeast Asian Nations (ASEAN) Green, Social, and Sustainability Bond Standards

PROJECT CATEGORY	PROJECT TYPE
Eligible Green Projects	> Renewable Energy > Energy Efficiency > Sustainable Water and Wastewater Management > Pollution Prevention and Control > Green Buildings
Eligible Social Projects	> Micro, Small, and Medium Enterprises (MSMEs) Lending

SUSTAINABILITY BONDS

As of year-end 2025, BPI has two outstanding sustainability bonds, **S**ustainable, **E**nvironmental, and **E**quitable **D**evelopment **(SEED)** Bonds and **S**upporting **I**nclusion, **N**ature, **A**nd **G**rowth **(SINAG)** Bonds both issued under the Bank's 2024 Sustainable Funding Framework.

ISIN CODE	ISIN CODE	ISSUE SIZE IN PHP	TENOR	COUPON RATE	ISSUE DATE	MATURITY DATE
A. SEED	PH0000059222	33.7 billion	1.5 years	6.20%	09 August 2024	09 February 2026
B. SINAG	PH0000060568	40 billion	1.5 years	5.85%	10 June 2025	10 December 2026

A. **S**ustainable, **E**nvironmental, and **E**quitable **D**evelopment **(SEED)** Bonds

BPI's SEED Bonds, with an ASEAN Sustainability Bond label, has an allocated amount of PHP 33.7 billion as of year-end 2025. As a Sustainability Bond, its proceeds have been fully allocated to eligible renewable energy, energy efficiency, green buildings, and sustainable water & wastewater management projects, as well as eligible MSME loans. On an aggregate basis, the projects funded by the bond proceeds achieved an estimated reduction of 191,371 tCO_2e in Greenhouse Gas (GHG) emissions, 6,630 MWh in energy savings, and 339,444 m^3 of water treated, as well as provided funding support to 2,501 MSMEs.

ALLOCATED GREEN AND SOCIAL PROJECTS (AS OF DECEMBER 2025)

CATEGORY	PROJECT	SUBCATEGORY	ALLOCATED AMOUNT (in PHP Bn)
Renewable Energy	1	Solar	8.977
	2	Solar	1.200
	3	Solar	0.185
	4	Solar	0.063
	5	Solar	0.022
	6	Solar	0.015
		Solar	0.009
	7	Solar	0.003
Sub-Total			**10.474**
Energy Efficiency	8	Equipment	0.428
	9		0.250
	10		0.080
Sub-Total			**0.758**
Green Buildings	11	EDGE Certified	0.050
Sub-Total			**0.050**
Sustainable Water & Wastewater Management	12	Water Treatment	0.020
Sub-Total			**0.020**
MSMEs	11	Micro Enterprise	0.231
	12	Small Enterprise	5.900
	13	Medium Enterprise	16.274
Sub-Total			**22.405**
Total			**33.707**

ESTIMATED IMPACT FROM ALLOCATED RENEWABLE ENERGY PROJECTS

PROJECT	ALLOCATED AMOUNT (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION (in tCO_2 /year)
1	8.977	Luzon	168,972
2	1.200	Luzon	15,892
3	0.185	Luzon	2,245
4	0.063	Luzon	848
5	0.022	Visayas	300
6	0.015	Luzon	133
	0.009		
7	0.003	Luzon	31
Total	**10.474**		**188,421**

ESTIMATED IMPACT FROM ALLOCATED ENERGY EFFICIENCY PROJECTS

PROJECT	ALLOCATED AMOUNT (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION (in tCO_2 /year)	PERCENTAGE ELECTRICITY SAVINGS (v.s. baseline value)	ELECTRICITY SAVINGS (in MWh / year)
8	0.428	Luzon	2,710	73%	6,230
9	0.250	Luzon	122	18%	281
10	0.080	Visayas	67	33%	93
Total	**0.758**		**2,899**		**6,604**

ESTIMATED IMPACT FROM ALLOCATED GREEN BUILDING PROJECT

PROJECT	ALLOCATED AMOUNT (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION FROM ENERGY (in tCO_2 /year)	PROJECTED GHG EMISSION REDUCTION FROM MATERIALS (in tCO_2 /year)	ELECTRICITY SAVINGS (in MWh / year)
11	0.050	Mindanao	14	38	26
Total	**0.050**		**14**	**38**	**26**

ESTIMATED IMPACT FROM ALLOCATED SUSTAINABLE WATER PROJECT

PROJECT	ALLOCATED AMOUNT (in PHP Bn)	PROJECT LOCATION	VOLUME OF WATER TREATED (in m^3/year)
12	0.020	Mindanao	339,444
Total	**0.020**		**339,444**

ALLOCATED SOCIAL PROJECTS WITH IMPACT ACHIEVED

CATEGORY	ALLOCATED AMOUNT (in PHP Bn)	NUMBER OF ACCOUNTS	NUMBER OF CUSTOMERS
Micro Enterprise	0.231	195	86
Small Enterprise	5.9	1,832	1,159
Medium Enterprise	16.274	4,064	1,256
Total	**22.405**	**6,091**	**2,501**

B. **S**upporting **I**nclusion, **N**ature, **A**nd **G**rowth (**SINAG**) Bonds

BPI's SINAG Bonds, with an ASEAN Sustainability Bond label, has an allocated amount of PHP 40.0 billion as of year-end 2025. As a Sustainability Bond, its proceeds have been fully allocated to eligible renewable energy, energy efficiency, and sustainable water & wastewater management projects, as well as eligible MSME loans. On an aggregate basis, the projects funded by the bond proceeds achieved an estimated reduction of 413,289 tCO_2e in Greenhouse Gas (GHG) emissions, 3,665 MWh in energy savings, and 6,132,532 m^3 of water treated, as well as provided funding support to 159,987 MSMEs.

ALLOCATED GREEN AND SOCIAL PROJECTS (AS OF DECEMBER 2025)

CATEGORY	PROJECT	SUBCATEGORY	ALLOCATED AMOUNT (in PHP Bn)
Renewable Energy	1	Solar	4.715
	2	Solar	3.975
	3	Solar	0.233
	4	Solar	0.034
	5	Solar	0.014
	6	Solar	0.005
	7	Solar	0.004
Sub-Total			**8.979**
Energy Efficiency	8	Equipment	0.865
	9	Lighting / HVAC	0.169
Sub-Total			**1.034**
Sustainable Water & Wastewater Management	10	Water Treatment	0.775
	11		0.025
Sub-Total			**0.800**
MSMEs	12	Micro Enterprise	10.608
	13	Small Enterprise	6.236
	14	Medium Enterprise	12.349
Sub-Total			**29.192**
Total			**40.007**

ESTIMATED IMPACT FROM ALLOCATED RENEWABLE ENERGY PROJECTS

PROJECT	ALLOCATED AMOUNT (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION (in tCO_2/year)
1	4.715	Luzon	357,994
2	3.975	Luzon	49,491
3	0.233	Luzon	3,329
4	0.034	Luzon	492
5	0.014	Luzon	228
6	0.005	Luzon	68
7	0.004	Visayas	92
Total	**8.979**		**411,695**

ESTIMATED IMPACT FROM ALLOCATED ENERGY EFFICIENCY PROJECTS

PROJECT	ALLOCATED AMOUNT (in PHP Bn)	PROJECT LOCATION	PROJECTED GHG EMISSION REDUCTION FROM ENERGY (in tCO_2 /year)	PERCENTAGE ELECTRICITY SAVINGS (v.s. baseline value)	ELECTRICITY SAVINGS (in MWh / year)
8	0.865	Visayas	1,463	46%	3,362
9	0.169	Luzon	132	28%	303
Total	**1.034**		**1,594**		**3,665**

ESTIMATED IMPACT FROM ALLOCATED SUSTAINABLE WATER PROJECTS

PROJECT	OUTSTANDING BALANCE (in PHP Bn)	PROJECT LOCATION	VOLUME OF WATER TREATED (in m^3/year)
10	0.775	Luzon	5,918,403
11	0.025	Luzon	214,129
Total	**0.800**		**6,132,532**

ALLOCATED SOCIAL PROJECTS WITH IMPACT ACHIEVED

CATEGORY	ALLOCATED AMOUNT (in PHP Bn)	NUMBER OF ACCOUNTS	NUMBER OF CUSTOMERS
Micro Enterprise	10.608	158,231	158,212
Small Enterprise	6.236	856	710
Medium Enterprise	12.349	2,126	1,065
Total	**29.192**	**161,213**	**159,987**

EXTERNAL VERIFICATION

External verifier DNV AS Philippines has performed an independent evaluation of the projects funded under the 2024 Sustainable Funding Framework as of year-end 2025. The evaluation included an assessment on whether the projects financed met the following criteria outlined in the Bank's Framework:

- Use of Proceeds, including the Eligibility Criteria
- Impact Report, including at least one Key Performance Indicator (KPI) for each Use of Proceeds criteria

DNV's Annual Verification can be accessed through BPI's institutional website, along with more details on BPI's 2025 Sustainable Funding Framework: https://www.bpi.com.ph/about-bpi/sustainability/funding-framework

BPI 2025 SUSTAINABLE FUNDING FRAMEWORK

In 2025, BPI expanded its Sustainable Funding Framework adding 17 new eligible projects under which the Bank intend to generate funds from Green, Blue, Social, and/or Sustainability funding instruments. Thus, this Framework will guide BPI's future ESG-themed bond offerings from 2026 onwards.

The Framework fulfills the requirements of the International Capital Markets Association (ICMA) Green Bond Principles 2025, Social Bond Principles 2025, and Sustainability Bond Guidelines 2021, Bonds to Finance the Sustainable Blue Economy by ICMA, IFC, United Nations Global Compact (UNGC), United Nations Environment Program Finance Initiative (UNEP FI), and ADB, the Loan Markets Association (LMA) Green Loan Principles 2025 and Social Loan Principles 2025, as well as the ASEAN Green Bond Standards 2018, ASEAN Social Bond Standards 2018, and ASEAN Sustainability Bond Standards 2018, by the ASEAN Capital Markets Forum (ACMF).

ELIGIBLE PROJECT CATEGORIES

GREEN	BLUE	SOCIAL
> Renewable Energy > Energy Efficiency > Sustainable Water & Wastewater Management > Pollution Prevention and Control > Green Buildings > Clean Transportation > Climate and Environmental Risk Resilience > Sustainable Agriculture and Forestry	> Offshore Renewable Energy > Sustainable Management of Waste and Wastewater > Marine Ecosystem Management > Sustainable Fisheries and Aquaculture > Sustainable Tourism > Sustainable Shipping, Marine Transportation, and Port Logistics	> MSMEs > Gender Equality > Socio-Economic Empowerment > Health Sector > Education Sector > Sustainable Transport Infrastructure > Information and Communication Technology > Low-cost and Socialized Housing > Sustainable Food Systems



IN PHOTO (L-R): Christmas Sevilla, CEO of BPI Wealth Singapore; Maria Theresa D. Marcial, Deputy Chairman of BPI Wealth Singapore and President and CEO of BPI Wealth; Medardo Macaraig, Ambassador of the Philippines to Singapore; Jaime Augusto Zobel de Ayala, Chairman of BPI; Lim Chow Kiat, Chairman of the Wealth Management Institute; Phua Wee Ling, Executive Director at the Monetary Authority of Singapore; Janet Guat Har Ang, Board Director of BPI Wealth Singapore; Jose Teodoro "TG" Limcaoco, President and CEO of BPI

BPI Wealth Singapore

In October 2025, BPI marked a significant milestone with the establishment of BPI Wealth Singapore, a wholly owned subsidiary created to provide clients with access to global investment opportunities and to strengthen our participation in Asia's cross-border wealth flows.

Grounded in a disciplined, research-driven investment philosophy, our Singapore office is dedicated to long-term value creation, wealth preservation, and multi-generational stewardship.

As we move closer to BPI's 175th year, our presence in Singapore serves as a strategic extension of our legacy and strengthens our position as a trusted regional wealth manager.

Wealth Management

BPI Wealth sustained a strong growth momentum in 2025, with assets under management increasing by 19.5% year-on-year to reach PHP 1.83 trillion by year-end. This remarkable expansion further solidified BPI Wealth's position as the largest stand-alone trust corporation in the Philippines, commanding a 19.92% market share in the trust industry as of end-2025.

Growth was primarily driven by the significant expansion of our client base, which rose to 1.46 million customers or 26% year-on-year, supported by major wholesale onboarding, landmark institutional mandates, and strengthened strategic partnerships. Retail expansion accelerated as well through financial wellness programs, digital onboarding, and an expanded network of 34 agency banking partner brands —adding more than 60,000 new clients during the year.

To better meet the investment needs of our clients, we also expanded our product suite with the introduction of BPI Global Bond Income Feeder Fund, which makes global investment opportunities more accessible and affordable for Filipinos. Anchored on the PIMCO Income Fund, it provides consistent monthly payouts for clients with a moderate risk profile. Furthermore, we refined our existing lineup of investment funds to offer a more curated, client-centric suite —expanding our thematic solutions across income, precious metals, and technology to serve diverse client needs.

Beyond investments, we continued to enhance our wealth planning capabilities, helping high-net-worth clients in building lasting legacies through comprehensive estate and succession advisory and customized Personal Management Trust (PMT) structures. These solutions play a critical role in preserving and transitioning wealth across generations—underscoring BPI Wealth's role as a trusted partner in long-term legacy stewardship.

On the institutional front, we further deepened our footprint across fiduciary and custody services, investment management, employee benefit plans, and distribution partnerships, with custody alone posting 121.4% growth.

BPI Wealth Builder continued to broaden access to investing by offering a simple, intuitive, and rewarding solution that empowers clients to grow their wealth while enjoying essential health benefits—helping more Filipinos pursue their financial goals with confidence.

Finally, BPI Wealth delivered a strong encore of activities in our Wealth Wellness Month, rolling out an expanded lineup of flagship programs designed to deepen financial empowerment among Filipinos.

We held FinQuest for the second consecutive year—a pioneering initiative that equips the youth with practical financial literacy, encouraging them to take an active role in shaping the country's financial future. We also hosted the Wealth Summit, headlined by EJ Obiena, reinforcing our mission to make wealth more personal, practical, and attainable under the 2025 theme, "Own Your Future: Invest in Yourself".

Treasury

Our Treasury manages a broad suite of functions that optimize resources and enhance profitability for BPI. These include multi-currency liquidity and portfolio management, strategic position-taking, and financial market trading, as well as the distribution of foreign exchange, fixed income securities, and derivatives products.

Treasury generates revenue primarily through interest rate differentials and non-interest income from its trading and sales activities.

Supported by a diversified suite of balance sheet management tools, we ensure adequate liquidity to meet the funding needs of our clients across all market segments. In 2025, we have set up our capacity to tap alternative facilities such as long-term repos and repo to maturity, which often are more cost-efficient in comparison to high-cost time deposits.

We continued exploring innovative investment outlets for our proprietary portfolio, allowing us to augment portfolio yield while also supporting regional sustainable development initiatives. We participated in the Green Investment Partnership fund launched by the Monetary Authority of Singapore to accelerate sustainable infrastructure in Asia through collaboration with public and private sectors. Structured as an asset-backed loan, the fund also employed a blended finance approach, with notable co-investor including the Australian Government, International Finance Corporation, Dutch Entrepreneurial Development Bank, British International Investment, Temasek, and Allied Climate Partners.

Strong collaboration between our trading and sales distribution teams also enabled BPI to continue growing non-interest income, leveraging our position as a leading participant in the Philippine financial markets across currencies, rates, credit, and derivatives. Through local and foreign currency fixed income offerings, we provided retail and institutional clients with reliable investment options that deliver stable income across varying time horizons.



In 2025, fixed income sales volume surged by 187% to PHP 779 billion, driven significantly by ten newly onboarded institutional accounts contributing PHP 216 billion in volume.

Foreign exchange and derivatives distribution also posted strong performance. As we expanded access to USD and other third currencies through both physical branches and digital channels, total foreign exchange transactions increased by 20% in 2025. Amid heightened market volatility during the year, we continued to support Filipino businesses through hedge-oriented derivative solutions, helping them mitigate risks arising from currency and interest rate fluctuations.

Complementing the strengths of our trading and distribution teams, our Economic and Markets Research unit delivered robust research capabilities. This enabled us to offer holistic solutions through competitive pricing, tailored treasury strategies, timely economic insights, and expert financial advisory services for our corporate, institutional, SME, and retail clients.

Insurance

BPI continues to provide top-tier insurance solutions through BPI AIA and BPI MS, providing financial cushion to Filipinos amidst unexpected events.

BPI AIA, our life insurance arm, remained to be in the Top 5 Life Insurance Companies in the Philippines. In response to evolving customer needs and life stages, we introduced new protection solutions designed to close protection gaps and broaden access to insurance.

NEW BPI AIA PRODUCT OFFERINGS IN 2025	
BPI AIA InstaProtect	Group yearly renewable term plan designed for Filipinos looking for affordable and easy to purchase life insurance plans
BPI AIA Prime USD	US dollar denominated life insurance solution that supports long-term protection and wealth preservation
BPI AIA Prosper	Customizable insurance product with protection and health package paths, depending on clients' needs

BPI MS, our non-life insurance arm, achieved a growth of over PHP 500 million to PHP 8.5 billion in gross premiums written by year-end 2025, allowing us to extend protection to more Filipinos against unexpected events such as earthquakes and typhoons as well as accidents.

BPI MS also onboarded 1.3 million customers during the year – a remarkable 59% growth—primarily due to the expansion of product offerings through digital microsites, and the launch of new, innovative insurance solutions.

NEW BPI MS PRODUCT OFFERINGS IN 2025	
BPI Travel Secure Max	A comprehensive travel insurance product that provides coverage for up to 36 travel-related benefits, such as medical emergencies, trip cancellations, lost baggage, and flight delay
JetSetProtect by BPI Cards	A version of Travel Secure Max exclusively offered among BPI Credit cardholders
BPI Freelancer	Personal accident insurance built for self-employed individuals such as freelancers, consultants, professionals with private practices, and digital nomads, with no access to standard company benefits
BPI Kaya Care	Affordable insurance plan for the three most critical medical conditions in the country – cancer, heart attack, and stroke, designed to provide ready access to cash for immediate treatment, which greatly increases positive outcomes
BPI PasaHERO Protect	Affordable personal accident insurance for the everyday travel of commuters, offered exclusively through the GInsure Marketplace on GCash

Finally, to enhance the insurance availment experience of Filipinos, we implemented key improvements in BPI MS' digital platform, Express Protect. A new policy renewal module made it easier for our clients to extend their protection, enabling more clients to renew their policies online, with just a few clicks.



Remittances

BPI's remittance and fund transfers business achieved another landmark year, with cross border and domestic transaction count surging by 71% year-on-year and Overseas Filipinos (OF) and beneficiary account holders' average daily balance growing by 22% year-on-year.

Our prudent curation of tie-up partners remained to be a key growth driver, as we transitioned from service fees to a more holistic partnership model. By building tighter collaborations through more competitive foreign exchange rates, and faster deal executions, and a more robust inward remittance system, we captured even greater market share despite a more competitive market environment.

Throughout the year, we onboarded eight new partner tie-ups in key geographical regions – Middle East, Australia, and Asia Pacific – bringing our total number to 123. Collectively, these new partners contributed an additional 80,000 transactions.

In the manning sector, we successfully onboarded five new agencies in 2025.

To make remittances and fund transfers even easier for Filipinos overseas, we also introduced several innovations in our digital platforms. We launched BPI Remit, marking our transition from a pure distribution model to an origination-based business model. This allows Filipinos in the United States to instantly send money directly to a BPI account in the Philippines via the BPI mobile app, with minimal fees.

With these strategic moves in the cross-border remittance sector, our overall market share for incoming cross-border remittances expanded significantly from 30% to 42% year-on-year. Land-based remittances account for 38% market share while sea-based remittances held a commanding 60% share.

BPI's remittance and funds transfer business takes pride in the social impact of the Bank's financing services. As more Filipinos pursue studies abroad, we continue to facilitate remittances to educational hubs like Canada and Australia for tuition fees and living expenses. We also continue offering Pamana Padala and Padala Moneyger, which often serves as a financial safety net for Overseas Filipino (OFs). Meanwhile, our domestic remittance business remained a critical lifeline for underserved communities. By partnering with trusted pawnshop networks, we extend our reach to provinces where we do not have physical branches. The last-mile network enabled over 600,000 beneficiaries to easily receive funds from their OF relatives throughout the year, directly supporting essential needs such as housing and education.



Investment Banking

In 2025, BPI Capital continued to play a significant role in advancing the sustainable growth of the Philippine capital markets, delivering essential investment banking services including corporate finance, structured finance, loan syndication, debt and equity underwriting, and securities distribution amidst challenging market conditions.

EQUITIES UNDERWRITING

With nine equity and quasi-equity transactions amounting to nearly USD 370 million, BPI Capital once again secured the top position in the Philippine Equity Capital Markets league table.

BPI through BPI Capital was the only domestic bank to serve as the Joint Global Coordinator and Joint Bookrunner for the initial public offering (IPO) of Maynilad Water Services (Maynilad), which became the second largest IPO in the Philippine Stock Exchange (PSE). Moreover, Maynilad's IPO also became the first equity offering in the country to receive a Green Equity Label from the Securities and Exchange Commission (SEC), with 100% of their revenues derived from activities in support of environmental objectives.

We also led and participated in milestone preferred share issuances throughout the year, serving in key roles for the following transactions:

- Issue Manager for Ayala Corporation's preferred share offering, which is their largest such offering to date
- Issue Manager for Filinvest Development Corporation's maiden preferred share offering
- Sole Issue Manager and Lead Underwriter for Raslag Corporation's preferred shares issuance directly in support of renewable energy, which is the first limited public offering of preferred shares listed on the (PSE) marketed exclusively to qualified buyers

We also executed two of the largest overnight placements of the year for Robinsons Land Commercial REIT (RCR), supporting their asset expansion and enabling a continued stable income generation for investors.

DEBT UNDERWRITING

In debt capital markets and structured debt solutions, we continued to drive innovation through ESG-linked, sustainability-focused, cross-border, and benchmark corporate issuances. Reinforcing our market leadership, BPI Capital emerged as the top domestic underwriter in the Bloomberg Philippine Bonds League Table, advising on both peso and foreign-currency issuances totaling USD 1.1 billion offshore and commanding an 8.22% market share.

Among the year's most impactful transactions was Cebu Landmasters, Inc.'s (CLI) publicly-offered PHP 5 billion Sustainability-Linked Bonds (SLB), which is the first in the Philippines to directly link financial terms to a social objective of providing affordable housing for underserved communities. We also supported CLI's PHP 3 billion Sustainability-Linked Notes (SLN), further supporting low-cost housing initiatives in the country. We also spearheaded the maiden bond issuance for Metro Pacific Tollways Corporation, a landmark transaction that fuels critical infrastructure like the CALAX-CAVITEX link and the Lapu-Lapu Expressway.

BPI Capital also supported the BPI group in raising ESG-focused funds, acting as the joint lead arranger for the PHP 40 billion BPI Supporting Inclusion, Nature, and Growth (SINAG) Bonds.

Beyond public bond issuances, BPI Capital continued to expand its role in delivering bespoke debt financing solutions, acting as arranger, advisor, and underwriter for a wide range of structured and loan products. These included acquisition financing facilities, infrastructure and project financing structures, sustainability-linked loans, capex-driven term facilities, bridge-to-bond financing facilities, and hybrid structures designed to optimize clients' capital efficiency and funding flexibility. Through close collaboration with BPI's commercial banking and treasury platforms, we enabled clients to seamlessly access bank and capital markets funding amid evolving market conditions.

BPI Capital remains prepared for the future as we continue to build for scale, change, and flexibility. While the operating environment grows more complex, our commitment to serve our clients and the country is stronger than ever. Our focus on providing our clients with the best financial advice and top-notch deal execution positions us to navigate the changing market conditions and leverage on opportunities and challenges ahead.

CUSTOMER EXPERIENCE



Customer Obsession remains a core pillar of BPI's growth strategy, guiding how we strengthen trust, deliver consistent value, and foster long-term customer advocacy. In 2025, we sharpened our strategic focus on customer obsession, embedding it as the defining principle of our culture and operations.

I Am BPI program became the cornerstone of our client-focused growth strategy, mobilizing employees across the Bank as customer advocates, deepening product knowledge, and reinforcing daily customer-centric behaviors. Over 98% of employees completed mandatory product knowledge training and participated in sharing over 500 "I Am BPI Moments" that highlighted acts of customer-centric service. This initiative reinforced accountability across all roles and functions, ensuring that customer obsession was not just a philosophy but a daily practice. Driving culture change in each division, the Customer Delight Officer network expanded to 140 champions who delivered more than 80 customer experience improvement projects, including streamlined dispute resolution, reduced branch waiting times, and enhanced digital onboarding—all designed to eliminate friction and elevate customer trust.

To drive change in operations and programs, we advanced our customer obsession growth strategy through three integrated pillars: Breakthrough Interventions, Standardized Experiences, and Continuous Improvement. In Breakthrough Interventions, programs such as WOW Moments reframed service outages into opportunities to build trust by providing real-time outage updates and coordinated recovery actions that enhanced transparency and customer experience. Under Standardized Experiences, new playbooks for fraud handling and unscheduled system downtimes ensured consistent, empathetic responses across channels, clearer roles, and defined protocols. At the same time, Continuous Improvement was institutionalized through Agile@Scale squads and service quality scorecards, driving iterative delivery and recognition into the organization's operating rhythm. The N.I.C.E. Score where internal teams rate each other on service quality, provided a structured platform for cross-functional collaboration, achieving a 98% timely complaint closure rate and strengthening trust across departments. Innovation further amplified customer obsession by equipping employees with tools to design and deliver customer-centered solutions. The Innovation Academy trained staff in human-centered design and agile methods, while the Enterprise Idea Bank generated 362 ideas, of which 179 were actively explored. Hackathons produced 13 projects that simplified onboarding, enhanced digital self-service, and improved SME lending, while the Automation Bootcamp delivered efficiency gains equivalent to the man-hours of seven full-time employees.

These strategic highlights have translated into measurable outcomes, reinforcing the strength of BPI's customer-obsessed culture. The Bank consistently held the #1 Relationship Net Promoter Score (NPS) position among peer Philippine universal banks, demonstrating sustained leadership and stable performance over recent years.

BPI's commitment to customer-centricity remains strong, resilient, and firmly integrated into our long-term strategy. By embedding customer obsession into our culture, governance, and innovation ecosystem, BPI has built a scalable and sustainable framework for long-term success — one that clearly differentiates BPI from competitors and enables us to sustain leadership in customer experience.

ESG Matters

Anchored on our commitment to sustainability, BPI consistently integrates Environmental, Social, and Governance (ESG) principles into core business operations, aligning the development and delivery of the Bank's products and services with positive environmental and social impact. Through collaborative efforts with various stakeholders across the value chain, BPI remains steadfast in ensuring a more resilient and sustainable financial ecosystem while contributing to nation-building.

The Bank strengthens its sustainability commitment by continuously aligning ESG policies, standards, and initiatives to global best practices and principles while striving to mitigate any potential negative environmental and social-related risks that may result from its operations and the projects that the Bank funded.

Environmental Matters

BPI manages the environmental impact of its operations, as well as the impact of environmental factors on the Bank, through carefully designed programs implemented in collaboration with internal and external stakeholders and subject matter experts.

GREENHOUSE GAS (GHG) EMISSIONS REDUCTION

In support of the Philippines' Nationally Determined Contributions (NDCs) to the Paris Climate Agreement which commits the country to a 75% cumulative reduction avoidance of greenhouse gas (GHG) emissions from a Business-As-Usual (BAU) scenario — BPI is implementing initiatives to reduce the Bank's GHG emissions.

In 2025, BPI became the first Philippine bank to qualify under the Retail Aggregation Program (RAP), transitioning 70 of the Bank's branches to 100% renewable energy use through a strategic partnership with ACEN Renewable Energy Solutions (ACEN RES). The Bank also shifted a fourth corporate office to 100% renewable energy use, with BPI Binondo joining the ranks of BPI Buendia Center, BPI Consumer Center, and BPI Operations Center.

BPI advanced the green transformation of its branch network, more than doubling the number of EDGE-certifiend green bank branches from 22 to 46. All certified brances achieved at least 20% savings on energy, water, and embodied energy in materials.

ADDITIONAL EDGE-CERTIFIED BRANCHES IN 2025

BRANCH	SAVINGS		
	ELECTRICITY	WATER	EMBODIED ENERGY IN MATERIALS
BPI Greenhills Shopping Center	56%	34%	24%
BPI Los Baños Highway	31%	33%	95%
BPI Ayala Westgrove Heights	27%	29%	62%
BPI Dau	25%	38%	52%
BPI Magallanes South	32%	34%	42%
BPI Timog Circle	23%	44%	33%
BPI East Avenue	26%	36%	33%
BPI Salcedo Tordesillas	30%	42%	49%
BPI San Mateo Ampid	53%	21%	39%
BPI Rufino Towers	20%	38%	95%
BPI Ermita	42%	29%	96%
BPI Legaspi Salcedo	41%	42%	94%
BPI Katipunan Loyola Heights	55%	94%	37%
BPI Lucena - Granja	29%	44%	80%
BPI Binondo Rosario	36%	31%	94%
BPI Calapan	45%	22%	63%
BPI Montalban	53%	33%	97%
BPI One Ayala	30%	36%	57%
BPI Glorietta Mall Ground Level	35%	21%	92%
BPI Pateros	23%	34%	89%
BPI Bacolod Mandalagan	38%	21%	96%
BPI Monumento	23%	24%	90%

Listed herewith are GHG emissions reduction initiatives from BPI's operations and value chain, including the Bank's financed portfolio.

GHG EMISSION REDUCTION INITIATIVE	AFFECTED SCOPES AND CATEGORIES
Shift to low Global Warming Potential (GWP), energy efficient technology such as LED lights and inverter air conditioning units	Scope 1, Fugitive Emissions Scope 2, Purchased Electricity
Shift of four corporate offices to 100% Renewable Energy use through the Green Energy Option Program (GEOP), in partnership with ACEN RES	Scope 2, Purchased Electricity
Shift of BPI branches to 100% Renewable Energy use through the Retail Aggregation Program (RAP), in partnership with ACEN RES	Scope 2, Purchased Electricity
IFC EDGE green certification of 46 bank branches	Scope 2, Purchased Electricity Scope 3, Purchased Goods and Services (Category 1) Scope 3, Capital Goods (Category 2)
Adoption of Sustainable Aviation Fuel (SAF) for documents shipping, in partnership with DHL	Scope 3, Upstream Transportation and Distribution (Category 4)
Shift to e-shuttle of the roving vehicle across the Bank's corporate offices in the Makati CBD, in partnership with Global Electric Transportation (GET)	Scope 3, Upstream Transportation and Distribution (Category 4)
Adoption of work from home arrangements	Scope 3, Employee Commuting (Category 7)
Shift of material used in credit and debit cards to recycled Polyvinyl Chloride (rPVC)	Scope 3, End-of-Life of Sold Products (Category 12)
Recycling of plastic flyers used in document delivery, in partnership with DHL	Scope 3, End-of-Life of Sold Products (Category 12)
Exclusion of greenfield coal power generation from the financed portfolio	Scope 3, Investments (Category 15)
Exclusion of diesel-fired power generation plants for applications where diesel is the primary source of energy (except those for missionary electrification purposes) from the financed portfolio	Scope 3, Investments (Category 15)
Engagement of corporate and SME clients to shift their facilities to 100% Renewable Energy	Scope 3, Investments (Category 15)

To have a formal framework for decarbonization, the Bank has established the BPI Scope 1 and 2 Decarbonization Roadmap in 2025, focusing on emission sources that the Bank can directly control or address. BPI intends to apply learnings from pursuing decarbonization initiatives under such roadmap, in engaging loan clients and the rest of the Bank's value chain to also transition to low carbon alternative technologies.

SCOPE 1 AND 2 DECARBONIZATION ROADMAP

In support of the Philippines' NDCs to the Paris Climate Agreement, as well as the climate ambition of the Ayala Group of Companies, BPI established a Decarbonization Roadmap for mitigating Scope 1 and 2 Greenhouse Gas (GHG) emissions in December 2025. BPI's Decarbonization Roadmap focuses on emission sources that the Bank can directly control subject to the availability of low-carbon alternative technologies. Meanwhile, the Bank continues to strategize how to mitigate Scope 3 GHG emissions emanating from its loan portfolio and the rest of its value chain.

BPI's Decarbonization Targets

50%
Scope 1 and 2 GHG Emissions Reduction by 2030

70%
Scope 1 and 2 GHG Emissions Reduction by 2050

GHG EMISSIONS CATEGORY	ACTION PLANS
Scope 1 Stationary Combustion	> Replacement of old generator sets, to mitigate a decline in fuel efficiency
Scope 1 Mobile Combustion	> Shift to hybrid vehicles
Scope 1 Fugitive Emissions	> Shift to air conditioning units and refrigerators with low Global Warming Potentials (GWP)
Scope 2 Purchased Electricity	> Shift of facilities to 100% renewable energy use > Shift to energy efficient technologies, such as LED lights and inverter aircons > IFC EDGE green building certification of BPI branches

BPI's accounting of historical Scope 1 and 2 GHG emissions from 2021 to 2024 and on projected Scope 1 and 2 GHG emissions from 2025 to 2050 adheres to the GHG Protocol and ISO 14064-1. DNV AS Philippines has performed a limited assurance on BPI's historical and projected Scope 1 and 2 GHG emissions using ISO 14064-3 as the verification approach and standard.

For BPI's full Scope 1 and 2 Decarbonization Roadmap, please visit the following web page: https://www.bpi.com.ph/about-bpi/sustainability/decarbonization-strategy-roadmap-scope1-scope2-ghg-emissions.



BPI continues to assess pathways to implement ambitious but achievable targets to decarbonize Scope 3 GHG emission, particularly the Bank's financed emissions. To support this effort, the Bank had identified steel, cement, transport, energy, and agriculture as priority sectors for decarbonization, consistent with the priority sectors of the Philippines' NDCs.

Given that BPI has no direct control in the emissions of clients' projects financed by the Bank, it is evaluating effective engagement approaches with clients to influence decarbonization.

Nevertheless, initiatives to reduce Scope 3 GHG emissions have already been implemented in the recent years as enumerated above, including BPI's commitment to zero out our coal power generation portfolio by 2032.

SCOPE 1 AND 2 GREENHOUSE GAS (GHG) EMISSIONS

CATEGORY	UNITS	2024	2025	EMISSION SOURCE	COVERED
SCOPE 1					
Stationary Combustion[1 2]	tCO_2e	134	103	Fuel consumption of bank-owned and bank-controlled generator sets	BPI Group of Companies (parent company and 50%+ owned subsidiaries)[3]
Mobile Combustion[1 2]	tCO_2e	106	106	Fuel consumption of bank-owned and bank-controlled vehicles	BPI Agency Banking[4]
Fugitive Emissions[1 2 5]	tCO_2e	4,047	6,706	Regular unintended releases of refrigerants from bank-owned and bank-controlled aircons and refrigerators	BPI Group of Companies (parent company and 50%+ owned subsidiaries)[3]
Process Emissions	tCO_2e	n/a	n/a	Not applicable	Not applicable
SCOPE 2					
Purchased Electricity	tCO_2e	9,744	8,150	Electricity consumption in bank-owned and bank-controlled facilities	BPI Group of Companies (parent company and 50%+ owned subsidiaries)[3]
Purchased Cooling	tCO_2e	n/a	n/a	Not applicable	Not applicable
Purchased Heating	tCO_2e	n/a	n/a	Not applicable	Not applicable
Purchased Steam	tCO_2e	n/a	n/a	Not applicable	Not applicable
Scope 1 & 2 GHG Emissions	**tCO_2e**	**14,031**	**15,064**		
Scope 1 & 2 GHG Emissions Intensity (per PHP 1Bn revenue)	**tCO_2e / PHP**	**82**	**77**		

[1] estimated with the use of publicly available emission factors from reputable data sources such as the UK Government and the California Air Resources Board
[2] recalculated during the validation of BPI's Scope 1 and 2 Decarbonization Roadmap
[3] excluding foreclosed assets and stockyards where repossessed vehicles are stored
[4] cost-based data from vehicles used exclusively by Agency Banking
[5] computation based on actual records of refrigerant replacements; computation in BPI's decarbonization roadmap based on leak rate assumptions from the inventory of aircons and refrigerators

SCOPE 3 GREENHOUSE GAS (GHG) EMISSIONS (NON-FINANCED EMISSIONS)

CATEGORY[1]	UNITS	2024	2025	EMISSION SOURCE	COVERAGE
SCOPE 3					
Category 3: Fuel and Energy-Related Activities[2 5]	tCO_2e	2,250	2,265	> Extraction, production, and transportation of fuels consumed > Extraction, production, and transportation of fuels to generate electricity consumed > Generation of electricity lost in transmission and distribution	BPI Group of Companies (parent company and 50%+ owned subsidiaries)[3]
Category 5: Waste Generated in Operations	tCO_2e	197	264	Third-party disposal and treatment of generated waste	BPI Buendia Center, BPI Operations Center, BPI Consumer Center, and BPI Binondo Rosario
Category 7: Employee Commuting	tCO_2e	no data	17,914	Commute of employees to and from the office	BPI Group of Companies (parent company and 50%+ owned subsidiaries)[4]
Category 8: Upstream Leased Assets[5]	tCO_2e	14,661	15,048	Electricity consumption in leased facilities, wherein operational control may be limited	BPI Group of Companies (parent company and 50%+ owned subsidiaries)[3]
Category 10: Processing of Sold Products	tCO_2e	n/a	n/a	Not applicable	Not applicable
Category 14: Franchises	tCO_2e	n/a	n/a	Not applicable	Not applicable
Scope 3 Non-Financed GHG Emissions	**tCO_2e**	**17,108**	**35,491**		
Scope 3 Non-Financed GHG Intensity (per PHP 1Bn revenue)	**tCO_2e / PHP**	**101**	**182**		

[1] includes categories for which data is readily available and verifiable
[2] estimated with the use of publicly available emission factors from reputable data sources such as the UK Government and the California Air Resources Board
[3] excluding foreclosed assets and stockyards where repossessed vehicles are stored
[4] excluding BPI MS, LSB, BPI Remittance Center HK, BPI Wealth HK, BPI Wealth SG, and BPI Europe
[5] recalculated to be consistent with guidelines applied in the validation of BPI's Scope 1 and 2 Decarbonization Roadmap

BPI'S GREENHOUSE GAS (GHG) EMISSIONS (NON-FINANCED EMISSIONS) IN 2025 PER COUNTRY

SCOPE	PHILIPPINES	UNITED KINGDOM	SINGAPORE	HONG KONG
1	6,915	0	0	0
2	8,150	0	0	0
3	35,447	4	4	36
TOTAL	**50,511**	**4**	**4**	36

* in tCO_2e

ENERGY CONSUMPTION

INDICATOR	UNITS	2024	2025
Fuel Consumption [1 2 5]	Liters	50,331	38,643
National Grid Electricity Consumption [2 4 5]	MWh	34,007	32,750
Renewable Energy Consumption	MWh	9,982	11,688
Total Electricity Consumption [2 4 5]	MWh	43,990	44,437
Energy Intensity from Fuel Consumption [2 3 5]	MWh / PHP	3	2
Energy Intensity from Consumption of Electricity sourced through the National Grid [2 3 5]	MWh / PHP	200	168
Energy Intensity from Renewable Energy Consumption [3]	MWh / PHP	59	60
Energy Intensity [3 5]	MWh / PHP	262	230

[1] Fuel consumption from generator sets
[2] Excludes consumption emanating from foreclosed assets and stockyards where repossessed vehicles are stored
[3] Per PHP 1 billion revenue
[4] Historical and regional averages used, in cases wherein acquisition of physical data is not feasible or practicable
[5] Additional actual 2024 data replaced simulated numbers based on historical and regional averages

WATER USE EFFICIENCY



BPI monitors the water consumption of all owned and leased facilities to identify and implement means by which the Bank can reduce consumption and promote responsible water stewardship.

The Bank has installed a rainwater harvesting system at BPI San Fernando Highway Main, resulting to a projected 45 cubic meters of rainwater collected every month.

	2024	2025
Water Consumption (in cubic meters)*	748,796	673,799

* Excludes consumption emanating from foreclosed assets and stockyards where repossessed vehicles are stored; historical and regional averages used, in cases wherein acquisition of physical data is not feasible or practicable
** Additional actual 2024 data replaced simulated numbers based on historical and regional averages

ELECTRIC VEHICLE CHARGING STATIONS

To further the promote of clean transportation in the Philippines, BPI became one of the first Philippine companies to install electric vehicle (EV) charging stations in its premises in 2024.

As of year-end 2025, ten of BPI's branches already have EV charging stations.

FULLY OPERATIONAL	INSTALLED, TO BE OPERATIONAL SOON
> BPI BF Paranaque > BPI Commonwealth > BPI Magallanes South	> BPI C3-A MABINI > BPI Cagayan de Oro Main > BPI Cebu North Reclamation > BPI Davao Main > BPI Grace Park 11th Ave > BPI Iloilo Solis > BPI Negros Kabankalan

WASTE MANAGEMENT

BPI regularly monitors waste produced from the Bank's operations, despite not having a significant amounts of by-product. Furthermore, the Bank seeks to minimize waste sent to landfills by adhering to reduce, reuse, recycle hierarchy.

In 2025, BPI shifted the material used for its debit cards to recycled PVC and continued the use of recycled PVC for its credit cards, supporing the Bank's efforts to encourage clients to shift toward sustainably produced goods.

As a pilot project, BPI also explored the use of a Reverse Vending Machine (RVM) in our premises, rewarding employees with VYBE points in exchange for PET bottles and aluminum cans.

The Bank has also started exploring engaging a third-party service provider to further augment waste diverted from landfills.

	2024	2025	REMARKS
Non-Hazardous Waste Recycled	9,124 kg	22,357 kg	Recyclables from corporate offices
Non-Hazardous Waste Directed to Landfills	163,027 kg	219,187 kg	Mixed waste from corporate offices
	9,673 kg	12,683 kg	Food and drink waste from corporate offices
Hazardous Waste Stored Onsite for Disposal	278 kg	1,058 kg	Waste from electrical and electronic equipment from corporate offices
	752 kg	60 kg	Batteries waste from corporate offices
	1,862 kg	123 kg	Used oil waste from corporate offices

Social Impact

As BPI continues to strengthen its operations to support sustained growth and development, the Bank remains committed to creating a positive social impact for all its stakeholders, including employees, clients, suppliers, and local communities.

HUMAN RIGHTS

In 2025, BPI consolidated its existing policies and standards upholding the inherent, universal, and inalienable human rights of BPI stakeholders: clients, employees, and service providers, across all aspects of BPI's operations. BPI's Human Rights Policy adhere to the United Nations' Universal Declaration of Human Rights (UDHR).

BUSINESS ETHICS

Through its Board-approved Codes of Business Conduct for directors and employees, BPI sets clear guidance for actions and decisions across all roles and responsibilities, including interactions with various stakeholders.

The Codes outline high-level ethical principles governing the conduct of business activities and provide direction on environmental stewardship, respect for human and labor rights, customer service and protection, data privacy, and the prevention of bribery and corruption, among others. For more details, please refer to pages 145 to 146.

EMPLOYEE BENEFITS

Recognizing that its workforce is central to the Bank's success, BPI provides competitive compensation packages benchmarked against industry standards.

BPI's fixed compensation packages include non-statutory monetary and non-monetary benefits, allowing all employees to have a base quality standard of living. The Bank also has a flexible benefits program, allowing all employees to upgrade their existing benefit coverage or avail additional options such as transportation allowances. Meanwhile, the Bank also has a variable pay system rewarding employees based on merit and contribution. All employees, including staff, are also rewarded with a variable bonus pay based on the Bank's annual performance. Furthermore, BPI's offices are equipped with facilities such as clinics, lactation areas, wellness rooms, to support the well-being of employees.

LIST OF BENEFITS PER CATEGORY

Monetary Benefits	For All Employees: > Quarterly Bonuses > Clothing Allowance > Medical Allowance > Variable Bonus Pay > Sick Leave Conversion (max of 10 credits) > Annual Salary Increase For Officers only: > Performance Bonus For Staff / Rank and File only: > Holiday Pay > Collective Bargaining Agreement Signing Bonus
Leave Benefits	> Vacation Leaves > Sick Leaves > Parental Leaves > Emergency Leaves > Bereavement Leaves > Solo Parent Leaves > Cancer Care Leaves > Leave Donation Program
Health Benefits	> Annual Physical Examinations > Mental Health Therapy Sessions > Discounted Vaccines (extended to family members)
Insurance Benefits	> Health Insurance > Life and Accident Insurance
Financial Service Benefits	> Car Loan > Housing Loan > Education Loan > Multi-Purpose Loan > Scholarship Grant for Master's Degree
Additional Benefits	> Retirement Plan (may either be Defined Contribution or Defined Benefit, depending on hiring date)

New Benefits Added in 2025

Demonstrating empathy in action, BPI introduced the pioneering Cancer Care Leave, a 15-day non-cumulative leave benefit supporting employees diagnosed with cancer and undergoing medical treatment, confinement, or surgical procedures.

Complementing this, the Employee Leave Donation Program enabled Unibankers to contribute unused leave credits into a centralized pool to support colleagues battling any of 14 covered critical illnesses. The program generated 787.5 donated leave days—an embodiment of collective compassion.

14 COVERED ILLNESSES OF THE LEAVE DONATION PROGRAM

1. Myocardial Infraction
2. Stroke
3. Coronary Artery Surgery
4. Renal Failure
5. Cancer
6. Organ Transplant
7. Paralysis
8. Heart Valve Replacement
9. Multiple Sclerosis
10. Muscular Dystrophy
11. Bacterial Meningitis
12. Brain Tumor
13. Major Burns
14. Use of ICU for at least 7 days

EMPLOYEE WELL-BEING

To ensure the overall well-being of all employees, BPI continued instituting programs on wellness, safety and security, as well as non-discrimination, while also ensuring the observance of work-life balance among employees.

BPI Well Program

Recognizing that a healthy workforce fuels long-term productivity, BPI expanded its BPI Well program, covering physical, mental, financial, social, and emotional well-being.

2025 EMPLOYEE WELLNESS PROGRAMS

PROGRAMS	DESCRIPTION
Financial Literacy	Financial literacy programs for personal wealth building, resulting in over 18,000 Unibankers opening their own Wealth Builder accounts
BPI #BestLifeRun	A corporate race with a twofold increase in participation to 8,000 runners from nearly 400 institutions in its second year
Lakbay BPI	A nationwide virtual step challenge that guided employees through a digital map highlighting cities significant to BPI's history
Working with Cancer	First bank to partner with Working with Cancer, promoting the early detection of cancer and ensuring that affected employees receive the care and support they need
BPI Well Cup	Sportsfest open for all employees, featuring sports such as basketball and volleyball
Mind You Platform	Mental health platform where all employees can avail on-demand mental and psychosocial counselling as well as access wellness materials (including wellness webinars)

Employee Safety and Security

BPI's Central Safety and Security Office supports the Bank's ability to operate safely, inclusively, and sustainably across its nationwide footprint. In 2025, the Bank strengthened its physical security posture through a risk-based framework aligned with regulatory bank protection standards and internal security policies—ensuring protection for employees, customers, facilities, and critical assets.

Digitalization enhanced physical security operations via centralized monitoring of the Central Video and Alarm Monitoring System (CVAMS) across branches and access control systems for various sites. Digital reporting and analytics enabled timely escalation, investigation, and continuous improvement of existing controls.

In support of financial inclusion, the Bank extended financial literacy initiatives for law enforcement partners and security personnel—promoting responsible financial practices and broader participation in formal banking services.

Guided by Customer Obsession, the Bank balanced robust security controls with a positive customer experience through visible yet unobtrusive security presence, disciplined access management, and well-defined response protocols. Strong coordination with Law Enforcement Agencies (LEAs) remained a key pillar of the physical security framework. Formal cooperation arrangements through Memoranda of Agreement (MOAs) with law enforcement partners enabled structured collaboration, strengthening preparedness and risk-based security planning in line with regulatory expectations for bank protection.

Overall, 2025 initiatives reinforced regulatory compliance, strengthened risk management, enhanced operational resilience, to promote secure access and safer spaces, laying a solid foundation for sustained growth and organizational confidence for the years ahead.

2025 EMPLOYEE SAFETY AND SECURITY INITIATIVES

INITIATIVE	DESCRIPTION
Protection from Natural and Man-Made Hazards	> Conduct of regular workplace safety briefings and capability-building initiatives, including trainings, emergency drills, awareness campaigns, and monthly branch visits. > Implementation of preparedness measures ahead of natural disasters, such as issuing weather bulletins, publishing emergency contact information, and providing necessary assistance from impact through recovery. > Performance of routine facility assessments and maintenance to prevent workplace accidents and avoid damage to property.
Security Protocols	> Implementation of robust security protocols and safeguards to protect branches and corporate offices from potential terrorist threats. > Requirement of mandatory training on physical security to ensure personnel are equipped to respond to security risks effectively.

2025 EMPLOYEE HEALTH AND SAFETY STATISTICS

INITIATIVE	DESCRIPTION
No. of Disabling Work-Related Injuries	0
No. of Fatalities as a Result of Work-Related Injuries	0

Non-Discrimination

BPI fosters a work environment that cultivates respect, equal opportunity, and non-discrimination regardless of gender, religion, age, race, ethnicity, skin color, disability, political views, or socio-economic background. In 2025, BPI celebrated its First Diversity Awareness Month, in further recognition of the value of diversity in the Bank's continuous service of Filipino communities.

In particular, BPI held diversity-focused webinars on topics such as generational differences as well as gender sensitivity. We also held structured focus group discussions with single parent employees, giving them space to discuss shared experiences, concerns, and achievements.

EMPLOYEE RIGHTS AND LABOR COMPLIANCE

BPI consistently adheres to Philippine labor laws and regulations. The Bank enforces strict policies prohibiting the employment of minors and any form of forced labor. It also protects employees' rights to freedom of association and collective bargaining.

In 2025, the Bank concluded its Collective Bargaining Agreements (CBAs) with its five constituent unions, covering approximately 8,602 employees—or about 63% of its staff workforce.

GRIEVANCE MECHANISM

BPI also has a formal grievance mechanism, to properly address and amicably resolve any concern employees may have. More information can be found in the BPI Code of Business Conduct and Ethics, available on the Bank's website.

TALENT DEVELOPMENT

BPI University (BPI U) continues to fulfill its mandate as the Bank's corporate learning center, serving as the home of all capability-building initiatives for employees. In 2025, BPI U translated the Bank's strategic priorities into well-defined learning journeys by expanding key academies—namely the CHANGE Leadership Academy and FutureTech Academy—and by initiating the establishment of Functional Academies across business units.

That same year marked the organization-wide launch of Individual Development Planning (IDP), reinforcing BPI's commitment to enabling every employee to reach their fullest potential with the guidance of their immediate supervisors. In its first year, 42% of employees successfully created Individual Development Plans in RHEA, signaling strong early adoption.

Employee participation in learning remained robust throughout 2025. Several segments achieved a near-universal learning hit rate—defined as unique employees with at least one training participation during the year—with Chief Credit and Global Markets reaching 100% participation, and most other segments exceeding 95%.

Through the implementation of learning programs that holistically develop technical expertise, leadership capability, and emerging skills, BPI U significantly expanded its offerings to better capacitate Unibankers in 2025. Key highlights include:

> Enhanced foundational programs such as New Employee Orientation (NEO) and Mandatory Courses, ensuring a consistently high-quality and standardized learning experience for both new hires and incumbent employees. These improvements reinforced a strong onboarding journey while sustaining compliance and core capability requirements across the Bank. Listed below are BPI Mandatory Courses required for employees to take during their tenure in the Bank:

MANDATORY TRAINING COURSES

COURSE NAME	FREQUENCY	DESCRIPTION
BPI Code of Business Conduct and Ethics (includes anti-bribery, anti-corruption, and conflict of interest)	Annual	An overview of key practices and behaviors that define the conduct to which employees hold themselves accountable for and the behavior that is expected from all employees at all levels in the organization
Business Continuity Management	Biennial	An overview of BPI's Business Continuity Management System (BCMS) to mitigate or avoid the impact of disruption in the delivery of BPI's services, while ensuring the safety and security of clients and employees
Data Privacy Awareness	Annual	An introduction to the basics and best practices in data privacy so that employees know how to integrate data privacy best practices in their everyday work
Enterprise Risk Management	Once	An overview of Enterprise Risk Management in the Bank, identification of key risk areas, risk management processes, and roles and responsibilities in managing the Bank's risks
Financial Consumer Protection Program	Annual	Overview of the Bank's Financial Consumer Protection Program, including: > Basic principles and ethical practices that govern the conduct in dealing with the Bank's customers > Available channels for client concerns and feedback > Guidelines on disclosure and transparency
Information Security Awareness	Biennial	An overview of the importance of information security in the operations of an organization in the aspects of technology, human actions and behavior, and the work environment
Law on Bank Secrecy	Once	An overview of different laws covering confidentiality of deposits and other accounts
Legal Risk Awareness	Once	An overview of legal risks, including its handling, its adverse financial consequences, and its prevention
Money Laundering and Terrorist Financing Prevention Program	Annual	An overview of BPI's Money Laundering and Terrorist Financing Prevention Program
Operational Risk Overview	Once	An overview of BPI's operational risks and how to manage them
ORM Basics: Risk and Control Self-Assessment	Once	A guide on how to conduct a Risk and Control Self-Assessment
Physical Security Awareness	Annual	An overview of the importance of physical security awareness, including examples of physical security incidents as well as measures to protect personnel and property from harm or damage and to prevent unauthorized access to facilities, equipment, and resources
Secure Systems Administration	Once	Covers introduction to cyber-attacks and methods for organizations and individuals to combat them
Sustainability 101	Biennial	An introduction to global and local sustainability concepts, issues, and standards, including BPI's own sustainability initiatives aimed to equip all employees in further embedding sustainability in their business activities

cont.

MANDATORY TRAINING COURSES

COURSE NAME	FREQUENCY	DESCRIPTION
Workers' Occupational Safety & Health	Once	A comprehensive discussion on occupational safety and health (OSH), in compliance with Republic Act No. 11058 entitled "An Act Strengthening Compliance with Occupational Safety and Health Standards and Providing Penalties for Violations Thereof"
#IAmBPI Mandatory Course	Biennial	The "I am BPI" mandatory course was crafted to equip every Unibanker with the knowledge, mindset, and tools to confidently represent BPI. This curriculum is composed of the following modules and contains a quiz at the end of each: Module 1: Being a BPI Ambassador Module 2: BPI Products & Services > Everyday Essentials > Lending and Life Goals > Business Banking > Wealth and Investments > Global Services Module 3: Influencing Basics Module 4: Referral and Troubleshooting Tips

> Successful establishment and rollout of Functional Academies in partnership with business units, including Institutional Banking's Transaction Banking Academy, which directly addressed critical skill gaps.

> Participation of over 4,000 officers in the CHANGE Leadership Academy, covering programs such as the Officership Training Program for new officers to executive-level courses delivered in partnership with insitutions such as the Asian Institute of Management and Standford University. Apart from structured training programs, we conduct an internal mentorship program for leaders - the COALESCE Mentoring Program which is now on its third cohort.

> Completion of Data Literacy and Artificial Intelligence fundamentals training by over 90% of employees through the BPI FLAGS Program, anchored on BPI's Responsible AI usage guidelines developed by Enterprise Technology's Center for Enterprise Data and Analytics Team.

> In support of learning partners and faculty members, BPI U also conducted the NICE Faculty Certification Workshop. In 2025, two batches were conducted, providing approximately 60 faculty members with enhanced facilitation skills. Additionally, BPI U recognized the contributions of its learning partners by hosting an annual thanksgiving gathering, bringing together over 120 faculty members and partners in appreciation of their role in developing future-ready Unibankers.

> At BPI, learning extends beyond classrooms and digital platforms. In support of collaboration, synergy, and effective ways of working, BPI U continued to facilitate offsite teambuilding programs for various business units. In 2025, 28 teambuilding sessions were conducted, engaging 2,112 employees and further strengthening organizational cohesion and teamwork.

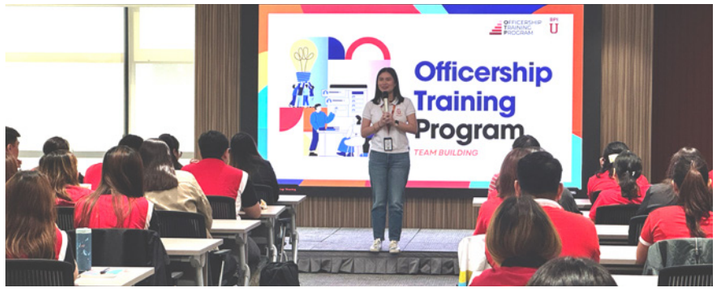
EMPLOYEE ENGAGEMENT

In 2025, BPI reinforced its culture of engagement, integrity, and excellence—anchored on its belief that empowered employees drive sustainable performance.

BPI achieved an exceptional 95% employee engagement score in the 2025 BPI Engage Survey, with a 99% response rate representing more than 21,000 Unibankers across the BPI Group. This marks a five-point increase from the 2023 survey and places BPI four points above the Philippine National Norm and eight points above the Global High-Performing Companies benchmark. Near-perfect scores in pride, belief in BPI's goals, and discretionary effort reflect a workforce deeply committed to the Bank's purpose.

BPI's Great Place to Work certification highlights its people-first culture and affirms its standing among top workplaces.

Throughout the year, BPI rolled out initiatives that reinforced its core values of NICE: Nurturing, Integrity, Customer Obsession, and Excellence.



CORE VALUES	NEW EMPLOYEE PROGRAMS IN 2025
Nurturing	**HumaNICE Conversations** – introduced at the 2025 ELITE Summit, reinforces BPI's Human-Centered Leadership by promoting monthly, trust-based one-on-one discussions. By year-end, 86% of employees reported having meaningful conversations with their supervisors.
Integrity	**Fraud Awareness Caravan** – a nationwide initiative that promotes BPI's Integrity value through weekly integrity reminders and over 40 fraud awareness sessions, emphasizing that ethical conduct is a non-negotiable expectation for every Unibanker. This resulted in a 33% year-on-year reduction in grievance cases.
Customer Obsession	**I Am BPI** – a mandatory learning program reinforcing every Unibanker as a BPI Ambassador. Its four modules on products and platforms achieved 98% completion, strengthening the Bank's drive toward NPS #1.
Excellence	**Idea Bank** – drives a culture of innovation and continuous improvement by soliciting employee-generated ideas. Nearly 400 submissions were endorsed to relevant units for evaluation and potential implementation.

Beyond the bank, BPI employees also continued to translate purpose into meaningful community action. During the Bank's anniversary month in August, Unibankers—together with the Department of Education and BPI Foundation—distributed over 5,000 school bags to students across 24 public schools. Through its Share More initiative, Unibankers also donated their time, essential good, and gifts at the Don Bosco Boys Home in Cebu in December, providing comfort and renewed hope after the natural calamities and challenges affected the province in 2025.

In 2025, BPI deepened its commitment to building a workplace where engagement, empathy, integrity, and innovation flourish. Through sustained investment in its people, the Bank continues to cultivate a high-performing organization where every Unibanker is empowered to grow, contribute, and create lasting impact for customers and communities.

EMPLOYEE DEMOGRAPHICS

UNIBANK EMPLOYEES

CATEGORY	2023	2024	2025
Direct Hires*	19,522	22,599	**23,576**
Temporary Hires	34	4	**4**
Indirect Hires	3,424	4,678	**2,108**

*Total permanent (regular and probationary) employees

DIRECT HIRES

CATEGORY	2023	2024	2025
Gender			
Male	6,637	7,818	**8,172**
Female	12,885	14,781	**15,404**
Age			
Over 50 years old	1,674	2,386	**2,331**
30 - 50 years old	10,454	12,008	**12,988**
Below 30 years old	7,394	8,205	**8,257**
Region			
NCR	11,264	13,005	**13,312**
Luzon	4,345	5,203	**5,676**
Visayas	2,163	2,428	**2,522**
Mindanao	1,697	1,899	**1,994**
Hong Kong	37	44	**45**
London	16	20	**21**
Singapore	0	0	**6**
Rank			
Senior Management	289	385	**355**
Middle Management	7,370	8,426	**9,232**
Rank-and-File	11,863	13,788	**13,989**

SENIOR MANAGEMENT

CATEGORY	2023	2024	2025
Gender			
Male	132	175	**162**
Female	157	210	**193**
Age			
Over 50 years old	187	251	**232**
30 - 50 years old	102	133	**123**
Below 30 years old	0	1	**0**
Region			
NCR	259	349	**312**
Luzon	10	12	**17**
Visayas	6	9	**12**
Mindanao	6	7	**5**
Hong Kong	7	7	**7**
London	1	2	**1**
Singapore	0	0	**1**

RANK-AND-FILE

CATEGORY	2023	2024	2025
Gender			
Male	3,865	4,484	**4,568**
Female	7,998	9,304	**9,421**
Age			
Over 50 years old	599	988	**684**
30 - 50 years old	5,039	5,804	**6,153**
Below 30 years old	6,225	6,996	**7,152**
Region			
NCR	6,054	7,065	**6,842**
Luzon	3,036	3,645	**3,983**
Visayas	1,552	1,720	**1,761**
Mindanao	1,205	1,341	**1,386**
Hong Kong	7	8	**7**
London	9	9	**10**
Singapore	0	0	**0**

MIDDLE MANAGEMENT

CATEGORY	2023	2024	2025
Gender			
Male	2,640	3,159	**3,442**
Female	4,730	5,267	**5,790**
Age			
Over 50 years old	888	1,313	**1,427**
30 - 50 years old	5,313	6,073	**6,712**
Below 30 years old	1,169	1,040	**1,093**
Region			
NCR	4,951	5,594	**6,158**
Luzon	1,299	1,544	**1,676**
Visayas	605	698	**749**
Mindanao	486	551	**603**
Hong Kong	23	29	**31**
London	6	10	**10**
Singapore	0	0	**5**

PROJECT HIRES / TEMPORARY HIRES

CATEGORY	2023	2024	2025
Gender			
Male	22	1	**1**
Female	12	3	**3**
Age			
Over 50 years old	1	2	**2**
30 - 50 years old	18	0	**0**
Below 30 years old	15	2	**2**
Region			
NCR	34	3	**4**
Luzon	0	0	**0**
Visayas	0	0	**0**
Mindanao	0	0	**0**
Hong Kong	0	0	**0**
London	0	1	**0**
Singapore	0	0	**0**

NEW HIRES

CATEGORY	2023	2024	2025
No. of New Hires	3,718	2,682	**3,551**
Gender			
Male	1,409	1,015	**1,345**
Female	2,309	1,667	**2,206**
Age			
Over 50 years old	11	19	**27**
30 - 50 years old	1,007	709	**1,023**
Below 30 years old	2,700	1,954	**2,501**

cont...

NEW HIRES

CATEGORY	2023	2024	2025
Region			
NCR	2,458	1,585	**1,746**
Luzon	533	568	**1,093**
Visayas	335	256	**371**
Mindanao	380	257	**330**
Hong Kong	5	13	**6**
London	7	3	**2**
Singapore	0	0	**3**
Employee Category			
Senior Management	14	7	**15**
Middle Management	866	567	**809**
Rank-and-File	2,838	2,108	**2,727**

EMPLOYEE TURNOVER

CATEGORY	2023	2024	2025
Employee Turnover	2,295	2,182	**2,596**
Gender			
Male	818	825	**1,005**
Female	1,477	1,357	**1,591**
Age			
Over 50 years old	158	179	**416**
30 - 50 years old	962	987	**1,115**
Below 30 years old	1,175	1,016	**1,065**
Region			
NCR	1,376	1,344	**1,463**
Luzon	487	432	**699**
Visayas	230	193	**232**
Mindanao	194	183	**196**
Hong Kong	5	25	**4**
London	3	5	**2**
Singapore	0	0	**0**
Rank			
Senior Management	23	40	**40**
Middle Management	589	676	**749**
Rank-and-File	1,683	1,466	**1,807**
Project Hire	0	0	**0**
Type of Contract			
Voluntary	2,177	2,004	**2,102**
Involuntary	118	94	**161**
Retirement	0	84	**333**
End of Contract	0	0	**0**

PROMOTIONS

CATEGORY	2023	2024	2025
To Middle Management	432	626	**389**
To Senior Management	38	37	**12**

BENEFIT AVAILMENTS

CATEGORY	2024	2025
Average Vacation Leave Availments per Employee	12	**10**
Average Sick Leave Availments per Employee	4	**4**
Total Maternity Leave Availments*	721	**926**
Total Paternity Leave Availments	188	**882**
Total Solo Parent Leave Availments	246	**237**
No. of Returning Female Employees after Maternity Leave	721	**3**
No. of Returning Male Employees after Paternity Leave	186	**592**
No. of Returning Employees after Solo Parent Leave	188	**234**

* revisited computation for 2024 data"

ADDITIONAL EMPLOYEE STATISTICS

CATEGORY	2024	2025
Gender Total Pay Ratio	63% women: 37% men	**64% women: 36% men**
Population Ratio	65% women: 35% men	**65% women: 35% men**
No. of Vacancies filled by Internal Hires	218	**301**

AVERAGE TRAINING HOURS BREAKDOWN BY GENDER

GENDER	2024	2025
Female	54.7	**82.2**
Male	42.1	**71.9**

AVERAGE TRAINING HOURS BREAKDOWN BY RANK

CATEGORY	2024	2025
Rank-and-File	49.3	**81.7**
Middle Management	50.4	**74.3**
Senior Management	86.8	**69.1**

The Bank has invested PHP 152 million on employee training in 2025.

CLIENT ENGAGEMENT

BPI also organizes capacity-building sessions for clients which include product briefings, economic updates, and financial wellness, among others, depending on their needs.

TRAININGS FOR CLIENTS

EVENT / TRAINING NAME	TARGET SEGMENT	MODE	DESCRIPTION
Advancing Corporate Sustainability: A Learning Session with the Securities and Exchange Commission (SEC)	Corporate	Face-to-Face	> Joined by 23 top corporate clients in June as part of BPI's Sustainability Awareness Month (SAM), the session featured SEC's roadmap towards mandatory sustainability reporting and enhanced corporate governance practices > During the session, SEC acknowledged the value of BPI's formula ESG + E_2, integrating Economic benefits into Environmental, Social, and Governance initiatives
Financial Awareness and Strategy Talk (F.A.S.T) Series	Corporate	Online	Series of 153 sessions with over 18,000 attendees tailored for provident and pension fund clients, fostering a financially empowered workforce through well-structured and informative talks
Financial Literacy and Fraud Awareness Training	Corporate and Retail	Hybrid	Initiative comprised of 49 extensive financial literacy and fraud awareness sessions conducted in a hybrid format, engaging over 2,500 participants from academic institutions, corporate partners, and local communities
BizTalk, Ka-Nego Talk, and Ka-Negosyo	SMEs	Face-to-Face	Series of 16 nationwide sessions reaching over 1,100 SMEs, featuring tailored topics such as economic outlook, digital banking, and franchising
Online Capacity Building for SMEs	SMEs	Online	Online capacity-building courses for SMEs, with over 100 million views and 70,000 engagements, reinforced by localized consultations and regular BizTips to strengthen trusted advisory relationships with SMEs
Agribusiness Convention and Trade Exhibits	Agriculture Businesses	Face-to-Face	In collaboration with the PIC Philippines, the 31st Hog Convention and Trade Exhibits—attended by 90 participants—provided an avenue for meaningful discussions with industry stakeholders on economic developments, sector trends, and innovations in renewable energy for livestock operations
Beyond Green: Building Risk-Resilient Poultry & Piggery Through Sustainable Innovation	Agriculture Businesses	Face-to-Face	Held during the 2025 Sustainability Awareness Month (SAM), the event brought together 103 attendees, including industry experts to share insights on sustainable production and energy-efficient solutions that strengthen the resilience and efficiency of poultry and swine farms
BanKo Financial Literacy (FinLit)	Retail	Face-to-Face	> Nationwide financial literacy roadshow delivering entrepreneurial training to public markets and communities, conducting workshops on budgeting, saving, and business finance > The program ran a total of 471 caravans and generated over 61,000 new account openings, advancing financial inclusion for self-employed micro-entrepreneurs
RealiTalk	Retail	Hybrid	Program featured a total of 45 sessions with over 18,000 attendees designed to support long-term financial security by providing expert insights, informed investment guidance, and proven strategies for building wealth

FINANCIAL CONSUMER PROTECTION

BPI is responsible for empowering customers to make informed financial decisions prior to availing of any product or service, upholding their rights in all transactions with the Bank, and ensuring clear and accessible avenues for expressing concerns about its products and services.

As such, before engaging in any new business activity or implementing changes in existing business activities, BPI conducts comprehensive assessment, review, and approval procedures thereby ensuring that risks to the clients and to the Bank are properly assessed and mitigated, as necessary. The approval of business activities (including product development) is governed by the following approving bodies within the Bank:

> Board-Level
  - Executive Committee
  - Risk Management Committee
> Management-Level
  - Product Approval Committee

Anchored on BPI's Financial Consumer Protection Policy, the Bank upholds strict compliance with responsible advertising and disclosure standards, including those prescribed by the BSP and the Advertising Standards Council. These incentives ensure that material information on product features, terms and conditions, and inherent risks are fully, clearly, and transparently disclosed to both existing and potential clients.

INITIATIVE	DESCRIPTION
Managing Financial Consumer Protection	> The policy provides a general framework on the financial consumer protection of the Bank emphasizing on the rights of consumers to equitable and fair treatment, disclosure and transparency of financial products and services, protection of consumer asset against fraud and misuse, data privacy and protection, and timely handling and redress of complaints > All employees are required to take a mandatory Financial Consumer Protection Program training course annually
Managing the BPI Financial Consumer Protection Assistance Mechanism (FCPAM)	> First level recourse mechanism for Financial Consumers who are dissatisfied with a financial product or service of the Bank or its third-party agent or representative > Institutionalized guidelines ensuring that feedback from existing and potential clients are handled appropriately > Touchpoints and channels via phone, e-mail, website, social media accounts, BEA Chatbot, branches, and offices whereby feedback, complaints, requests and inquiries are received > Customer feedback also include issues and concerns on Environmental and Social (E&S) risks related to the Bank's operations and services > Mechanism for elevating cases, as needed, including those referred to the Bank by the BSP, other regulators, and government agencies
Performance Measures	> Periodic performance assessment against defined service quality goals > Product, service, or process improvements to mitigate recurrences of each type of complaint and deepen customer engagement

Meanwhile, to help maintain our clients' financial health and prevent instances of over-indebtedness, thorough credit and financial review is always undertaken prior to providing any credit accommodation.

BPI has also established several initiatives in support of customers' financial protection and satisfaction, spearheaded by the Customer Experience Center (CXC).

CXC conducted 49 Fraud Awareness sessions covering approximately 3.2K participants, aimed at strengthening fraud prevention, promoting informed financial decision-making, and safeguarding consumer assets. These initiatives reinforce BPI's commitment to consumer protection through proactive education and risk awareness.

Customer Assistance Officers (CAOs) are assigned to each business unit to support the CXC. They are responsible for implementing, coordinating, and ensuring compliance with various consumer protection initiatives within their respective business units, branches, and/or areas. They undergo regular specialized trainings that equip them with technical and soft skills needed to address customer concerns in accordance with Bank policies.

Specialized training and recognition programs help reinforce exemplary customer service. Financial Consumer Protection (FCP) related bulletins and annual mandatory FCP training for all BPI employees, including non-client facing teams, are included in the FCP Program.

In handling complaints, the Head of the Customer Experience Center (CXC) serves as the ombudsman, overseeing the team's review of the complaint process to ensure thoroughness, fairness, and adherence to internal procedures. A consolidated report of complaints is submitted by CXC to senior management and the Executive Committee, ensuring the soundness and adherence to guidelines of all action steps taken to resolve customer complaints.

INDICATOR	2023	2024 [1]	2025 [2]
Number of transactions (in billions)	7.4	7.4	10.8
Number of complaints (in millions)	0.61	0.63	0.88
Complaints resolved	98.48%	98.83%	98.20%
% Increase in the No. of Transactions	40%	-0.4%	46%
% Increase in the No. of Complaints	36%	3%	40%
Unique Customer with complaints (in millions)	0.41	0.46	0.57

[1] BPI only
[2] Merged BPI and RBank

BPI's financial consumer protection initiatives help maintain the stability of key complaint indicators—percentage of complaints relative to the total number of transactions and the count of unique customers with complaints, even amid significantly higher transaction and complaint volumes. While the complaints resolved decreased slightly in 2025, performance remained strong with a resolution rate of 99.29%. This sustained performance highlights the resilience and effectiveness of the Bank's complaint management framework and underscores the strength of its consumer protection and governance practices in supporting sustainable growth.

In line with BSP Circular No. 1160, BPI ensures to observe good faith and reasonable conduct in its debt collection or recovery practices. Consequently, the Bank refrains from any activities that could be perceived as abusive, unscrupulous, or improper.

On a case-to-case basis as may be allowed by credit policy and regulations, the Bank also accommodates loan modification options (e.g., income-based repayment plans and loan restructuring) for existing retail borrowing clients, as may be applicable.

Please refer to pages 151 to 152 for more information.

SUPPLY CHAIN ENGAGEMENT

Potential business partners undergo vendor selection, accreditation, and audit to assure the quality of suppliers that bid for projects with the Bank. Due diligence is performed prior to engagement to manage any potential impact that may arise from the contract.

Service providers are screened for compliance with relevant government clearances, licenses, and permits covering financial, environmental, and social matters (e.g., business permit, and industry-specific licenses, as applicable). This also includes ensuring that all protocols and standards on conflict of interest, related party transactions, intellectual property, data privacy, and information security are enforced and complied with.

Prior to onboarding, service providers, suppliers, and vendors must attest on anticipating and mitigating their exposure to environmental hazards such as earthquakes, floodings/ typhoons, and volcanic eruptions. At the same time, they must attest to engage in environmental protection efforts, uphold human rights, and maintain non-discriminatory employment practices. Such attestations are required on top of statutory adherence to government rules and regulations, including regulations specifically required to their industry/sector.

Furthermore, as part of the vendor accreditation process, all vendors undergoing accreditation are subject to Negative Data Bank checking covering both the company and its key officers. This process includes screening against Anti Money Laundering (AML) watchlists to identify any potential involvement in financial crime, corruption, terrorism, sanctions violations, or other high-risk activities.

In addition, BPI requires vendors providing manpower-related services to submit the appropriate Department of Labor and Employment (DOLE) registration certificate prior to accreditation and contracting. DOLE registration—such as those issued under Rule 1020 or Department Order 174—is a legal requirement that affirms an establishment's compliance with labor standards and enables the monitoring of potential violations, including those related to child labor and forced labor.

In 2025, there were a total of 1,102 accredited suppliers of which 92% or 1,018 were local vendors and the remaining 8% or 84 were foreign vendors.

Please refer to pages 150 to 151 for more information.

Governance Matters

The BPI Board of Directors governs the Bank's overall business strategy and structure, as well as principles, policies, processes, and other mechanisms for the management of the Bank, promoting accountability and alignment across the entire organization.

In 2024, the Board reconstituted the Corporate Governance Committee as the Corporate Governance and Sustainability Committee to ensure that the BPI Board has an observable, formal sustainability and ESG mandate.

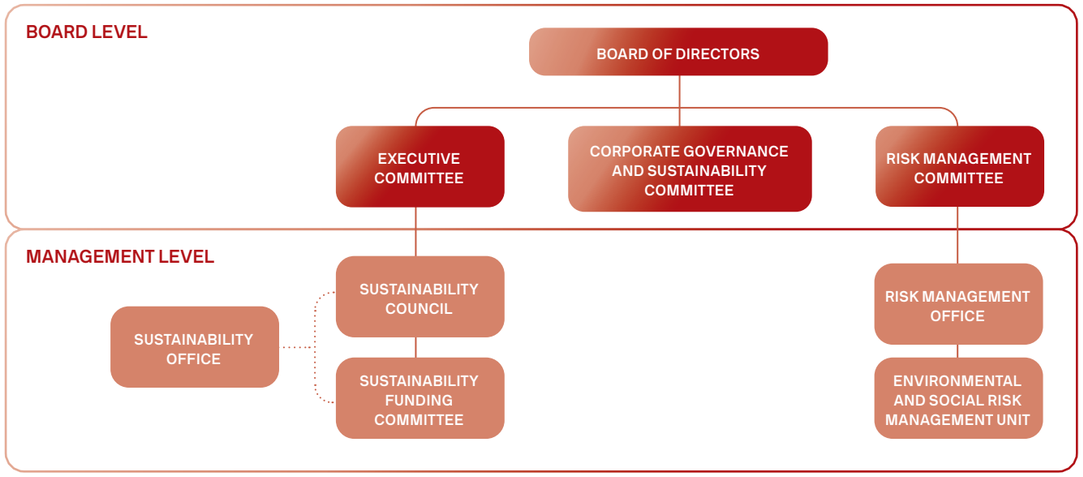
The Corporate Governance and Sustainability Committee provides focused oversight on: i) ensuring that sustainability and ESG matters are incorporated into purpose, governance, strategy, decision-making, risk management, and accountability reporting of the Bank; ii) ensuring that there is understanding and alignment of sustainability and ESG priorities throughout the organization; and iii) identification and monitoring of defined targets and metrics and looking at the Bank's sustainability reporting and disclosures.

Given the broad scope of sustainability and ESG responsibilities, oversight is shared across multiple Board committees. The Risk Management Committee oversees sustainability-related risks; the Audit Committee provides assurance against applicable standards and regulations; the Personnel and Compensation Committee integrates ESG priorities into compensation and incentive structures; and the Corporate Governance and Sustainability Committee focuses on governance-related matters.

SUSTAINABILITY GOVERNANCE

BPI's Sustainability Agenda is ultimately governed by the Board of Directors through the Executive Committee (ExCom), the Corporate Governance and Sustainability Committee (CGSCom), and the Risk Management Committee (RMCom). The ExCom and CGSCom oversees the overall integration of sustainability principles in the strategic direction of the Bank while the RMCom is responsible for ensuring that Environmental and Social (E&S) risk management is incorporated in the Bank's risk management systems.

Reporting to the ExCom, the senior management level Sustainability Council (SC) oversees the implementation of the Bank's Sustainability Agenda. Meanwhile, a senior management level Sustainable Funding Committee (SFC) was established to oversee the use and management of proceeds from the Bank's ESG-themed bond issuances.



In 2025, the Bank's CGSCom and SC discussed key Environmental, Social, and Governance (ESG) agenda items during its quarterly meetings, including:

- External sustainability-related industry and regulatory developments, including their impact to BPI's business
- BPI's sustainability-related policies, including the E&S Exclusion List, the Sustainable Funding Framework, and the Human Rights Policy
- BPI's sustainable finance initiatives, including the Bank's institutional target on the UN SDG Portfolio, as well as the performance of sustainability-related products and services such as the Sustainable Development Finance Program servicing large corporates and SMEs, and Green Solutions servicing retail clients
- BPI's financial inclusion initiatives, such as the Bank's services for underbanked and underserved sectors
- BPI's decarbonization initiatives,

such as the Bank's commitment to zero out its coal power generation portfolio and the Scope 1 and 2 Decarbonization Roadmap
- BPI's environmental and climate adaptation initiatives, such as the Environmental Risk Assessment of loan and insurance coverages
- BPI's sustainability innovations for the Bank's operations, such as branches and corporate offices' shift to 100% renewable energy and green building certifications
- BPI's compliance to both ESG regulations and alignment to ESG rating requirements

The Bank's CGSCom and SC also convened special meetings in 2025 for in-depth discussions covering the Bank's decarbonization efforts to mitigate scope 1, 2, and 3 greenhouse gas (GHG) emissions.

INTEGRATION OF ENVIRONMENTAL AND SOCIAL CONSIDERATIONS INTO ENTERPRISE RISK MANAGEMENT

BPI integrates environmental and social (E&S) considerations into its lending, investment activities, and day-to-day operations. E&S factors are embedded in qualitative and quantitative assessments to identify, evaluate, and address potential exposures to E&S risks.

The Bank's key activities and initiatives to manage E&S risk exposures include:

RISK MITIGATING MEASURES

RESPONSIBLE BANKING	RESPONSIBLE OPERATIONS
> Integration of environmental, social, and governance (ESG) criteria to provide sustainable financial products and services that are attuned to clients' needs while enabling their achievement of long-term growth and resilience > Time-bound reduction of the Bank's coal power generation portfolio, in support of the country's transition toward sustainable energy sources > Assessment of the Bank's portfolio alignment with Paris Agreement-aligned climate-transition pathways in support of future stress-testing activities > Consideration of sustainability-related standards in the credit evaluation processes such as checking for adherence to laws and regulations, the Bank's exclusion list, alignment to UN SDGs, ESG-related business practices, project technical and financial viability, and resilience to E&S risks > Consideration of ESG factors in the credit risk rating process by using ESG-related warning signs and adjustments to improve monitoring of credit risks > Preparation of situational reports on borrowers affected by E&S-related disasters and emergencies > Risk mitigation through insurance to secure the Bank's own assets and/or client collaterals which may be exposed to environmental risks > Provision of technical support, training programs, and project design enhancements to support clients' compliance with E&S best practices	> Issuance and/or updating of policies and related guidelines on E&S risk management, good governance, code of business conduct and ethics, waste management, and physical safety and security > Implementation of Business Continuity and Operational Resiliency Plans and Programs to ascertain that products and services continue to be offered at acceptable levels at all times, as well as ensure the security and safety of stakeholders > Geohazard/Environmental Risk Assessment on the Bank's various physical assets, client collaterals, and employee residences to determine areas susceptible to natural hazards such as earthquakes, flooding, typhoons, or volcanic eruptions. Results help the Bank determine the appropriate risk-mitigating measures such as engineering interventions or insurance coverage > Review and updating of risk categories, key risk indicators, and loss event reports to facilitate further integration of E&S risk identification and monitoring into operational risk management > Conduct of Risk and Control Self-Assessments to identify the various risks (including E&S risks) each business unit faces, along with the severity of those identified risks, and to capture and evaluate the key controls associated with the risks identified > Vendor evaluation in terms of compliance with regulatory requirements focused on ESG, as well as alignment with the Bank's sustainability objectives > Incorporation of climate and environmental risk scenarios in the Bank's stress testing exercises which support capital and recovery planning > Monitoring of the Bank's environmental impact (e.g., electricity and water consumption) including decarbonization targets for Scope 1 and 2 GHG emissions > Engagement activities to employees to promote social well-being such as Financial Literacy Programs, BPI Best Life Run, Lakbay BPI, BPI Well Cup. Refer to pages 100 to 105 for more information on Employee Benefits, Wellness Programs, and Initiatives

THREE LINES OF DEFENSE

BPI operates on the "Three Lines of Defense" model, as we manage risks through clearly delineated functions to ensure effective risk management governance and control processes across the Bank. This model defines the risk management responsibilities of each unit owning and managing the risk (1st line), overseeing the risk management function (2nd line), or providing independent assurance on the quality and effectiveness of risk management and internal controls (3rd line).

The Three Lines of Defense model is also applicable in the management of all sustainability-related initiatives of the Bank.

ENVIRONMENTAL RISK ASSESSMENT

Having long recognized the importance of assessing the exposure of clients to environmental hazards, especially in view of the Philippines' location in the Typhoon Belt and the Pacific Ring of Fire, BPI has introduced the use of DOST-PHIVOLCS' HazardHunterPH system for Environmental Risk Assessment (ERA) to the Philippine banking industry in 2019.

Through ERA, BPI was able to assess the risk exposures of client addresses and collaterals, as well as employee residences, bank branches, ATMs, and CAMs vis-a-vis environmental hazards:
- Climate Hazards (such as flooding, typhoons/severe winds, storm surge, and rain-induced landslides)
- Non-Climate Hazards (such as earthquakes, liquefaction, and volcanic eruptions)

ERA allows BPI to identify, detail, measure, and mitigate physical climate and non-climate risks incurred by the Bank in its lending activities & daily operations. ERA's integration into BPI's processes allows the Bank to assess its specific or aggregate environmental risk exposures by industry, by city/barangay, or by type of asset which helps prevent potential losses not just in terms of income, but more importantly in terms of human lives.

RISK TYPE	ERA-RELATED MITIGATING SOLUTIONS
Credit Risk	> Integration of risk data from mapping of clients' assets, collaterals, and locations of key business operations vis-à-vis natural hazards to the credit evaluation process of all corporate and commercial loans > Risk-mitigating measures required prior to the approval of potential borrowers with high-risk scores ▪ Project relocation ▪ Credit enhancements such as guarantees and security structures ▪ Engineering interventions aimed at damage prevention, resilience, and compliance, including project relocation and other considerations ▪ Insurance coverage
Operational Risk	> Awareness of employees on the risk exposures of their residences vis-à-vis natural hazards > Integration of risk data in the mapping of BPI's corporate offices and branches vis-à-vis natural hazard exposures of the Bank's processes for real estate acquisition and leasing > Application of risk-mitigating measures ▪ Relocation ▪ Engineering interventions aimed at damage prevention, resilience, and compliance ▪ Insurance coverage > Business Continuity Plans ensuring uninterrupted, resilient, and reliable operations amidst natural disasters ▪ Focus areas ◦ Employee health and safety ◦ Asset protection ◦ Timely restoration of building, equipment, and technology ▪ Additional preventive measures ◦ Regular evacuation drills ◦ Hazard protection guidelines ◦ Hazard awareness seminars

CLIMATE RISK MANAGEMENT

The Bank manages E&S risks, including those that are climate-related, in accordance with the Bank's Enterprise Risk Management framework. This framework covers the identification, measurement, monitoring, control, and reporting of risk exposures. As guided by BSP Circulars 1085 and 1128, the Bank classifies climate risks under E&S risks, which are defined as potential negative financial, legal, and/or reputational effects from E&S issues affecting our key business activities. The Bank is cognizant of the ability of climate and other E&S risks to influence and/or aggravate other functional key risk areas such as, among others, credit and operational risks.

Internal guidelines, processes, tools, and risk metrics supplementing the Bank's overarching ESRMS Policy are continuously being developed and enhanced to enable the Bank to improve its understanding of its climate risk profile, and eventually fully integrate climate risk management in the delivery of products and services, as well as in the resilience of our operations.

Refer to pages 173 to 174 for more information on Environmental and Social Risk Management.

INTEGRATION OF ENVIRONMENTAL AND SOCIAL CRITERIA INTO CREDIT EVALUATION

Aware of the societal and economic risks associated with environmental degradation and climate change, BPI has established controls in place to mitigate the impact of the Bank's financed portfolio to the environment and the society.

RESPONSIBLE LENDING POLICY

BPI institutionalized the integration of environmental and social criteria into the Bank's credit evaluation process through the Responsible Lending Policy.

In line with BSP Circulars 1085 and 1128, the Bank's Responsible Lending Policy provides a framework on how environmental and social (E&S) risk factors are considered in core lending activities, as guided by the following objectives:

- Setting of strategic objectives and targets for the Bank's credit operations covering short, medium, and long-term horizons to facilitate integration of E&S principles;
- Setting of criteria for financing sectors and borrowers with material E&S risks;
- Credit underwriting and loan pricing frameworks;
- Measurement of E&S risks at the individual and portfolio levels;
- Periodic reporting of E&S credit risk exposures to Senior Management and Board-Level Committees.

Comprehensive credit evaluations which consider E&S factors are conducted for loan proposals and credit accommodations to ensure that E&S risks are well understood, adequately addressed, or mitigated, including those arising from potential issues or violations from laws and regulations, related to:

- Environmental pollution
- Loss of biodiversity
- Hazard to human health
- Workplace safety and security concerns
- Involuntary resettlement
- Harm to indigenous communities and cultural heritage

Furthermore, disclosed ESG and sustainability initiatives of BPI's corporate clients are also monitored and considered as part of credit evaluation process.

Material E&S issues that emerge during E&S assessments require the performance of necessary actions and risk mitigations, which may include securing additional credit enhancements such as insurance or collateral top-ups, enhancing due diligence including business or financial justifications subject to the required approvals by the Bank's credit authorities, and/or submitting supplemental documentation in accordance with BPI's policies and regulatory guidelines.

BPI has also established processes for ongoing E&S assessments and reviews. This includes annual reviews of credit facilities by Business Units or more frequent assessments when significant developments affect a borrower's operations or collateral properties. These reviews also provide an opportunity for BPI to communicate potential risks to borrowers and raise awareness in alignment with the Bank's sustainability strategies.

The Bank also has credit administration, risk measurement, and reporting mechanisms in place, ensuring transparency to Senior Management and the Board, regulatory bodies and other stakeholders, where applicable. This includes addressing emerging and complex E&S issues and developing plans to manage any identified concerns.

ENVIRONMENTAL AND SOCIAL SCREENING FOR PHILIPPINE PROTECTED AREAS

Recognizing the importance of environmental protection and cultural preservation, BPI established its standards on E&S Screening for Philippine Protected Areas. These standards reinforce the Bank's responsibility in being prudent when engaging in business activities which might pose negative impacts on places of cultural, historical, or other form of significance that are legally protected by national laws (such as the National Integrated Protected Areas System Act of 1992 and the Expanded NIPAS Act of 2018) or international treaties (such as Ramsar Wetlands / Sites and UNESCO World Heritage Sites).

ENVIRONMENTAL AND SOCIAL DUE DILIGENCE FOR INVESTMENTS

BPI has updated its investment framework to incorporate E&S due diligence requirements for the Bank's investment securities portfolios, where E&S risks associated with the investment and the issuer/borrower are assessed in consideration of the Bank's credit appetite.

Included in the Bank's E&S due diligence are considerations in the following areas:

- Compliance: Ensuring adherence to baseline environmental and social (E&S) regulations
- Screening: Checking against the Bank's sustainability exclusion criteria and commitments
- Verification: Conducting research and engaging with clients to detect and avoid greenwashing
- Additional Screening (if applicable):
  - Checking against Philippine Protected Areas and Sites
  - Conducting environmental risk assessments

EXCLUSION LIST

As part of the Bank's strengthened commitment to sustainability, BPI established an exclusion list in 2023 to guide its financing activities. In 2024, BPI further enhanced its exclusion list in consideration of feedback from the Bank's continuous stakeholder engagement.

BPI's exclusion list reflects principles and standards espoused by the International Finance Corporation of the World Bank Group.

To ensure adherence to Philippine regulations, BPI further enhanced its exclusion list by specifying the national and industry-specific laws affecting the negatively tagged sectors.

As a Board-approved standard, BPI's exclusion list is strictly implemented and monitored as part of the Bank's credit evaluation process.

- Involvement or having direct relation with the production or trade in any product or activity deemed illegal or unlawful under host country laws or regulations or international conventions and agreements
- Any business activity and/or sector prohibited under the Bank's MTPP policy
- Production or trade in arms and ammunitions, as blacklisted in the Bank's MTPP
- Production or trade of nuclear materials, processes, and devices deemed illegal
- Gambling, casinos, and equivalent enterprises as provided under the Bank's MTPP policy and any amendments or revisions thereto approved by the Bank's Board of Directors
- Any business related to pornography and/or prostitution
- Production or activities involving child labor, as deemed illegal under the Special Protection of Children Against Abuse, Exploitation, and Discrimination Act (RA 7610, as amended by RA 9231)
- Production or activities involving harmful or exploitative forms of forced labor (including human trafficking), as covered by the Labor Code of the Philippines and the Anti-Trafficking in Persons Act of 2003 (RA 9208, as amended by RA 10364)
- Production or trade in radioactive materials, excluding those with a duly authorized Radioactive Materials License and/or License to Operate, as applicable, from the Philippine Nuclear Research Institute (PNRI)
- Production or trade in or use of unbonded asbestos fibers, as deemed illegal under the Chemical Control Order for Asbestos (DENR Administrative Order No. 2000-02)
- Production or trade in illegal pharmaceuticals subject to international phase outs or bans
- Production or trade in illegal pesticides / herbicides subject to international phase outs or bans
- Production or trade in ozone depleting substances subject to international phase out, and as deemed illegal under the Revised Regulations on the Chemical Control Order for Ozone Depleting Substances (ODS) (DENR Administrative Order No. 2013-25)
- Production or trade in products containing Polychlorinated Biphenyls (PCBs), as deemed illegal under the Chemical Control Order for Polychlorinated Biphenyls (DENR Administrative Order No. 2004-01)
- Trade in wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), as deemed illegal under the Wildlife Resources Conservation and Protection Act (RA 9147)
- Drift net fishing in the marine environment deemed illegal under the Philippine Fisheries Code of 1998 (RA 8550, as amended by RA 10654), as augmented by Fisheries Administrative Order No. 155 and the Fisheries Administrative Order Series of 2022
- Purchase of logging equipment for use in protected areas[1]
- Commercial logging operations in protected areas[1]
- Production or trade in wood or other forestry products from protected areas[1]
- Greenfield coal power generation[2]
- Diesel-fired power generation plants for applications where diesel is the primary source of energy, except projects aimed at missionary electrification[3]
- Mining, processing, and refining of oil sands or tar sands
- Mining, processing, and refining of Arctic oil
- Mining, processing, and refining of fracked shale oil

[1] This refers to protected areas, as cited under the Expanded National Integrated Protected Areas System (E-NIPAS)
[2] Part of BPI's existing Coal Phase Out Policy
[3] Missionary Electrification refers to the provision of basic electricity service in unviable areas with the ultimate aim of bringing the operations of these areas to viability levels, as stated in RA 10531

FREE PRIOR AND INFORMED CONSENT

BPI ensures that its lending portfolio adheres to relevant and applicable laws and regulations, including the Revised Guidelines on Free and Prior Informed Consent (FPIC) and Related Processes of 2012 from the National Commission on Indigenous Peoples (NCIP)[1].

As such, the Bank ensures that Indigenous Cultural Communities and Indigenous Peoples are able to exercise their right to FPIC, whenever applicable.

[1] NCIP Administrative Order No. 3

COMPLIANCE

For BPI, compliance does not only refer to adherence to laws, regulations, and standards, but also aims to ensure integrity in our conduct of business. The Bank values and protects the trust we have been given by our stakeholders such as investors, clients, employees, regulators, partners, and communities. The Compliance section communicates the Bank's policies, processes, and standards on governance areas such as but not limited to:

- Business ethics – refer to pages 145 to 146
- Conflict of interest, anti-bribery, and anti-corruption – refer to pages 147 to 148
- Anti-money laundering – refer to page 163
- Insider trading – refer to page 148
- Related party transactions – refer to pages 149 to 150
- Whistleblowing – refer to page 148
- Anti-competition laws – refer to page 150

The BPI Sustainability Agenda and ESRMS Policy comply with Bangko Sentral ng Pilipinas (BSP) Circular 1085 Sustainable Finance Framework and Circular 1128 Environmental and Social Risk Management Framework.

DATA PRIVACY

In compliance with the Data Privacy Act of 2012 (DPA) and the various circulars of the National Privacy Commission (NPC), BPI established the Data Privacy Office to manage the fulfillment of data privacy requirements throughout the organization.

The Data Privacy Office is led by the Data Protection Officer (DPO), who also concurrently serves as the Enterprise Information Security Officer:

- With extensive qualifications and experience in data privacy and information security;
- Performs all the responsibilities and tasks of a Chief Information Security Officer;
- Certified Data Protection Officer (TUV) and DPO ACE (NPC)

The Data Protection Officer and Enterprise Information Security Officer regularly reports to the Board's Audit and Risk Management Committees. All security incidents, particularly those that impact information assets and personal data, are reported to these Board-level committees.

The Bank's Data Protection Officer is tasked to lead the Bank in complying with applicable laws and regulations for personal data protection. The Data Protection Officer develops, maintains, and promotes the effective implementation of the Bank's Data Privacy Management Program.

The Privacy Framework and Management Program details the Bank's strategy for upholding stakeholders' rights to data privacy. It specifies the duties and responsibilities of business units as well as the guidelines for implementing the Framework and assessing internal processes in ensuring the protection of clients' personal information.

The Framework makes reference to BPI's Data Privacy Policy and Information Security Policy which govern BPI's business lines and operations. Both policies are reviewed annually to ensure its relevance vis-à-vis the threat landscape, best practices, emerging technologies as well as its alignment to relevant regulatory requirements. Furthermore, the Bank's Data Privacy and Information Security programs are audited by internal audit, external audit, and regulators every two years.

Periodic maturity level assessments are also conducted by third party consultants, in accordance with best practices. Under the Framework, BPI grants access, rectification, and deletion rights to all clients.

The BPI Data Privacy Policy is posted on the BPI website (www. bpi.com.ph/privacy).

BPI follows the Privacy-by-Design principle in developing and implementing products and services, as well as the systems and processes that support these services. Data privacy regulatory, compliance, and legal requirements are embedded in the Bank's systems, products, and processes. All new products, services, and processes trigger the Privacy Impact Assessment, a due diligence tool containing a privacy risk assessment.

BPI maintains playbooks for handling incidents, serving as both proactive and reactive measures in mitigating the risk of data breaches. The Bank's playbooks are validated through an annual table-top exercise for data breach prevention and response. Furthermore, the Bank has an in-depth documentation on the handling of data breaches in the form of policies, standards, and guidelines.

Data Privacy and Information Security Awareness are mandatory courses for all BPI employees and employees of critical service providers, and are supplemented by sustained awareness campaigns. The DPO facilitates seminars for employees featuring industry experts who share best practices on cyber security and data privacy.

DATA PRIVACY INITIATIVES

INITIATIVE NAME	DESCRIPTION
Privacy Awareness Week (PAW)	BPI, together with participating subsidiaries and affiliates, celebrate the Privacy Awareness Week annually in May
Privacy Risk Management System	Automated and streamlined conduct of Privacy Impact Assessments and improved monitoring of privacy-related risks across the Bank
"Data Privacy in BPI" training for OTPs, Branches, and other Business Units	> Integration of data privacy training on the onboarding of incoming officers and staff > Refresher training for branches and other business units > Release of regular internal bulletins

cont.

DATA PRIVACY INITIATIVES

INITIATIVE NAME	DESCRIPTION
Data Privacy Awareness for Third-Party Service Providers	Data privacy training for third-party service providers (TPSPs)
Data Privacy Awareness for External Stakeholders	Data privacy awareness efforts for the public and external stakeholders through social media campaigns, seminars, and conferences
Data Privacy Forum for Data Privacy Officers	Avenue where the Data Privacy Office shares relevant news, announcements, and updates to stakeholders
Simulated Social Engineering for Employees and Third Parties	Social engineering attack simulations performed on BPI employees and employees of critical third-party service providers to determine their level of awareness and resilience against different forms of social engineering attacks

POLITICAL INVOLVEMENT

As stated in the BPI Code of Business Conduct and Ethics, the Bank is nonpartisan and does not contribute or solicit political contributions, funds, assets, or resources to any political candidate, party, or similar organization.

Employees are allowed to engage in public service following internal procedures, subject to the alignment with the Bank's standards for Conflict of Interest.

TAX STRATEGY

BPI upholds full and timely compliance to tax laws and regulations in all jurisdictions wherein it operates, in support of the government's pursuit of further economic growth and development.

The Bank maintains transparent and clear tax disclosures, as required by relevant regulatory bodies. Furthermore, the Bank has dedicated Tax Compliance, Tax Advisory, and Tax Risk Management units, providing in-depth and comprehensive guidance and advisory on tax and tax-related matters.

For the Bank's full disclosures on taxes paid for 2025, please refer to pages 194 to 197, 200, 206 to 208, 221 to 222, 228, 232, and 237 to 238.

For further disclosures on tax risk management, please refer to pages 171 to 172.

DISCLOSURE AND TRANSPARENCY

With BPI's aim to further strengthen relationships with external stakeholders, the Bank ensures to always maximize opportunities and channels for healthy dialogue and communication with clients, investors, employees, suppliers and contractors, industry associations, government and regulatory agencies, as well as communities and civil society organizations.

As such, in the preparation of BPI's disclosures in the Integrated Report, the Bank particularly ensures adherence to regulatory requirements as well as international standards and principles. Furthermore, the Bank's corporate disclosures are crafted to promote investor protection, market efficiency, and corporate governance, as well as to demonstrate concern for corporate constituencies and the broader public.

BPI also continuously enhances disclosure and transparency levels to cater to the evolving needs of stakeholders.

PUBLIC DISCLOSURE	FREQUENCY	FREQUENCY
Integrated Report	Annual	> Contains BPI's financial and non-financial performance as well as management discussions for the reporting year > Aligned with global and local financial and sustainability reporting frameworks and standards > Includes audit statements for financial disclosures and external assurance statements for sustainability and non-financial disclosures > Available for download from the BPI website
Audited Financial Statements	Annual	> In compliance with BSP, BIR, SEC, PSE, PDEx, and SGX requirements > Includes detailed management discussions and analyses presented to the Audit Committee and the Board before disclosure > Filed within the mandated 105 calendar days from the end of the reporting period > Available to investors and analysts through the BPI website and the websites of the various exchanges where BPI's capital market issuances are traded
Quarterly Financial Statements	Quarterly	> In compliance with BSP, BIR, SEC, PSE, PDEx, and SGX requirements > Includes detailed management discussions and analyses presented to the Audit Committee and the Board before disclosure > Filed within the mandated 45 calendar days from the end of the reporting period > Available to investors and analysts through the BPI website and the websites of the various exchanges where BPI capital market issuances are traded
Institutional Website	As Needed	> A comprehensive, cost-efficient, and timely platform for communicating corporate information, initiatives, products and services, as well as relevant disclosures and reports, ensuring easy access for all stakeholders

The Bank recognizes its continuous disclosure obligations under PSE Listing Rules and the Securities Regulation Code (SRC). As a Publicly-Listed Company (PLC), the Bank's corporate actions are disclosed to SEC, PSE, PDEx, and SGX. In adherence to Recommendation 8.1 of the SEC Corporate Governance Code for PLCs, the Policy of Disclosure and Transparency is disclosed in its Manual on Corporate Governance, published in the BPI website.

KEY DISCLOSURE PRINCIPLES

BPI is committed to provide clear, timely, accurate, and balanced disclosures of all material information about the Bank and to provide fair and equal access to such information. BPI, however, treats all information pertaining to the Bank, business transactions and operations, and products and services as strategic in nature. Therefore, the Bank, in the provision of its disclosures, safeguards its proprietary information and competitive position.

The Board requires management to have processes in place to support its policy on full, comprehensive, understandable, and timely disclosures of financial and nonfinancial results, significant developments, and other material information to both its internal and external stakeholders, such as clients, investors, regulators, employees, suppliers, rating agencies, analysts, and securities exchanges.

Required disclosures of market sensitive information are coursed through the proper regulatory channel and released to the public through various cost-efficient and appropriate modes of communication.

Disclosures should be consistent over time, unbiased, and comparable across the industry.

BPI is guided by internal governance, risk, and compliance standards which serve to ensure that information disclosures comply with the Bank's established rules and procedures to identify, assess, mitigate, monitor, and report any possible risks or damages to the Bank, its counterparties, or partners.

BPI considers violation of policies and standards related to the confidentiality of any information affecting clients' or counterparties' interests as serious matters subject to the immediate attention of designated authorities to evaluate the case. The Bank respects the rights of its clients and counterparties as related to the protection of confidential information.

UN GLOBAL COMPACT NETWORK PHILIPPINES (GCNP)

In 2024, BPI became the only bank participant of the UN Global Compact Network Philippines (GCNP), furthering the Bank's commitment to uphold the principles of human rights, labor, environment, and anti-corruption.

BPI continues to be an active member of GCNP, supporting the network's activities in enjoining other institutions to also further their respective commitments to GCNP principles.

ALLIANCE FOR GREEN COMMERCIAL BANKS

In 2025, BPI became a pioneering member institution of the Alliance for Green Commercial Banks (the Alliance), a curated, by-invitation membership platform exclusive to leading banks committed to excellence in green commercial banking and dedicated to advancing green financing for the climate agenda.

Managed by the International Finance Corporation (IFC), the Alliance is designed to accelerate green commercial banking in emerging markets through peer-to-peer knowledge exchange, thought leadership, community building, and facilitation of other enablers within the Alliance ecosystem.

BPI continues to be an active member of the Alliance, supporting the alliance's agenda in further accelerating green transformation in collaboration with more leading banks across various markets.

SUSTAINABLE DEVELOPMENT GOALS

1 NO POVERTY

PHP 17 billion
Microfinance Portfolio

Over 3.6 million
Beneficiaries of BPI Foundation

2 ZERO HUNGER

PHP 221 billion
Portfolio in support of Zero Hunger

3 GOOD HEALTH AND WELL-BEING

PHP 28 billion
Portfolio in support of Good Health and Well-Being

4 QUALITY EDUCATION

PHP 4 billion
Portfolio in support of Quality Education

5 GENDER EQUALITY

65% Women Employees
In BPI's workforce

6 CLEAN WATER AND SANITATION

PHP 35 billion
Portfolio in support of Clean Water and Sanitation

7 AFFORDABLE AND CLEAN ENERGY

PHP 144 billion
Portfolio in support of Affordable and Clean Energy

100% Renewable Energy
Electricity use of 4 Corporate Offices and 70 Bank branches

8 DECENT WORK AND ECONOMIC GROWTH

PHP 138 billion
Portfolio in support of Decent Work and Economic Growth

Over 1.4 million Self-Employed Micro-Entrepreneurs
Served by BPI BanKo

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

PHP 347 billion
Portfolio in support of Industry, Innovation, and Infrastructure

10 REDUCED INEQUALITIES

100% of the Work Environment
Practicing Non-Discrimination and Equal Opportunity

11 SUSTAINABLE CITIES AND COMMUNITIES

PHP 77 billion
Portfolio in support of Sustainable Cities and Communities

46 Branches
IFC EDGE-Certified Green

e-Shuttle Free transport for BPI employees

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Over 22,000 kg
Recycled Non-Hazardous Waste

13 CLIMATE ACTION

PHP 12 billion
Portfolio in support of Climate Action

100% Branches
Using LED Lights

14 LIFE BELOW WATER

PHP 4.7 billion
Portfolio in support of Fisheries and Aquaculture

15 LIFE ON LAND

100% of Business Lending Segments
Including Biodiversity Considerations in Credit Evaluation

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

100% of the BPI Group
Covered by the Anti-Money Laundering Program

17 PARTNERSHIPS FOR THE GOALS

Over 50 Memberships
Memberships in Reputable Industry Associations

In 2025, BPI focused on 3 fundamental stewardship elements: active management and foresight, modelling a culture of integrity, and broad stakeholder consideration.

CORPORATE GOVERNANCE

The BPI Board of Directors exercises oversight for BPI's corporate governance framework and sustainability agenda, in compliance with established laws, regulations of the BSP and SEC, internal company policies, ethical standards, and best practices such as those espoused by the ASEAN Corporate Governance Scorecard (ACGS).

The primacy of corporate governance has always been a hallmark of the BPI's prudent and sound banking practices, excellence, and leadership. To this end, both Board and Management promote a culture of integrity, bound by BPI's NICE values, and key ethical standards that define the Bank's decision making, conduct and behavior, and remain to be the cornerstone of BPI's strength, sustainability, and long-term existence.

Cognizant that good governance does not take a "one size fits all" approach, BPI's corporate governance practices comply with material aspects of the regulatory requirements under the BSP Manual of Regulations for Banks (MORB), SEC Code of Corporate Governance for Publicly Listed Companies, and Philippine Stock Exchange (PSE) Listing Guidelines.

In 2025, both the Board and Senior Management satisfactorily addressed the results of regulatory examinations and internal reviews and continue to take appropriate actions in response to compliance issues or regulatory changes. BPI likewise timely filed its SEC Integrated Annual Corporate Governance Report and met its continuous disclosure requirements on the company website.

In 2025, BPI focused on three fundamental elements of stewardship principles: 1) Active Engagement & Foresight: Moving from passive oversight to active involvement, anticipating risks, and driving innovation - where BPI achieved a significant industry milestone with the holding of the first BPI Future of Compliance Conference. With the theme "Breaking New Ground in the Compliance Frontier," the conference convened regulators, industry leaders, and practitioners, in exploring timely and significant developments in the compliance landscape; 2) Culture of Integrity: Modelling ethical behavior and fostering a culture that aligns with the organization's values – where the Board strengthened provisions in its Policy for Directors and Officers Interlocking Positions and Anti-Bribery and Corruption Policy, and; 3) Broad Stakeholder Consideration: Recognizing responsibilities to employees, customers, suppliers, communities, and the environment (ESG) - where BPI's Human Resources, Sustainability Office and other bank units launched numerous projects and initiatives that affirm the Bank's commitment in the long haul to the various stakeholders it serves.

Our corporate governance policies and practices comply with the BSP MORB. We also comply, in most material aspects, with the Code of Corporate Governance for Publicly Listed Companies issued by the SEC. These policies and practices are embodied in our Manual on Corporate Governance (MCG) and disclosed in the Integrated Annual Corporate Governance Report, both of which are available on our website at www.bpi.com.ph.

We have described our corporate governance practices for our financial year ended Dec. 31, 2025, with specific reference to the above-mentioned MORB and SEC CG Code.

LEADERSHIP

Board of Directors. The Board ensures that BPI maintains an effective, high-level risk management, and oversight process across all companies in the group, with due consideration for the group's business and reputation, the materiality of financial and other risks inherent in the business, and the relative costs and benefits of implementing specific controls.



The Board also decides on all other important matters that pertain to the entire group, in view of the strategic, financial, regulatory, and reputational implications.

Chairman. The Board is headed by a competent and qualified Chairman.[1]

Vice-Chairman. The Board also has a Vice-Chairman who, in the absence of the Chairman of the Board, assumes and performs all the powers and duties of the Chairman.

See Appendix for full biographies of the Chairman, Vice-Chairman, and Board of Directors.

Role and Independence of the Chairman. The Chairman and Vice-Chairman are both Non-Executive Directors. The Board does not encourage CEO duality. The Chairman, who has not served as CEO of the Bank within the past three years, is separately appointed from the President and CEO. The Chairman and the President and CEO positions are currently held by two individuals who are not related to each other and have defined roles and responsibilities that are separate and distinct, as set in our Amended By-Laws and MCG.[2]

Under the leadership of the Chairman, the Board creates the framework within which the Bank's executive team, headed by the President and CEO, steers the business. As stated in the Bank's MCG, the Chairman: (1) provides leadership and governance to create an environment for the overall Board's and individual Director's effectiveness, and ensures that all key and appropriate issues are discussed by the Board in a timely manner, (2) ensures that the Board is able to actively participate in the development and determination of the Bank's strategies and policies, and that Board decisions are made in the Bank's best interests and fairly reflect Board's consensus, (3) forges a positive and constructive working relationship between the Board and management, and (4) establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity, and corporate governance throughout the Bank and particularly at Board level.

Chief Executive Officer. The CEO reports directly to, and is accountable to, the Board for the performance of the Bank. As defined in the MCG, the CEO (1) leads the development and execution of short-and long-term strategies, (2) communicates on behalf of the Bank with shareholders, regulators, and the public, (3) evaluates the work of other executive leaders within the Bank, (4) implements the Bank's vision and mission, and (5) ensures that management's reports to the Board provide relevant, accurate, timely and clear information necessary for the Board to fulfill its duties.[3]

There is a very positive and constructive working relationship between our Chairman, Jaime Augusto Zobel de Ayala, and our CEO, Jose Teodoro K. Limcaoco, who was appointed as CEO in Apr. 2021. The Board is confident that this will continue after the conclusion of the ASM in April 2026.

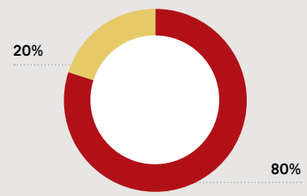
Lead Independent Director. At the Organizational Meeting of the Board, following the 2025 ASM, Rizalina G. Mantaring was appointed as Lead Independent Director.[4]

Board Charter. The Board Charter, which is incorporated in our MCG, was reviewed on Aug. 26, 2025. There were no changes to the Board Charter in 2025.[5] The Board Charter is also disclosed on the company website at www.bpi.com.ph.

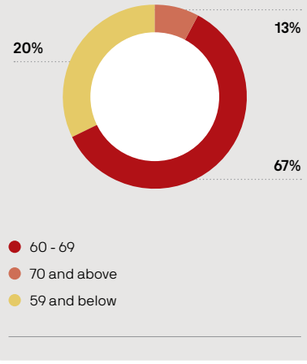
In the Board strategy session last Dec. 16, 2025, the Board and the Senior Management committee reviewed and approved the Bank's mission and vision and strategic plans for the coming years.[6]

[1] Recommendation 5.4, SEC CG Code for PLCs
[2] Recommendation 5.4, SEC CG Code for PLCs
[3] Recommendation 5.4, SEC CG Code for PLCs
[4] Recommendation 5.5, SEC CG Code for PLCs
[5] Recommendation 5., SEC CG Code for PLCs
[6] Recommendation 2.1, 2.2, 2.12, 8.7 SEC CG Code for PLCs

GENDER DIVERSITY



AGE DIVERSITY



COMPOSITION AND QUALIFICATION

Board Composition. In compliance with BSP regulations, BPI maintains a 15-member board. The size of the Board is deemed appropriate given the complexity of operations of the Bank and the entire BPI group, our risk appetite, the geographical spread of our business, and the significant time demands placed on the Directors. No director or small group of directors can dominate the decision-making process. The only Executive Director is the Bank's President and CEO.[7]

Board membership was reinvigorated during the Bank's ASM on Apr. 21, 2025, with 14 of the newly refreshed 15-member board comprised of Non-Executive Directors, safeguarding independent oversight of management. There are no alternate Directors on our Board.

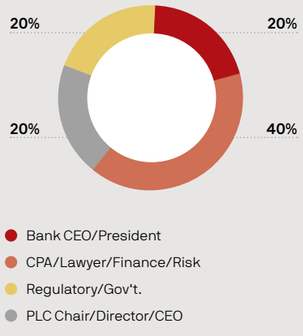
At the Annual Stockholders' Meeting on Apr. 21, 2025, Mr. Restituto C. Cruz and Ms. Mariana Beatriz E. Zobel de Ayala were elected as new members of the Board.

Moreover, the following board membership changes occurred:

> During the Organizational Meeting of the Board immediately after the ASM, Ms. Rizalina G. Mantaring was appointed as Lead Independent Director, and member of the Executive Committee. Mr. Restituto C. Cruz was appointed as an additional member of Audit Committee, joining Mr. Cesar V. Purisima and Mr. Mario Antonio V. Paner. Mr. Cruz was likewise appointed as a member of the Related Party Transactions Committee. Moreover, Mr. Jaime Z. Urquijo was appointed as a member of the Risk Management Committee, vice Mr. Cezar P. Consing. Mr. Mario Antonio V. Paner, Independent Director and Mariana Beatriz E. Zobel de Ayala, were appointed as members of the Personnel and Compensation Committee. Mr. Emmanuel S. de Dios, Independent Director, was appointed as Chairperson of the Nomination Committee. Mr. Mario Antonio V. Paner, Independent Director, was appointed as Chairperson of the Retirement/ Pension Committee.

Director Qualifications. As a financial institution imbued with public interest and a publicly listed company, qualifications for membership in the Board are dictated by our Amended By-Laws, MCG, the Revised Corporation Code, and relevant regulations of the BSP, PSE and the SEC. Directors comply with all fit and proper qualifications and requirements of the BSP, SEC, and PSE and must remain qualified throughout the one-year term. Comprehensive profiles of the Directors are disclosed in the Bank's annual reports and on the company website. See Appendix for full biographies of the Directors.[8]

SKILLS AND EXPERTISE



POLICY ON BOARD DIVERSITY

The Bank's Board Diversity Policy, adopted in 2015, underscores diversity at the Board level as an essential element of sound corporate governance, risk management, sustainable and balanced development, and effective business strategy.

Our leadership model ensures an appropriate balance of power, accountability, and independence in decision-making. Diversity—in terms of gender, age, cultural background, education, professional experience, engagement in sustainability and ESG initiatives, skills, knowledge, length of service, and other regulatory requirements—is duly considered in the design and selection of the Board's composition.[9]

[7] SEC Memo. Cir. No. 11, s2014, Recommendation 8.3 SEC CG Code for PLCs

01	02	03	04	05
Board Oversight & Responsibilities	Committee Authorities & Responsibilities	Organizational Design & Reporting Structure	Management Accountability & Authority	Performance management & Incentives
The Board carries out oversight responsibility across the organization in areas such as business risk strategy, organization, financial soundness, and regulatory compliance.	Board committees are guided by their charters which are formal documents that define the purpose, scope, responsibilities, and operating procedures of the specific committee. This ensures that committee performance is also evaluated and that committees operate effectively and align with the Board's objectives.	The Bank's clear, comprehensive organizational structure and chain of command defines reporting lines, authority and accountability for decision-making, risk management, financial and regulatory reporting, public disclosures, crisis preparedness and response, to protect customer and stakeholder interest.	Authority and accountability is instituted across all levels of management to ensure responsible and ethical conduct and behavior that is aligned with a sound corporate governance and risk management framework, fosters transparency, and promotes the Bank's core values in every transaction and provision of financial products and services.	Goals, performance measures, compensation and incentives reflect the Bank's overall commitment to high ethical standards, excellence in corporate governance, as well as global principles of asset preservation and prudent risk-taking for reward.

APPOINTMENT AND YEARS OF SERVICE OF BOARD OF DIRECTORS

as of Dec. 31, 2025

DIRECTOR'S NAME	TYPE OF DIRECTOR[1]	DATE FIRST ELECTED[2]	DATE LAST ELECTED	MANNER OF ELECTION	NO. OF YEARS AS DIRECTOR OF BPI[4]
Jaime Augusto Zobel de Ayala	NED	03/13/1990	04/21/2025	Annual Meeting	35.9
Fernando Zobel de Ayala	NED	10/19/1994	09/12/2022	Annual Meeting	27.11
		09/20/2023	04/21/2025		2.2
Janet Guat Har Ang	ID	05/19/2021	04/21/2025	Annual Meeting	4.7
René dG. Bañez	NED	08/18/2021	04/21/2025	Annual Meeting	4.4
Restituto C. Cruz	ID	04/21/2025	04/21/2025	Annual Meeting	0.8
Karl Kendrick T. Chua	NED	04/27/2023	04/21/2025	Annual Meeting	2.8
Wilfred T. Co	NED	04/23/2024	04/21/2025	Annual Meeting	1.8
Cezar P. Consing	NED	02/01/1995	Jan-00	Annual Meeting	4.11
	ID	08/18/2004	12/31/2006		2.4
		01/01/2007	04/17/2013		6.3
	ED	04/19/2013	04/21/2021		8
	NED	04/22/2021	04/21/2025		4.8
Emmanuel S. De Dios	ID	04/28/2022	04/21/2025	Annual Meeting	3.8
Rizalina G. Mantaring	ID	04/27/2023	04/21/2025	Annual Meeting	2.8
Jose Teodoro K. Limcaoco	NED	02/20/2019	04/21/2021	Annual Meeting	2.2
	ED	04/22/2021	04/21/2025	Annual Meeting	4.8
Aurelio R. Montinola III[3]	ED	01/14/2004	04/17/2013	Annual Meeting	9.3
	NED	04/18/2013	04/23/2024		11
Cesar V. Purisima	ID	01/20/2021	04/21/2025	Annual Meeting	4.11
Mario Antonio V. Paner	ID	04/23/2024	04/21/2025	Annual Meeting	1.8
Jaime Z. Urquijo	NED	09/21/2022	04/21/2025	Annual Meeting	3.3
Maria Dolores B. Yuvienco[3]	NED	04/10/2014	04/13/2016	Annual Meeting	2
	ID	04/14/2016	04/23/2024		8
Mariana Beatriz E. Zobel de Ayala	NED	04/21/2025	04/21/2025	Annual Meeting	0.8

[1]Type: Executive (ED), Non-Executive (NED), Independent (ID)
[2]Based on Type of Director
[3]Director until Apr. 21, 2025
[4]No. of years computed as of Dec. 2025

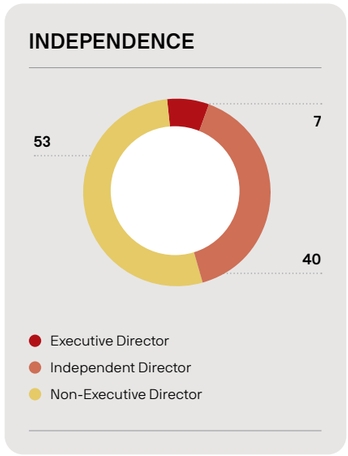
Measurable Diversity Objectives or Targets. Best practice under the SEC Code of Corporate Governance for Publicly-Listed Companies recommends the establishment of measurable objectives or targets for achieving board diversity. In this respect, the following are the Board's updated diversity goals, approved in 2025 and considered as rolling targets over a five-year period, that, together with the Board Skills and Expertise Matrix, are reviewed annually and updated as needed:

1. At least two Female Directors on the Board.
2. At least five Independent Directors on the Board
3. At least one director with Fintech knowledge, experience with payments ecosystem, including transaction processes, payment gateways, security protocols, familiarity with e-wallets, or similar customer-facing mobile app products.

Progress towards the diversity goals are also made through one or more of the following activities:

- Increasing the number of female candidates to be considered for the shortlist of nominees for the election of the board of directors at the annual stockholders' meeting.
- Conduct of a regular review of list of retired bank employees for consideration of directorship positions within parent, subsidiaries and affiliates.
- Close coordination within Ayala Group of Companies for information on and shortlisting of independent candidates.
- Liaison and relationship development with regulators for information on possible candidates for directorship. Use of professional search firms/ industry databases and associations to shortlist candidates.

Our full Board Diversity Policy may be read on our website at www.bpi.com.ph.



Security Ownership of Directors and Officers. Beneficial ownership and control structures of the Bank are disclosed in the table below. None of the members of the Bank's Board of Directors and management owns 2.0% or more of the outstanding capital stock of the Bank.[8]

As of Dec. 31, 2025, the following are known to BPI to be directly the record and/or beneficial owners of BPI voting securities:

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	DEC 2024		DEC 2025		NATURE OF OWNERSHIP (D) DIRECT (I) INDIRECT	CITIZENSHIP
			NO. OF SHARES	PERCENT OF HOLDINGS	NO. OF SHARES	PERCENT OF HOLDINGS		
Common	Jaime Augusto Zobel de Ayala	Chairman, NED	10,402	0.00%	10,402	0.00%	D/I	Filipino
Common	Cezar P. Consing	Vice Chairman, NED	3,062,734	0.06%	3,062,734	0.06%	I	Filipino
Common	Jose Teodoro K. Limcaoco	ED, President & CEO	327,625	0.01%	189,975	0.00%	D/I	Filipino
Common	Janet Guat Har Ang	ID	10	0.00%	10	0.00%	D	Singaporean
Common	René dG. Bañez	NED	10	0.00%	10	0.00%	D	Filipino
Common	Karl Kendrick T. Chua	NED	10	0.00%	10	0.00%	D	Filipino
Common	Wilfred T. Co	NED	12,529	0.00%	12,529	0.00%	D/I	Filipino
Common	Restituto C. Cruz	ID	N/A	N/A	10	0.00%	D	Filipino
Common	Emmanuel S. De Dios	ID	10	0.00%	10	0.00%	D	Filipino
Common	Rizalina G. Mantaring	ID	6,483	0.00%	6,483	0.00%	D/I	Filipino
Common	Aurelio R. Montinola III	NED	1,956,471	0.04%	N/A	N/A	D/I	Filipino
Common	Mario Antonio V. Paner	ID	271,858	0.01%	271,858	0.01%	D/I	Filipino
Common	Cesar V. Purisima	ID	10	0.00%	10	0.00%	D	Filipino
Common	Jaime Z. Urquijo	NED	10	0.00%	10	0.00%	D	Filipino
Common	Maria Dolores B. Yuvienco	ID	6,331	0.00%	N/A	N/A	D/I	Filipino
Common	Fernando Zobel de Ayala	NED	96,327	0.00%	96,327	0.00%	D/I	Filipino
Common	Mariana Beatriz E. Zobel de Ayala	NED	N/A	N/A	10	0.00%	D	Filipino
	SUB-TOTAL		5,750,820		3,650,388			

[8] SEC Memo. Cir. No. 11, s2014, Recommendation 8.3 SEC CG Code for PLCs

TITLE OF CLASS	NAME OF BENEFICIAL OWNER	POSITION	DEC 2024		DEC 2025		NATURE OF OWNERSHIP (D) DIRECT (I) INDIRECT	CITIZENSHIP
			NO. OF SHARES	PERCENT OF HOLDINGS	NO. OF SHARES	PERCENT OF HOLDINGS		
Common	Dino R. Gasmen	EVP	64,298	0.00%	64,298	0.00%	I	Filipino
Common	Maria Cristina L. Go	EVP	72,710	0.00%	72,710	0.00%	I	Filipino
Common	Eric Roberto M. Luchangco	EVP	204,334	0.00%	204,334	0.00%	I	Filipino
Common	Maria Theresa D. Marcial	EVP	347,974	0.01%	347,974	0.01%	I	Filipino
Common	Elfren Antonio S. Sarte, Jr.	EVP	12,000	0.00%	12,000	0.00%	I	Filipino
Common	Juan Carlos L. Syquia	EVP	42,130	0.00%	42,130	0.00%	I	Filipino
	SUB-TOTAL		743,446		743,446			
	TOTAL		**6,494,266**		**4,393,834**			

INDEPENDENCE

For the 2025 to 2026 Board term, BPI meets both the minimum BSP regulatory and SEC CG Code requirements with six out of the fifteen-member board elected or 40% of the Board being classified as Independent, or having no interest or relationship with BPI at the time of election, appointment, or re-election, as defined under Rule 38 of the Securities Regulation Code. Fourteen or 93% of the Board are Non-Executive Directors, who are not involved in the day-to-day management of banking operations.[9]

BPI submits the required certifications of its Independent Directors annually to the BSP for confirmation of the election or appointment.[10]

Term limits of Independent Directors. BPI is compliant with BSP and SEC rules which prescribe a maximum cumulative term of nine years for Independent Directors, reckoned from 2012.[11]

POWERS OF THE BOARD OF DIRECTORS

As stated in the BSP MORB, the "corporate powers of a bank shall be exercised, its business conducted, and all its resources controlled through its board of directors. The powers of the board, as conferred by law, are original and cannot be revoked by the stockholders. The directors shall hold their office, charged with the duty of exercising sound and objective judgment for the best interest of the institution."

Duties and Responsibilities. The Board bears the primary responsibility for creating and enhancing the long-term shareholder value of BPI, and performs the following to generate reasonable and sustainable returns on shareholder capital:

- Monitors the responsibilities delegated to the Board committees to ensure proper and effective oversight and control of BPI's activities;
- Establishes an enterprise-wide framework for risk assessment and setting risk appetite;
- Monitors business and financial performance;
- Reviews CEO and management performance;
- Determines BPI's values and standards (including ethical standards) and ensures that these underpin the conduct of BPI's business and that obligations to stakeholders are understood and met;
- Develops succession plans for the Board and CEO;
- Fosters regulatory compliance;
- Considers sustainability issues (including environmental and social factors) as part of BPI's strategy.

The Directors have healthy communication lines across various levels and functions within the Bank and the BPI group. In particular, BPI Directors who also sit on the boards of the Bank's subsidiaries or affiliates have first- hand access and insight into their operations and business activities, which allows for better assessment of Bank strategy and performance.

BOARD NOMINATION AND SELECTION POLICY

All written nominations for directors are submitted to the Nomination Committee. Nominations may be presented not later than the date prescribed by law, rules and regulations, or at such earlier or later date before the date of the next annual meeting of the stockholders. All recommendations shall be signed by the nominating stockholders together with the written acceptance and conformity of the would-be nominees.

Transparent Nomination Process. Shareholders, including minority shareholders, may recommend candidates for board membership for consideration by the Nomination Committee. Such recommendations are sent to the Committee through the Office of the Corporate Secretary. Candidates recommended by shareholders are evaluated in the same manner as Director candidates identified by any other means. The Committee itself may identify and recommend qualified individuals for nomination and election to the Board.

[9] SEC Memo Cir. No. 11 s2014, Recommendation 8.3 SEC CG Code for PLCs
[10] Recommendation 1.2, 5.1 SEC CG Code for PLCs
[11] Recommendation 5.2 SEC CG Code for PLCs

For this purpose, the Committee utilizes information from professional search firms or external director databases when possible and maximizes all available information resources to search for qualified candidates. Members of the Committee recuse themselves in case of deliberations on their nomination.[12]

In 2025, in accordance with the resolution of the Board dated Dec. 11, 2024, which was disclosed and reported to PSE and SEC, all nominations for election of Directors for the term 2025 to 2026 were required to be submitted to the Corporate Secretary not later than Mar. 4, 2025. As of said date, there were only fifteen nominees to the Board received by the Corporate Secretary and all the nominees confirmed their acceptance of said nomination. Mr. Rene dG. Bañez was nominated by the Roman Catholic Archbishop of Manila, Mr. Wilfred T. Co was nominated by Gabriel A. Dee, and the rest of the nominees were formally nominated by Ms. Ma. Kyla Frances D. Aquino. The nominators are stockholders of BPI who are not related to any of the nominees including the nominees for independent director.

The nominations were subsequently processed and evaluated by the Nomination Committee of the Bank in a meeting called for that purpose and it was determined by the Committee that all the nominees (both regular Directors and Independent Directors) possess all the qualifications required by relevant laws, rules, regulations, BPI's By-Laws and MCG, and no provision on disqualification would apply to any of them. None of the nominees, directors and officers of the Bank works for the government.

Vetting of Directors. In the case of incumbent directors, the Nomination Committee reviews each director's overall service during his or her current term, including the number of meetings attended, level of participation, quality of performance, and, if any, transactions between the director and the Bank. Apart from the annual accomplishment reports of all board-level committees, inputs to the Committee review include, but are not limited to, the results of the regular board self-assessment, updated directors' biographies, written affirmation to the BPI Director's Code of Conduct and MCG, and relevant disclosures such as conflicts of interest or related party transactions, if any.

Selection Criteria. The Board, through the Nomination Committee, ensures the fit and proper requirements for the position of a director of a bank are met and assesses candidates in terms of integrity or probity, competence, education, diligence and experience or training. These are dictated by Banking Laws, BPI's Amended By-Laws, MCG, Board Diversity Policy, Board and Committee Charters, the rules and regulations of the BSP, SEC, and PSE as well as the Revised Corporation Code. A Skills and Expertise matrix prepared by the Corporate Governance and Sustainability Committee also provides recommendations for the desired competency profile of the Board, which includes the alignment of qualifications with the strategic direction of the Bank. The Board also reviews candidate directors with respect to their skills, engagement and past or present work or board experience that considers ESG factors.[13]

The General Banking Law of 2000 (Republic Act 8791) provides the BSP with powers to prescribe, pass upon, and review the qualifications and disqualifications of individuals elected or appointed as bank directors or officers and the power to disqualify those found unfit for positions of bank directors and officers.

ELECTION OF DIRECTORS

The Nomination Committee pre-screens the candidates and prepares a final list of candidates prior to the ASM. Only nominees whose names appear on the final list of candidates are eligible for election to the Board. No other nomination shall be entertained after the final list of candidates are drawn up. No nomination shall be entertained or allowed on the floor during the ASM.

One Share, One Vote Rule. The Bank's Amended By-Laws state that elections for the Board will be held yearly during the ASM. Voting for the election of members of the Board is considered on a poll, by shares of stock, that is, one share entitles the holder to one vote. Under this rule, any minority shareholder can nominate individuals and has the power to cumulate voting rights. The right to cumulative voting is a statutory right granted by the Revised Corporation Code of the Philippines. The Bank also has no current practice that awards disproportionate voting rights to select shareholders. The fifteen nominees receiving the highest number of votes are declared elected.

Electronic Voting in Absentia. In its meeting held on Dec. 11, 2024 the Board approved Management's recommendations for BPI to provide the Bank's shareholders with the option to vote in absentia in the 2025 ASM. Whether made in person or in absentia, the votes carry equal effect. This also allows shareholders who are unable to attend the ASM the opportunity to participate and vote. Hence, at the Apr. 21, 2025 ASM, stockholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code.

Voting Process. No meeting of stockholders shall be conducted to transact business unless a majority of the outstanding and subscribed capital stock entitled to vote is represented, except to adjourn from day to day or until such time as may be deemed proper. The Rules of Conduct, voting and vote tabulation procedures are explained during the ASM. Votes are cast and counted for each agenda item. The Office of the Corporate Secretary tabulates all votes received and an independent vote validator validates the results. Voting results are presented for each agenda item during the meeting to inform the participants of such outcome. Voting results are likewise disclosed on the various exchanges where BPI's capital market issuances are traded and the company's website as soon as possible after the meeting.

The election and appointment of directors and officers, which includes the Chairperson of the Board, is confirmed by the Monetary Board of the BSP. Elected or appointed directors and officers also submit required certifications and other documentary proof of qualifications to the BSP for the confirmation of their election or appointment.

The nomination and election processes and their effectiveness, including committee performance, are reviewed annually by the Nomination Committee during its review of the committee charter and its self-assessment.

These nomination and election policies are disclosed in the Bank's MCG and Nomination Committee Charter at www.bpi.com.ph.[14]

Term of Directors. Directors are to hold office for a term of one year immediately upon their election and until the next election when their successor shall have been elected and qualified in accordance with the Bank's Amended By-Laws and the Corporation Code. In case any vacancy or vacancies should occur on the Board during the period between two ASMs, due to death, resignation or other causes, except removal, the remaining members of the Board, if still constituting a quorum, may fill said vacancy or vacancies by electing from among the stockholders. The stockholder or stockholders so elected shall act as a member or members of said Board until the election of a new Board of Directors.

POLICIES ON DIRECTORSHIPS

With a rigorous nomination process, close monitoring and reporting of board and committee meeting attendance, an annual performance evaluation which includes affirmative determination of time commitments and a review of board committee chairmanships and memberships, adequate safeguards against over boarding or over commitment are in place. Directors must notify the Board of their intention to accept a directorship in another company.[15]

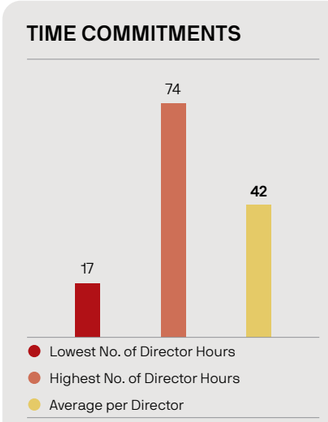
BPI directors are bound by the Board of Director's Code of Conduct to consider their individual circumstances and the nature, scale and complexity of the Bank's activities in showing full commitment.

They should be able to devote the time, schedule and attention necessary to its business interests, to properly and effectively perform their duties and responsibilities, to avoid conflicts of interest, and to affirm this in writing annually.

Directorships in PLCs. The Bank applies a limit of five on directorships of Non-Executive Directors and Independent Directors in publicly listed companies and within conglomerates.[16] Internally, the Bank ensures that the policy does not impinge on or violate a shareholder's ownership rights and legal right to vote and be voted upon as directors.

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

Time Commitments. Through the annual Board performance evaluation exercise and review of the Board size, structure and composition, the Board ensures that Directors' time commitments allow them to fulfill their Board roles to an appropriate standard and that the Board's quality of performance as a body, is high.[17]



Director Education and Training. The Board ensures that directors acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.[18]

Directors, senior management and key officers, in their own capacity or as sponsored by the Bank, are able to attend the requisite programs, seminars and roundtables with accredited service providers during the year.

Likewise, internal meetings with senior executives and operational or functional heads, and dedicated briefings on specific areas of responsibility within the business and special presentations on current issues or regulatory initiatives in cooperation with external technical and subject matter experts are arranged as needed. Directors also regularly attend governance fora, conferences, and summits. New Directors are briefed on BPI's background, organizational structure, and on general and specific duties and responsibilities of the Board. They are given an overview of the industry, regulatory environment, business of banking, strategic plans of the Bank, its governance framework, including support from the Corporate Secretary and Senior Management. New directors submit a certification to the

[12] Recommendation 2.6, SEC CG Code for PLCs

[13] Recommendation 1.1, 2.6, SEC CG Code for PLCs

[14] Recommendation 2.6, SEC CG Code for PLCs

[15] Recommendation 4.3, SEC CG Code for PLCs

[16] BSP Cir. 969 and Recommendation 4.2 SEC CG Code for PLCs

[17] Recommendations 4.1, 4.2 and 4.3, SEC CG Code for PLCs

[18] Recommendation 1.3 and 1.5, SEC CG Code for PLCs

BSP that they have received a copy of the general responsibility and specific duties and responsibilities of the Board and of a Director.[19]

In this respect, in fulfillment of the Corporate Governance and Sustainability Committee's charter responsibilities for the provision of on boarding/orientation programs for first time directors and new members of the board, the Corporate Governance Department conducted several onboarding/ orientation sessions throughout 2025, for Mr. Restituto C. Cruz and Ms. Mariana Beatriz E. Zobel de Ayala, respectively.

POLICY ON REMUNERATION

BPI's remuneration policy for the Board and management is aligned with risk incentives and supports sustainable, long-term value creation. Apart from ensuring that Board and management pay appropriately reflects market and industry conditions and drives business strategy and financial performance, the policy likewise applies performance-based remuneration that rewards employees for their commitment to Bank's strategy.

Remuneration Principles. In proposing the remuneration policy, the Personnel and Compensation Committee (PerCom) ensures that the mix of fixed and variable pay, in cash and other elements:

- Meets the Bank's needs and strategic objectives based on targets that are stretched, verifiable, and relevant;
- Accurately reflects recorded performance measures and promotes a pay-for-performance culture;
- Governs vesting of long-term incentives that are monitored and tied to risk-assessments to align remuneration with the Bank's long-term strategy and shareholder interests and encourage the long term commitment of employees.[20]
- Reflects market rates and the challenge of attracting, retaining and competitively rewarding key staff with the ability, experience, skills, values, and behaviors to deliver bank goals.

These principles of paying competitively and paying for performance applies equally to the Board, President & CEO, officers, employees and staff. BPI's employee remuneration is aligned with the principle of non-discrimination in respect of equal remuneration for men and women who produce work of equal value and where remuneration is based not on an employee's gender but on an objective evaluation of the work performed.

Other remuneration policies include:

- All salary programs are subject to the approval of the PerCom and the Board.
- The remuneration policy is reviewed annually to ensure that it remains competitive and consistent with the Bank's high-performance culture, objectives, long-term outlook, risk assessment, and strategies.

Total Compensation Elements. The PerCom ensures that a transparent compensation structure is in place, with a clear link between compensation and the Bank's objectives as well as a strong emphasis on the interests of the shareholders.

Fixed Pay Element. The fixed pay component is set at an appropriate level and considers industry and market rates as well as skills, competencies, responsibilities, and performance of the employee. It is reviewed at least annually.

- In this respect, salary surveys conducted by external compensation consultants are also used as references for employee salary benchmarking purposes.
- An annual merit increase may be granted upon Management's discretion based on the employee's performance.

Variable Pay Element. The variable pay component is performance-linked and based on the Bank, business or support unit and individual performance towards attainment of the overall Bank goals.

- It is measured against a balanced scorecard which includes financial and strategic metrics such as: revenues, loan volume, earnings, earnings per share, return on equity, return on assets, capital strength and risk containment, as well as non-financial metrics like corporate governance, customer satisfaction, adherence to corporate values, contributions both to operating unit and company-wide achievement, including any ESG factors which may be relevant to the evaluation of an employee's performance in the context of the Bank's sustainability objectives.
- All employees' performances are assessed by what is achieved and how it is achieved in line with BPI's core values.
- This performance bonus may be given upon management's discretion, subject to the endorsement of the PerCom and approval of the Board.

Director Remuneration. Under the Bank's Amended By-Laws, as approved by the shareholders, the Board, as a whole, determines the level of remuneration and/or benefits for Directors sufficient to attract and retain directors and compensate them for their time commitments and responsibilities of their role.[21] The PerCom recommends to the Board the fees and other compensation for Directors, ensuring fair remuneration for work required in a company of BPI's size and scope, and alignment with the long-term interests of the Bank.[22]

- As provided by the Amended By-Laws and pursuant to a Board resolution, each director is entitled to receive fees and other compensation for services as director. The Board has the sole authority to determine the amount, form, and structure of the fees and other compensation of the directors.

[19] BSP Circular No. 758, Recommendation 1.3, 2.1, SEC CG Code for PLCs
[20] Recommendation 2.5, SEC CG Code for PLCs
[21] Recommendation 8.4, SEC CG Code for PLCs
[22] Recommendation 2.5, SEC CG Code for PLCs

The following table shows the training received by the Board of Directors and Key Officers:

DIRECTOR	2024	2025
Jaime Augusto Zobel de Ayala	2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 5	• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors on Jul. 29 • 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 4
Cezar P. Consing		
Janet Guat Har Ang		
Karl Kendrick T. Chua		
Cesar V. Purisima		
Maria Dolores B. Yuvienco*		
René dG. Bañez		
Emmanuel S. de Dios		
Rizalina G. Mantaring		
Aurelio R. Montinola III*		
Jaime Z. Urquijo		
Fernando Zobel de Ayala		2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 4
Jose Teodoro K. Limcaoco		• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors on Jul. 29 • 2025v. Annual Corporate Governance Training by Good Governance Advocates and Practitioners of the Philippines on Oct. 13 • 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 4
Wilfred T. Co	• Corporate Governance Orientation Program by Institute of Corporate Directors on Jun. 4-5 • 2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 5	• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors on Jul. 29 • 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 4
Mario Antonio V. Paner	Corporate Governance Orientation Program by Institute of Corporate Directors on Jun. 4-5	
Restituto C. Cruz**	N/A	• Corporate Governance Orientation Program by Institute of Corporate Directors on Apr. 29-30 • 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors on Jul. 29 • 2025 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 4
Mariana Beatriz E. Zobel de Ayala**	• 2024 Ayala Integrated Corporate Governance, Risk Management, and Sustainability Summit by Institute of Corporate Directors on Nov. 5	• 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors on Jul. 29

* Board member until 21 April 2025
** Board member effective 21 April 2025

The following table shows the training received by the Key Officers:

Senior Management	2024	2025
Maria Cristina L. Go (EVP)	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Nov. 5	Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Nov. 4 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors on July 29
Dino R. Gasmen (EVP)		
Juan Carlos L. Syquia (EVP)		Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Nov. 4
Maria Theresa D. Marcial (EVP)		
Elfren Antonio S. Sarte* (EVP)		
Eric Roberto M. Luchangco (Chief Finance Officer and Chief Sustainability Officer)		Ayala Integrated Corporate Governance, Risk Management and Sustainability Summit by Institute of Corporate Directors on Nov. 4 2025 BPI Future of Compliance Conference: Breaking New Ground in the Compliance Frontier by Institute of Corporate Directors on July 29
Anna Liza O. Bobadilla (Chief Audit Executive)		
Ma. Cristina F. Asis (Chief Risk Officer)		
Maria Paz A. Garcia (Chief Compliance Officer)		
Maria Lourdes P. Gatmaytan (Corporate Secretary)		

* Retired effective January 1, 2026

- In no case shall the total yearly compensation of the Board exceed 1% of the Bank's net income before income tax during the preceding year.

Remuneration Structure. Directors receive per diems for each occasion of attendance at meetings of the Board or of a board committee. Other than the usual per diem arrangement for Board and Committee meetings and the aforementioned compensation of Directors, there is no other standard arrangement as regards to the compensation of directors, directly or indirectly, for any other service provided by the directors for the last completed fiscal year.

- All fixed or variable remuneration paid to directors may be given, upon recommendation of the PerCom.
- Directors with executive responsibilities within the BPI group are compensated as full-time officers of the company, not as Non-Executive Directors.
- No Director participates in discussions of the remuneration scheme for himself or herself.
- Historically, total compensation paid annually to all directors has been significantly less than the cap stipulated by the Bank's Amended By-Laws.

In 2025, the Board of Directors, as a whole, received a total of PHP 85.57 million as fees and other compensation for the services they rendered.

Directors receive per diem allowances of PHP 70K for attendance at board meetings and PHP 30K for attendance at committee meetings. No distinction is made between per diem allowances for committee chairmen and members. Other than these fees, the non-executive directors do not receive any share options, profit sharing, bonus or other forms of emoluments.

The total compensation for each director for 2025 is disclosed in Annex A-3(b) of the 2025 Definitive Information Statement. (Recommendation 8.4 SEC CG Code for PLCs)

President & CEO and Senior Management Remuneration. The Board, through the PerCom, annually approves the remuneration payable to the President & CEO and Senior Management, which includes Executive Vice Presidents and Senior Vice Presidents who have the authority and responsibility for the Bank's overall direction and strategy execution. The PerCom monitors and assesses how the remuneration was implemented each year and ensures that it corresponds to the remuneration policy.

Remuneration Structure. Remuneration for the President & CEO and Senior Management is set in the same way as for all employees being contractually fixed, based on the role, the skills and experience of the individual, and reviewed annually with reference to relevant market benchmarks. Remuneration for Senior Management, as reflected in the ratio between fixed and variable components of their total compensation, changes according to performance, rank, and function.[23]

[23] Recommendation 8.4, SEC CG Code for PLCs

- Apart from the key performance indicators discussed in the foregoing section on Total Compensation Elements, the Percom ensures that Senior Management remuneration and incentives reflect prudent risk-taking and effective control.
- Salary reviews (covering fixed and variable compensation) are done at least annually to ensure market competitiveness of the senior officers' total remuneration. The Bank also participates in Executive and Total Remuneration Surveys to benchmark on its market positioning.

The remuneration of the Chief Risk Officer (CRO) and that of the Chief Compliance Officer (CCO) and Chief Audit Executive (CAE) are reviewed and endorsed by the Risk Management Committee and the Audit Committee respectively and subsequently approved by the Board. The performance of control functions (Audit, Compliance and Risk) are assessed independently from the business units they support to prevent any conflicts of interests.

Alignment with Long-term Shareholder Interests. The Board, through the PerCom, also established long-term incentive programs, which are aligned with shareholder interests. The Executive Stock Option Plan (ESOP) and Executive Stock Purchase Plan (ESPP) give officers the opportunity to buy shares of stock in BPI at a discounted price. Details on the ESOP and ESPP can be found in Note 18 of the Audited Financial Statements.

In 2025, the level of remuneration for the most senior executive officers of the Bank is as follows:

NAME AND PRINCIPAL POSITION	SALARY	BONUS	OTHER ANNUAL COMPENSATION
Jose Teodoro K. Limcaoco President and CEO Dino Rudyardo F. Gasmen* Executive Vice President Maria Cristina L. Go Executive Vice President Maria Theresa D. Marcial Executive Vice President Elfren Antonio S. Sarte, Jr. ** Executive Vice President Juan Carlos L. Syquia Executive Vice President	₱202.71M	₱189.41M	None

* Starting from January 2026
** Retired effective January 1, 2026

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

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

POLICIES ON MEETINGS AND ATTENDANCE

Our Directors make significant time commitments, not only in preparing for and attending Board and board committee meetings, but also to initial induction, continuing education, training, and engagement with the executive team and stakeholders, as needed.[24]

Scheduling of Meetings. The Board and the board committees conduct business through meetings for the effective discharge of obligations. Regular board meetings are convened monthly, scheduled at the beginning of the year to cover the full term of the newly elected or re-elected Directors, reckoned from the date of the current year's ASM to that of the following year. Special meetings may be called as needed.

[24] Recommendation 4.1, SEC CG Code for PLCs

Board Meetings in 2025 were held on the following dates:

DATE OF MEETING	NATURE OF MEETING
January 22	Regular
February 19	Regular
March 19	Regular
April 21	Organizational
April 21	Regular
May 21	Regular
June 18	Regular
July 16	Regular
August 20	Regular
September 17	Regular
October 15	Regular
November 19	Regular
December 17	Regular

Conduct of Meetings. The Chairman presides over meetings of the Board. The Vice Chairman presides in the absence of the Chairman. Board and committee meetings are conducted consistent with the Bank's Amended By-Laws.

During every Board meeting:

- As needed, the Chairperson of each Board committee provides an update on significant matters discussed at Board committee meetings;
- the CFO presents the financial performance for the applicable period and significant financial highlights;
- the CEO gives an update on certain aspects of the Group's business and operations and/ or a macro perspective on industry trends and developments;
- the Board holds a private, executive sessions for Directors, as needed.

Discussions during board meetings are open and independent views are given due consideration. When necessary, the Board holds executive sessions to discuss highly sensitive matters. If there is a conflict of interest, the Director in question will recuse himself or herself from the discussions and abstain from participating in any Board decision.

Agenda Setting. Items placed on the board agenda are those that have the most fundamental importance and broad policy implications for the Bank. Directors are free to suggest items for inclusion in the agenda, and are free to raise at any board meeting topics that are not on the agenda for that meeting. At the Chairman's discretion, any agenda items may also be referred for discussion in the respective committees.

Director Attendance. In 2025, average attendance of elected Directors of the Board's fourteen meetings was 99%. When exigencies prevent a Director from physically attending a Board or board committee meeting, facilities for telephone conferencing are made available. In instances when a Director is unable to attend meetings even through teleconferencing due to prior commitments or unavoidable events, the said Director provides input to the chairman so that his/her views can be known and considered.

Meetings Held Remotely. Consistent with its digitalization strategy, the Bank has adopted virtual meeting platforms and invested in the necessary equipment, including video and web conferencing software. In addition to training, virtual meeting protocols for both the Board and Management have also been established accordingly. These alternative means of communication for Board and board committee meetings follow BSP and SEC guidance on the conduct of meetings held remotely by electronic means. Likewise, rules and procedures relating to presence of a quorum, notices, agenda setting, voting, conflicts of interest, when meetings can be called and held, etc., continue to follow rules and procedures for meetings held in person. All directors in attendance at the meetings held remotely by electronic means are able to hear, participate and communicate 'live' in the discussions and decisions made at the meetings.

Minutes of Meetings. Minutes of Board and committee meetings are prepared with due regard to legal requirements. Key points and decisions taken have been summarized. The Board generally acts by consensus rather than on an adversarial basis, so that abstentions and rare instances of formal dissent are duly recorded. Further, Directors take the initiative to have high-level discussions outside the Board meetings, including separate discussions with Senior Management on its proposals. The Chairman likewise ensures that there is a fair and honest exchange of ideas and opinions by and between the Directors and Senior Management in board meetings.

Meeting Materials. Board and board committee reference materials are made available to the directors prior to the scheduled meeting. As an innovation to board governance, all materials for Board and board committee meetings are uploaded through a secure system onto individual tablet devices specifically provided to the Directors to ensure immediate receipt and quick access.

Annual Strategic Planning Meeting. The Board and senior executives attend each year, a strategy session, held offsite when possible, to engage in dynamic and in-depth strategic discussion on the Bank's medium and long-term plans as well as regularly review the Bank's vision and mission. For last year, this was held on Dec. 16, 2025.

NO. OF MEETINGS ATTENDED IN 2025		
NAME	ATTENDED/TOTAL	IN PERCENTAGE (%)
Jaime Augusto Zobel De Ayala	13/13	100%
Cezar P. Consing	13/13	100%
Jose Teodoro K. Limcaoco	13/13	100%
Janet Guat Har Ang	13/13	100%
René dG. Bañez	12/13	92%
Karl Kendrick T. Chua	11/13	85%
Wilfred T. Co	11/13	85%
Restituto C. Cruz**	10/10	100%
Emmanuel S. de Dios	13/13	100%
Rizalina G. Mantaring	12/13	92%
Aurelio R. Montinola III*	3/3	100%
Mario Antonio V. Paner	13/13	100%
Cesar V. Purisima	13/13	100%
Jaime Z. Urquijo	10/13	77%
Maria Dolores B. Yuvienco*	3/3	100%
Fernando Zobel De Ayala	13/13	100%
Mariana Beatriz E. Zobel de Ayala**	10/10	100%

*Board Member until 21 April 2025
**Elected as Board Member effective 21 April 2025

Non-Executive Directors (NED) Meeting. Independent and Non-Executive Directors of the Bank also meet at least once a year without the presence of the executive director or management.

The NED meeting held on Nov. 26, 2025 facilitated an open discussion of ongoing initiatives and semestral performance of the Bank. The meeting was chaired by the Lead Independent Director and was also attended by the control heads – Chief Risk Officer, Chief Audit Executive and Chief Compliance Officer as well as the external auditor.

Two-thirds (2/3) Quorum. The minimum quorum requirement for board decisions is set at two-thirds (2/3) of the Board as provided by the Bank's Amended By-Laws. Any meeting for the transaction of corporate business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act, unless otherwise provided in the Amended By-Laws.

Access to Information
The Board has separate and independent access to the Corporate Secretary, who serves as an adviser to the Directors on their responsibilities and obligations and oversees the adequate flow of information to the Board prior to meetings.[25]

All directors also have access to Senior Management. Directors and board committees also have unrestricted access to company records and information, in addition to regular detailed financial and operational reports from Senior Management.

Board Access to External Advice. The Board, if requested by the Chairman or other Directors, can call on external specialists or consultants for advice, briefings or assistance on specialized areas of focus such as accounting standards, related party transactions, capital, tax, listing, mergers and acquisitions, valuation, etc. Management can arrange for the external auditor, management services company or consultants to present to the Board.

Role of the Corporate Secretary.
Our Corporate Secretary, who is a senior, strategic-level corporate officer, not a member of the Board, and a separate individual from the Chief Compliance Officer, plays a leading role in the Bank's corporate governance, and as such, attends corporate governance training annually. The Corporate Secretary's functions are stated in the Bank's Amended By-laws and Manual on Corporate Governance.

The Corporate Secretary is suitably trained and experienced in legal, accountancy, and company secretarial practices and is professionally qualified for these responsibilities. She is Co-Head of Legal and Head of Corporate Legal Affairs of the Bank and also the Corporate Secretary of various BPI subsidiaries and affiliates.

See Appendix for the full biography of our Corporate Secretary.

[25] Recommendation 1.5, SEC CG Code for PLCs

POLICIES ON PERFORMANCE EVALUATION

The Board annually conducts a self-Assessment to ascertain the alignment of leadership fundamentals and issues, validate the Board's appreciation of its roles and responsibilities and confirm that the Board possesses the right mix of background and competencies.[26]

Board Self-Evaluation. Performance is assessed across four levels: the Board as a body, Board Committees, individual Directors, and President and CEO. Key evaluation criteria are built on the Board's terms of reference and committee charters, and framed around broad leadership fundamentals and best practices.

In this respect, the Board conducted its 2025 annual performance evaluation in December 2025. Directors assessed that the Board as well as its committees and individual directors had performed their duties and responsibilities effectively for the past year and that there were no material issues with respect to membership, governance, and operations. This also included an assessment of the President and CEO.

Third-Party External Performance Evaluation. In pursuit of best practices, the Bank engaged in 2023 a third-party external facilitator, Aon Hewitt Singapore Pte. Ltd., to conduct a separate Board Assessment covering the prior board Term.[27]

The results of the second triennial external assessment (the "Aon Report"), which forms part of BPI's compliance with BSP Cir. 969 and SEC Memorandum Circular 19, Series of 2016, were presented to the Corporate Governance Committee at its meeting on Nov. 23, 2023, which endorsed the same to the Board. Subsequently, the Board noted the results and recommendations in the Aon Report in its meeting on Jan. 17, 2024.

[26] Recommendation 6.1, SEC CG Code for PLCs

[27] Recommendation 6.1, SEC CG Code for PLCs, BSP Cir. 969

Board Performance Evaluation and Self-Assessment[28]

	PROCESS	CRITERIA
Board of Directors	The Board shall be given sufficient time to accomplish the self-assessments. Each individual director performs the four (4) levels of self-assessment using the prescribed forms, applying the rating scale and predetermined evaluation criteria for each level. For the Board and Committee-level assessments, while the directors will be rating the Board's or Committee's performance as a body, the accomplishment of the assessment forms is meant to be done individually, on a per director basis. This is to secure an honest, unbiased, independent, and anonymous view from each director rather than a collective assessment that may already be subject to filtering and pre-agreement. Each director shall submit the completed forms on or before the deadline set by the Corporate Governance Committee or at such earlier or later date as the Board may agree upon. The Corporate Governance and Sustainability Committee processes the results of the assessments and communicates this to the Board through a Summary Report.	1. Strategic Foresight 2. Board Structure and Committee Effectiveness 3. Board Meetings and Procedures 4. Board and Management Relations 5. Induction and Continuing Education 6. Performance Evaluation 7. Value Creation General and specific leadership standards under the above criteria are considered in evaluating the Board as a body such as: adequacy of the processes which monitor business performance; board member interaction with management; adequacy of board knowledge; appropriateness of balance and mix of skills; size of board; contribution of individual directors; board's effectiveness in use of time; if board allows sufficient opportunity to adequately assess management performance; board's ability to keep abreast of developments in wider environment which may affect BPI; working relationship between chairman and chief executive officer; segregation of duties between board and management; ability of directors to express views on each other and to management in constructive manner, etc.
Board Committees	Submission of Accomplishment Reports to the Board by the different committees. In addition, the Audit Committee submits the "Self-Assessment in the Performance of the Audit Committee" to the SEC	General and specific factors relating to Committee role, membership, procedure and practice, structure, collaboration and style and effectiveness. 1. General 2. Committee Charter and Governance Each committee's assessment template is now based on their specific charter and manner of governance. Sample factors: • Use of committee time • Adequacy of committee papers and frequency of meetings • Ability to access resources • Ability to keep informed in relevant areas; provision for continued development; working relationship between committee chairman and members; segregation of duties between committee and management; ability of directors to express views on each other and to management in a constructive manner, etc.
Individual Director	Each director is required to fill-up a Self-Assessment Form annually.	Evaluation criteria focuses on best practice benchmarking and specific director roles in the board and in committees: 1. Company Strategy, Developmental Role and Reputation 2. Board Engagement and Attendance 3. Performance and Governance Role In addition, the template includes separate question(s) for executive directors, independent directors and committee chairmen
CEO/ President	Each director fills up an evaluation form based on the relevant criteria. These are then submitted to the Chairman. The CEO/ President's performance is also evaluated at least once a year by the Personnel and Compensation Committee and Executive Committee	For the CEO assessment, questions revolve around these criteria: 1. Leadership 2. Working with the Board 3. Managing Execution 4. Communication/External Relations

CEO and Senior Management. As stated in the Bank's Amended By-Laws and MCG, the board-level Personnel and Compensation Committee oversees the performance evaluation process within the Bank which includes the annual review and approval of corporate goals, strategic objectives, and standards relevant to the CEO, Senior Management, and other key officers of the Bank. Performance is generally measured based on achievements and output of the officer, business unit, or the Bank as a whole, or using a combination of all as the executive's responsibilities may dictate.[29]

The performance management framework considers strategies and goals or actual results of a given period's business objectives and core competencies. It also looks into the behavior, technical competencies, and soft skills exhibited by the officer during the period under review, as well as fitness and propriety. The performance of control function heads for audit, risk management, and compliance are also evaluated by the Audit Committee and Risk Management Committee.

The framework also follows a performance management cycle: Goal setting, Performance monitoring, Performance appraisal, Performance reinforcement, and Performance improvement.

[28] Recommendation 6.2 SEC CG Code for PLCs

[29] Recommendation 2.8, 2.9 SEC CG Code for PLCs

SKILLS AND EXPERTISE MATRIX	BOARD TERM: 2025-2026														
Competency Area	**JAZA**	**CPC**	**JTKL**	**JHA**	**RGB**	**FZA**	**WTC**	**KTC**	**ESD**	**RGM**	**MZA**	**MVP**	**CVP**	**JZU**	**RCC**
Core Personal Attributes[1]	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Board/ Corporate Governance experience[2]	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Executive Leadership/ Management Skills[3]	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Specialized Skills or expertise[4]															
• Accounting or Internal Control - Ability to understand financial statements, assess adequacy and integrity of financial controls and reporting	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√
• Risk Management – Technical knowledge of or expertise with risk management models, methods		√	√	√					√	√	√	√	√	√	√
• Technology – Expertise in information technology systems, or experience in technology governance in the financial services industry			√	√				√			√				
• Marketing/Sales and Customer Management – Technical background in marketing with strategic focus on customer issues and perspectives; customer advocacy and/or engagement.				√						√	√				
• Organizational Development - organizational/talent development, including executive performance, change management, remuneration frameworks	√	√	√	√	√	√		√		√	√	√	√	√	
• Public and Regulatory - regulatory policy or working in government, public administration				√	√			√					√		√
• Sustainability – familiarity with mapping supply chain risks, conduct of safety and environmental due diligence audits, renewable energy procurement/contracting; developing, directing sustainability initiatives, programs and practices	√	√	√								√			√	
• General Banking (Industry knowledge)	√	√	√	√		√	√	√			√	√	√		√

[1] History of ethical behavior (prior or current directorships in other publicly-listed companies or confirmation from regulatory bodies such as the BSP and SEC), availability (based on number of current directorships), relevant and distinguished professional career (as may be determined from bio-data).
[2] Knowledge and experience in a system for the oversight of decision-making, actions and behavior and governance structures (as may be determined from candidate's bio-data/professional career); Commitment to high standards of corporate governance (prior or current directorships and if publicly- listed companies, classification as a director).
[3] Senior executive perspective of running a large organization or bank; Experience with stakeholder management. (as may be determined from bio-data/ professional career).
[4] Experience or education

POLICIES ON SUCCESSION PLANNING AND TALENT MANAGEMENT

The Board is committed to a process of orderly succession and acknowledges that a succession plan for the Board and its leadership positions is in the best interest of the Bank and its stakeholders. Leadership changes are not only carefully considered and planned, but are also part of a comprehensive risk management strategy that is guided by clear and transparent governance policies, processes, and laws.

Board Succession. In this regard, the Board is regularly refreshed in a continuing cycle. The Nomination Committee and the Corporate Governance and Sustainability Committee work within a general board succession plan framework to ensure that: 1) appropriate governance processes are in place and ongoing, for identifying, assessing, and monitoring future needs of the Board; 2) there is continuity and transfer of knowledge in the Board so that it may effectively fulfill its role and responsibilities to BPI, as that may evolve over time, and; 3) the Board is taking a prudent and structured approach to managing succession risk.[30]

The Corporate Governance and Sustainability Committee assists the Nomination Committee in the annual review and assessment of the structure, size, and composition of the Board and Board-level committees. The committees take into consideration the Bank's current strategy and business, regulatory requirements on independence and diversity, as well as comparative benchmark and peer group analysis. The Corporate Governance and Sustainability Committee also utilizes a Skills and Expertise Matrix to proactively shape board composition, identify competency gaps, if any, and build the desired or required competency profile against which candidate directors will be assessed. Using a point system, succession planning priorities are then determined to guide the Nomination Committee in the assessment of candidates and in managing current and future requirements of the Board.

President & CEO Succession. As part of the executive planning process, the PerCom as a whole or a part thereof, in consultation with the Board, the Nomination Committee and the President and CEO, evaluates and nominates potential successors to the President and the CEO.[31] Succession planning has effectively ensured leadership continuity through four President and CEO changes in the last three decades, marked by early planning and mentoring, smooth organizational and operational transitioning, and prudent but progressive institutional building at BPI and across the BPI group.

Senior Management Succession. The Board, through its PerCom, manages the talent pipeline and assembles the required personnel capable of navigating such changes. In consultation with the President and CEO, the PerCom reviews the Bank's succession development process for proper management. Senior Management provides a report to this Committee on the results of its talent and performance review process for key management positions and other high potential individuals. Aside from ensuring that there is a sufficient pool of qualified internal candidates to fill senior leadership positions, this review process identifies opportunities, performance gaps, and proactive measures in the Bank's executive succession planning.

Selection Process. The selection process involves a number of steps, including:

- Identifying candidates for the talent pipeline and market mapping to gain an understanding of current offerings in the marketplace in relation to the roles, skills, knowledge, and experience needed; this also involves actively building and nurturing relationships with talent in order to create a list of roles that are key to the Bank's success; the Bank also utilizes referrals, and industry platforms as it tailors skillset requirements;
- Screening and vetting candidates once the requirements have been identified, through a variety of methods, such as reviewing resumes, conducting interviews, or administering online assessments; the focus here is on the fit and suitability of the candidate to the role, the current and future business directions, and the Bank's company culture, beyond the minimum fit and proper requirements and qualifications stated in the BSP Manual of Regulations for Banks;
- Making the selection decision: The final step is to make the selection decision. This decision should be based on the information gathered during the screening and interviewing process.

More information on Succession Planning and Talent Management can be read on the company website at www.bpi.com.ph.

POLICIES ON RETIREMENT

Director Retirement. The best interests of BPI are served by retention of directors that make meaningful contributions to the Board and the organization, regardless of age. It is the Bank's strong view that with age often comes unmatched wisdom and experience, expert business judgment, invaluable industry and community relations and authority, and deeply ingrained appreciation of corporate governance principles.

The Bank believes that imposing uniform and fixed limits on director tenure is counter-productive as it may force the arbitrary retirement of valuable directors.

Retirement Age. Nevertheless, the Bank has set a retirement age for Directors at 80 years old.[32]

[30] BSP Cir. 969, Recommendation 2.4 SEC CG Code for PLCs

[31] Recommendation 2.4, 2.8 SEC CG Code for PLCs

32 Recommendation 2.4 SEC CG Code for PLCs

Retirement of Senior Management. The requisite succession planning for key officers as well as employees is done in accordance with the Bank's policies and implementing guidelines of its retirement plan for all employees, the Bank's Amended By-Laws, Labor Code, and the Corporation Code of the Philippines. Currently, the retirement age for employees of the Bank is set at 60 years old.

The Retirement Policy and other board governance policies may be viewed on the company website at www.bpi.com.ph. See Appendix for full biographies of our Principal Officers.

CONTACT OUR BOARD

Communications to the Directors, including any concerns regarding BPI's risk management, governance, accounting, internal controls, auditing or other matters, may be addressed to the Board through the Office of the Corporate Secretary.

Board of Directors
Bank of the Philippine Islands
Office of the Corporate Secretary
28/F Tower Two, Ayala Triangle Gardens
Paseo de Roxas corner Makati Avenue
Bel-Air, Makati City 1226

Concerns may be submitted anonymously or confidentially by any shareholder, customer, supplier, or other interested party. Communications relating to the Bank's risk management will be endorsed to the Risk Management Committee. Accounting, internal controls, or auditing matters will be relayed to the Audit Committee. Other matters will also be handled by the appropriate Board committee. In the same manner, communications will be referred to other areas of the Bank for handling as appropriate under the facts and circumstances outlined in the communications.

BOARD COMMITTEES

The Board has established Committees to heighten the efficiency of Board operations and assist in exercising its authority for oversight of internal control, risk management, and performance monitoring of the Bank.

The committees provide organized and focused means for the Directors to achieve specific goals and address issues, including those related to governance.

In particular, the committees enhance the objectivity and independence of the Board's judgment, insulating it from undue influence of management and major shareholders. In 2025, the Bank had eight Board-level committees. The chairmen and members of the different committees were elected by the Board during the Organizational Meeting on Apr. 21, 2025, after the ASM. Any subsequent changes in membership of the respective committees are made upon approval by the Board.[33]

We strive to comply with the BSP regulations and the SEC Code of Corporate Governance for PLCs with respect to the chairmanships and memberships of the committees.

All committee chairmanships and memberships are compliant with their respective committee charters and the Manual on Corporate Governance.

Committee chairs and vice chairs provide leadership to their respective committees and guide members in translating the Board's goals for the committee into meeting agendas and work plans for the year. They work with the Corporate Secretary, management and committee secretariats to prepare the agendas, discussion materials and reports, and schedules of meetings set at the beginning of the year, for guidance of the members. Committee meetings are recorded and minutes are prepared by the Corporate Secretary. The work, accomplishments, and minutes of the meetings of the committees are regularly reported to the Board. Policies approved at committee level are confirmed by the Executive Committee or the Board.

As part of the annual Board effectiveness review, committees conducted self-assessment exercises for 2025 from end-2025 to early 2026. The review found all committees to have performed their respective duties and responsibilities effectively. There were no material issues with respect to committee memberships, governance, and operations.

Attendance of the members of our Board in their respective committee meetings in 2025 are shown on pages 143 to 144.

Committee Charters. All the board-level committees have Committee Charters which state their respective purposes, memberships, structures, duties and responsibilities, operations, reporting processes, resources, and other relevant information which may serve as a basis for the performance evaluation of each committee. In 2025, all committees conducted the annual review of their charters as well as the self-assessment exercise.[34]

Committee Charters are fully disclosed in the Manual on Corporate Governance and on the company website at www.bpi.com.ph.

Executive Committee. The Board appoints from its members an Executive Committee composed of not less than five members, one of which shall be an Independent Director.

At the Organizational Meeting of the Board of Directors held immediately after the Bank's 2025 ASM, Mr. Jaime Augusto Zobel de Ayala was elected as Chairman of the Executive Committee. Joining Mr. Zobel de Ayala as members were Mr. Cezar P. Consing, Mr. Jose Teodoro G. Limcaoco, Mr. René dG. Banez, Ms. Rizalina G. Mantaring, Mr. Fernando Zobel de Ayala, and Mr. Cesar V. Purisima. Membership of the committee remained in compliance with its updated charter in the latest version of the Manual on Corporate Governance.

[33] Recommendations 3.1- 3.6 SEC CG Code for PLCs

[34] Recommendation 3.6, SEC CG Code for PLCs

The Executive Committee, between meetings of the Board, possesses and exercises all powers of the Board in the management and direction of the affairs of the Bank subject to the provisions of the Bank's Amended By-Laws, and the limitations of the law and other applicable regulations.

The Executive Committee serves as the operating arm of the Board, approves all major policies and oversees all major risk-taking activities. A majority of all the members of the Executive Committee shall constitute a quorum.

BPI BOARD AND BOARD-LEVEL COMMITTEES

	BOARD	EXECUTIVE	CORPORATE GOVERNANCE & SUSTAINABILITY	RISK MANAGEMENT	AUDIT	RELATED PARTY TRANSACTIONS	PERSONNEL AND COMPENSATION	NOMINATION	RETIREMENT / PENSION
Number/Composition of Committee Members	15	7	3	5	3	3	5	3	4
Frequency of Meetings[1]	Every 3rd Wednesday of the month	Every Wed. except 3rd Wednesday	Quarterly	Every month	Once a month	Monthly or As needed	As needed	Twice a year or as needed	At least twice a year or as needed
Name of Members									
1. Jaime Augusto Zobel de Ayala	X-C	X-C					X-C	X	
2. Cezar P. Consing	X-VC	X-VC		X[3]			X	X[3]	
3. Jose Teodoro K. Limcaoco (President & CEO)	X	X							
4. Janet Guat Har Ang (ID)	X			X		X-C			
5. René dG. Bañez	X	X				X			X
6. Karl Kendrick T. Chua	X								X
7. Wilfred T. Co	X								
8. Restituto C. Cruz	X[2]				X[2]	X[2]			
9. Emmanuel S. de Dios (ID)	X		X-C					X-C[2]	
10. Rizalina G. Mantaring (Lead ID)	X	X[2]	X	X-C					X
11. Aurelio R. Montinola III	X[3]	X[3]					X[3]		X-C[3]
12. Mario Antonio V. Paner (ID)	X			X	X		X[2]		X-C[2]
13. Cesar V. Purisima (ID)	X	X		X	X-C[2]			X[2]	
14. Jaime Z. Urquijo	X		X	X[2]					
15. Maria Dolores B. Yuvienco (ID)	X[3]				X-C[3]	X[3]	X[3]		
16. Fernando Zobel de Ayala	X	X					X		
17. Mariana Beatriz E. Zobel de Ayala	X[2]						X[2]		

[1] *Based on committee charter or current practice*
[2] *Board/Committee member effective 21 April 2025*
[3] *Board/Committee member until 21 April 2025*

Legend:
C-Chairman
VC-Vice Chairman

In 2025, the Executive Committee approved major credit risk exposures, major policies and, corporate actions, including contracts, sale of real properties, HR Matters (such as compensation, hiring, promotions, terminations), and branch relocations.

Audit Committee. The Board appoints from its members an Audit Committee composed of at least three (3) NEDs, of which majority must be Independent Directors including the Chairman. Members of the committee must have accounting, auditing, or related financial management expertise, or experience commensurate with the size, complexity of operations, and risk profile of the Bank. The Chairperson of the Audit Committee shall not be the Chairperson of the Board or of any other board-level committees.[35]

Committee membership remained in compliance with its charter for the year.

For 2025, the Audit Committee monitored and evaluated the adequacy and effectiveness of the Bank' internal control systems, risk management, compliance, and governance practices. It provided oversight on the integrity of the Bank's financial statements and financial reporting process, performance of the internal and external audit functions and compliance with bank policies, applicable laws, and regulatory requirements. The Committee also approved the external auditor's annual audit plan and scope of work, and assessed its overall performance and effectiveness. In consultation with management, this Committee also approved the external auditor's terms of engagement and audit fees.

For more details, please read the Audit Committee Report for the year ended Dec. 31, 2025. The report is also posted on the company website at www.bpi.com.ph.

Corporate Governance and Sustainability Committee. The Board appoints from its members a Corporate Governance and Sustainability Committee composed of at least three (3) NEDs, of which majority must be Independent Directors including the Chairman.[36] In the Organizational Meeting of the Board of Directors immediately after the 2025 Annual Stockholders' Meeting, Independent Director Emmanuel S. de Dios was re-elected Chairperson, while Independent Director Rizalina G. Mantaring, and Director Jaime Z. Urquijo were re-appointed as members of the committee. Committee membership remained in compliance with its charter for the year.

In 2025, the Corporate Governance and Sustainability Committee carried out its regular mandate as set in its charter, to offer recommendations for the Bank's corporate governance framework and to address, in particular, BPI's conformance to BSP Circular 969, BSP Circular 900, SEC Memorandum Circular 19, Series of 2016, as well as best practices espoused by the ACGS. This included remedial action for regulatory compliance, policy development, oversight of the corporate governance framework and practices as well as compliance testing of Bank subsidiaries. The Committee also provided guidance with respect to regulatory matters concerning the BSP and SEC.

Nomination Committee. The Board appoints from its members a Nomination Committee composed of at least three (3) directors, of which majority must be Independent or Non-Executive, including the Chairman.

In this respect, membership of the committee remained in compliance with its charter.

During the year, the Nomination Committee convened to vet candidates for nomination to be elected at the 2026 ASM and guided election activities, appointments and re-composition of committee memberships as part of its charter responsibilities, the succession planning process and to align with best practices.

Risk Management Committee. The Board appoints from among its members a Risk Management Committee (RMCom) composed of at least three Directors, the majority of whom must be Independent, including the Chairperson. Committee members should possess a diverse range of knowledge and expertise in risk management issues and best practices. The Chairperson shall not serve as the Chairperson of the Board or of any other Board-level committee.[37]

In the Organizational Meeting of the Board of Directors immediately after the 2025 Annual Stockholders' Meeting, Lead Independent Director Rizalina G. Mantaring was re-appointed as Chairperson of the committee. In addition, Director Jaime Z. Urquijo was appointed as new member of the committee. In this respect, membership of the committee remained in compliance with its charter.

The RMCom is responsible for nurturing a risk-aware culture throughout the organization. It supports the Board by overseeing and managing the Bank's exposures to financial and non-financial risks, evaluating new and emerging risk issues, and regularly reviewing the Bank's risk appetite, limits, policies, methodologies, structures, and metrics. These efforts align with the Bank's business strategies and comply with regulatory requirements and international risk management standards.

Personnel and Compensation Committee. The Board appoints from its members a PerCom composed of four (4) members of the Board who are not officers of the Bank plus one (1) member who is an Independent Director. In the Organizational Meeting of the Board following the 2025 Annual Stockholders' Meeting, Chairperson Jaime Augusto Zobel de Ayala was elected Chairperson of the PerCom, with Directors Cezar P. Consing, Fernando Zobel de Ayala, Mariana Beatriz E. Zobel de Ayala, and Independent Director Mario Antonio V. Paner, as members.

Membership of the Committee remained in compliance with the PerCom charter.

In 2025, the PerCom directed and ensured the implementation of various programs of the Human Resources Management Group such as: Leadership and Talent Development, Compensation and Total Rewards Review, the Performance Level Ranking Program for officers, Collective Bargaining Agreements (CBA) settlements, as well as promotions and organizational changes during the year.

Related Party Transactions Committee. The Board appoints from its members a Related Party Transactions Committee (RPTCom) composed of at least three Independent and/or Non-Executive Directors, of which the majority must be Independent, including the Chairperson.

In the Organizational Meeting of the Board of Directors following the 2025 Annual Stockholders' Meeting, Independent Director Janet Guat Har Ang was appointed by the Board as the Chair of the RPTCom, along with other members, Director Rene dG. Banez and Director Restituto C. Cruz who was appointed as a new member of the Committee, replacing Director Maria Dolores B. Yuvienco. The membership of the Committee remained in compliance with the RPTCom Charter, with the Chief Audit Executive (CAE) and Chief Compliance Officer (CCO) sitting as resource persons.

The RPTCom is tasked to assist the Board in fulfilling its responsibility to strengthen corporate governance and practices particularly on related party transactions (RPTs). It supports the Board by assessing material agreements of any kind with a related party, determining whether to approve, ratify, disapprove, or reject an RPT, and overseeing the implementation of the Bank's RPT framework, as aligned with internal and regulatory guidelines.

Retirement/Pension Committee. The Board appoints from its members a Retirement/Pension Committee composed of at least three directors, of which majority must be Independent or Non-Executive, including the Chairman. The Human Resources Head shall also be a non-voting member of the Committee. Membership of the Committee remained in compliance with its Charter for the year.

For 2025, the Retirement/Pension Committee convened to oversee and discuss matters relative to its fiduciary, administrative, and investment portfolio responsibilities under its charter, as well as manage the non-investment aspects of the Bank's retirement plan.

COMMITTEE APPOINTMENTS, ATTENDANCE AND YEARS OF SERVICE (2025)

COMMITTEE	POSITION	NAME	DATE OF APPOINTMENT	ATTENDANCE/ MEETINGS[1]	%
Executive Committee	Chairman (NED)	Jaime Augusto Zobel de Ayala	April 06, 2006	35/40[4]	88%
	Vice-Chairman (NED)	Cezar P. Consing	April 18, 2013	32/40[4]	80%
	Member (ED)	Jose Teodoro K. Limcaoco	April 25, 2019	36/40[4]	90%
	Member (NED)	Rene dG. Bañez	August 18, 2021	37/40[4]	93%
	Member (ID)	Rizalina G. Mantaring[2]	April 21, 2025	23/30[4]	77%
	Member (NED)	Aurelio R. Montinola III[3]	March 25, 2004	8/10[4]	80%
	Member (ID)	Cesar V. Purisima	April 28, 2022	38/40[4]	95%
	Member (NED)	Fernando Zobel de Ayala	September 20, 2023	33/40[4]	83%
Audit Committee	Chairman (ID)	Cesar V. Purisima	April 22, 2021	16/16[5]	100%
	Chairman (ID)	Maria Dolores B. Yuvienco[3]	October 21, 2020	6/6	100%
	Member (ID)	Restituto C. Cruz[2]	April 21, 2025	10/10[5]	100%
	Member (ID)	Mario Antonio V. Paner	April 23, 2024	16/16[5]	100%
Risk Management Committee	Chairman (ID)	Rizalina G. Mantaring	April 27, 2023	13/13[5]	100%
	Member (ID)	Janet Guat Har Ang	May 19, 2021	11/13[5]	85%
	Member (NED)	Cezar P. Consing[3]	April 27, 2023	4/4	100%
	Member (ID)	Mario Antonio V. Paner	April 23, 2024	13/13[5]	100%
	Member (ID)	Cesar V. Purisima	April 22, 2021	12/13[5]	92%
	Member (NED)	Jaime Z. Urquijo[2]	April 21, 2025	7/9[5]	78%

[35] Recommendation 3.2 SEC CG Code for PLCs

[36] Recommendation 3.3 SEC CG Code for PLCs

[37] Recommendation 3.4, SEC CG Code for PLCs

COMMITTEE	POSITION	NAME	DATE OF APPOINTMENT	ATTENDANCE/ MEETINGS[1]	%
Corporate Governance and Sustainability Committee	Chairman (ID)	Emmanuel S. de Dios	April 28, 2022	4/4	100%
	Member (ID)	Rizalina G. Mantaring	April 27, 2023	4/4	100%
	Member (NED)	Jaime Z. Urquijo	April 27, 2023	4/4	100%
Nomination Committee	Chairman (ID)	Emmanuel S. de Dios[2]	April 21, 2025	1/1	100%
	Member (NED)	Cezar P. Consing[3]	September 21, 2022	1/1	100%
	Member (ID)	Cesar V. Purisima	April 22, 2021	2/2	100%
	Member (NED)	Jaime Augusto Zobel de Ayala	April 14, 2011	1/2	50%
Personnel and Compensation Committee	Chairman (NED)	Jaime Augusto Zobel de Ayala	September 21, 2022	8/9[4]	89%
	Member (NED)	Cezar P. Consing	April 27, 2023	8/9[4]	89%
	Member (NED)	Aurelio R. Montinola III[3]	April 18, 2013	2/3[4]	67%
	Member (ID)	Mario Antonio V. Paner[2]	April 21, 2025	5/6[4]	83%
	Member (ID)	Maria Dolores B. Yuvienco[3]	April 23, 2020	3/3[4]	100%
	Member (NED)	Fernando Zobel de Ayala	September 20, 2023	5/9[4]	56%
	Member (NED)	Mariana Beatriz E. Zobel de Ayala[2]	April 21, 2025	6/6[4]	100%
Related Party Transactions Committee	Chairman (ID)	Janet Guat Har Ang	April 23, 2024	12/12	100%
	Member (NED)	Rene dG. Bañez	August 18, 2021	11/12	92%
	Member (ID)	Restituto C. Cruz[2]	April 21, 2025	8/8	100%
	Member (ID)	Maria Dolores B. Yuvienco[3]	April 25, 2019	4/4	100%
Retirement / Pension Committee	Chairman (ID)	Mario Antonio V. Paner[2]	April 21, 2025	3/3	100%
	Chairman (NED)	Aurelio R. Montinola III[3]	May 19, 2021	1/1	100%
	Member (NED)	Rene dG. Bañez	August 18, 2021	4/4	100%
	Member (NED)	Karl Kendrick T. Chua	May 17, 2023	4/4	100%
	Member (ID)	Rizalina G. Mantaring	April 27, 2023	3/4	75%

[1] For the period of 01 January to 31 December 2025
[2] Committee member effective 21 April 2025
[3] Committee member until 21 April 2025
[4] Includes Joint Executive Committee and Personnel & Compensation Committee
[5] Includes Special Joint Audit Committee and Risk Management Committee

MANUAL ON CORPORATE GOVERNANCE

The Bank has a Manual on Corporate Governance (MCG) which, together with the board and board-level committee charters, supplements and complements BPI's Articles of Incorporation and Amended By-Laws. It sets forth the underlying principles of good and transparent governance through a framework of policies, rules, systems, and processes for the Board and Management's performance of their respective duties and responsibilities to stakeholders.

The manual is accessible to all employees via the internal electronic database and is likewise published on the company website.[38]

The MCG, reviewed annually, was last approved for amendment in Dec. 4, 2024. Upon amendment, BPI submits the updated MCG, bearing the signatures of the Chairman of the Board and the Chief Compliance Officer, to the SEC.

Compliance with the SEC Code of Corporate Governance for PLCs. A certification on the Bank's full compliance with the BPI Manual on Corporate Governance, containing relevant provisions of the SEC Code of Corporate Governance for PLCs, signed and issued by the Chief Compliance Officer, is posted on the company website.

ASEAN CORPORATE GOVERNANCE SCORECARD

BPI actively measures its governance practices against its counterparts in the region, having adopted the rigorous benchmarking framework of the ASEAN Corporate Governance Scorecard (ACGS).

In 2025, BPI garnered 4 golden arrows in ICD's Golden Arrow Award as a Top Performing Company in the domestic assessment of the ACGS.

The Bank's ASEAN Corporate Governance Scorecard is posted on the company website at www.bpi.com.ph.

[38] Recommendation 8.7 SEC CG Code for PLCs

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

SEC Memorandum Circular No. 15, Series of 2017 and PSE Memorandum CN No. 2017-0079 mandate all companies listed in the PSE to submit the Integrated Annual Corporate Governance Report (I-ACGR) on or before May 30th of every year that the company remains listed on the PSE.

The I-ACGR covers (1) Recommendations from SEC CG Code for Publicly-Listed Companies, (2) Supplemental provisions from PSE CG Guidelines Disclosure Survey, (3) Additional requirements not in SEC CG Code/PSE CG Guidelines but expected of PLCs, and (4) Requirements from the ASEAN CG Scorecard (optional). BPI's latest I-ACGR as well as that of previous years' may be viewed on the company website at www.bpi.com.ph.

CODES OF BUSINESS CONDUCT AND ETHICS

BPI has Codes of Business Conduct and Ethics, providing the key practices and behaviors for its directors, officers, and employees. The codes serve as guidance so that the right decisions are made in the performance of their respective roles and responsibilities across various functions in the Bank.[39]

Employee Code of Business Conduct and Ethics. Built around BPI's Mission and Vision, Credo and Core Values, the Code lists the high-level ethical principles that guide the Bank's business, how its employees must treat its clients, and the conduct expected from them. The Code also includes guidance on care for the environment, labor rights, customer service and protection, commitment to human rights, the right to privacy, and anti-bribery and anti-corruption. The Code of Business Conduct and Ethics is a declaration of principles and, more so, a vital part of the Bank's risk management strategy. Annually reviewed, the Code was refreshed and approved by the PerCom in October 2022.[40]

[39] Recommendation 7.1 SEC CG Code for PLCs
[40] Recommendations 7.1 and 7.2., SEC CG Code for PLCs

THE CODE OF BUSINESS CONDUCT AND ETHICS

OUR CLIENTS

N.I.C.E. Values at work: Nurturing, Integrity, Customer-Obsessed, Excellence

- Building Client Relationships
- Safeguarding Privacy and Security of Client Information
- Promoting and Strengthening Consumer Protection

OUR EMPLOYEES

Values at work: Nurturing, Integrity, Excellence

- Adhering to Company Rules and Workplace Policies
- Creating Dignity and Unity in the Workplace
- Contributing to Workplace Health & Safety
- Following Limits of Authority
- Avoiding Conflict of Interest Protecting Property and Assets of BPI and Others
- Recognizing Privacy of Employee Information

OUR SHAREHOLDERS

Values at work: Integrity, Excellence

- Upholding the Bank's Reputation, Service Quality and Trust
- Transparency, Liaison and Coordination with Regulators
- Maintaining Company Records and Reporting Requirements
- Supporting Investors and the Market
- Encouraging and Assisting Whistleblowing
- Handling Related Party Transactions

OUR COUNTRY

Values at work: Nurturing, Integrity, Excellence

- Compliance with KYC, Anti-Money Laundering and FATCA Regulations
- Preventing Insider Trading
- Enforcing Anti-Corruption and Anti-Bribery
- Dealing with Suppliers and Business Partners
- Caring for Sustainability and Communities

Applicability of Code. The Code is applicable to and mandatory for all employees of the BPI group. As no code could address every situation an employee may encounter, all employees are required to follow both the spirit and the letter of the Code, its policies, and procedures. Annually, all BPI employees are required to read, understand, and comply with the Code of Business Conduct and Ethics. All others who work for, or on behalf of, BPI are also required to demonstrate the highest standards of professional business conduct. In general, this includes consultants, agents, contract or temporary workers, and business partners.

Guidance on the Code. Throughout the Code, employees will find information, key terms, and links to related policies on BPI's internal electronic database, to guide them in making ethical decisions. In the absence of a specific policy, employees have a responsibility to use good judgment, comply with the spirit of the Code, and seek help from their immediate superior, the Human Resources Management Group, or HR Employee Care Unit if they have any questions or concerns.

Reporting Violations. All employees must report to management any information they may have about any offense or Code violation which has been, is being, or is about to be committed. Failure to do so will subject the employee to the appropriate disciplinary action. Protection of the reporting party's identity will be maintained to the extent possible, within the legitimate needs of law and the fact-finding process. Where appropriate, BPI may apply the protected disclosure protocols of our Whistleblower Policy. Employees are also expected to cooperate with any investigation, inquiry, examination, or litigation related to the offense or Code violation.

Director's Code of Conduct. BPI has a Code of Conduct for its Board, adopted in Sep. 2017, which applies to and is binding on all directors of the Bank. The Director's Code is intended to provide guidance to directors, whether executive, nonexecutive, or independent, with policies on standards for conduct of the business of the Bank, the protection of its rights and its stakeholders, the upholding of BPI's reputation for integrity, and compliance with applicable laws and regulations. The principles outlined in the Director's Code of Conduct: (1) codify a standard of conduct for which directors are to abide throughout their term of service, from the date of their appointment; (2) set out a range of matters relating to the director's role and the behavior expected of them to properly undertake their fiduciary duties, protect the business interests of BPI, and maintain its reputation for integrity, and; (3) emphasize BPI's commitment to compliance with regulatory guidelines, rules and laws. In contrast to the Board Charter and MCG, which sets out the qualifications, role, composition, duties, and responsibilities of the Board within the governance structure of the Bank, the Code governs the behavior and conduct of the directors.

The Director's Code, therefore, sets forth policies in several basic areas that commonly require directors to exercise sound and informed judgment, recognize and deal with ethical issues, report possible unethical conduct, and foster a culture of openness, fair dealing, diligence, and accountability. These basic areas include: (1) leadership and stewardship; (2) diligence, care, and skill; (3) upholding the law; (4) conflict of interest; (5) competition and fair dealing; (6) confidentiality; and (7) corporate disclosure. The Director's Code also discusses directors' time commitments, training and development, personal investments and insider trading, political activity and involvement, gifts policy, antibribery and anti-corruption, related party transactions, competition and fair-dealing, and public communication.[41]

Dissemination of the Codes. The Bank's codes of conduct are embodied in the Bank's MCG and the internal electronic databases readily accessible for all Bank employees. Advisories on the employee code are also disseminated periodically via electronic mail bank-wide. Directors are provided with hard copies as well as electronic copies of the Director's Code. Both the Employees' and Directors' Codes of Conduct are disclosed in the MCG and on the company website.[42]

Training on the Codes of Conduct. Employees are required annually to take the mandatory Code of Business Conduct (COBC) Course which includes training sections on other CG policies of the Bank such as the Insider Trading Policy, Whistleblower Policy and the Anti-Bribery and Anti-Corruption Policy.

Annual Affirmation to the Codes. All directors and employees acknowledge annually, through a Statement of Affirmation, that they have read and understood the Director's Code and/or the employee Code of Conduct, respectively, as well as the MCG, and fully comply and adhere to the principles, standards, and policies therein.

Notices on the Employee Affirmation and COBC Course are broadcast group-wide and bank-wide to remind employees of their need to comply with the mandatory training and affirmation. The Board monitors compliance with the code through its various board-level committees.[43]

[41] Recommendation 2.1 SEC CG Code for PLCs

[42] Recommendation 7.1, 8.7 SEC CG Code for PLCs
[43] Recommendation 7.2 SEC CG Code for PLCs

COMPANY POLICIES AND STANDARDS

Conflict of Interest Standards. The Bank has in place standards on conflict-of-interest that elevate the interest of the Bank above that of the personal interests of directors, officers, and employees:

- prohibit directors and employees from using their position of authority or rank to directly or indirectly derive personal gain or advantage;
- expect all directors and employees to refrain from any conduct that could be viewed unfavorably by the Bank's clients, co-employees, competitors, suppliers, investors, regulators, or the public;
- require full cooperation and provision of complete and accurate information from employees during government, regulatory or internal enquiries, investigations, and audits;
- require directors to disclose any conflicts of interests such as cross-board memberships, cross shareholdings with suppliers and other stakeholders, and related party issues;
- cover specific conflict-of-interest situations such as receipt of gifts from third parties, respect for trade secrets, use of non-public information, and use of company funds, assets, and information.

Employee Awareness and Training. Employee bulletins on Conflict of Interest are regularly issued by the Human Resources Group and the Corporate Governance Department to increase awareness and ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.[44]

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

In 2025, the Bank amended its Anti-Bribery and Anti-Corruption (ABC) Policy to reinforce its commitment to the principles of the UN Global Compact as part of its Sustainability Roadmap, strengthen its efforts to improve policy implementation, monitoring, and compliance, and enhance due diligence requirements on business partners relative to bribery and corruption. Through this policy, the Bank puts the highest premium on sound, responsible, and effective corporate governance. The Bank advocates that directors and employees do not tolerate corruption or any form of bribery nor provide or accept improper inducements in the course of any business dealing.[45]

Aligned with the Bank's commitment to act fairly and with integrity in all business dealings and relationships, the ABC Policy complements the Bank's financial crime policies and programs such as the Money Laundering and Terrorism Financing Prevention Program (MTPP) and Whistleblower Policy.

Bribes. Employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor). Specifically, employees must not bribe public officials in all dealings.

Gifts policy. (Request or Acceptance of Commission, Kickbacks, Gift or Gratuities from those who have dealings with Bank). Guidance on the Bank's ABC Policy is supplemented by the Standards on Conflict of Interest, Gifts Policy, which prohibits employees from making direct or indirect requests or acceptance of any gift, share, percentage, discounts, special privileges, or benefit for oneself or any other person in an employee's past, present or intended intervention in any dealings between the Bank and any other party with the exception of, but not limited to, the following:

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

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

The following are prohibited or considered violations:

- Acceptance of fees, commissions, or kickbacks from clients, suppliers, in consideration of patronizing their products or services in connection with their dealings with the Bank
- Solicitation from clients, suppliers in favor of patronizing their products or services in connection with their dealings with the Bank
- Receipt of commission from insurance agents whenever premiums are paid on account of insurance policies covering properties mortgaged to the Bank

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

[44] Recommendation 7.1, 8.7 SEC CG Code for PLCs

[45] Recommendation 15.2, 7.1, 8.7 SEC CG Code for PLCs

Compliance. Monitoring of and compliance with the Code of Conduct and related policies are undertaken by the Human Resources Management Group and in part by the Corporate Governance Department of the Compliance Group.

Employee Awareness and Training. Employee bulletins are regularly issued by the Human Resources Group and Corporate Governance Department to increase awareness and ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.

2025 Reports. For the year 2025, there are no confirmed incidents of bribery or corruption.

INSIDER TRADING POLICY

The Bank has an Insider Trading Policy which prohibits its covered persons or directors, employees, and other parties who are considered to have knowledge of material facts that have not been disclosed to the public, including any information that will likely affect the market price of BPI's securities, from buying or selling these securities for their own personal account during periods of structured and non-structured disclosure (trading blackout). This prohibition includes passing on material and nonpublic information relating to BPI or its clients to anybody who may buy or sell securities.[46]

Employee Awareness and Training. Employee bulletins are regularly issued by the Compliance Office before, during, and after trading blackout periods to ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.

Disclosure and Reporting. All Directors and Senior Management are required to comply with regular reportorial requirements of and disclosure to the SEC and the PSE for the purchase and sale of BPI shares.

Violation of the policy shall be subject to disciplinary action as may be determined by management or the Board, without prejudice to any civil or criminal proceedings which BPI or the regulators may file. Under the law, insider trading may be subject to penalty for damages or fine and/ or imprisonment.

2025 Reports. For the year 2025, there are no confirmed incidents of insider trading.

WHISTLEBLOWER POLICY

The Bank has an established whistleblower program, which is an important mechanism to prevent and detect fraud or misconduct, and enable fast and coordinated incident responses, remedial actions, and damage control procedures.[47]

Applicability of Policy. The Whistleblower Policy is applicable to both internal and external stakeholders. All directors and employees, as well as clients, suppliers, and other stakeholders can report any violation. These can include violations of policies, procedures, and applicable laws and regulations such as fraud, sexual harassment, theft, stealing, conflict of interest, information security breach, and any other acts which are inimical to the interests of the Bank and the BPI group.

Reporting Procedure. The whistleblower may approach any of the following officers who are the designated contacts for the Bank and the primary reporting line: Chief Human Resources Officer, Chief Audit Executive, and Chief Risk Officer. Under extraordinary circumstances, the whistleblower may also course the complaint through other reporting lines, like the President and CEO or the Chairman of the Bank's Audit Committee.

The whistleblower may report formally or anonymously to the primary contacts. Reporting can be done in writing, by telephone, in person, or through eye_report@bpi.com.ph.

Upon receipt of the whistleblower report, the personnel to whom the report was disclosed shall immediately initiate the investigation by turning over the details and documents, if any, to the investigating unit of the Bank. The investigation of the whistleblower report shall follow due process as stipulated in the Bank's manual of operations for handling fraud and irregularities.

Non-Retaliation. The Whistleblower Policy emphasizes the Bank's commitment to non-retaliation. It fosters and maintains an environment of utmost confidentiality where all whistleblowers may act appropriately without fear of reprisal, and are treated with utmost confidentiality. An individual who makes a protected disclosure shall not suffer harassment, retaliation, or adverse employment consequences. Any person who retaliates against any individual who makes a protected disclosure shall be subject to discipline, including termination.

In case the whistleblower believes he/ she has been subjected to retaliation, he/she may seek redress or file a formal complaint to the three primary contacts for whistleblowing.

Employee Awareness and Training. Employee bulletins are regularly issued by the Human Resources Group to increase awareness and ensure compliance. Annual employee training on the policy is likewise provided while the policy itself is also disclosed in the MCG and on the company website.

2025 Reports. In 2025, BPI received a total of 67 reports through its BPI Eye Report Box, of which 2 were invalid/ unsubstantiated. The remaining 65 were verified and/or referred to concerned bank units for proper disposition and were subsequently fully resolved except for 30 that are still under investigation/ verification by HR/HR-UIU/Client Experience. The reports received primarily involved customer complaints (46%), employee administrative matters (25%), conflict-of-interest issues (15%), and client's requests/other concerns (14%).

[46] Recommendation 7.1, 8.2, 8.7 SEC CG Code for PLCs

[47] Recommendation 7.1, 8.7, 15.3 SEC CG Code for PLCs

RELATED PARTY TRANSACTIONS POLICY

Our Related Party Transactions Policy aims to further strengthen the BPI Group's corporate governance over related party transactions by imposing rigorous guidelines and measures to avoid the occurrence of abusive RPTs.[48]

The policy identifies persons and companies that are considered the Bank's related parties. Management periodically reviews and updates the inventory of related parties to capture organizational and structural changes in the Bank, the BPI Group, and its related parties. Covered transactions are those that not only give rise to credit and/or counterparty risks, but also those that could pose material/special risk or potential abuse to BPI and its stakeholders.

Through this policy, the Bank also institutionalized a sustainable framework for the identification, assessment, and reporting of related party transactions, aimed at achieving an increased degree of transparency and integrity.

Related Party Transactions Committee. BPI established a Board-level Related Party Transactions Committee (RPTCom) to assist the Board in assessing material agreements of any kind with a related party and determine whether to approve, ratify, disapprove or reject a transaction. Directors with material interest in any transaction affecting the Bank abstain from taking part in deliberations for the same. Currently composed of independent and/or non-executive directors, the RPTCom meets regularly to vet credit and non-credit related party transactions of significant amounts that meet the materiality threshold per transaction type as established per Bank's policy on RPTs. The Bank's CAE and CCO sit as resource persons of the RPTCom. Internal Audit, under the CAE, performs post-transaction reviews to ensure proper implementation of related party transactions endorsed by the RPTCom.[49]

Vetting Process. The RPTCom is guided by the following:

- The RPTCom evaluates the fairness and reasonability of the terms of the RPT and ensures that RPT terms are dealt at arm's length (i.e., considers whether the RPT is entered into on terms no less favorable to the Bank than terms generally available to non-related parties under the same or similar circumstances).
- For a transaction involving a sale of Bank's assets, the Committee reviews the results of the appraisal or valuation methodology used, as well as alternative approaches to valuation.
- The Committee assesses the details of the related party transaction:
  - Term of the transaction;
  - The related party's interest in the transaction;
  - Purpose and timing of the transaction;
  - Whether the Bank is a party to the transaction and, if not, the nature of the Bank's participation in the transaction;
  - If the transaction involves the sale of an asset, a description of the asset including date acquired and costs basis;
  - Information concerning potential counterparties in the transactions;
  - Approximated value of the transaction and the approximated value of the related party's interest in the transaction;
  - Description of provisions or limitations imposed as a result of entering into proposed transaction;
  - Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction;
  - Potential benefits to the Bank.
- If needed, the RPTCom may also call on independent experts to help with valuation issues to ensure that the interests of the Bank and its stakeholders are protected.
- The RPT Vetting Department, which is part of the Risk Management Office, acts as the RPTCom Secretariat, assisting the Committee in carrying out its responsibilities as defined in the RPTCom Charter.

RPTs that are classified as a material transaction must be approved by the Board and submitted for confirmation by majority vote of the stockholders in the ASM.

Materiality Threshold. RPTs involving amounts below the materiality threshold must be approved by the proper authority and submitted for confirmation by the respective Board of Directors. All transactions involving Directors, Officers, Shareholders, and Related Interests (DOSRI), and credit transactions of subsidiaries, and affiliates, must at all times be submitted for approval.

SEC Material RPT Policy. In compliance with SEC Memorandum Circular No. 10, Series of 2019 on Rules of Material RPTs for publicly listed companies (PLC), the Bank also incorporated additional guidelines on materiality threshold, defined as related party transaction/s, either individually, or in aggregate over a 12-month period with the same related party, amounting to 10% or higher of the company's total assets based on its latest audited financial statement. If the reporting PLC is a parent company (e.g., BPI), the total assets shall pertain to its total consolidated assets.

Management Vetting Committee. The Bank has a Management Vetting Committee (MVCom), currently composed of the Executive Vice Presidents, the Chief Finance Officer, and the Treasurer of the Bank, to review Related Party Transactions which are below the materiality threshold, and, as may be designated, the notation of post-transaction reports on exempted RPTs. The Compliance Office, under the CCO, is responsible for the post-review of all transactions endorsed by the MVCom. All transactions vetted by the MVCom are submitted to the RPTCom for its information and notation.

[48] Recommendation 2.7 SEC CG Code for PLCs
[49] Recommendation 5.6 SEC CG Code for PLCs

All Directors, Officers, and Employees are also required to disclose conflicts and potential conflicts, as well as relationships with clients, prospects, suppliers, and other interests. Companies within the BPI Group, notwithstanding its respective RPT policies, standards, and materiality thresholds at the subsidiaries' level, are also covered by this overarching Related Party Transactions Policy of the Bank under an enterprise oversight.

Disclosure of Related Party Transactions.
Related party transactions are properly disclosed in the Bank's audited financial statements, and other applicable filings in accordance with the relevant rules and issuances of the BSP, SEC, and other regulatory bodies. Disclosures on related party transactions can be found in Note 25 of the 2025 Audited Financial Statements.

Employee Awareness and Training.
Employee bulletins are issued to increase awareness and ensure compliance. The policy itself is also disclosed in the MCG and on the company website.[50]

DATA PRIVACY POLICY

BPI has a strong Data Privacy Policy in place. This policy describes to whom it applies to, what personal data the Bank collects, and how such data is collected, and how the Bank may use personal data for core business and marketing purposes. The policy also covers how the Bank may disclose and share such personal data, how such personal data is stored and retained, and how such data can be accessed or corrected. The Data Privacy Policy or Statement is posted on the company website and complies with the requirements of the Data Privacy Act and the NPC.

POLICY ON MERGERS, ACQUISITIONS AND/OR TAKEOVERS

The Board and Senior Management exercise appropriate due diligence and good faith in the review and consideration of all material issues with respect to strategy, opportunities and risks, pricing or valuation, compliance and legal obligations, including diligence on the parties involved before entering into extraordinary transactions, such as mergers, acquisitions, and takeovers. The Bank engages the service of independent and qualified third-party firms and consultants to evaluate the fairness of the transaction price and terms and conditions.[51]

The Board of Directors in its meeting on Sep. 30, 2022 approved the proposed merger between Robinsons Bank Corporation (RBC) and BPI, with BPI as the surviving bank, subject to shareholders' and regulatory approvals. JG Summit Capital Services Corp. and Robinsons Retail Holdings, Inc. currently own approximately 99.9984% of the outstanding capital stock of RBC. In relation thereto, the Board approved:

a. The execution of an Agreement for the Merger of Bank of the Philippine Islands and Robinsons Bank Corporation, among BPI, RBC and JG Summit Capital Services Corp. and Robinsons Retail Holdings, Inc. as the RBC Shareholders (the "Agreement"); 67 Recommendation 8.6 SEC CG Code for PLCs

b. The execution of the Plan of Merger and Articles of Merger by and between BPI and RBC, with BPI as the surviving bank;

c. Designation of certain authorized signatories and representatives to give effect to the aforementioned resolutions; and

d. Calling for a special stockholders' meeting.

On the same day and after the Board approval, BPI executed the Agreement. Following this, during its regular meeting held on Nov. 16, 2022, the Board of Directors approved the calling of a Special Stockholders' Meeting to be held on Jan. 17, 2023, for purposes of securing the required shareholders' approval for execution of the Plan of Merger and Articles of Merger for purposes of the proposed merger between BPI and RBC, with BPI as the surviving bank. The merger is expected to unlock various synergies across several products and service platforms, expand the customer and deposit base of both banks through the merged entity, and, at the same time, by capitalizing on BPI's expertise and network, enhance the overall banking experience of RBC customers.

COMPLIANCE WITH ANTI-COMPETITION LAWS

BPI observes compliance with anti-competition laws and regulations, including but not limited to Republic Act No. 10667 or the Philippine Competition Act. As such, the Bank values the benefits of having an efficient market competition, allowing consumers to exercise their right of choice over the available goods and services offered in the market, towards further economic development.

For the year 2025, the Bank has not received any fines or penalties related to anti-competition.

POLICY ON SUPPLIERS AND CONTRACTORS

BPI has established processes for accreditation, vendor selection, and suppliers audit to ensure qualified suppliers are given equal opportunity when bidding for projects with the Bank.

All employees, departments, and divisions are also regularly advised to update and review their respective lists of suppliers to meet accreditation requirements. Employees must also review the Bank's detailed policies on outsourcing services where applicable.

BPI complies with outsourcing regulations mandated by the BSP which requires banks to put in place appropriate processes, procedures, and information systems that can adequately identify, monitor, and mitigate operational risks arising from the outsourced activities.

In this regard, BPI's Board and Senior Management established policies on outsourcing to ensure that all outsourced activities are conducted in a safe and sound manner and in compliance with applicable laws, rules, and regulations.

From a governance standpoint, commercial transactions with suppliers should be economically beneficial to all parties involved and relationships should be based on the principle of fair and honest dealings. Compliance with internal policies must be in place to stop fraud, money laundering, bribery, and corruption and adhere to local or international laws and regulations. From an ESG standpoint, the Bank's goal is to work collaboratively with supply chain partners on sustainability. BPI's supply chain management policies ensure that the Bank's supply chain is not only sustainable but is also geared towards improving the lives of workers, their communities, and the environment. The Bank also engages suppliers who promote sustainable development and who comply with national laws and internationally recognized standards and conventions for ethical, environmental, and social conditions.

POLICY ON CREDITORS

As a financial institution and an active participant in the capital markets, BPI respects the rights of its creditors. In 2025, the Bank continued diversifying its funding sources and lengthening the maturity profile of its borrowings through a fundraising activity, via the onshore debt market. For details of the Bank's issuance in 2025, please refer to pages 81 to 87. BPI attributes the success of this issuances to the robust demand from both institutional investors as well as high-net worth and retail clients. This issuance supports the Bank's drive to diversify its investor base and fund its asset expansion, particularly loan growth, digitalization initiatives, and general corporate purposes.

The Bank complies with all covenants of its debt and equity issuances and respects the rights of its bondholders and stockholders. BPI also complies with statutory requirements with respect to post-issuance continuing disclosures, tax compliance, and other duties, responsibilities, or actions it is obligated to perform or is prohibited from performing, for the outstanding capital market issuances. The Bank also has an Investor Relations Office to respond to investors' need for information. It keeps rating agencies informed of material events and responds to other requests for information.

FINANCIAL CONSUMER PROTECTION

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

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

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

- Approve CPRMS and FCPAM considering business model, market, products, and relationship with third parties that may give rise to risks to Financial Consumers.
- Promote ethical culture and ensure compliance with standards and regulations.
- Provide resources and policies for training and competency requirements.
- Approve compensation policy promoting ethical practices, equitable treatment, and conflict prevention, including performance-based rewards and contract renewal criteria.
- Approve product oversight to ensure products meet consumer needs and are accessible to all, including vulnerable groups.
- Adopt a policy on fees and charges, including justification and rationalization.
- Approve and review a Code of Conduct for directors, personnel, and agents, defining corporate culture and reporting violations.
- Periodically assess the CPRMS's implementation, efficiency, and relevance, including audit mechanisms.

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

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

CXMO became Client Experience Center (CXC) in July 2020 and renamed to Customer Experience Center in January 2025 and integrated all the major customer touchpoints to strengthen our focus on customer experience. CXC is now composed of three (3)

[50] Recommendation 7.1, 8.5, 8.7 SEC CG Code for PLCs

[51] Recommendation 8.6 SEC CG Code for PLCs

units: Customer Care, Insights and Governance, and Integration & Programs. These three (3) units work together to safeguard the interests and well-being of our customers as we address their financial needs. There are also related policies in place such as the Managing the BPI Financial Consumer Protection, Managing BPI Financial Consumer Protection Assistance Mechanism and Handling Customer Complaints to properly equip our bank personnel in the handling of customer feedback. Preventive measures and treatment plans from business units with top customer concerns are presented to senior management regularly for appropriate service improvements and customer satisfaction.

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

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

We maintain a vigilant approach in addressing feedback and concerns regarding our products and services. Throughout 2025, we diligently addressed and resolved issues, achieving a 99.29% complaint resolution, consistent with our previous performance. By year-end 2025, reported complaints had been effectively resolved, reflecting our dedication to swift and satisfactory resolutions. Our adherence to regulatory standards remains steadfast, with no confirmed incidents of non-compliance in 2025, underscoring our unwavering commitment to product and service excellence. We continuously uphold our enterprise-wide complaint reporting to BPI Management, ensuring transparency and accountability across our operations. Despite a marginal increase in complaint volume (percentage of transactions and unique customers with complaint) in 2025, the Bank's financial consumer protection efforts resulted in consistently strong performance.

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

Employees also take the mandatory FCP Training course annually available via BPI University. With the revision of the FCP module in 2025, there has been a notable improvement in performance among Unibankers, evidenced by a completion rate of 99.8%, which surpasses the 99.66% achieved in 2024. To further improve service and align with the customer obsessed culture of the Bank, Human Resource – Learning & Development Department provides soft-skills trainings such as business writing, oral communications, problem solving, professional image development, and collections overview, among others. FCP is also embedded in the employee code of conduct.

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

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

OPERATING MANAGEMENT

Organization. BPI's President and CEO is responsible for formulating the business strategy and the overall management of the Bank in fulfilling objectives to achieve the desired outcomes of its strategy. The Bank's senior executive officers are each responsible for an area of the Bank's business and report directly to the President and CEO.

In 2025, the senior executive officers of the Bank included:

- Maria Cristina L. Go, Executive Vice President and Head, Consumer Banking
- Maria Theresa D. Marcial, Executive Vice President and President and CEO of BPI Wealth
- Elfren Antonio S. Sarte, Executive Vice President and Head, Payments Council
- Dino R. Gasmen, Treasurer, Executive Vice President and Head, Global Markets
- Eric Roberto M. Luchangco, Executive Vice President, Chief Finance Officer, Chief Sustainability Officer, Head, Strategy and Finance
- Juan Carlos L. Syquia, Executive Vice President and Head, Institutional Banking (until April 31, 2025)
- Luis Geminiano E. Cruz, Senior Vice President and Head, Institutional Banking (effective May 1, 2025)
- Joseph Anthony M. Alonso, Senior Vice President and Chief Credit Officer
- Jenelyn Z. Lacerna, Senior Vice President and Head, Mass Retail Products
- Ma. Cristina F. Asis, Senior Vice President and Chief Risk Officer
- Jose Raul E. Jereza IV, Senior Vice President and Head, Agency Banking
- Ricardo D. Pena, Senior Vice President and Head, Enterprise Operations
- Maria Catherine Elizabeth P. Santamaria, Senior Vice President and Chief Customer and Marketing Officer
- Dominique R. Ocliasa, Senior Vice President and Head, Business Banking

The senior executive officers are responsible for ensuring:

- Development and expansion of the Bank's client relationships;
- Service quality and innovation in its products and services;
- Enterprise asset-liability management and flows business;
- Reliability, productivity, and efficiency of the operating infrastructure;
- Financial strategy formulation and execution;
- Sustainable investor and stakeholder Relations

Planning and Performance Management. BPI articulates its strategy in periodic planning exercises, realizes plans in formal budgets, and conducts periodic performance reviews against budget and past performance. We act in accordance with well-defined operating policies and procedures, as well as ensure the accuracy and transparency of operational and financial reporting to further solidify our reputation on integrity and fair dealing. We also strive to achieve accountability in revenue performance, efficiency in resource expenditures, and customer satisfaction in the delivery of services. Management is regularly reviewed and rewarded according to their performance relative to assigned targets, taking into account innovation, customer feedback, peer performance and Board evaluation.

We place a strong emphasis on prudent risk-taking and risk management. Specific management committees ensure that major risks are identified, measured, and controlled against established limits. These key management committees include:

- Assets and Liabilities Committee
- Credit Committees
- Crisis Resiliency Committee
- Finance Committee
- Fraud and Irregularities Committee
- Information Technology (IT) Steering Committee
- IT Infrastructure Governance Committee
- IT Project Steering Committee
- Management Vetting Committee
- Money Laundering Evaluation Committee
- Money Service Business Governance Committee
- Operational Risk Management Committee
- Opex Accreditation Committee
- Real and Other Properties Acquired (ROPA) Committee
- Sustainability Council

Members of these committees are senior officers (in the case of the Information Technology Steering Committee, includes a non-executive Director) who are subject matter experts in areas of knowledge relevant to the respective committees. Members may include client specialists, product specialists, senior officers of the Risk Management Office, and other senior executives, as applicable.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights. BPI treats capital as a valuable asset and seeks to generate superior returns for its shareholders, while being prudent in risk-taking, spending, and investment. The Bank treats all its shareholders equitably and equally, whether they have majority or minority interest. The Board is committed to respect the rights of shareholders, recognized in the Corporation Code, including, among others:

Voting rights. Shareholders have the right to elect, remove, and replace directors and vote on certain corporate acts.

- Electronic Voting in Absentia. In its meeting held on December 11, 2024, the Board of Directors approved that the 2025 Annual Stockholders' Meeting be held in fully virtual format. Stockholders may attend the meeting by remote communication, by voting in absentia, or by appointing a proxy. Hence, at the Apr. 21, 2025 ASM, BPI shareholders were able to effectively participate and had the option to cast votes in absentia through an online electronic system, as also provided for in the Revised Corporation Code.
- Cumulative voting is used in the election of directors, who may be removed with or without cause Directors shall not be removed without cause if it would deny minority shareholders representation in the Board. Removal of directors requires an affirmative vote of two-thirds of the outstanding capital of BPI.
- No stockholders' meeting may conduct business unless a majority of the outstanding and subscribed capital stock entitled to vote is represented, except to adjourn from day to day until such time may be deemed proper.
- The Bank also strictly complies with the rules and regulations of the SEC and the BSP, in relation to sending out the notice of meeting at least two weeks prior to the meeting, right to vote, and right to appoint a proxy.
- BPI adheres to the "One Share, One Vote" rule. Its Amended By-Laws state that shareholders are entitled to voting rights equivalent to the number of shares they hold, i.e., voting is by shares of stock and not "per capita".

Pre-emptive rights. All shareholders have preemptive rights, unless there is a specific denial of this right in the Articles of Incorporation or an amendment thereto. They have the right to subscribe to the capital stock of BPI. The Bank's Articles of Incorporation lays down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which are protected by law as long as they are not in conflict with the Revised Corporation Code.

Right of inspection. Shareholders shall be allowed, within certain reasonable limits, to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code. They shall be provided with an annual report, including financial statements.

Right to information. Upon request and for a legitimate purpose, a shareholder shall be provided with periodic reports which disclose personal and professional information about the directors and officers, and certain other matters such as their holdings of BPI's shares, dealings with BPI, relationships among directors and key officers, and the aggregate compensation of directors and officers. The Information Statement and Proxy Forms where these are stated must be distributed to the shareholders before ASMs and in the Registration Statement and Prospectus in case of registrations of shares for public offering with the SEC.

Right to dividends. Shareholders have the right to receive dividends subject to the discretion of the Board. However, the SEC may direct BPI to declare dividends when its retained earnings is in excess of 100% of its paid-in capital stock, except:

- When justified by definite corporate expansion projects or programs approved by the Board;
- When BPI is prohibited under a loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without the creditors' consent, and such consent has not been secured; or
- When it can be clearly shown that retention of earnings is necessary under special circumstances, such as when there is a need for a special reserve for probable contingencies.

Appraisal right. In accordance with the Corporation Code, shareholders may exercise appraisal rights under the following circumstances:

- In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any shareholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- In case of a sale, lease, exchange, transfer, mortgage, pledge, or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of a merger or consolidation.

Alternative Dispute Mechanism. It is the policy of the Bank to resolve disputes or differences with shareholders, regulatory authorities and other third parties, if and when such disputes or differences arise, through mutual consultation or negotiation, mediation or arbitration. If the agreement between the Bank and third parties has an arbitration clause, arbitration is the ADR system being adopted. If none, the Bank initiates conciliation-earnest effort to arrive at amicable settlement. If everything fails, and the dispute progresses into court litigation, the Bank strictly adheres to and complies with Supreme Court A.M. No. 11-1-6-SC-PHILJA dated Jan. 11, 2011 [Consolidated and Revised Guidelines to Implement the Expanded Coverage of Court-Annexed Mediation (CAM) and Judicial Dispute Resolution (JDR)].[52]

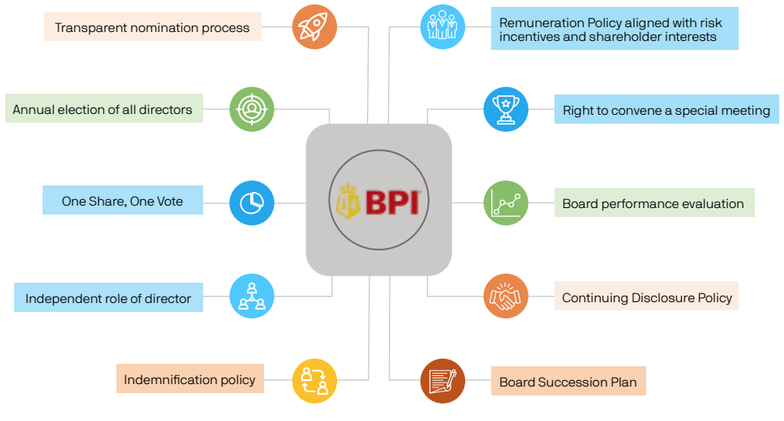
Relative to regulatory authorities, the Bank adopts and complies with the alternative modes of dispute resolution they are using or promoting such as, but not limited to, mediation, conciliation, and arbitration, in compliance with Republic Act No. 9285 (Alternative Dispute Resolution Act of 2004).

Investor Relations.
BPI believes that transparent and accurate reporting of operating and financial results, major business decisions, and developments gives shareholders and investors the relevant inputs to their investment decisions. In addition, such reporting provides the basis for the sound and robust market valuation of its shares and a proper view to all stakeholders of possible future losses or gains.

The Investor Relations Office, which is part of the Corporate Planning, Investor Relations and Sustainability Division, is tasked with a program of proactive, uniform, appropriate, and timely communication and reporting. Full disclosure is done in compliance with the BSP, Securities Regulation Code (SRC), SEC, PSE, PDEx, and SGX rules, regulations, and disclosure guidelines in light of the Bank's capital market issuances.[53] European investors who are covered by the Markets in Financial Instruments Directive II (MiFID II) regulations are also engaged directly by the Investor Relations Office. Information not required under these disclosure rules, if such matters are estimated to have an impact on investment decisions by interested parties, are disclosed as promptly and comprehensively as possible by appropriate methods.

[52] Recommendation 13.1, 13.4 SEC CG Code for PLCs

[53] (Recommendation 13.5 SEC CG Code for PLCs)



The Investor Relations Office has sustained an active level of engagement with the Bank's local and foreign analysts, investors, and shareholders through a mix of in-person and online activities. Face-to-face meetings are regularly hosted onsite and senior management travel to participate in local and international conferences. For the year, BPI senior leadership and investor relations officers hosted 41 one-on-one meetings, attended 29 investor conferences, and met almost 414 individual participants in these events. Further, the Investor Relations Office also submitted about 213 structured and unstructured disclosures to various Exchanges.

The Investor Relations Office also provides quarterly investor presentations and collaborates with the Public Affairs and Communications Office for media briefings and press releases. Such information about the Bank is shared regularly with the investing public, analysts, and members of the media. Statements in these presentations describing BPI's objectives, projections, estimates, and expectations may be forward-looking.[54]

Actual results may differ from the statements made in the presentations, whether expressed or implied. Select regulatory disclosures, the Bank's share information, dividends, credit ratings, and all investor presentations and press releases distributed, including presentations of the Chairman and the President and CEO at the ASM, may be viewed at www.bpi.com.ph

Annual Stockholders' Meeting. The ASM allows the Bank's shareholders to advise and adopt resolutions on important matters affecting the Bank on which they have legal sovereignty, such as: the appropriation of profit; ratification of all acts and resolutions of the Board and Management adopted during the preceding year; approval of the Report of the President and the Bank's Statement of Condition; amendments to the Articles of Incorporation or By-Laws; and election of Board of Directors and external auditor, as well as measures to amend the shareholders' equity.

The ASM also continues to be a key communications event for our Board and Management. It is a primary opportunity for

- meaningful discussion of the company's narrative
- to engage with its shareholders and investors on key issues facing the Bank
- the review of fiscal information for the past year,
- response to any questions regarding the Bank's goals and directions moving forward.

BPI's Board, including the Chairman, Chairman of the Audit Committee, Independent Directors, and senior executive officers are always in attendance and available for informal discussion before and after the formal business of the ASM. The Chairman and members of the Board, chairmen and members of the Board-level Committees, and senior executive officers led by the President and CEO, CFO, and Heads of Risk, Control, and Compliance, including the Corporate Secretary, and the Investor Relations Officer attended the 2025 ASM.

For the benefit of all the stockholders, the Chairman of the Board and the Corporate Secretary discussed the Rules of Conduct and Procedures for the meeting after the requisite call to order, certification of notice of meeting, and determination of quorum. The Rules of Conduct and Procedures were also detailed in the explanations of agenda items in the Notice of ASM. All items in the agenda requiring approval by the shareholders, including the election of the Board, need the affirmative vote of shareholders representing at least a majority of the issued and outstanding voting stock. Voting is considered on a poll, by shares of stock; that is, one share entitles the holder to one vote, two shares to two votes. Cumulative voting as provided for in the Corporation Code may be applied in the election of the Board. The Office of the Corporate Secretary tabulates all votes received and an independent vote validator validates the results.

The Bank proactively encourages the full participation of its shareholders, including institutional shareholders, at the ASM. Shareholders may participate personally or through their authorized representative. For the 2025 ASM, only shareholders of record as of March 3, 2025 were entitled to receive the notice and to vote at the meeting. Due to the pandemic, the Bank conducted a virtual ASM and shareholders could not physically attend the meeting.

However, they could still participate through the live streamed webcast of the meeting and the option to vote in absentia through an online electronic system or by appointing the Chairman of the meeting as their proxy.

Duly accomplished proxies were to be submitted to the Office of the Corporate Secretary, located at 28/F Ayala Triangle Gardens Tower 2, Paseo de Roxas cor. Makati Ave., Bel-Air, Makati City or by email to bpi-asm@bpi.com.ph not later than 5:00 P.M. of Apr. 11, 2025. Validation of proxies was set for Apr. 14, 2025 at 2:00 P.M.

Shareholders are encouraged, recognized, and given sufficient time to ask questions at the ASM to ensure accountability and identification with the Board's and Management's strategy and goals of the Bank. Questions or comments of shareholders, as well as responses of the Board and management, were duly recorded in the Minutes of the Meeting. The Board ensures that the ASM is held in an easy to reach and cost-efficient venue and location in Metro Manila. In 2025, however, the Annual Stockholders Meeting was conducted virtually via https://conveneagm.com/ph/BPI2025ASM. Shareholders intending to participate by remote communication were requested to notify the Bank by email to bpi-asm@ bpi.com.ph on or before Apr. 11, 2025.

[54] (Recommendation 11.1 SEC CG Code for PLCs)

Notice of ASM and Definitive Information Statement. The Bank sends the Notice of the ASM to its shareholders well before the meeting date to give them ample time to review the meeting's agenda as well as to provide them with sufficient information regarding issues to be decided on during the meeting.

The Bank's Notice of ASM and Definitive Information Statement is written in English as this is an official language in the Philippines. The Bank provides the rationale and explanation for each agenda item which requires shareholders' approval in the Notice of ASM. In the same way, each resolution in the ASM deals with only one item, i.e., there is no bundling of several items into the same resolution. The profiles of directors seeking election or re-election (including information such as age, qualifications, date of first appointment, experience, and directorships in other listed companies) are included in the Notice of ASM. The external auditor seeking appointment or re-appointment is also clearly identified.

When dividend payment is one of the agenda items, an explanation of the dividend practice is also included. The Notice of ASM also includes proxy forms which can be downloaded by shareholders from www.bpi.com.ph. For the 2025 ASM, the proxy forms included instructions as well as the deadline for submission of proxies to the Office of the Corporate Secretary, which was on Apr. 11, 2025.

The Definitive Information Statement (DIS), or SEC Form 20-IS is issued in accordance with the Bank's Amended By-laws and SRC Rule 20. Shareholders as of record date of the annual or special stockholders meeting are sent the DIS or SEC Form 20-IS at least 15 business days before the meeting. The Bank, as an issuer subject to the reporting requirements of SRC Section 17, must issue the DIS to notify shareholders of the written notice of the date, time, place, and purpose of the meeting; the DIS provides other specific information relevant to the meeting.

The Bank is always transparent on matters of this nature and encourages shareholders, including institutional investors, to attend the meeting via individual notices, newspaper publication, the company website, and notices to various Exchanges. The DIS or SEC Form 20-IS is deemed to have been given at the time when delivered personally, deposited in the post office, or sent via e-mail. Shareholders who prefer to receive hard copies of the DIS can request this from the Office of the Corporate Secretary.

In 2025, the Notice, including the DIS, was sent out to shareholders of record by Mar. 24, 2025, 28 days before the ASM. The SEC Form 20-IS was also sent out to shareholders of record by Mar. 26, 2025, and disclosed via PSE EDGE on the same date. No new item was included in the agenda at the 2025 ASM. Likewise, no amendments were made to the SEC Form 20-IS after the aforementioned disclosure on the PSE EDGE.

The Notice of ASM for the stockholder's meeting on Apr. 21, 2025, included explanations for all agenda items: (1) Calling of the Meeting to Order, (2) Certification of Notice of the Meeting, Determination of Quorum, and Rules of Conduct and Procedures, (3) Approval of the Minutes of the Annual Meeting of the Stockholders on Apr. 23, 2024 (4) Approval of the Annual Report and Audited Financial Statements, (5) Ratification of the Acts of the Board of Directors and Officers, (6) Election of the Board of Directors (including the Independent Directors), (7) Election of the External Auditor and Fixing of Remuneration, (8) Consideration of Such Other Business as May Properly Come Before the Meeting, (9) Adjournment.[55] The Notice of ASM and DIS or SEC Form 20-IS for the current and prior years may be viewed at www.bpi.com.ph.

Minutes of the ASM. The Minutes of the ASM includes all information pertinent to the meeting: date, time, and location of the annual meeting; qualified participants, attendance, and quorum present to conduct business; approval of prior minutes; general report of the President and CEO; record of action items in the meeting including election of the Board, any pertinent discussions, and actual votes; and corporate resolutions that were adopted. The minutes also records the dialogue between shareholders and the Board and Management, including their responses to shareholders' questions and clarifications, as well as any follow up actions that need to be taken by the Board and Management in the future. Minutes of the previous year's ASM are provided to shareholders prior to the start of the meeting of the current year. Minutes of the 2025 ASM were likewise posted on the company website within five calendar days from the date of the ASM. Minutes of the ASM for the current and prior years may be viewed at www.bpi.com.ph.[56]

Annual and Quarterly Reports. The Bank's Annual, Quarterly, and Current Reports are its primary disclosure mechanisms used to impart knowledge about the Bank to all its stakeholders in an informative, structured, and cost-effective manner. The Annual and Quarterly accountability reports effectively detail its performance during the period under review and put that performance in context of the objectives of the Bank, its strategies, and future direction. The Current Reports similarly provide timely updates on significant corporate actions undertaken by the Bank.

The Annual, Quarterly, and Current Reports are regularly submitted to the SEC pursuant to SRC Section 17, which also prescribes format and content. These Reports are also disclosed on the websites of the various Exchanges, as previously mentioned. These may also be viewed at www.bpi.com.ph.

[55] Recommendation 13.2 SEC CG Code for PLC

[56] Recommendation 13.3 SEC CG Code for PLCs

Voting Results. The results of the voting during the ASM are counted and tabulated by an independent external third-party vote validator. For the 2025 ASM, SyCip Gorres Velayo & Co. was engaged for this purpose. Voting results for the 2025 ASM are as follows:

BPI Annual Stockholders' Meeting (Voting Results)*
21 April 2025

Total Number of Shares (Present and Proxy) – **4,411,726,209**
Total Issued and Outstanding Shares – **5,272,095,143**
Percentage of Attendees – **83.68%**

MATTERS FOR APPROVAL	FOR	AGAINST	ABSTAIN
Approval of the Minutes of the Annual Meeting of the Stockholders on April 23, 2024	4,406,196,714 99.87%	- 0.00%	- 0.00%
Ratification of the acts of the Board of Directors and Officers	4,401,831,873 99.78%	3,611,844 0.08%	752,997 0.02%
Election of External Auditors and Fixing of its Remuneration	4,372,581,678 99.11%	33,615,036 0.76%	- 0.00%
Approval of the Audited Financial Statements and Noting of Annual Report	4,400,544,348 99.75%	4,353,426 0.10%	1,298,940 0.03%
Election of the Board of Directors (including the Independent Directors) *(Based on total cumulative votes received)*			
Jaime Augusto Zobel de Ayala	4,127,247,846 6.24%	49,360,399 0.07%	229,589,974 0.35%
Cezar P. Consing	4,148,458,902 6.28%	50,568,529 0.08%	207,169,768 0.31%
Janet Guat Har Ang	4,401,211,146 6.66%	2,069,644 0.00%	2,915,509 0.00%
René dG. Bañez	4,348,572,732 6.58%	22,542,886 0.03%	35,080,681 0.05%
Karl Kendrick T. Chua	3,909,994,099 5.92%	24,376,685 0.04%	471,113,635 0.71%
Wilfred T. Co	4,348,572,732 6.58%	22,542,886 0.03%	35,080,681 0.05%
Restituto C. Cruz	4,403,280,790 6.66%	- 0.00%	2,915,509 0.00%
Emmanuel S. de Dios	4,395,131,459 6.65%	4,257,115 0.01%	6,807,725 0.01%
Jose Teodoro K. Limcaoco	4,386,441,441 6.64%	18,823,111 0.03%	931,747 0.00%
Rizalina G. Mantaring	4,353,214,108 6.59%	22,684,335 0.03%	30,297,856 0.05%
Mario Antonio V. Paner	4,399,216,270 6.66%	4,064,515 0.01%	2,915,509 0.00%
Cesar V. Purisima	4,199,075,425 6.35%	32,141,823 0.05%	174,979,956 0.26%
Jaime Z. Urquijo	4,312,633,478 6.53%	27,131,552 0.04%	66,431,269 0.10%
Fernando Zobel de Ayala	3,878,693,863 5.87%	24,538,257 0.04%	502,253,199 0.76%
Mariana Beatriz E. Zobel de Ayala	4,327,909,533 6.55%	25,976,651 0.04%	52,311,010 0.08%

*As validated by an independent third party firm and the Bank's Internal Auditor

Voting results are submitted to the SEC and disclosed on the websites of the various Exchanges, where BPI capital market issues are traded, and made publicly-available on the company website by the next working day or sooner (Recommendation 13.3 of the SEC CG Code for PLCs). The voting results for the 2025 ASM, as well as that of prior years, may be viewed at www.bpi.com.ph.

General Information Sheets. Under Sections 26 and 141 of the Corporation Code, corporations are required to submit the General Information Sheet (GIS) annually to the SEC, within 30 days after the corporation's annual or special stockholders' meeting. Containing, among other information, the names, nationalities, and addresses of the directors, trustees, and officers of the company, the GIS is accompanied by a certification under oath by the Corporate Secretary, President or CEO.

The Bank's latest GIS, as well as that of prior years, may be viewed at www.bpi.com.ph.

SHARE INFORMATION

Stock Information. BPI common shares are listed in the PSE under the ticker symbol of BPI. BPI's market capitalization of P613.45 billion as of Dec. 31, 2025, is among the largest in the Philippine banking industry. BPI is a member of the benchmark Philippine Stock Exchange Composite Index (PSEi).

Listing Date:	Oct. 12, 1971
Class of Shares:	Common shares
Voting Rights:	One vote per share
Authorized:	5,460,000,000 shares as of Dec. 31, 2025
Outstanding:	5,283,794,223 shares as of Dec. 31, 2025

Rights, obligations, and restrictions attaching to shares. The rights and obligations attaching to each class of ordinary, common, and non-cumulative preference shares in BPI's share capital are set out in full in its Articles of Incorporation which may be amended by special resolution of the shareholders and can be found on www.bpi.com.ph.

Minimum Public Ownership. As of Dec. 31, 2025, listed securities held by the public were at 48.71% of BPI's issued and outstanding shares. This is well above the minimum required public float level of 20%.

Ownership Structure. BPI's founding shareholders were primarily charities and endowments associated with the Roman Catholic Church, and its directors consisted of government officials and prominent businesspersons, including Antonio de Ayala, a partner in the predecessor firm of today's Ayala Corporation.

Restrictions on Ownership. Foreign ownership is subject to a limit of 40%.

Sharelots Statistics as of Dec. 31, 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1-100	1,685	14.53%	61,361	0.00%
101-500	3,929	33.89%	1,033,651	0.02%
501-1,000	1,761	15.19%	1,257,209	0.02%
1,001-5,000	2,850	24.58%	6,021,078	0.11%
5,001-10,000	504	4.35%	3,512,653	0.07%
10,001-50,000	591	5.10%	12,405,118	0.23%
50,001-100,000	109	0.94%	7,551,756	0.14%
100,001-500,000	124	1.07%	25,812,558	0.49%
500,001-1,000,000	15	0.13%	10,454,696	0.20%
1,000,001-5,000,000	11	0.09%	32,510,695	0.62%
5,000,001-10,000,000	5	0.04%	38,116,966	0.72%
10,000,001-50,000,000	2	0.02%	24,070,420	0.46%
50,000,001-UP	8	0.07%	5,120,986,062	96.92%
Grand Total	**11,594**	**100.00%**	**5,283,794,223**	**100.00%**

Equity Ownership of Foreigners on Common Shares as of Dec. 31, 2025

NATIONALITY	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
Filipino	11,389	98.22%	4,313,534,948	81.64%
Non-Filipino	206	1.78%	970,259,275	18.36%
Grand Total	**11,595**	**100.00%**	**5,283,794,223**	**100.00%**

Shareholdings of Directors and Management as of Dec. 31, 2025. Please see table under Corporate Governance section which sets forth the beneficial ownership of shares of the Company's common stock as of Dec. 31, 2025, by the Bank's current directors and named executive officers and as a group.

Beneficial Ownership Reporting Compliance. Under SRC Section 23, the SEC requires a PLC's directors. and executive officers, and persons who beneficially own: (1) qualifying but not more than 100 shares; (2) more than 100 shares but less than 5% of the outstanding common stock; or (3) more than 5% but less than 10% of the outstanding common stock, to file reports with the SEC regarding initial ownership and changes in ownership of the common stock.

In this respect, the PSE also requires, under Section 13.1 of the Revised Disclosure Rules on Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities, that the Exchange be furnished with a copy of the respective SEC filing within five trading days.

As a practical matter, the Bank assists its directors and officers in the filing of the required SEC Form 23-A or B reports on their behalf.

Security Ownership of Certain Record and Beneficial Owners of more than 5% as of December 31, 2025

TITLE OF CLASS	NAME/ADDRESS OF RECORD OWNER & RELATIONSHIP WITH ISSUER	NAME OF BENEFICIAL OWNER & RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NO. OF SHARES	PERCENT OF HOLDINGS
Common	**PCD Nominee Corporation**[57] 37/F Tower 1, The Enterprise Center 6766 Ayala Avenue corner Paseo de Roxas, Makati City Stockholder	PCD Participants acting for themselves or for their customers	Filipino	881,853,794	16.6898%
			Non-Filipino	966,418,656	18.2902%
				1,848,272,450	34.98%
Common	**Ayala Corporation**[58] 37th to 39th Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue, Makati City Stockholder	Ayala Corporation[59]	Filipino	1,515,177,839	28.6759%
Common	**Liontide Holdings, Inc.**[60] 38th Floor Ayala Triangle Gardens Tower Two, Paseo de Roxas, corner Makati Avenue, Brgy. Bel-Air, Makati City Stockholder	Liontide Holdings, Inc.[61]	Filipino	823,218,041	15.5801%
Common	**Roman Catholic Archbishop of Manila** 121 Arzobispo St., Intramuros Manila Stockholder	Roman Catholic Archbishop of Manila[62]	Filipino	357,297,439	6.7621%
Common	Robinsons Retail Holdings, Inc. 43rd Floor Robinsons Equitable Tower, ADB Ave. corner Poveda St., Ortigas Center, Pasig City Stockholder	Robinsons Retail Holdings, Inc.[63]	Filipino	287,627,499	5.4436%

[57] PCD Nominee Corporation (PCD), now known as the Philippine Depository and Trust Corporation (PDTC), Non-Filipino and Filipino, is the registered owner of the shares beneficially owned by participants in the PDTC. The Board of Directors of each participant generally has the power to decide on how shares are to be voted. Out of the 1,848,272,450 common shares registered in the name of PCD, 574,116,246 shares (or 10.8656% of the total outstanding shares) and 361,313,243 shares (or 6.8381% of the total outstanding shares) are for the accounts of The Hongkong and Shanghai Banking Corporation and Citibank N.A., respectively.
[58] Mermac, Inc. owns 47.84% of common shares and 57.7874% of total voting shares, while Mitsubishi Corporation owns 4.4676% of common shares and 5.3899% of total voting shares, respectively, of the outstanding shares of Ayala Corporation (AC).
[59] The Board of Directors of AC has the power to decide how AC's shares in BPI are to be voted.
[60] AC owns 95.51% of the outstanding shares of Liontide Holdings, Inc. (formerly Ayala DBS Holdings, Inc.), which translates to 93.44% effective ownership.
[61] The Board of Directors of Liontide Holdings, Inc. ("Liontide") has the power to decide how Liontide's shares in BPI are to be voted.
[62] The Archbishop of Manila has the power to decide how the Roman Catholic Archbishop of Manila's shares in BPI are to be voted.
[63] As of December 31, 2025, JE Holdings, Inc. owns 46.10% of common shares, PCD Nominee Corporation (Filipino) owns 21.54% of common shares, PCD Nominee Corporation (Non- Filipino) owns 6.06% common shares, Lance Y. Gokongwei owns 8.63% common shares, and Robina Gokongwei Pe owns 8.63% common shares of the outstanding shares of Robinsons Retail Holdings, Inc. (RRHI).

Payment of dividends. Dividend declaration is ultimately the responsibility of the Bank and the Board which has the authority to declare dividends as it may deem appropriate. Under BSP regulations, no bank shall declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts. The net amount available for dividends shall be the amount of unrestricted or free retained earnings less loss provisioning which takes into account relevant capital adjustments including losses, bad debts, and unearned profits or income.

Per BSP Circular 888, banks that meet the prequalification criteria including capital adequacy requirements and applicable laws and regulations of the BSP can declare and pay dividends without prior BSP verification. However, banks must ensure compliance with the minimum capital requirements and risk-based capital ratios even after the dividend distribution. As approved by the Board on May 18, 2022, the Bank's dividend policy is based on a dividend payout ratio of 35% to 50% of previous year's earnings. The final dividend payout ratio will be determined subject to:

- Compliance with regulatory limits,
- Compliance with internal thresholds on capital and liquidity,
- Maintaining sufficient capital to support the Bank's medium-term growth targets, with a buffer for a possible downturn scenario, and
- Board approval.

As a testament to BPI's fiduciary prudence, this policy is designed to provide shareholders the balance that they seek between current income and capital appreciation while demonstrating the Bank's ability to return capital to shareholders in adherence to risk and capitalization standards.

Upon Board approval, the Bank then declares cash dividends to its common shareholders, who can now have their BPI cash dividends credited directly to their bank account. Under BPI's Electronic Cash Dividend Payment Program (ECDP), the payment of cash dividends is facilitated through electronic fund transfer or direct credit to a stockholder's nominated bank account. Available to certificated BPI stockholders for their BPI or non-BPI bank accounts, the ECDP was launched in line with the sustainability and digitalization efforts of the Bank and for the convenience of BPI stockholders.

While the Bank does not foresee any impediments to its ability to pay dividends on common equity in the medium-term, it cannot make explicit warranties about the quantum of future dividend payments.

DIVIDEND DISTRIBUTION

Cash Dividends

Cash dividends declared and paid during the years 2020 to 2025 are as follows:

DATE DECLARED	DATE OF PAYMENT	DIVIDEND AMOUNT	
		PER SHARE	TOTAL (IN PHP Mn)
May 20, 2020	Jun 26, 2020	0.90	4,062
Oct 21, 2020	Nov 26, 2020	0.90	4,062
May 19, 2021	Jun 23, 2021	0.90	4,062
Nov 17, 2021	Dec 24, 2021	0.90	4,062
May 18, 2022	Jun 22, 2022	1.06	4,784
Nov 17, 2022	Dec 23, 2022	1.06	4,784
May 18, 2023	Jun 22, 2023	1.68	7,626
Nov 16, 2023	Dec 22, 2023	1.68	8,308
May 15, 2024	Jun 28, 2024	1.98	10,439
Nov 20, 2024	Dec 20, 2024	1.98	10,439
May 21, 2025	Jun 30, 2025	2.08	10,990
Nov 19, 2025	Dec 18, 2025	2.28	12,047

No stock dividends were distributed during the period.

INVESTMENT RATINGS

Credit Ratings

BPI has upheld its investment-grade ratings as reaffirmed by the following international credit rating agencies:

CREDIT RATING	RATING		OUTLOOK	REPORT DATE
S&P	BBB+	Long term issuer Credit Rating	Stable	Sep. 2025
Fitch	BBB-	Long term issuer Default Rating	Stable	Nov. 2025
Moody's	Baa2	Baseline Credit Assessment	Stable	May 2025

In 2025, all three major international Credit Rating Agencies reaffirmed BPI's Credit Ratings. In May 2025, Moody's affirmed its Baseline Credit Assessment of "Baa2" which is one notch above investment grade. In September 2025, S&P affirmed the Bank's Long term Issuer Credit Rating of "BBB+" which is two notches above investment grade (same as the agency's rating for the Philippine Sovereign).

After affirming BPI's ratings in November 2025, Fitch Ratings simultaneously withdrew its ratings for commercial reasons.

COMPLIANCE, RISK MANAGEMENT AND INTERNAL CONTROL

The Bank's compliance, risk management, and internal control agenda is a key priority.
In this respect, BPI:

- continuously enhances governance and oversight of the compliance, risk management and internal control across the BPI Group;
- streamlines operations and reduces risk via investments in financial, technology and human capital;
- partners and engages in constructive dialogue, shares efforts and seeks proper clearance in designing adjustments and remediation plans with our regulators; and
- builds and strengthens the culture and infrastructure to support risk management, compliance, and assurance activities.

In 2025, the Board, through its various board-level committees, reviewed the Bank's overall control, risk management and compliance systems covering operational and financial areas and determined these to be adequate and operating effectively.

COMPLIANCE

In line with the regulatory shift of the BSP, the Bank's Compliance Office functions as the second line of defense, embracing a more forward-thinking, risk-based, and stress-tested approach to continuously monitor, evaluate, and improve compliance amidst a banking landscape experiencing disruption and rapid change.

Chief Compliance Officer. Oversight of the Bank's compliance, ensuring that it operates in adherence to regulatory and legal requirements, internal policies and by-laws, and compliance programs is the responsibility of the Board through the Audit Committee, and of management through the Compliance Office, led by the Chief Compliance Officer (CCO).[79] Designated by the Chairman of the Board, the CCO is not a member of the Board and has the rank of at least a Vice President. The CCO's qualifications are subject to the applicable provisions of the BSP Manual of Regulations for Banks, on Fit and Proper criteria. The CCO annually attends training on corporate governance. [80] The Compliance Group is currently organized to cover Regulatory Compliance which includes RPT Post-Review and FATCA, Corporate Governance and Subsidiaries Regulatory Oversight, Anti-Money Laundering Compliance, Compliance System, Projects and Analytics, and Enterprise Information Security Management & Data Privacy. The Compliance Office is also empowered by Group Compliance Officers (GCOs), who are embedded in business units throughout the Bank, to enforce initiatives, and provide timely reports.
The Bank applies a three layered compliance testing and monitoring process while overall enforcement is through self-regulation within the business units:

- Self-assessment testing conducted by the business units.
- Independent testing, conducted by the Compliance Group
- Independent periodic review conducted by the Internal Audit.

Compliance testing results are regularly reported and elevated to the Audit Committee. Governance related issues are also reported to the Corporate Governance and Sustainability Committee.

The Compliance Group promotes adherence and awareness to laws, rules, and regulations by electronically posting information and documents in a compliance database that is accessible to all employees. Regular meetings are conducted by the Compliance Office with the GCOs to discuss the impact of new regulations, decide on the required compliance measures, and amend compliance matrices as necessary. Through continued liaison and dialogue with regulators, the Compliance Office ensures prompt dissemination of new regulations and other developments affecting bank operations.

Regulatory Compliance. The Regulatory Compliance Division (RCD) covers adherence to all relevant and applicable Philippine banking laws and regulations and manages the Bank's requirements under the BSP's institutional compliance rating system, which comprehensively evaluates the effectiveness of a bank's compliance system in mitigating business risk. Regulatory compliance also involves collaborative partnership-building with the regulators, external auditor, and industry organizations such as the Association of Bank Compliance Officers and the Bankers Institute of the Philippines.

The division is also responsible in developing and managing the Foreign Account Tax Compliance Act (FATCA) Compliance Program of the bank and is headed by the FATCA Compliance Officer who has established a program to ensure the effective implementation of FATCA compliance initiatives and also in charge of overseeing the Bank's compliance with FATCA regulations and accomplishing certifications with the US Internal Revenue Service (IRS). The FATCA compliance program provides additional requirements on customer due diligence and documentation, as well as additional reporting guidelines to relevant tax authorities.

The Bank appears in the IRS official list of participating financial institutions with the Global Intermediary Identification Number (GIIN) CUC04I.00000.LE.608. Type of Financial Institution (FI): Lead of an Expanded Affiliated Group

FATCA Classification and Date of Registration:

- Participating Foreign Financial Institution: Apr. 23, 2014
- Registered Deemed-Compliant Financial Institution/ Reporting Financial Institution under a Model 1 IGA: Mar. 23, 2015.

Corporate Governance and Subsidiaries Regulatory Oversight. The Corporate Governance and Subsidiaries Regulatory Oversight Division covers internal and external compliance of the Bank's governance framework both as a bank and as a PLC as well as manages the Bank's participation in the ASEAN Corporate Governance Scorecard. The department also assists the Board, through the Corporate Governance and Sustainability Committee, in developing and establishing the governance policies, mechanisms and practices required by regulation or recommended as best practice. The division is also primarily responsible for overseeing group-wide regulatory compliance risk management by monitoring the compliance exposures of BPI subsidiaries/affiliates, tracking updates on actions taken on BSP directives and alignment of the subsidiaries/affiliates' compliance program/policy with BPI.

Anti-Money Laundering Compliance. The Anti-Money Laundering division is the "watch dog" in preventing and detecting potential money laundering and suspicious financial activities of customers. It maintains and regularly updates a comprehensive and risk-based Money Laundering and Terrorism Financing/Proliferation Financing Prevention Program (MTPP), which consists of various policies which includes, but not limited to, customer due diligence, sanctions screening, risk profiling, and ongoing monitoring. This MTPP is aligned with the Anti-Money Laundering Act, its implementing rules and regulations, Part 9 of BSP Manual of Regulations, and all other amendments thereto. The AML Division uses automated tools to identify, detect and report financial transactions of a suspicious nature; while test checking is regularly conducted to ensure employees' compliance with the MTPP. Results of test checking conducted, suspicious transactions reported, any emerging typology, and summary of all other activities of the AML Division are reported to the Audit Committee every quarter. A comprehensive and mandatory MTPP training is provided at least once a year to all employees to ensure each understands the policy and strictly observes their respective responsibilities. An Institutional Risk Assessment (IRA) is carried out at least once every two (2) years to provide a comprehensive analysis, as well as an aggregate evaluation of the Money Laundering, Terrorism Financing and Proliferation Financing (ML/TF/PF) risks that are present across the Bank and its majority-owned subsidiaries covered by the MTPP. The result of each IRA is presented to the Board of Directors for articulation and approval. The IRA drives improvements in the overall risk management of ML/TF/PF which is documented in the MTPP.

Compliance Systems, Projects, and Analytics. The Compliance Systems, Projects, and Analytics Division supports the Compliance Group by managing the administration of AML and Compliance related systems, leading strategic projects, and advancing datadriven compliance initiatives. The Division ensures seamless operation of the core AML and Compliance systems, including the timely submission of Covered Transaction Reports (CTRs) and other regulatory requirements, while maintaining system integrity and performance. It is responsible for the end-to-end management of AML and Compliance system projects—from planning and implementation to postdeployment monitoring—working closely with source application partners to ensure alignment with regulatory standards and business objectives.

The Division also leads the design and execution of data science and analytics initiatives that support AML, Data Privacy, and other Compliance-related functions. These efforts enhance the Division's ability to detect risks, identify trends, and make informed decisions through the use of advanced analytical tools and models. Additionally, the Division drives automation initiatives to streamline processes, enhance efficiency, and reduce manual intervention across the Group. To sustain innovation and operational excellence, the Division conducts regular training programs on AML systems and data science, equipping team members and stakeholders with the skills needed to navigate an evolving regulatory landscape. The Division plays a key role in helping the Bank maintain a strong compliance posture while leveraging technology to protect customers, meet regulatory obligations, and safeguard the Bank's reputation.

Enterprise Information Security Management & Data Privacy Office. BPI has established an Enterprise Information Security Management to manage the development, implementation and maintenance of the Bank's information security management system to ensure the attainment of information security objectives and to align initiatives to overall business and risk management strategies. Moreover, BPI has also established a comprehensive Data Privacy Program utilizing a combination of policies, organizational structure, access controls, and technologies designed for risk reduction. The Bank has a Data Privacy Office, headed by a Board-appointed Data Protection Officer (DPO), a senior management officer. The key focus of the DPO is to oversee data privacy compliance and manage data protection risks for the organization, consistent with the Data Privacy Act rules and regulations, issuances by the NPC, and other applicable laws. Management has also appointed Compliance Officers for Privacy (COP) for major business units of the Bank to augment the Data Privacy Office and ensure the sustained implementation of the Data Privacy Management Program across business lines. To promote transparency and to comply in part with the Data Privacy Act, BPI has published online and prominently displayed inside its branches the Data Privacy Statement that discloses how BPI collects, protects, uses, and shares personal data across its operations

The Data Privacy Statement applies to 100% of BPI's operations.

RISK MANAGEMENT

Comprehensive Framework. BPI adopts best practices in Enterprise Risk Management (ERM) across its businesses and processes. Our established ERM and capital management framework enables us to systematically identify, measure, monitor, and control our significant financial and non-financial risk exposures while ensuring adequate liquidity and sufficient capital to support growth and business resilience.

The framework covers traditional risks such as credit, market and liquidity, and operational and information technology (IT) risks, as well as other risks, including reputational, conduct, model, legal and tax, and environmental and social risks. It is anchored on the regulatory guidance set by the BSP, which emphasizes effective risk management governance, robust business continuity and operational resilience standards, financial viability, and soundness. These principles are reinforced through internal capital adequacy assessments and the adoption of various risk management processes and methodologies that are regularly reviewed and updated. (Recommendation 2.11, 12.4 SEC CG Code for PLCs).

Cultivating a Risk-Aware Culture. Our risk culture is anchored on our vision of transparency, and integrity in the workplace, sustainable value creation, and delivering maximum returns to stakeholders. To fulfill our responsibilities to clients, employees, stakeholders, regulators, and the country, we exercise proactive and prudent risk management. The Bank actively promotes a culture of ethical behavior and risk management best practices, emphasizing that risk management is a shared responsibility that is integral to our day-to day operations.

Integrated Approach. BPI employs a top-down approach to risk management, with the Board driving risk appetite setting and overall risk strategy. The Board fulfills its risk management responsibilities through the Risk Management Committee (RMCom). The RMCom defines risk appetite statements at both functional and enterprise levels, oversees and reviews risk management structures, metrics, limits, and emerging issues across the BPI Group of Companies (BPI Group).

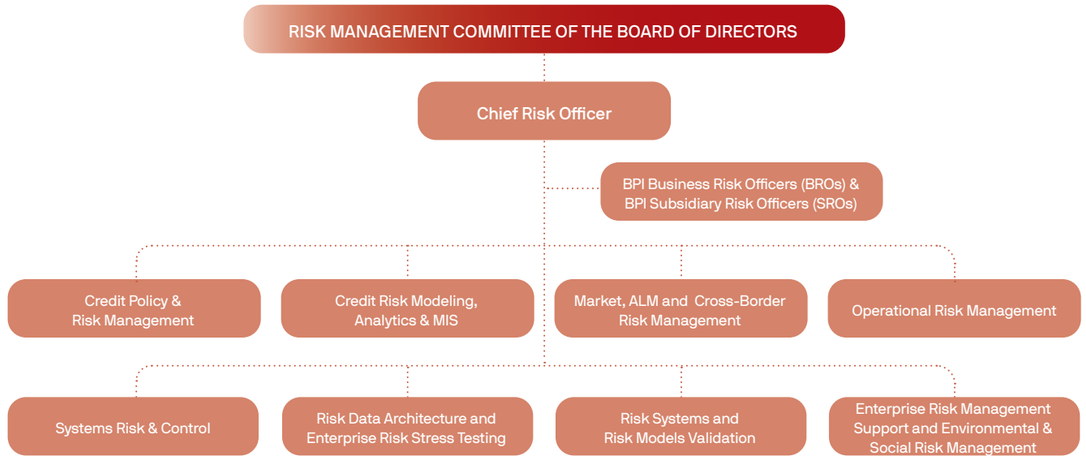
The RMCom guides our risk strategy framework by emphasizing:

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

It ensures oversight on risk exposures, monitors regulatory and internal capital adequacy, and fosters a strong risk culture across the BPI Group through the Subsidiary Board-level RMComs. Operating on the "Three Lines of Defense" model, we manage risks through clearly delineated functions to ensure effective risk management governance and control processes across the Bank. This model defines the risk management responsibilities of each unit owning and managing the risk (1st line), overseeing the risk management function (2nd line), or providing independent assurance on the quality and effectiveness of risk management and internal controls (3rd line).

Management-level Committees are also established to further strengthen the Bank's risk management by aligning strategies with organizational goals and enhancing decision-making in specific business areas. Through transparent reporting, these committees cultivate a risk-aware culture, improve operational resilience, enhance crisis preparedness, and ensure strategic alignment (refer to Operating Management on page 152).

Leveraging on Data, Risk Systems, and Technology. We continuously enhance and upgrade our risk systems and invest in cloud-hosted technologies, data, reporting, and analytics capabilities, and enhance our processes to promote efficiencies, accuracy of data, 360° risk perspective, and timely reporting. With our Risk Data Architecture system leveraging on our Enterprise Data platform, the availability of a reliable, accessible, integrated, secured and comprehensive view of enterprise and risk data not only strengthens our risk management processes and capabilities, but also supports business-enabling analytics empowering users to optimize usage of data, and facilitates data servicing to various business and support units of the Bank.



Chief Risk Officer (CRO). The CRO of the BPI Group reports directly to the RMCom and is responsible for leading the formulation of risk management policies and methodologies, aligned with the Bank's overall business strategies, ensuring a prudent and rational approach to risk-taking that is commensurate with returns on capital, and remains within our defined risk appetite. Our risk appetite represents a carefully measured level of risk we are willing to assume to achieve business objectives. Risk appetite statements are regularly reviewed and approved by the Board through the RMCom (refer to the full biography of the BPI CRO on page 349.

The CRO is supported by the Risk Management Office (RMO), a team of skilled risk managers dedicated to identifying, measuring, controlling, and monitoring the BPI Group's risk exposures. Through continuous training and development programs, including risk awareness campaigns, our risk managers stay informed about industry developments, emerging risks, and risk management best practices. The CRO and the RMO actively engage the RMCom, Management, and business units to effectively communicate our risk culture and best practices. (Recommendation 12.5 of the SEC CG Code for PLCs).

We identify risks according to three major classifications:

- Credit Risk (including concentration and cross-border risks)
- Market (including foreign exchange, interest rate, and equity price risks) and Liquidity Risks
- Operational and Information Technology Risks

Credit Risk refers to the risk of default on obligations that may arise if a borrower or counterparty fails to make required payments such as principal and/or interest on an agreed date. Market risk is due to price movements/ fluctuations in trading and distribution activities of credit securities, foreign exchange, and derivative instruments (as allowed by regulation). Liquidity risk is from the management of our cash flows and balance sheet. Operational and IT risks from inadequate or failed internal processes, people, information technology and systems, and threats from external events that pose risks of financial losses and damage to our reputation. We are likewise cognizant of other risks (e.g., environmental, social, legal and tax risks, etc.) that we may be exposed to in our day-to-day business activities and operations. In managing our financial and non-financial risks, we have established risk management processes and controls, and use various methodologies, metrics, tools, and systems to identify, measure, monitor, and control our risk exposures.

In compliance with BSP Circular 989 (Conduct of Stress Testing Exercises), the RMO and the Corporate Planning, Investor Relations, and Sustainability group have employed a formal integrated risk and capital stress testing framework, with a forward-looking assessment of risks under given stressed scenarios approved by the Management. Among others, these stress testing scenarios include the impact of possible economic crisis through stressed macroeconomic variables forecasts, impacts of climate and environmental risk, and reputational risks to the Bank's portfolio. These scenarios are carefully considered to assess the financial, capital, and liquidity impact to facilitate the development of the Bank's capital and recovery plans.

Independent reviews are regularly conducted by our internal audit, external auditors, and regulatory examiners to verify the effectiveness of controls and risk mitigation measures. We also engage various risk management experts to independently evaluate our risk maturity across key areas, including business continuity, cyber and information security, and ERM.

All these efforts have been undertaken and conscientiously practiced in recognition of BSP Circular 971 (Risk Governance) and are benchmarked against the Committee of Sponsoring Organization's (COSO) ERM integrated framework. Our commitment to a robust risk management system has proven indispensable, ensuring the continued delivery of value to our stakeholders especially during periods of unprecedented uncertainties and economic downturns.

Credit Risks. BPI's Credit Policy and Risk Management (CPRM) Division is responsible for the overall management of the Bank's credit risks. CPRM is accountable to the RMCom in risk managing BPI's loan book and overall asset quality, in line with its set credit risk appetite. In addition, CPRM supports Senior Management in ensuring the overall quality of our loan and investment portfolios by adopting proper risk control strategies and proactive monitoring and reporting. CPRM ensures that our prudent credit evaluation and underwriting standards and rating parameters are complied with by the various business lending units through the conduct of independent business portfolio and product credit reviews. The Bank also has a cross-border risk management team tasked to independently monitor and evaluate country and cross-border credit risks facing the BPI Group.

In 2025, the Bank achieved strong loan growth driven with its expanded consumer and SME portfolios while effectively managing credit risks and preserving overall asset quality. Although non-performing loans rose year-on-year due to portfolio appetite rebalancing and new problem accounts, NPL ratios remained generally below total industry levels and backed by adequate loan loss reserves. The Bank also maintained general compliance with key internal and regulatory credit risk management requirements, including RPT guidelines, large exposures and single borrower's limits, credit concentration, and stress testing standards. We continue to maintain a diversified loan portfolio with no significant concentrations. The Bank's top borrower-group and large exposures, which operate in diversified industries, remain within the internal and prudential regulatory limits.

We regularly review the appropriateness of the credit risk ratings of non-default accounts and the classification and impairment rates of defaulted or impaired accounts. Corporate credit risk exposures are assessed individually using internal credit risk rating models that generate a probability of default per rating grade and take credit risk mitigation into account. Credit risk rating models are developed internally by our Credit Risk Modeling, Analytics, and MIS (CRMA & MIS) Division using statistical methods on quantitative and qualitative risk factors, including credit judgment overlays to account for borrower specific factors and such other factors that cannot be modeled statistically. The credit risk ratings of corporate accounts are generally updated on an annual basis. Each rating grade has a corresponding probability of default that exponentially increases as a rated account moves across the rating scale. The migration of accounts between rating grades is regularly monitored. Loss provisioning also takes into account the rating grade of each exposure.

The amount of reserves depends on the extent of credit deterioration. For cross-border accounts, we utilize credit assessment scorecards that take into account risk factors inherent to cross-border exposures. The credit risk rating process for cross border accounts combines qualitative and quantitative factors while incorporating available collateral, enabling outputs to be benchmarked against global ratings. Such risk rating components enable the Bank to properly and uniformly assess the creditworthiness of cross-border accounts. For consumer credit risk exposures, we adopt credit risk scorecards to assess borrowers' credit worthiness. Both financial and non-financial variables were considered in the scorecard development process, and all scorecards were subjected to expert judgment reviews with key business lending units. The models undergo independent validation as well as regular monitoring for predictive power and performance.

We fully implemented Philippine Financial Reporting Standards 9 (PFRS 9)-based policies, models, and ECL methodologies for all our credit and investment portfolios, rendering them compliant to both the BSP and PFRS. Loss provisioning for consumer and corporate loan and investment exposures is based on ECL, which is a function of the Probability of Default, Loss Given Default, and Exposure at Default. Any additional reserves are provided as qualitative management overlay, based on forward-looking moderate and/or adverse stress scenarios simulated by the Bank.

We also regularly conduct credit reviews to assess that the credit processes - loan origination, credit analyses, approval, implementation, and administration – conform to the standards set in the Bank's internal policies and complies with regulatory requirements. For the year, a review of various credit products, portfolios, and lending programs revealed generally acceptable credit performance and overall portfolio quality.

We measure our credit risk exposures in terms of regulatory capital requirements using the standardized approach in compliance with Basel III and BSP standards on minimum capital requirements. Using this approach, our credit exposures to sovereigns, corporates, and banks are risk-weighted to reflect the credit assessment from reputable credit ratings agencies (Moody's Ratings, Standard & Poor (S&P) Global Ratings, Fitch Ratings, and PhilRatings, where applicable). This approach also allows for the use of eligible collaterals and securities (cash, financial instruments, and guarantees) to mitigate credit risks.

We are committed to integrating environmental and social standards into our lending activities and credit risk management principles. We continuously enhance our credit policies, processes, guidelines, and lending programs to conform with sound credit risk management, including practices that conform to the Bank's sustainability agenda not only to manage environmental and social risks, but also to pursue opportunities that would add and/or enable value for the Bank's various stakeholders by positively impacting the environment and society. Existing credit manuals are regularly revisited and updated to reflect new developments and to align with the Bank's financial inclusion programs and business sustainability practices.

We regularly conduct stress tests on our loan portfolio to determine the impact of changes in various macroeconomic and/or industry scenarios, surface any undue credit concentration risk, and to comply with regulatory reporting. Assessment of the impact of stress testing on the Bank's financials is also performed simultaneously. In the most recent exercise, results showed that the Bank's Capital Adequacy Ratio (CAR) and Common Equity Tier 1 Ratio (CET1) generally remain above or at about the minimum regulatory capital requirements, even with assumed write-downs on the Bank's large exposures and consumer portfolios, and even with the economic scenario analyses of rising interest and inflation rates and Peso depreciation affecting the Bank's borrowers.

All these efforts have been undertaken in recognition of BSP guidelines, including BSP Circular 855 on Sound Credit Risk Management Practices, Sustainable Finance Framework, Environmental and Social Risk Management Framework, Prudential Framework for Large Exposures, and Mandatory Agriculture, Fisheries and Rural Development Financing), and other related regulatory standards and guidelines.

Market, Interest Rate Risk in the Banking Book (IRRBB), and Liquidity Risks. BPI's RMO exercises its market, IRRBB, and liquidity risk management duties and responsibilities through its Market and ALM Risk Management (MLRM) Division. The Division employs various risk metrics commensurate to the size and sophistication of the Bank's business operations which guide us to effectively manage risks arising from position-taking, trading and investing strategies. Our risk exposures are continuously monitored against approved risk limits, which are regularly reviewed and updated to align with our business objectives, strategies, and overall risk appetite. We also conduct forward-looking scenario analyses, risk simulations, and stress tests to complement our risk metrics to provide a broader and holistic risk perspective to the RMCom and Management. The year unfolded against a backdrop of heightened trade policy uncertainty, persistent geopolitical tensions, and global monetary pivot as central banks began transitioning towards gradual monetary easing. Domestically, the local markets navigated external vulnerabilities and governance issues surrounding local projects and programs but was supported by an accommodative monetary policy stance. Despite these uncertainties, our market, IRRBB, and liquidity risk exposures were prudently managed and controlled within the RMCom-approved limits.

We closely monitor the risk exposures of both trading and non-trading portfolios. Assets in both on- and off-balance sheet trading portfolios are marked-to-market, and the resulting gains and losses are recognized through profit or loss. Market risk from our trading portfolios is measured using the Historical Simulation Value-at Risk (HS VaR) model, complemented by several risk metrics such as Stop Loss and Dollar Duration (DV01). The Bank calculates VaR using the Historical Simulation (HS) approach, wherein the one-day changes in risk factors in the past 250 days (e.g., one year) are considered to estimate the risk of loss at a 99% confidence level. In terms of regulatory capital requirements, market risk exposures are measured using the Standardized Approach in compliance with Basel and BSP standards on minimum capital requirements. Currently, we have exposures to credit securities, foreign exchange, and financial derivatives such as interest rate swaps, currency swaps, futures, and securitization structures as part of our trading and position-taking activities. Financial derivatives are also used to hedge exposures to mitigate price risk inherent in our portfolios. Where hedging strategies are performed, hedge effectiveness assessments are regularly performed to ensure that the hedging relationship still meets the risk management objective set at the inception of the deal.

IRRBB is the current and prospective risk to our capital and earnings arising from adverse movements in interest rates that affect our banking book positions. Since excessive levels of interest rate risks in the banking book can pose a significant threat to our earnings and capital base, we have established adequate risk management policies and procedures, appropriate risk measurement models, risk limit structures, and a robust risk management system to manage our IRRBB.

Interest rate exposures from banking book activities are measured through (a) Earnings-at-Risk (EaR), or the potential deterioration in net interest income over the short- to medium- term horizon (i.e., those occurring in the next one to three years) due to adverse movements in interest rates, and (b) Balance Sheet Value-at-Risk (BSVaR), or the impact on the economic value of future cash flows in the banking book due to changes in interest rates. The EaR is calculated using the parametric approach based on the volatility of daily year-on-year rate movements for the short- to medium- term horizon (i.e., one to three years) at a 99% confidence level. The BSVaR, on the other hand, is measured using the historical simulation approach based on daily year-on-year rate movements in the historical window at a 99% confidence level. BSVaR considers both principal and interest payments while EaR considers principal payments only. Both metrics are built on the repricing profile of a static balance sheet and utilize certain assumptions based on behavioral/historical patterns such as for deposit accounts which do not have specific maturity dates or repricing schedules (i.e., current and/or savings accounts), and accounts that are subject to embedded optionality (i.e., time deposit pretermination and fixed-rate loan prepayment). The Bank may also hedge its IRRBB risk through financial instruments. Where there are transactions qualified as hedges, these shall follow the Bank's hedge accounting policies. IRRBB levels are measured and monitored daily against RMCom-approved limits, and regularly reported to the RMCom and Senior Management.

We ensure adequate levels of liquidity at all times, and that contingency and recovery plans are in place in the event of liquidity stress. Our liquidity profile is measured and monitored through our internal metrics - the Minimum Cumulative Liquidity Gap (MCLG) and Intraday Liquidity Ratio (ILR), and the regulatory metrics - Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The MCLG measures the smallest net cumulative cash inflow (if positively gapped) or the largest net cumulative cash outflow (if negatively gapped) over the next three months. This indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the Bank. In view of further improving our ability to identify and measure potential intraday liquidity risks, we enhanced our intraday liquidity risk monitoring tool, the ILR, in 2024, aligning it with the components utilized in regulatory reporting frameworks. The LCR determines the short-term resilience of our liquidity risk profile, requiring financial institutions to hold adequate levels of high-quality liquid assets to cover net cash outflows in the next 30 days. We, on a solo and consolidated basis, maintain adequate levels of liquidity to provide a sufficient buffer for critical liquidity situations. The Bank monitors and reports its significant currencies to identify potential currency mismatches that could impact the LCR. The NSFR complements the LCR by limiting the overreliance on short-term wholesale funding and promoting enhanced assessment of funding risk across all on- and off-balance sheet accounts.

We supplemented our static ALM risk monitoring with a dynamic balance sheet for our liquidity and IRRBB metrics by considering future business plans and projections, enabling a more comprehensive understanding of our immediate and potential future risk exposures. We also perform regular stress testing activities to determine our ability to withstand and evaluate the impact of financial crises and other types of stress events. We conduct price stress tests in both the trading and banking books using a variety of interest rate shock scenarios to identify the impact of adverse movements in interest rates on our economic value, earnings and non-interest income. The design of the trading and banking book stress tests includes various interest rate shock scenarios such as steepening and flattening yield curves, parallel up/down and short rate up/down, forward-looking and other notable historical stressed events that have occurred in the financial industry. The interest rate shocks applied are calibrated for all significant currencies in which we have significant positions. We conduct liquidity stress tests using different risk events, scenario types, and stress horizons to assess our liquidity position and determine potential liquidity shortfalls under stress events. Scenario analysis and simulations are performed to provide forward-looking liquidity conditions and anticipate potential liquidity and funding requirements. The results of the stress tests are presented to the RMCom and Management as part of our overall risk management process. All these initiatives are undertaken to ensure that the relevant market, IRRBB, and liquidity risks are identified and controlled.

We have in place escalation procedures for handling potential and/or actual limit breaches in our market, IRRBB, and liquidity risk metrics, enabling timely identification and reporting of risks and the formulation of appropriate action plans and strategies to prudently manage such risks and contain them at acceptable levels.

The risk management process, including its various components, is subject to regular monitoring and periodic independent review (i.e., internal/regulatory audit and model validation), and is regularly updated to ensure accuracy, propriety, and timeliness of data and assumptions employed.

Operational and Information Technology Risks. BPI's Operational Risk Management (ORM) Division monitors risks arising from inadequate or failed internal processes, people, and systems, or from external threats and events such as cybercrime, that lead to financial losses, pandemics, natural disasters that damage physical assets, or electronic or telecommunication failures that disrupt our operations. Operational risk is inherent in all banking products and services and may include risks that give rise to adverse legal, tax, regulatory, or reputational consequences. Information Technology (IT) is a significant risk factor subsumed under operational risk, given the highly automated nature of our processes and services. We define IT risk as the risk of any potential adverse outcome arising from the use of or reliance on IT (e.g., computer hardware, software, devices, systems, applications, and networks). IT risk includes, but is not limited to, information security, service availability, reliability and availability of IT operations, completion on specification of IT development projects, and regulatory compliance pursuant to the BSP's guidelines on Information Technology Risk Management. Our ORM Committee (ORMC) provides Senior Management oversight of the ORM Division, in accordance with regulatory requirements.

The Business Risk Officer (BRO) is central to the execution of the Bank's risk management program. We have BROs collaborating with and overseeing key functional areas and business units throughout the organization. They are responsible for fostering a strong risk management culture, applying ERM best practices, and ensuring the timely submission of operational and other risk reports generated by the first line of defense.

We have an established operational risk management framework that clearly defines the responsibilities related to the performance of the risk management function, as well as the accountabilities, processes, and tools employed to identify and mitigate operational and IT risks in our operating units.

Subject to regular monitoring and reporting, these tools include Key Risk Indicators (KRIs), Loss Events, Incident Management, Risk & Control Self-Assessment (RCSA), Risk Assessment for Business Activity (RABAct), and Outsourcing and Materiality Risk Assessment (OMRA). KRIs are used to monitor risk profiles, trigger early-warning alerts, and prompt mitigating actions. Operational loss events data collection and analysis provide meaningful information to assess the Bank's exposure to risks and the effectiveness of its controls. Operating units are required to conduct regular self-assessments to identify, assess, and mitigate risks in the processes that they perform, including the assessment of inherent and residual risks, identification of controls, and the assessment of the design and performance effectiveness of these controls. RABAct and OMRA are conducted to provide information on the anticipated risks prior to the implementation of new or changes to existing business activities (e.g., product development and service offerings, process changes/enhancements) and outsourcing engagements, respectively. These risk assessments are aimed at safeguarding both the Bank and our clients from the risks of economic loss, operational disruption, third-party failures and damages, or the compromise of personal or financial data.

To support our aggregation and reporting process, we have established risk categories and implemented a risk and control library that offers a consistent taxonomy of risks and controls. Regular training on the various ORM tools and processes is conducted, and bulletins/advisories are shared with stakeholders to enhance the Bank's risk awareness and appreciation programs.

In our push for digitalization, we have deployed an ORM System (ORMS) that seamlessly integrates various tools and processes, such as Loss Events, Metrics/KRIs, Incident Management, Exception Approvals, Findings, Risk and Control Self Assessments (RCSA) and Risk Aggregation. Likewise, a Third-Party Risk Management System (TPRMS) was implemented to cover risk assessments such as the Vendor Information Security Management Assessment (VISMA) and Outsourcing Materiality & Risk Assessment (OMRA).

The ORMS and TPRMS enable the correlation of all tools, offering improved visibility to Management and empowering them to make data-driven decisions.

To support the Bank's Environmental, Social, and Governance (ESG) initiatives, we have integrated E&S risks in our tools. Our risk library was expanded to tag operational risk titles with potential E&S-related risks. Operational loss events monitoring captures actual occurrences of E&S risks that have resulted in, or have the potential to result in, a financial or regulatory impact. In collaboration with our ESRM unit, we are consistently working to establish key metrics that provide the RMCom and ORMC with visibility into E&S risks. Localized sustainability initiatives in the workplace (e.g., lights off on lunch break) were implemented. Continuous support in the Group-wide sustainability programs (e.g., recyclables drive) is also observed.

Our exposures to operational risks are identified, assessed, and monitored as an integral part of the risk assessment processes. We are currently using the Basel II regulatory Basic Indicator Approach to quantify operational risk weighted assets, using the historical total annual gross income as the main measure of risk.

We regularly perform operational risk stress tests through scenario analysis to support the internal capital assessment for operational and IT Risks, as part of our initiatives to advance risk management methodologies. Through a series of stress scenarios, we can identify, analyze, and assess the impact of unexpected and extreme operational risk events. This exercise ensures that high impact, low frequency events are captured during risk assessment, especially those not yet reflected in our existing historical loss data.

Our Board-level RMCom is regularly apprised of operational and IT risks through comprehensive reporting and discussions during monthly meetings. They are also regularly updated on the latest cybercrime trends, emerging risks, industry developments, and the Bank's implemented mitigation measures.

A comprehensive ORM Maturity Assessment for the Bank was conducted by SGV-EY as part of the Bank's efforts to further strengthen its proactive management of operational risks. The assessment evaluated the Bank's current ORM Framework, benchmarked it against regulatory expectations and leading industry practices, identified gaps between the current and target states, and provided recommendations to guide the Bank's enhancement roadmap. Overall, the Bank's ORM maturity level was assessed as "Established", reflecting a solid risk management foundation with areas of strength and emerging leadership relative to local industry peers. Notable advancements were observed in Governance, Operational Risk Training and Education, and Regulatory and Audit Coordination. The Bank was also assessed as leading locally in Risk Assessment and Management Tools, Capital Modelling, Stress Testing and Scenario Analysis, and Technology Enablement.

Business Continuity Risk. BPI maintains strong business continuity capability and operational resilience through a mature Business Continuity Management (BCM) Program aligned with ISO 22301, BSP Circular 951 (Business Continuity Management), and the Good Practice Guidelines of global standards. An independent assessment by a third-party consulting firm affirms the Bank's alignment with global and regulatory standards. The BCM Program is supported by key components, including the Business Impact Analysis (BIA) which identifies and prioritizes critical products, services, and processes; recovery planning, which outlines strategies to restore operations within defined timeframes; and response structures, which ensure continuity of essential services during disruptions.

Complementing these is the Risk Assessment for Business Continuity (RABCon), which evaluates probable threats and their potential impact, and the Business Recovery Plan (BRP), which provides structured actions for the restoration of facilities, technology, people, and third-party services.

Through continuous assessment, exercises, and improvements, BPI strengthens its preparedness and ensures the uninterrupted delivery of critical financial services under severe but plausible scenarios.

The Bank has established a comprehensive resilience framework with designated business groups and subsidiaries assigned to meet business continuity objectives. Each group is supported by a Business Continuity Coordinator who manages localized operational disruptions with guidance from Incident Management Teams and the Corporate BCM Unit. When situations escalate, the Crisis Resiliency Committee (CRC), composed of senior executives, assumes command to ensure effective crisis leadership.

To strengthen crisis communication, the Bank uses an Automated Call Tree System that enables rapid, organization-wide notification and timely dissemination of critical updates. The Bank has also set up alternate command centers in Metro Manila and key provincial locations, providing additional workspace for recovery operations. Designated evacuation sites are equipped with essential supplies to support employees during natural calamities.

The Bank's hybrid work model ensures that employees have secure remote access and digital tools that support flexible, diversified continuity arrangements. Through ongoing digital transformation, BCM processes, including recovery plans, documentation, and internal campaigns have been fully digitized using the Bank's workflow management platform. This shift enhances efficiency, streamlines coordination, and ensures teams can respond quickly and effectively to any disruption.

Following the issuance of BSP Circular 1203 (Guidelines on Operational Resilience), BPI affirms the implementation of its operational resilience by leveraging on established resiliency programs and governance frameworks.

These include: (i) a comprehensive Business Continuity Management and Crisis Resiliency Program to ensure continuity of critical operations; (ii) an Information- and Cyber-security framework; (iii) a strong Information Technology Risk Management program; and (iv) a sound Vendor/Third Party Risk Management framework. Collectively, these programs are designed to meet regulatory expectations and to sustain the Bank's ability to operate within the defined impact tolerances under severe but plausible conditions.

Information and Physical Security Risks. As we continue to enhance customer experience, respond to the growing demand for digital financial services, and promote financial inclusion, the protection of customers and stakeholder data remains a top priority. Safeguarding information is essential to maintaining the trust and confidence that underpin our long-term relationships and the integrity of our institution.

Our information security management system integrates people, processes, and technology to ensure the confidentiality, integrity, and availability of our information assets. It is anchored on a robust framework of continuous risk identification, assessment, treatment, and monitoring. Our information security and data privacy programs comply with relevant laws and regulations governing data protection, customer rights, cyber security, and risk management, and are aligned with recognized global standards. In support of our sustainability objectives, these programs are designed to optimize resource utilization, manage costs, and maximize risk mitigation impact.

In response to an evolving and increasingly complex cyber threat landscape, we continue to strengthen our security infrastructure and implement advanced technical controls to safeguard our physical and digital environments. Our comprehensive security posture encompasses preventive, detective, and recovery mechanisms that enable proactive threat management and timely incident response. To ensure the continued relevance and effectiveness of these controls, we subject them to regular internal reviews and independent third-party assessments. Our incident response and business continuity plans undergo routine reviews and simulation tests to validate their effectiveness and enhance organizational preparedness for potential cyber incidents or service disruptions.

Recognizing the importance of supply chain security, we maintain a comprehensive third-party and vendor risk management program. This program includes a rigorous due diligence and onboarding process for service providers and IT suppliers, complemented by ongoing performance monitoring to ensure compliance with our information security and data privacy requirements. To ensure efficiency and consistency, we are investing in the automation and streamlining of these third-party risk management processes.

To address the increasing risks of online banking fraud, we have intensified our customer-focused security awareness campaigns. Delivered through traditional and social media platforms, digital channels, and direct customer communications, these initiatives aim to empower customers to protect their personal information and remain vigilant against increasingly sophisticated fraud schemes. In parallel, a robust fraud management system utilizing transaction profiling enables the early identification of potentially fraudulent activities, helping to mitigate risk exposure for our clients.

Internally, we foster a strong culture of security through continuous and timely employee awareness programs designed to promote accountability and drive behavioral change. These initiatives provide regular education on emerging cyber threats and social engineering techniques, reinforcing the critical role employees play in safeguarding information assets. We extend similar awareness efforts to service provider personnel to ensure alignment with our security expectations. Regular social engineering simulations are conducted to assess susceptibility, with insights used to deliver targeted training and strengthen our overall security posture.

Through these efforts, we reaffirm our commitment to protecting information assets, preserving customer trust, and enabling the secure and responsible delivery of innovative financial services.

BPI's Enterprise Support Services (ESS), formerly known as Facilities Services and Management (FSM) Group, takes a leading role in ensuring a secure, safe, and well-maintained environment across BPI branches and corporate offices for both BPI clients and personnel. Tasked with responsibilities in construction, maintenance, procurement of supplies and services, management of corporate leases, dealing with government units and regulatory agencies, overall Contact Center operations, process optimization, and system administration, ESS employs a proactive and integrated approach encompassing people, infrastructure, and security. This strategy addresses the increasingly sophisticated needs of BPI sites. In harmony with our sustainability agenda, ESS is proactive in implementing initiatives to address the impact of climate change. These measures include embracing initiatives focused on renewable energy such as electric vehicles and other projects. ESS also reduces its footprint where it can, as seen with its pursuit of Excellence in Design for Greater Efficiencies (EDGE) certifications. ESS also automates workflows, standardizes operations, and ensures secure access and data integrity across enterprise systems. It supports product initiatives, manages system performance and reporting, and oversees projects and system enhancements aligned with governance standards. Finally, ESS strengthens these by using digital tools to enhance project execution and procurement efficiency, ensuring that every branch and office provides a reliable and client-focused environment.

Legal and Tax Risks. BPI has two specialized legal services divisions composed of highly trained legal professionals with experience in banking, corporate law, and litigation that serve as BPI Group's main legal resource. These divisions play critical roles that enable us to carry out our operations while minimizing legal issues and risks.

Our Corporate Legal Affairs Division (CLAD), composed of the Documentation, Legal Risk and Advisory, Tax Compliance, Tax Advisory, and Tax Risk Management units provide proactive guidance and support to effectively manage our legal and tax risks. The Documentation and Legal Advisory units ensure that our rights and obligations are protected in our contractual relations, and that we are abreast of legal developments and requirements, respectively. We also conduct legal risk assessments of potential claims against us and recommend legal risk mitigation measures. We further empower our units by issuing legal and tax advisory bulletins, providing supporting training seminars that highlight legal and tax issues, new laws, and regulatory fiats that impact our products and services, and promote awareness initiatives of various regulatory agencies.

We provide legal direction and support, working closely with Management, Risk and Compliance Offices, and the various business segments in monitoring, interpreting, and implementing laws, government regulations, and pandemic related issuances.

Our Dispute Resolution Division (DRD) plays a significant role in protecting our rights and interests and in avoiding losses when the Bank is involved in disputes or cases filed by the Bank against clients and third parties or filed by clients and third parties against the Bank, before regulatory entities, quasi-judicial bodies and judicial cases in all levels of the judicial proceedings as well as from trial courts to the Supreme Court. The division handles cases that involve large enterprise loans, retail loans, and trade financing. We specialize in criminal cases, cybercrime cases, and administrative cases (including BSP and SEC cases) filed on behalf of or against the Bank. We likewise handle defensive cases filed by any party against the Bank for any reason and play a significant role in the Bank's AML Compliance and the Labor Relations Compliance.

Part of the Bank's robust legal risk management is the Dispute Resolution Division's advisories on what areas of improvements should be made in various operations of the Bank based on the learnings from the cases that it handled.

CLAD and DRD accomplished the following program highlights in 2025: CLAD lectured on Capital Markets Efficiency Promotion Act (CMEPA); Contract Negotiation; Taxes on Services, Ease of Paying Taxes Act (EOPTA) for BAB HR, Accounting and Operation, Gross Receipts Tax (GRT) on Pre-termination, New Law on VAT on Digital Service Providers, Real Property Valuation and Assessment Reform Act (RPVARA), round table discussions on RR 16-2023, RR 3-2025 & RR 9-2025, Step-by-Step Instructions to Process 12% VAT on Digital Services of Non-resident Vendors, Tax Discussion on Professional's Fees and Submission of Sworn Declaration, Teach-In Session on BIR's Electronic Invoicing (Purchaser Requirements; EOPTA Implications), Withholding Tax of Digital Financial Service Provider (DFSP), Retail Mortgage Division (RMD) SMART Officer: Uniform Loan and Mortgage Agreement (ULAMA) Discussion and Project Finance 101. Meanwhile, the DRD held seminars on Occupational Safety and Health Standards, Sexual Harassment In The Workplace; Data Privacy in the Workplace Handling Administrative Investigation & Preventing Sexual Harassment in the Workplace, Financial Rehabilitation and Insolvency Act (FRIA) Lecture and Liquidation Proceedings, Small Claims, Filing a Civil Case in Court, Testifying in Court, Preliminary Investigation, Service of Summons (Small Claims Case), collaborated with the Department of Justice (DOJ) in lecturing in the National Prosecutors Training on Anti Cybercrime and also conducted seminars on cybercrime-related laws and procedures to equip BPI branch personnel and other client-facing units the capability to respond and assist on cybercrime complaints and incidents; disseminated legal bulletins and tax infographics to update and inform BPI employees of the latest banking and tax laws and trends.

Sustainability programs were successfully implemented in 2025 as part of the team's capacity building initiatives and programs to help raise awareness, knowledge, familiarity of the legal principles, and to provide appropriate legal guidance to relevant business units of BPI and the BPI Group on the proper disposition and management of common and recurring legal documentation issues and concerns which have been observed to arise from time to time. The lectures of DRD mentioned above that relate to OSHA standards, sexual harassment, data privacy, among others, aspire to avoid or mitigate environmental and social risks to comply with the regulations of governing bodies.

We continually pursue the digitalization imperatives of the Bank by enhancing the Centralized Legal Automated Request (CLeAR) system in SharePoint by implementing improvements based on feedback from our fellow Unibankers. CLeAR provides a much faster and better customer experience for our internal clients, and it also gives us the opportunity to gather and analyze data on the current concerns of the Bank and anticipate future trends where we can better allocate our legal resources. Through this, legal risks are properly grouped, defined, and identified and proposed solutions and opinions contribute to further ensure that the Bank has a robust legal risk management response.

The BPI Cybercrime Assistance Response (BPI CARes) Team continues to assist Bank clients who are victimized by third-party scammers and online fraudsters which has contributed to the deterrence and prevention of cybercrime attacks against BPI clients by obtaining conviction of, causing the arrest, and assisting in the investigation of cyber fraudsters.

Reputational Risk. BPI defines reputational risk as the risk of potential negative public perception or uncontrollable events and developments that would have an adverse impact on our brand and reputation that can affect the Bank's ability to maintain existing business relationships or establish new business relationships and continued access to sources of funding.

We regard the Bank's reputation as a very valuable asset, since a negative reputation can harm client and investor trust, erode the client base, and hinder sales. Poor reputation also correlates with increased costs for hiring and retention that can degrade operating margins and prevent higher returns. Furthermore, reputational damage increases liquidity risk which impacts stock price and ultimately causes market capitalization to decline.

We have an established Reputational Risk Management framework that provides consistent standards for the identification, assessment, and management of reputational risk issues. While all our employees have a responsibility to protect our reputation, which forms part of our Code of Business Conduct and Ethics, the primary responsibility for managing and reporting reputational risk matters lies with our business and operating units as the first line of defense. The Public Affairs and Communications unit, on the other hand, is the risk and control owner of reputational risk, promoting awareness and application of our policies and standards regarding reputational risk and encouraging business units to take account of our reputation in all decision-making activities, as well as dealings with clients, suppliers, co-employees, and all other stakeholders.

Our policies ensure that reputational risk matters are managed in a consistent manner and aligned with our strategic priorities. We have established risk indicators for reputational risks that are regularly monitored and reported. These include events and developments related to products and services, channels, financial performance, human resources, brand equity, customers' awareness and loyalty that are further amplified through traditional and social media coverage.

Model Risk. BPI maintains an active and robust model risk management system supported by well-defined review standards and methodologies. Our RMCom establishes and ensures a strong model risk management structure that seamlessly integrates into the organization's broader risk management culture and processes. The CRO is responsible for reviewing and endorsing all model risk reports submitted to the RMCom, while model owners are tasked with managing the risks associated with their respective models throughout their lifecycle from initiation to retirement.

The Risk Models Validation (RMV) Department serves as the Bank's model risk manager which oversees the model governance framework and model inventory, as well as the conduct of independent model validation activities.

Our framework encompasses key governance and control mechanisms such as Board and Senior Management oversight, policies and procedures, controls and compliance, and organizational structure; with controls carried out across all stages of the model lifecycle. To ensure relevance, comprehensiveness, and usability across various functional risk areas, a semi-annual inventory of the Bank's models is conducted. These models are independently validated prior to implementation and are subject to revalidation when necessary.

Given the growing regulatory expectations on model risk management and independent validation, we continuously tests the quality and robustness of our risk models. In 2025, the Bank entered into a third-party engagement with SGV-EY to conduct a maturity assessment of the current state of the Bank's model risk management benchmarked against global standards and leading industry practice to further enhance their framework and methodology. Overall, the Bank achieved a maturity rating of 3 out of 4 "Advanced" with noted strengths in Model Development, Model Approval, Model Validation, and Documentation.

In response to the Bank's commitment to data-driven analytics and decision-making, we continuously update and utilize automation tools for recurring models undergoing annual validation, develop applications to provide our stakeholders accessibility to real-time model information, consider the impact of stress and macroeconomic scenarios on the latest modeling methodologies employed, and place a strong emphasis on models supporting financial inclusion and sustainability initiatives.

Environmental and Social Risks.
Despite contributing less than 1% to global CO^2 emissions[1], the Philippines faces high exposure and vulnerability to the impacts of climate change and weather-related extremes, emerging as one of the most-at-risk countries in the world in 2025[2]. Situated in the Pacific Ring of Fire, the proactive management of challenges arising from climate change and evolving social landscapes is crucial for the Philippines as it pursues advanced economic development. The Bank is cognizant of these challenges and has been a sustainability advocate with our commitment to integrate sustainability into our business and operational activities.

We recognize the presence of environmental and social (E&S) risks inherent in our core operations and daily activities. To safeguard the best interests of our stakeholders, we commit to a risk management strategy centered on creating long-term stakeholder value and promoting shared value for a sustainable future.

Under the Enterprise Risk Management (ERM) framework and guided by BSP Circulars 1085 and 1128, we established the Bank's general policy on environmental and social risk management system (ESRMS) which integrates environmental and social (E&S) risk management in our risk governance structure and promotes the updating and/or establishment of policies, processes, methods, and tools that integrate E&S risk management in our main business activities and decision-making processes. It is designed to support the two sustainability pillars of Responsible Banking and Responsible Operations and is critical in achieving our strategic sustainability objectives and targets.

We define E&S risks as potential negative financial, legal, and/or reputational effects from such issues affecting our key business activities[3]:

- Environmental risks can be categorized as either physical or transition. Physical risk is the potential loss or damage to tangible assets arising from climate change, weather-related disturbances, and other environmental hazards. This can either be acute events, which are event-driven risks that have an immediate adverse impact, or chronic events which are shifts in climate patterns that are long-term in nature[4]. Transition risk is the potential economic adjustment cost resulting from policy, legal, technology, and market changes to meet climate change mitigation and adaptation requirements.
- Social risks are potential negative social impacts, including, amongst others, hazards to human health, safety and security, as well as threats to communities, biodiversity, and cultural heritage.

We recognize that E&S risks can influence and/or aggravate the Bank's existing traditional financial and non-financial risks such as credit, market, operational and reputational risks.

[1] Global Carbon Budget (2025) – with major processing by Our World in Data https://ourworldindata.org/grapher/annual-co2-emissions-per-country
[2] World Risk Report 2025 https://weltrisikobericht.de/worldriskreport/
[3] E&S risks definitions based on BSP Circular 1085
[4] Recommendations of the Task-Force on Climate-related Financial Disclosures (TCFD)

RISK CATEGORY	EXAMPLES OF ENVIRONMENTAL RISK DRIVERS	
	PHYSICAL RISK	TRANSITION RISK
Credit	Deterioration in the repayment capacity of borrowers due to reduced or limited operations, profitability or value of collateral, and returns on transactions caused by climatic shifts or extreme weather events	Failure to consider the shifting regulatory and policy landscape in credit quality assessment (e.g., carbon taxes on emissions, total outright ban in activities driving E&S risk events, shift in consumer preferences, etc.) resulting to a deterioration in loan portfolio and asset quality
Market	Reduced value and marketability of the Bank's assets due to physical impacts	Shift in demand and preferences of clients and other stakeholders for the Bank's products and services
Operational	Business interruptions due to extreme weather events and its resulting damage to physical assets	Increased operating costs and higher capital expenditures to ensure resilience and carbon reduction measures
Reputational	Negative public reaction due to perceived inadequate support for clients and communities affected by extreme weather (and other environmental) events Negative public reaction due to perceived increase in exposure to environmental hazards	Damage to brand, reputation, and social capital due to potential perceptions of inadequate support to transition to a low-carbon economy

As part of strengthening our forward-looking climate risk management capabilities, the Bank conducted scenario-based transition risk analysis in 2025 to better understand how evolving climate policies, technological developments, and market shifts associated with the transition to a lower-carbon economy may affect sectors and counterparties within our portfolio. This approach compares portfolio exposures against a range of plausible climate transition pathways to identify potential vulnerabilities, concentration risks, and areas that may be sensitive to regulatory changes, technology displacement, or shifts in consumer and investor preferences. Insights from these analyses help identify sectors that may be more sensitive to policy, technology, or market shifts associated with the low-carbon transition.

Building on these efforts, our approach to managing E&S risks continues to evolve as integration efforts mature. We are strengthening both qualitative and quantitative E&S risk assessment methodologies, enhancing data and monitoring capabilities, and refining governance processes to align with local regulatory developments and emerging global practices. Ongoing process enhancements and capacity-building initiatives support compliance with relevant laws and regulations, including BSP Circulars 1085, 1128, 1187, and related sustainability guidance, while reinforcing the Bank's long-term resilience and responsible banking commitments.

RELATED PARTY TRANSACTIONS

In the normal course of business and under the overall purview of the Related Party Transactions Committee (RPTCom) of the Board, BPI transacts with related parties, which include its directors, officers, stockholders and related interests, subsidiaries and affiliates (including those under the Ayala Group of Companies), as well as other related parties defined in the Bank's internal policy and aligned with regulatory standards and guidelines.

Controls are in place to ensure compliance with Related Party Transactions (RPT) processes, a basic element of which are RPT guidelines published in the Bank's policy databases as further communicated through briefing sessions and regular advisories. Another control mechanism requires the RPTCom Secretariat to verify if there is prior vetting of RPT proposals submitted for Board-level approval and/or prior to implementation of the transaction. Moreover, post-verification of vetted RPTs is conducted by both Internal Audit and Compliance Office, the results of which are reported to the RPTCom. Review of RPTs is likewise part of the external audit assurance process.

RPTs are monitored through various reports such as the regulatory and internal limits monitoring for related party (RP) exposures, reports on RPTs reviewed by the vetting committees, as well as the regulatory reporting for material RPTs.

The Bank maintains a registry of RPs, which is regularly updated based on the results of RP analyses, as part of the Know-Your Customer process, conducted by the business units. Likewise, regular updating is done following the (a) annual preparation of the BPI and Ayala Group's conglomerate map and (b) any Board composition changes effected during the Annual Stockholders' Meeting and/or intra-year Board changes. Updates are also sourced from other information gathered from internal Bank units and reputable external sources. Updating of the RP database for the BPI officers' data is regularly conducted in coordination with the Bank's Human Resource Management Group for proper tagging in the system. The Bank's RP database is accessible to business units to serve as a tool in the RP identification process across the Group.

As in past years, RPTs involve credit and non-credit transactions such as loan accommodations and guarantees, agreements for the periodic provision of leases or other services, asset purchases and sales, trust transactions, and investments, among others. Vetting is done either by the RPTCom or the Management Vetting Committee (MVCom) prior to implementation, depending on set materiality thresholds, to ensure that transactions with RPs are standard banking activities and are done at arm's length basis, particularly on terms and conditions comparable to those offered to non-RPs or to similar transactions in the market. In line with this, the Bank continues to review and enhance its vetting process by defining standardized terms and/or parameters for select transactions applicable to both RPs and non-RPs alike, as approved by management and subjected to vetting by the RPTCom, thereby strengthening non-preferential treatment to its RPs. During the year, the RPT vetting requirement for certain transactions was reassessed, and corresponding proposals to streamline and simplify internal processes were recommended to and approved by the RPTCom, as aligned with existing internal RP policies and regulatory guidelines. Key BPI subsidiaries have likewise updated their respective RPT policies to align with the Parent's.

In 2025, both the RPTCom and the MVCom had fully and consistently carried out the Committees' responsibilities in the evaluation of various RPT proposals and the monitoring and review of other RPT-related matters. Regular RPTCom meetings were held during the year, ensuring that business transactions with RPs are duly executed as needed with utmost independence, fairness, and integrity.

The RPTCom is composed of three independent and/or non-executive directors, a majority of whom are independent including its Chairperson, and two resource persons from Management (i.e., the Chief Audit Executive and the Chief Compliance Officer). The RPTCom Secretariat, which is part of the Credit Policy and Risk Management (CPRM) Division of the Risk Management Office, assists the Committee in carrying out its role and responsibilities as defined in the RPTCom Charter, particularly in strengthening corporate governance and RPT practices. The MVCom, on the other hand, is composed of the Executive Vice Presidents, the Chief Finance Officer, and the Treasurer of the Bank.

The Bank is committed to ensuring strict compliance with laws, regulations, and reporting requirements relating to DOSRI and RPTs by instituting rigorous vetting processes and establishing adequate controls and oversight mechanisms. Improvements in the RPT framework are continuously pursued with the aim of enhancing corporate governance measures including greater information awareness initiatives.

INTERNAL CONTROL

Internal Audit. Internal Audit (IA) is an independent assurance function that supports the Board of Directors, through the Audit Committee, in fulfilling its oversight responsibilities. It provides objective and systematic evaluation of the adequacy and effectiveness of the BPI Group's risk management, internal controls, and governance processes, including adherence to internal policies and procedures, regulatory and legal requirements, through a disciplined risk-based audit approach.

Internal Audit develops and executes a comprehensive annual audit plan using a structured Audit Risk Assessment Methodology or scoring model. The plan is reviewed and approved by the Audit Committee and remains dynamic, allowing adjustments in response to emerging risks, changes in the business environment, and strategic priorities. In assessing the internal control system, Internal Audit applies internationally recognized frameworks such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO)[4] , and the Control Objectives for Information and Related Technology (COBIT). The audit results, including observations, root causes, and recommendations, are communicated to Management and the Audit Committee to support timely corrective actions and informed decision-making.

Internal Audit reports functionally to the Board through its Audit Committee, and administratively to the President and CEO ensuring organizational independence and objectivity in the discharge of its responsibilities. It collaborates with other assurance providers such as the Risk Management Office, Compliance Office, external auditors, and other oversight units. Through this system of comprehensive monitoring and review of risks and compliance in the institution, the Board ensures that the Bank and all business units and subsidiaries proactively manage the risk and compliance exposures impacting the business.[5]

Internal Audit has an established Quality Assurance and Improvement Program (QAIP) that ensures its continued conformance with Institute of Internal Auditors' (IIA's) International Standards for the Professional Practice of Internal Auditing, and Code of Ethics. The program includes annual internal self-assessment conducted by IA's QAIU Team, and external assessment every 5 years conducted by a qualified independent external assessor. Internal Audit has maintained a rating of "generally conforms" on both internal and external assessments, since its establishment of QAIP in 2006.

Internal Audit Charter. Internal Audit operates under a Board-approved Internal Audit Charter that defines its purpose, authority, and responsibilities. The internal audit function is granted free access to all records, properties, and personnel relevant to the performance of its work. In this respect, the Audit Committee reviews the internal audit function, including its independence and the authority of its reporting relationships. Internal Audit continuously improves the capabilities of its auditors through continuous education on specialized areas of knowledge, auditing techniques, regulations, banking products and services, and information technology. The Board, through the Audit Committee, periodically reviews and approves the Internal Audit Charter which is published on the company website at www.bpi.com.ph.[6]

Chief Audit Executive. The Internal Audit function is headed by a Chief Audit Executive (CAE) who is appointed by the Board and reports functionally to the Board through the Audit Committee and administratively to the President and CEO. This ensures that the CAE is not dependent on any bank executive or operating officer for the security of his or her position. The CAE has unrestricted access to all functions, records, property, and personnel. Additionally, the Audit Committee ensures that the CAE has access to the Board, on a confidential basis, and that the Internal Audit function is independent of bank management. The Board, through the Audit Committee, evaluates the performance of the CAE.[7]

See page 352 for the full biography of the CAE.

Independent External Auditor. The Audit Committee recommends to the Board the appointment of a BSP/SEC-accredited external auditor. The appointment, reappointment, and removal of the Bank's external auditor is subject to the approval and endorsement of the Audit Committee, for subsequent approval and confirmation by the Board and stockholders and is also done pursuant to the General Requirements of Securities Regulation Code (SRC) Rule 68, Par. 3 (Qualifications and Reports of Independent Auditors).[8] [9]

The Audit Committee also:

- assesses the external auditor's effectiveness, integrity, independence, and objectivity in accordance with the relevant provisions of the Code of Ethics for Professional Accountants in the Philippines. The Committee shall review the external auditor's suitability and effectiveness on an annual basis, including the rotation of the key partners and quality control partners of the audit firm and removal of the external auditors, if circumstances warrant.
- reviews the external auditor's annual plan and scope of work, and in consultation with management, approves the external auditor's term of engagement and all audit and non-audit services, including fees, to be provided by the external auditor to the Bank and its subsidiaries and recommends the same for approval by the Board;
- oversees resolution of disagreements between management and the external auditors in the event that these arise;
- ensures that the external auditor and its audit team members adhere to the highest standards of professional conduct, integrity, and objectivity.

The external auditor reviews and discusses the financial statements and reports, including results of operations, with Management and the CAE, and endorses the same to the Board for approval. Audited Financial Statements are signed by the Chairman of the Board, the President and CEO, and the CFO. The Audit Committee also holds executive or private meetings with the external auditors without the presence of Management. BPI has paid the following fees, inclusive of taxes, to its external auditor in the past two years:

FISCAL YEAR	AUDIT FEES	AUDIT-RELATED FEES
2023 Paid in 2024	PHP 21.584M 3.644M	PHP 4.103M .621M
2024 Paid in 2025 Other services	PHP 26.522M 8.226M	4.980M .374M
Approved for 2025 (not yet paid)	PHP 30.843M	-

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

In addition, the external auditor was also engaged for non-audit related service, as Buy-Side Due Diligence advisor for P2.751 million.[9]

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure. There were no disagreements with Isla Lipana & Co. on any accounting and/or financial disclosures.

[4] Joint initiative in the United States by five private sector organizations [the Institute of Management Accountants (IMA), the American Accounting Association (AAA), the American Institute of Certified Public Accountants (AICPA), the Institute of Internal Auditors (IIA), and Financial Executives International (FEI)], dedicated to guide executive management and governance entities on relevant aspects of organizational governance, business ethics, internal control, enterprise risk management, fraud, and financial reporting.

[5] Recommendation 2.10 and 12.2 SEC CG Code for PLCs

[6] Recommendation 2.10, SEC CG Code for PLCs

[7] Recommendation 2.8, 12.3 SEC CG Code for PLCs

[8] Recommendation, 9.1, 9.2, SEC CG Code for PLCs

[9] Recommendation 9.3 SEC CG Code for PLCs

CAPITAL ADEQUACY

The Bank's Corporate Planning, Investor Relations and Sustainability (CPIRS) division oversees the management of the Bank's capital adequacy. Capital adequacy ratio, or CAR, is a measure of the Bank's total qualifying capital relative to its risk-weighted assets and indicates the ability of its capital funds to cover various business risks.

This division also ensures compliance with regulatory capital adequacy requirements, as well as internal capital thresholds, referred to as the Bank's internal minimum Common Equity Tier 1 (CET1) ratio, or IMCET1, and the CET1 management action trigger, or CET1MAT, which incorporate the Bank's internal capital buffers and limit triggers, and capture risks beyond Pillar 1 (credit, market, and operational).

Furthermore, as the central planning unit of the Bank, this division is responsible to ensure the optimal use of capital and resources, maintain compliance with regulatory and internal thresholds, and determine the appropriate course of action to address any foreseen capital or funding deficiencies. It oversees the Bank's Internal Capital Adequacy Assessment Process (ICAAP) execution, stress testing, recovery planning, and documentation in compliance with the BSP's Risk-Based Capital Adequacy Framework. The team continuously enhances and updates the Bank's Recovery Plan as of current reporting period and directs capital mobility between the Parent Bank and its subsidiaries, including administering capital infusion, dividend declaration, sensitivity analysis, dashboard preparation, and database maintenance.

Sound Capital Management. Effective capital management supports the Bank's assets and absorbs losses that may arise from credit, market and liquidity, operational and IT, and other risk exposures. The Bank's capital management framework ensures that on stand-alone and group bases, there are sufficient capital buffers at all times to support the respective risk profiles of the various businesses of the Bank, as well as changes in the regulatory and accounting standards and other future events.

BPI submits a comprehensive internal capital adequacy assessment process, or ICAAP, document annually to the Bangko Sentral ng Pilipinas, in accordance with the Pillar 2 guidelines of the Basel framework.

As of Dec 31, 2025, BPI's solo (parent) and consolidated CAR stood at 14.1% and 14.8% respectively, higher than the minimum regulatory requirement of 10.0%. The Bank's solo and consolidated CET1 capital ratio at 13.3% and 13.9%, respectively, likewise compare favorably with regulatory and internal limits and buffers.

The table below shows the Bank's CAR components for December 2025 and 2024:

RISK	REGULATORY CAPITAL	
(PHP Mn)	**2025**	2024
Credit Risk	**2,561,127**	2,360,288
Market Risk	**35,606**	35,141
Operational Risk	**290,005**	246,244
Total	**2,886,738**	**2,641,674**

Capital Adequacy		
(PHP Mn)	**2025**	2024
CET1/Net Tier 1 [1/]	**402,296**	366,045
T2/Net Tier 2 [2/]	**23,473**	20,480
Total QC [3/]	**425,769**	**386,525**
Total CRWA [4/]	2,561,127	2,360,288
Total MRWA [5/]	35,606	35,141
Total ORWA [6/]	290,005	246,244
TRWA [7/]	**2,886,738**	**2,641,674**

Consolidated Ratios (%)	2025	2024
CAR	**14.75%**	**14.63%**
CET1	**13.94%**	**13.86%**
CCB [8/]	**7.94%**	**7.86%**

Solo (Parent) Ratios (%)	2025	2024
CAR	**14.11%**	**13.91%**
CET1	**13.30%**	**13.14%**
CCB [8/]	**7.30%**	**7.14%**

[1/] Common Equity Tier 1 Capital

[2/] Tier 2 Capital

[3/] Qualifying Capital

[4/] Credit Risk-Weighted Assets

[5/] Market Risk-Weighted Assets

[6/] Operational Risk-Weighted Assets

[7/] Total Risk-Weighted Assets

[8/] Capital Conservation Buffer

SUPPLEMENTARY SCHEDULES ON CAPITAL AND RISK MANAGEMENT DISCLOSURES PURSUANT TO THE BANGKO SENTRAL'S MEMORANDUM M-2014-007

Capital Structure

The Bank's qualifying capital for the years ended 2025 and 2024 were PHP 425.8 billion and PHP 386.5 billion, respectively. The Bank's total qualifying capital for 2025 and 2024 were largely composed of CET1 capital at 94.5% and 94.7%,respectively.

The table below shows the composition of the Bank's capital structure and total qualifying capital.

Capital Structure (PHP Mn)	Dec. 31, 2025			Dec. 31, 2024		
	CET1/ Tier 1	Tier 2	TOTAL	CET1/ Tier 1	Tier 2	TOTAL
Core Capital	**457,741**	**23,473**	**481,214**	**418,664**	**20,480**	**439,145**
Paid-up common stock	52,747		52,747	52,610		52,610
Additional paid-in capital	143,810		143,810	143,278		143,278
Retained earnings	207,135		207,135	174,013		173,371
Undivided profits	65,212		65,212	61,818		61,818
Net unrealized gains or losses on AFS securities	-2,288		-2,288	-5,034		-5,034
Cumulative foreign currency translation	405		405	203		203
Remeasurement of net defined benefit liability (asset)	-9,552		-9,552	-8,339		-8,339
Minority interest [1/]	0		0	0		0
General loan loss provision [2/]		23,473	23,473		20,480	20,480
Gains/(Losses) on Fair Value Adjustments of Hedging Instruments	7		7	-1		-1
Others	264		264	117		117
Deductions	**55,445**		**55,445**	**52,620**		**52,620**
Common Stock treasury shares [3/]	0			0		
Total O/S unsecured credit accommodations [4/]	975			509		
Total O/S unsecured loans [5/]	167			76		
Deferred tax assets	18,936			17,875		
Goodwill	9,518			9,518		
Other intangible assets	8,004			9,206		
Defined benefit pension fund assets	200			82		
Investments in equity [6/]	4,227			4,081		
Significant minority investments [7/]	11,243			8,784		
Other equity investments [8/]	2,174			2,490		
TOTAL QUALIFYING CAPITAL	402,296	23,473	425,769	**365,045**	**20,480**	**386,525**
% to Total	**94.5%**	**5.5%**	**100.0%**	**94.7%**	**5.3%**	**100.0%**

[1/] Minority interest in subsidiary banks, which are less than wholly-owned

[2/] General loan loss provision, limited to a maximum of 1% of credit risk-weighted assets, and any amount in excess thereof shall be deducted from the credit risk-weighted assets in computing the denominator of the risk-based capital ratio

[3/] Including shares that the Bank could be contractually obliged to purchase. Treasury shares are: (1) shares of the parent bank held by a subsidiary financial allied undertaking in a consolidated statement of condition, or (2) the reacquired shares of a subsidiary bank/quasi-bank that is required to compute its capital adequacy ratio in accordance with the risk-based capital adequacy framework.

[4/] Total outstanding unsecured credit accommodations, both direct and indirect, to directors, officers, stockholders and their related interests (DOSRI)

[5/] Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries and affiliates

[6/] Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers/brokers and insurance companies), after deducting related goodwill, if any (for solo basis only and as applicable) and investments in equity of unconsolidated subsidiary securities dealers/brokers and insurance companies after deducting related goodwill, if any (for both solo and consolidated bases and as applicable)

[7/] Significant minority investments (10%-50% of voting stock) in banks and quasi-banks, and other financial allied undertakings after deducting related goodwill, if any (for both solo and consolidated bases) and significant minority investments (10%-50% of voting stock) in securities dealers/brokers and insurance companies after deducting related goodwill, if any (for both solo and consolidated bases)

[8/] Other equity investments in non-financial allied undertakings and non-allied undertakings

Credit risk-weighted assets. Using the Basel regulatory standardized approach, our total credit risk-weighted assets as of December 31, 2025 amounted to PHP 2.6 trillion, and are composed of on-book credit exposures after risk mitigation of PHP 2.5 trillion, off-balance sheet risk-weighted assets of PHP 45.1 billion, counterparty risk-weighted assets in the trading book of PHP 8.3 billion, and risk-weighted securitization exposures of PHP 1.5 billion.

The table below provides a summary of the Bank's credit risk-weighted assets for 2025 and 2024:

Credit RWAs (PHP Mn)	Amount	
	2025	2024
Total RWA (On-balance sheet) 0/	2,506,285	2,304,599
Total RWA (Off-balance sheet) 0/	45,077	46,364
Total counterparty RWA (banking book) 1/	0	105
Total counterparty RWA (trading book) 1/	8,268	8,100
Total risk-weighted credit linked notes (banking book)	0.00	0.00
Total risk-weighted securitization exposures	1,496	1,119
Total Gross RWA	**2,561,127**	**2,360,288**
Deductions: General loan loss provision 2/	0	0
Total Credit RWAs	**2,561,127**	**2,360,288**

0/ Risk-weighted assets
1/ For derivatives and repo-style transactions
2/ In excess of the amount permitted to be included in upper Tier 2

The Bank's credit risk exposures on both on- and off-balance sheet assets after mitigation, broken down by risk buckets, for 2025 and 2024 are as follows:

December 31, 2025

	Exposure	Risk Weights						
(PHP Mn)	after risk mitigation	0%	20%	50%	75%	100%	150%	Total CRWA 1/
Cash on hand	52,801	52,801						52,801
Checks and other cash items	216		216					216
Due from BSP	106,362	106,362						106,362
Due from other banks	36,804		11,579	23,050		2,175		36,804
Available-for-sale (AFS)	283,694	210,095	3,141	32,740		37,717		283,694
Held-to-maturity (HTM)	353,071	242,190	15,493	73,212		22,176		353,071
UDSCL 2/	0							0
Loans and receivables 3/	2,551,887		194,371	176,941	119,552	2,045,404	15,618	2,551,887
Sales contract receivables	14					10	4	14
ROPA 4/	10,072						10,072	10,072
Sub-total	**3,394,920**	**611,448**	**224,801**	**305,944**	**119,552**	**2,107,482**	**25,694**	**3,394,920**
Other assets	67,443					67,443		67,443
Total exposures, plus other assets	**3,462,363**	**611,448**	**224,801**	**305,944**	**119,552**	**2,174,925**	**25,694**	**3,462,363**
Total risk-weighted OBSA (no CRM) 0/ 5/			44,960	152,972	89,664	2,174,925	38,541	2,501,062
Total risk-weighted OBSA (with CRM) 5/			1,123	4		4,097		5,223
Total RWA (On-Balance Sheet)			**46,083**	**152,976**	**89,664**	**2,179,021**	**38,541**	**2,506,285**

Schedule A

December 31, 2024

		Risk Weights						
(PHP Mn)	Exposure after risk mitigation	0%	20%	50%	75%	100%	150%	Total CRWA 1/
Cash on hand	49,492	49,492						49,492
Checks and other cash items	270		270					270
Due from BSP	164,576	164,576						164,576
Due from other banks	70,678		9,482	60,341		855		70,678
Available-for-sale (AFS)	265,129	214,528	134	24,564		25,903		265,129
Held-to-maturity (HTM)	343,099	229,252	9,541	65,460		38,364	482	343,099
UDSCL 2/								
Loans and receivables 3/	2,219,689	7,506	47,055	154,925	53,122	1,943,695	13,386	2,219,689
Sales contract receivables	113					72	41	113
ROPA 4/	7,437						7,437	7,437
Sub-total	**3,120,483**	**665,353**	**66,482**	**305,290**	**53,122**	**2,008,890**	**21,346**	**3,120,483**
Other assets	53,951					53,951		53,951
Total exposures, plus other assets	**3,174,433**	**665,353**	**66,482**	**305,290**	**53,122**	**2,062,840**	**21,346**	**3,174,433**
Total risk-weighted OBSA (no CRM) 0/ 5/		0	13,296	152,645	39,841	2,062,840	32,019	2,300,642
Total risk-weighted OBSA (with CRM) 5/		0	874	4	0	3,079	0	3,957
Total RWA (On-Balance Sheet)		**0**	**14,170**	**152,649**	**39,841**	**2,065,920**	**32,019**	**2,304,599**

0/On-balance sheet assets
1/ Credit Risk-Weighted Assets
2/ Unquoted debt securities classified as loans
3/Inclusive of loans and receivables arising from repurchase agreements, certificate of assignment/participation with recourse, and securities lending and borrowing transactions
4/Real and other properties acquired
5/Not covered by, and covered by credit risk mitigants, respectively

Schedule B

December 31, 2025

		Risk Weights						
RWA (Off-Balance Sheet) (PHP Mn)	CEA 0/	0%	20%	50%	75%	100%	150%	Total CRWA 1/
Direct credit substitutes 2/	41,304	0	502	0	4,087	33,345	0	37,934
Transaction-related contingencies 3/	5,119	0	3	0	585	4,324	0	4,912
Trade-related contingencies 4/	2,315	0	5	0	185	2,042	0	2,232
Total RWA (Off-Balance Sheet)		**0**	**511**	**0**	**4,857**	**39,710**	**0**	**45,077**

December 31, 2024

		Risk Weights						
RWA (Off-Balance Sheet) (PHP Mn)	CEA 0/	0%	20%	50%	75%	100%	150%	Total CRWA 1/
Direct credit substitutes 2/	39,658	0	0	0	3,983	34,348	0	38,330
Transaction-related contingencies 3/	5,614	0	0	0	400	5,081	0	5,481
Trade-related contingencies 4/	2,625	0	0	0	216	2,337	0	2,553
Total RWA (Off-Balance Sheet)		**0**	**0**	**0**	**4,599**	**41,766**	**0**	**46,364**

0/ Credit equivalent amount
1/ Credit risk-weighted assets
2/ Such as general guarantees of indebtedness and acceptances
3/ Such as performance bonds, bid bonds, warrantees and stand-by LCs related to particular transactions
4/ Arising from movement of goods, such as documentary credits collateralized by the underlying shipments, and commitments with an original maturity of up to one year

Schedule C

December 31, 2025		Risk Weights					
Counterparty Assets Banking Book (PHP Mn)	**Net Amount [0/]**	**0%**	**20%**	**50%**	**100%**	**150%**	**Total CRWA [1/]**
Derivative exposures:							
Interest rate							
Exchange rate							
Equity contracts							
Credit derivatives							
Counterparty Exposures arising from Financial Assets [2/]							
Available-for-Sale							
Held-to-Maturity	0	0	0	0	0	0	0
Total RWA [3/] (Off-Balance Sheet)	**0**	**0**	**0**	**0**	**0**	**0**	**0**

December 31, 2024		Risk Weights					
Counterparty Assets Banking Book (PHP Mn)	**Net Amount [0/]**	**0%**	**20%**	**50%**	**100%**	**150%**	**Total CRWA [1/]**
Derivative exposures:							
Interest rate							
Exchange rate							
Equity contracts							
Credit derivatives							
Counterparty Exposures arising from Financial Assets [2/]							
Available-for-Sale							
Held-to-Maturity	105	0	0	0	105	0	105
Total RWA [3/] (Off-Balance Sheet)	**105**	**0**	**0**	**0**	**105**	**0**	**105**

[0/] Net Exposures After CRM (Uncovered Portion)
[1/] Credit risk-weighted assets
[2/] Sold/Lent under Repurchase Agreements, Certificates of Assignment/Participation with Recourse, Securities Lending and Borrowing Agreement (Repo-style Transactions)
[3/] Risk-weighted assets

Schedule D

December 31, 2025		Risk Weights					
Counterparty Assets Trading Book (PHP Mn)	**Net Amount [0/]**	**0%**	**20%**	**50%**	**100%**	**150%**	**Total CRWA [1/]**
Derivative exposures:							
Interest rate	1,463	0	0	0	41	1,382	1,422
Exchange rate	8,702	0	67	1,589	5,190	0	6,846
Equity contracts	0	0	0	0	0	0	0
Credit derivatives	0	0	0	0	0	0	0
Total counterparty RWA [2/] of derivatives transactions	**10,165**	**0**	**67**	**1589**	**5,231**	**1382**	**8,268**

December 31, 2024		Risk Weights					
Counterparty Assets Trading Book (PHP Mn)	**Net Amount [0/]**	**0%**	**20%**	**50%**	**100%**	**150%**	**Total CRWA [1/]**
Derivative exposures:							
Interest rate	2,196	0	0	0	96	2,004	2,100
Exchange rate	7,834	0	36	1,690	4,275	0	6,001
Equity contracts	0.00	0	0	0	0	0	0
Credit derivatives	0.00	0.00	0.00	0.00	0.00	0.00	0
Total counterparty RWA [2/] of derivatives transactions	**10,029**	**0**	**36**	**1,690**	**4,371**	**2,004**	**8,100**

[0/] Credit equivalent amount
[1/] Credit risk-weighted assets
[2/] Risk-weighted assets

Market risk-weighted assets. In terms of capital usage following the Basel standardized approach, total market risk-weighted assets stood at PHP 35.6 billion as of end-2025, of which foreign exchange exposures accounted for 66.4%, followed by interest rate exposures and equity exposures, respectively.

The table below presents the breakdown of the Bank's market risk-weighted assets for 2025 and 2024:

MARKET RWA (PHP Mn)	AMOUNT	
	2025	**2024**
Using standardized approach:		
Interest rate exposures	11,822	5,800
Equity exposures	128	258
Foreign exchange exposures	23,656	29,084
Options	-	-
TOTAL MARKET RWA [0/]	**35,606**	**35,141**

[0/] Risk-weighted assets

Operational risk-weighted assets. BPI currently uses the Basel regulatory basic indicator approach to quantify operational risk-weighted assets, by using the historical total annual gross income as the main measure of risk. In 2024, the Bank's total operational risk-weighted assets stood at PHP 246.2 billion.

The table below presents the Bank's operational risk-weighted assets for the years 2025 and 2024:

OPERATIONAL RWA (PHP Mn)	AMOUNT	
	2025	**2024**
Gross income (a)	179,581	155,666
Capital requirement [1/]	26,937	23,350
Average capital requirement (b) [2/]	23,200	19,700
Adjusted capital charge (c) [3/]	29,001	24,624
TOTAL OPERATIONAL RWA [4/]	**290,005**	**246,244**

[0/] Risk-weighted assets
[1/] (a) multiplied by 15 percent
[2/] Average of 15 percent of (a) for the past 3 years
[3/] (b) multiplied by 125 percent
[4/] (c) multiplied by factor 10

SUPPLEMENTARY SCHEDULES ON BASEL III LEVERAGE RATIO DISCLOSURE REQUIREMENTS

I. The Basel III Leverage ratios of the BPI Group and the Parent Bank as reported to the BSP as of December 31, 2025 and 2024 are shown in the table below:

	CONSOLIDATED		PARENT	
In PHP Mn	2025	2024	2025	2024
A. Capital Measure	402,296	366,045	369,761	336,547
B. Exposure Measure	3,775,207	3,403,607	3,652,815	3,315,223
B.1 Total On-Balance Sheet Exposures	3,654,272	3,298,521	3,540,198	3,217,771
B.1.1 On-balance sheet items [1/]	3,709,717	3,351,140	3,627,488	3,299,198
B.1.2 Regulatory Adjustments [2/]	55,445	52,620	87,290	81,427
B.2 Total Derivative Exposures	10,922	10,706	10,834	10,646
B.3 Total Securities Financing Transaction Exposures	3,132	11,962	3,132	4,462
B.4 Off-balance Sheet Exposures	106,881	82,418	98,651	82,344
C. BASEL III LEVERAGE RATIO (Ratio of A to B)	**10.66%**	**10.75%**	**10.12%**	**10.15%**

[1/] Gross of General Loan Loss Provision (GLLP) and excluding derivatives and SFTs
[2/] Deductions from Basel III Tier 1 capital are excluded from the leverage ratio exposure measure

II. Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure
As of December 31, 2025 and 2024
Amounts in Million Pesos

		CONSOLIDATED		PARENT	
	Item	2025	2024	2025	2024
1	Total consolidated assets as per published financial statements [1/]	3,706,633.64	3,354,289.98	3,625,514.80	3,295,752.08
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation [2/]				
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure [2/]				
4	Adjustments for derivative financial instruments	6,422.57	4,849.69	6,353.20	4,813.02
5	Adjustments for securities financial transactions (i.e., repos and similar secured lending)	3,131.56	4,462.25	3,131.56	4,462.25
6	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	106,881.28	82,418.24	98,651.11	82,344.42
7	Other adjustments	-47,861.87	-42,413.23	-80,835.56	-72,148.40
8	**Leverage ratio exposure [3/]**	**3,775,207.18**	**3,403,606.93**	**3,652,815.11**	**3,315,223.37**

[1/] Refers to total on-balance sheet assets per quarterly published balance sheet
[2/] Not included under the framework
[3/] Sum of Items 1 to 7. Should be consistent with item 21 of the Basel III Leverage Ratio Common Disclosure Template

III. Basel III Leverage Ratio Common Disclosure Template
As of December 31, 2025 and 2024
Amounts in Million Pesos; Ratios in Percent

		CONSOLIDATED		PARENT	
	Item	2025	2024	2025	2024
On-balance sheet exposures					
1	On-balance sheet items [1/]	3,709,716.85	3,351,140.42	3,627,488.45	3,299,198.40
2	(Asset amounts deducted in determining Basel III Tier 1 Capital)	-55,444.84	-52,619.63	-87,290.42	-81,427.45
3	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)**	**3,654,272.01**	**3,298,520.79**	**3,540,198.03**	**3,217,770.95**
Derivative exposures					
4	Replacement Cost associated with all derivatives transactions	4,499.76	5,855.96	4,481.21	5,832.73
5	Add-on amounts for Potential Future Exposure associated with all derivative transactions	6,422.57	4,849.69	6,353.20	4,813.02
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework [2/]				
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions) [2/]				
8	(Exempted CCP leg of client-cleared trade exposures) [2/]				
9	Adjusted effective notional amount of written credit derivatives	0.00	0.00	0.00	0.00
10	(Adjusted effective offsets and add-on deductions for written credit derivatives)				
11	**Total derivative exposures (sum of lines 4 to 10)**	**10,922.33**	**10,705.65**	**10,834.42**	**10,645.75**
Securities financing transaction exposures					
12	Gross SFT assets (with no recognition of netting)	0.00	7,500.00	0.00	0.00
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)2/				
14	CCR exposures for SFT assets	3,131.56	4,462.25	3,131.56	4,462.25
15	Agent transaction exposures [3/]				
16	**Total securities financing transaction exposures (sum of lines 12 to 15)**	**3,131.56**	**11,962.25**	**3,131.56**	**4,462.25**
Other off-balance sheet exposures					
17	Off-balance sheet exposure at gross notional amount	644,546.42	409,222.28	562,244.65	408,484.13
18	(Adjustments for conversion to credit equivalent amounts)				
19	**Off-balance sheet items**	**106,881.28**	**82,418.24**	**98,651.11**	**82,344.42**
Capital and total exposures					
20	**Tier 1 capital**	**402,295.93**	**366,044.81**	**369,761.04**	**336,547.33**
21	**Total exposures (sum of lines 3, 11, 16 and 19)**	**3,775,207.18**	**3,403,606.93**	**3,652,815.12**	**3,315,223.37**
Leverage ratio					
22	**Basel III leverage ratio**	**10.66%**	**10.75%**	**10.12%**	**10.15%**

[1/] Gross of General Loan Loss Provision (GLLP) and excluding derivatives and SFTs
[2/] Not included under the framework
[3/] When a bank/non-bank acting as an agent in an SFT provides an indemnity or guarantee to a customer or counterparty for any difference between the value of the security or cash the customer has lent and the value of the collateral the borrower has provided

There is no significant difference between the Bank's total balance sheet assets in its published financial statements and the on-balance sheet exposures in the Leverage Ratio Report.

SUPPLEMENTARY SCHEDULES ON LIQUIDITY COVERAGE RATIO DISCLOSURE

I. Liquidity Coverage Ratio Disclosure Template - Consolidated

As of December 31, 2025 and 2024

LIQUIDITY COVERAGE RATIO DISCLOSURE TEMPLATE - CONSOLIDATED

(In Single Currency, Absolute Amount)

	BPI Group			
	2025		2024	
NATURE OF ITEM	TOTAL UNWEIGHTED[1] VALUE (AVERAGE)	TOTAL WEIGHTED[2] VALUE (AVERAGE)	TOTAL UNWEIGHTED[1] VALUE (AVERAGE)	TOTAL WEIGHTED[2] VALUE (AVERAGE)
STOCK OF HIGH-QUALITY LIQUID ASSETS (HQLA)				
1. TOTAL STOCK OF HQLA		**785,433,272,827.51**		**793,598,687,222.75**
EXPECTED CASH OUTFLOWS				
2. Deposits, of which:	**2,668,001,467,058.11**	**485,896,322,853.69**	**2,483,531,089,140.94**	**421,730,865,652.58**
3. Retail funding	2,083,400,768,668.49	246,441,261,330.58	1,964,461,492,011.33	231,123,148,792.77
4. Wholesale funding, of which:	584,600,698,389.62	239,455,061,523.11	519,069,597,129.60	190,607,716,859.81
5. Operational deposits	362,711,402,136.01	108,813,420,640.80	350,263,540,662.05	105,079,062,198.61
6. Non-operational deposits (all counterparties)	221,889,296,253.61	130,641,640,882.31	168,806,056,467.55	85,528,654,661.20
7. Unsecured wholesale funding (all counterparties)	**16,517,407,493.38**	**16,517,407,493.38**	**18,764,123,225.41**	**18,764,123,225.41**
8. Secured funding		**-**		**-**
9. Derivatives contracts, of which:	**130,412,205,742.05**	**130,412,205,742.05**	**105,936,297,038.47**	**105,936,297,038.47**
10. Outflows related to derivatives exposure (net)	130,412,205,742.05	130,412,205,742.05	105,936,297,038.47	105,936,297,038.47
11. Outflows related to collateral requirements	-	-	-	-
12. Structured financing instruments	**-**	**-**	**-**	**-**
13. Committed business facilities (all counterparties)	**185,528,210,503.98**	**42,297,527,309.67**	**154,955,748,385.78**	**37,694,174,616.40**
14. Other contractual obligations within a 30-day period	**22,741,728,095.52**	**22,741,728,095.52**	**20,470,632,723.68**	**20,470,632,723.68**
15. Other contingent funding obligations	**941,120,786,670.94**	**28,233,623,600.13**	**753,772,920,676.43**	**22,613,187,620.29**
16. TOTAL EXPECTED CASH OUTFLOWS		**726,098,815,094.44**		**627,209,280,876.83**
EXPECTED CASH INFLOWS				
17. Secured lending	**2,061,365,437.04**	**-**	**-**	**-**
18. Fully performing exposures (all counterparties)	**187,830,495,122.13**	**112,623,181,983.68**	**136,844,734,641.32**	**74,084,477,097.05**
19. Other cash inflows	**130,602,675,852.50**	**130,602,675,852.50**	**106,025,744,818.15**	**106,025,744,818.15**
20. TOTAL EXPECTED CASH INFLOWS	**320,494,536,411.67**	**243,225,857,836.18**	**242,870,479,459.47**	**180,110,221,915.20**
		Total Adjusted Value		**Total Adjusted Value**
21. TOTAL STOCK OF HQLA		**785,433,272,827.51**		**793,598,687,222.75**
22. TOTAL EXPECTED NET CASH OUTFLOWS		**482,872,957,258.27**		**447,099,118,783.27**
23. LIQUIDITY COVERAGE RATIO (%)		**163%**		**178%**

[1] Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

[2] Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

[3] Adjusted values must be calculated after the application of both: (i) heaircuts (for Total HQLA) and inflow and outflow rates (for Total Net Cash Outflows); and (ii) applicable cap and ceiling (i.e., cap on Level 2 assets for HQLA and ceiling on inflows).

Datapoints used were the simple average of the quarterly consolidated report as of March 31; June 30; September 30 and December 31, for both 2025 and 2024.

II. Liquidity Coverage Ratio Disclosure Template - Parent

As of December 31, 2025 and 2024

LIQUIDITY COVERAGE RATIO DISCLOSURE TEMPLATE - SOLO

(In Single Currency, Absolute Amount)

	BPI Parent			
	2025		2024	
NATURE OF ITEM	TOTAL UNWEIGHTED[1] VALUE (AVERAGE)	TOTAL WEIGHTED[2] VALUE (AVERAGE)	TOTAL UNWEIGHTED[1] VALUE (AVERAGE)	TOTAL WEIGHTED[2] VALUE (AVERAGE)
STOCK OF HIGH-QUALITY LIQUID ASSETS (HQLA)				
1. TOTAL STOCK OF HQLA		**761,891,624,587.87**		**772,639,911,524.36**
EXPECTED CASH OUTFLOWS				
2. Deposits, of which:	**2,601,988,586,003.86**	**474,178,064,265.80**	**2,436,849,169,409.41**	**413,406,945,449.34**
3. Retail funding	2,021,701,735,865.56	237,619,280,750.42	1,922,594,622,552.16	225,806,595,148.77
4. Wholesale funding, of which:	580,286,850,138.30	236,558,783,515.38	514,254,546,857.24	187,600,350,300.57
5. Operational deposits	367,604,677,411.71	110,281,403,223.51	353,631,614,627.43	106,089,484,388.23
6. Non-operational deposits (all counterparties)	212,682,172,726.59	126,277,380,291.87	160,622,932,229.81	81,510,865,912.34
7. Unsecured wholesale funding (all counterparties)	**15,970,572,256.28**	**15,970,572,256.28**	**18,182,651,912.11**	**18,182,651,912.11**
8. Secured funding		**-**		**-**
9. Derivatives contracts, of which:	**130,170,027,672.47**	**130,170,027,672.47**	**105,629,188,403.61**	**105,629,188,403.61**
10. Outflows related to derivatives exposure (net)	130,170,027,672.47	130,170,027,672.47	105,629,188,403.61	105,629,188,403.61
11. Outflows related to collateral requirements	-	-	-	-
12. Structured financing instruments	**-**	**-**	**-**	**-**
13. Committed business facilities (all counterparties)	**185,528,210,503.98**	**42,297,527,309.67**	**154,955,748,385.78**	**37,694,174,616.40**
14. Other contractual obligations within a 30-day period	**21,792,944,749.60**	**21,792,944,749.60**	**19,751,642,869.15**	**19,751,642,869.15**
15. Other contingent funding obligations	**940,957,322,697.36**	**28,228,719,680.92**	**753,535,651,689.37**	**22,606,069,550.68**
16. TOTAL EXPECTED CASH OUTFLOWS		**712,637,855,934.75**		**617,270,672,801.29**
EXPECTED CASH INFLOWS				
17. Secured lending	**2,061,365,437.04**	**-**	**-**	**-**
18. Fully performing exposures (all counterparties)	**169,055,321,531.35**	**99,201,619,387.23**	**128,895,480,165.75**	**69,147,611,071.26**
19. Other cash inflows	**130,302,618,483.66**	**130,302,618,483.66**	**105,690,682,425.74**	**105,690,682,425.74**
20. TOTAL EXPECTED CASH INFLOWS	**301,419,305,452.04**	**229,504,237,870.88**	**234,586,162,591.49**	**174,838,293,496.99**
		Total Adjusted Value		**Total Adjusted Value**
21. TOTAL STOCK OF HQLA		**761,891,624,587.87**		**772,639,911,524.36**
22. TOTAL EXPECTED NET CASH OUTFLOWS		**477,784,896,293.68**		**440,310,915,998.80**
23. LIQUIDITY COVERAGE RATIO (%)		**160%**		**177%**

[1] Unweighted values must be calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

[2] Weighted values must be calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows).

[3] Adjusted values must be calculated after the application of both: (i) heaircuts (for Total HQLA) and inflow and outflow rates (for Total Net Cash Outflows); and (ii) applicable cap and ceiling (i.e., cap on Level 2 assets for HQLA and ceiling on inflows).

Datapoints used were the simple average of the quarterly consolidated report as of March 31; June 30; September 30 and December 31, for both 2025 and 2024.

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SUMMARY OF FINANCIAL PERFORMANCE

BPI delivered a solid full year performance with net income of P66.62 billion, up 7.4% from the previous year. Revenue growth remained strong although income growth was partly tempered by higher provisions and operating expenses, but the Bank continued to sustain a positive jaw. For the full year 2025, Return on Equity stood at 14.5% and Return on Assets at 2.0%.

Total revenues rose 14.8% to P195.3 billion, supported by a 16.0% increase in net interest income to P148.0 billion as the average asset base expanded 8.5% and net interest margin widened 28 basis points to 4.6%. Non-interest income increased 11.0% to P47.2 billion, owing to higher fee income from cards, insurance and wealth management, as well as strong trading gains. Operating expenses reached P92.1 billion, up 9.9% year-on-year, from higher business volume-related expenses, manpower, and technology. Despite this, Cost-to-Income ratio improved to 47.2%, down 209 bps, supported by strong revenue growth.

The Bank booked P17.8 billion in provisions, up 168.9% year-on-year. Asset quality remained healthy with NPL ratio at 2.18% and NPL coverage ratio at 94.9%, while coverage under BSP Circular 941 was higher at 122.9%.

Total loans expanded 14.7% over the previous year to P2.6 trillion, with sustained growth across all portfolios. Institutional loans grew 10.4%, while non-institutional loans rose at a faster pace of 25.8%, led by Business Banking, up 79.7%, Credit Cards, up 31.9%, and Personal Loans, up 28.3%.

Total assets stood at P3.7 trillion, up 10.0% year-on-year. Total deposits grew to P2.8 trillion, up 8.6% year-on-year, with CASA rising to P1.7 trillion for a CASA Ratio of 60.7%. The Loan-to-Deposit Ratio rose to 92.4%. Total equity ended at P476.6 billion, up 10.7% year-on-year, with an indicative Common Equity Tier 1 Ratio of 13.9% and a Capital Adequacy Ratio of 14.7%, both well above regulatory requirements.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Bank of the Philippine Islands (the "Bank") is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2025, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Jaime Augusto Zobel de Ayala
Chairman of the Board

Jose Teodoro K. Limcaoco
President and Chief Executive Officer

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

SUBSCRIBED AND SWORN to before me at Makati City, Metro Manila this FEB 18 2026, affiants exhibited to me their Passport with the following details:

Name	Passport No.	Date/Place of Issue	Valid Until
Jaime Augusto Zobel de Ayala	P9640299A	21 NOV 2018/ DFA MANILA	20 NOV 2028
Jose Teodoro K. Limcaoco	P8809036C	15 JAN 2025/ DFA MANILA	15 JAN 2035
Eric Roberto M. Luchangco	P7095342B	02 JUL 2021/ DFA MANILA	01 JUL 2031

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Page No. 7;
Book No. I;
Series of 2026.

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ATTY GIANCARLO KRISTOFFER D. GABRIEL
NOTARY PUBLIC FOR MAKATI CITY
APPT NO. M-050 UNTIL DEC. 31, 2027
ROLL OF ATTY NO 77378
MCLE EXEMPTION NO. VIII-PGS003919/10.21.2024
VALID UNTIL APRIL 14, 2028
[illegible] MAKATI; 12.18.2025
PTR NO 10767263; MAKATI CITY; 01.06.2026
28/F AYALA TRIANGLE GARDENS TOWER 2, MAKATI CITY

BANK OF THE PHILIPPINE ISLANDS
Ayala Triangle Gardens Tower 2, Paseo de Roxas corner Makati Avenue, [illegible]
Phone Banking: +632 889-10000 • www.bpi.com.ph

REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS

The role and responsibilities of the Audit Committee are defined in the Board-approved Audit Committee charter. In accordance with this charter, the Committee assists the Board of Directors in fulfilling its oversight responsibilities with respect to:

- *systems of internal controls, risk management, and governance process of the Bank*
- *integrity of the Bank's financial statements and its financial reporting process*
- *performance of the internal audit function and the external auditor*
- *compliance with bank policies, applicable laws, rules and regulatory requirements*

The Committee is composed of three (3) qualified independent directors. All members have the necessary background, knowledge, skills, and/or experience to carry out their functions.

For 2025, the Committee held 12 regular and four (4) special meetings including one (1) joint session with the Risk Management Committee. Highlights of its activities were as follows:

1. Financial Statements:

a) Reviewed and discussed with Management and the external auditor, Isla Lipana & Co./PwC, the audited consolidated financial statements of Bank of the Philippine Islands (BPI) and the related disclosures for the year ended December 31, 2025, including the assessment of the internal controls relevant to the financial reporting process. The review was performed in the following context:

- *that Management is responsible for the preparation and fair presentation of the financial statements in accordance with the prescribed financial reporting framework, and*
- *that Isla Lipana has audited the financial statements in accordance with the Philippine Standards on Auditing and is responsible for expressing an opinion on the fairness of the Bank's financial records, including the results of its independent review of the Bank's valuation models and methodology particularly on the loan loss provisioning in relation to requirements of PFRS 9 and related accounting treatment on significant bank transactions.*

After obtaining assurance on the external auditor's independent review of the financial statements, the Committee endorsed the 2025 audited financial statements for approval of the Board.

b) Discussed with Management and the internal auditors, the quarterly unaudited consolidated financial reports of BPI Group including the results of operations and endorsed the financial statements to the Board of Directors for approval.

2. External Audit:

a) Reviewed the 2025 audit plan and the scope of work of the external auditors, ensuring that areas of focus were appropriately covered and there were no significant gaps in the scope between external and internal audits to ensure effective use of resources.

The Committee also discussed the external auditor's report, focusing on the items with material financial impact and key control issues through its Management Letter of Comments. The Audit Committee also held an annual executive session with the external auditor to discuss any concern relative to its engagement and assessment on the key areas of focus and ensuring that risks identified in these areas are appropriately addressed.

b) Assessed the overall performance of the external auditor, Isla Lipana/PwC and its audit process. The Committee ensures that lead audit partner is rotated, and that Isla Lipana & Co. had reaffirmed its independence from BPI and its subsidiaries and had complied with ethical and professional standards.

c) In consultation with Management, the Audit Committee endorsed for approval by the Board of Directors and the stockholders, the re-engagement of Isla Lipana & Co. for BPI and its subsidiaries/ affiliates for year 2025 and the related audit fees. The Audit Committee also approved the non-audit service performed by Isla Lipana & Co. in 2025.

d) Recommended to institutionalize processes to periodically refresh the audit mandate of external auditor, aligning with global governance standards, and ensure the best support for an independent assurance from the appointed external auditor.

3. Internal Audit:

a) Reviewed and approved the annual work plan of Internal Audit including its charter, risk assessment model and rating framework. The Committee ensures that the internal audit function is independent, has adequate and competent resources, and has appropriate authority to be able to effectively discharge its duties.

(Internal Audit – cont'd)

b) Reviewed and discussed the reports from internal audit and other management assurance units ensuring that Management is taking the appropriate corrective actions on the issues on a timely manner and open/outstanding issues are tracked and monitored until full resolution.

c) Reviewed the minutes of meetings of the different Audit Committees of the BPI subsidiaries and affiliates, discussed the significant control, risk and compliance issues and ensured that these were monitored and acted upon.

d) Evaluated the performance of the Chief Audit Executive. The Committee also ensures that Internal Audit activities continuously conform with the International Standards for the Professional Practice of Internal Auditing, and Code of Ethics through internal and external quality assessment reviews.

4. Regulatory Compliance:

a) Reviewed and approved the annual compliance and AML plan of the Group Compliance Office including amendments of its manuals. The Committee also discussed the quarterly compliance update reports and the 2024 BSP Report of Examination, including Management's responses and corrective action plans on the issues and recommendations.

b) Discussed the results of the post-implementation reviews of related party transactions (RPTs), conducted by Internal Audit and Compliance Office to ensure that any significant issues had been appropriately addressed.

In compliance with the SEC requirement and the BPI Corporate Governance Manual, the Audit Committee:

- *Attended the required annual SEC accredited workshop on corporate governance, risk management and sustainability, and training on Anti-Money Laundering and Terrorist Financing Prevention. The Committee also received updates on the new relevant laws and regulations, accounting standards, and tax rules.*
- *Reviewed the Audit Committee Charter to ensure that it is updated and aligned with the regulatory requirements.*
- *Performed the annual self-assessment and reviewed its performance against its charter and other regulatory mandates. The result was validated by the Compliance Officer and discussed in the Corporate Governance Committee meeting. The process confirmed a satisfactory performance of the Audit Committee.*

Based on the results of the assurance activities performed by the Bank's Internal Audit, compliance reviews and the external auditor's unqualified opinion on the financial statements, the Committee assessed that the Bank's systems of internal controls, risk management, and governance processes continue to be adequate and generally effective. This overall assessment states, among others, that the audit scope and coverage are sufficient, comprehensive, and risk-based, that Management is aware of its responsibility for internal control, and that there is no interference with the accomplishment of audit activities and reporting of issues and other relevant information to Management, Audit Committee, and the Board of Directors.

CESAR V. PURISIMA
Chairman

MARIO ANTONIO V. PANER
Member

RESTITUTO C. CRUZ
Member

Bank of the Philippine Islands

Financial Statements

As at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025

Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of the Bank of the Philippine Islands and Subsidiaries (the "BPI Group") and the parent financial statements of the Bank of the Philippine Islands (the "Parent Bank") present fairly, in all material respects, the financial position of the BPI Group and of the Parent Bank as at December 31, 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.

What we have audited

The financial statements comprise:

- the consolidated and parent statements of condition as at December 31, 2025 and 2024;
- the consolidated and parent statements of income for each of the three years in the period ended December 31, 2025
- the consolidated and parent statements of total comprehensive income for each of the three years in the period ended December 31, 2025;
- the consolidated and parent statements of changes in capital funds for each of the three years in the period ended December 31, 2025;
- the consolidated and parent statements of cash flows for each of the three years in the period ended December 31, 2025; and
- the notes to the consolidated and parent financial statements, comprising material accounting policy information and other explanatory information.

Isla Lipana & Co., 29th Floor, AIA Tower, 8767 Paseo de Roxas,
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Isla Lipana & Co. is the Philippine member firm of the PwC network. PwC refers to the Philippine group of member firms and may sometimes refer to the PwC network. Each member firm is a separate legal entity. Please see www.pwc.com/structure for further details.

www.pwc.com/ph

Basis for Opinion

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

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

Independence

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

Our Audit Approach

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

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

Key audit matters

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

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment losses on loans and advances We focused on this account because of the complexity involved in the estimation process, and the significant judgments that management makes in ascertaining the provision for loan impairment. The calculation of impairment losses is inherently subject to judgment for any bank. As at December 31, 2025, the total allowance for impairment for loans and advances amounted to PHP56,734 million for the BPI Group and PHP51,007 million for the Parent Bank while provision for loan losses recognized in profit or loss for the year then ended amounted to PHP16,951 million for the BPI Group and PHP12,106 million for the Parent Bank. Refer to Notes 10 and 26 of the financial statements for the details of the impairment losses on loans and advances. Provision for impairment losses on loans that are assessed to be individually credit impaired is determined in reference to the estimated future cash repayments and proceeds from the realization of collateral held by the BPI Group and the Parent Bank.	We assessed the design and tested the operating effectiveness of key controls over loan loss provisioning. These key controls included: • governance over the development, validation and approval of the BPI Group's ECL models to assess compliance with PFRS 9, including continuous re-assessment by the BPI Group that the impairment models are operating in a way which is appropriate for the credit risks in the BPI Group and the Parent Bank's loan portfolios; • review and approval of key judgments, assumptions and forward-looking information used in the ECL models; • review of data from source systems to the detailed ECL model analyses; • assessment of credit quality of loans and advances relative to the established internal credit risk rating system; • the review and approval process for the outputs of the impairment models; and • the review and approval process over the determination of credit risk rating, performance of credit reviews and calculation of required reserves for loans assessed as credit-impaired.

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Key Audit Matter	How our audit addressed the Key Audit Matter
(cont'd.)	
For other loan accounts which are not individually credit impaired, these are included in a group of loans with similar risk characteristics and are collectively assessed on a portfolio basis using internal models developed by the BPI Group and the Parent Bank. Key elements in the impairment of loans and advances include: • the application of appropriate impairment models for the collectively assessed accounts. This includes the use of key assumptions in the impairment models (i.e., staging of accounts, significant increase in credit risk, forward-looking information), the exposure at default (EAD), the probability of default (PD) and the loss given default (LGD); and • the identification of credit-impaired loans, and estimation of cash flows (including the expected realizable value of any collateral held) supporting the calculation of individually assessed provisions. The impairment losses include both quantitative and qualitative components. In calculating the loan loss provisioning, the BPI Group and the Parent Bank applied the expected credit loss (ECL) calculation and post-model adjustments as allowed by Philippine Financial Reporting Standard (PFRS) 9, *Financial instruments*, which is a complex process that takes into account forward-looking information reflecting the BPI Group and the Parent Bank's view on potential future economic events.	Our work over the impairment of loans and advances included: • independent assessment of the methodology applied by the BPI Group and the Parent Bank in the development of the ECL models vis-a-vis the requirements of PFRS 9; • independent testing of key assumptions in the ECL models such as PD, LGD, EAD built from historical data, including segmentation. Our assessment included the involvement of our internal specialist. • assessment of the appropriateness of the BPI Group's and the Parent Bank's definition of significant increase in credit risk and staging of accounts through analysis of historical trends and past credit behavior of loan portfolios; • independent comparison of economic information used within, and weightings applied to, forward-looking scenarios in the ECL calculation which includes assumptions used in the post-model adjustments, against available macro-economic data; • testing of the accuracy and completeness of data inputs in the ECL models and in the ECL calculation by comparing them with the information obtained from source systems; • testing the accuracy and reasonableness of the outputs of the ECL models through independent recalculation; • for a sample of individually assessed loans identified as credit-impaired, examined relevant supporting documents such as the latest financial information of the borrower or valuation of collateral used as a basis in estimating the recoverable amount and measuring the loan loss allowance; and • recalculation of the loan loss allowance for selected accounts and portfolios at reporting date using the ECL methodology adopted by the BPI Group and the Parent Bank.

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Other Information

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

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

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

When we read the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Integrated Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine the matter that were of most significance in the audit of the consolidated and parent financial statements of the current period and is therefore the key audit matter. We describe the matter 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.

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Report on other legal and regulatory requirements

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

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

Isla Lipana & Co.



Roderick M. Danao
Partner
CPA Cert. No. 88453
P.T.R. No. 0011280, issued on January 8, 2026, Makati City
SEC A.N (individual) as general auditors 88453-SEC, category A;
valid to audit 2025 to 2029 financial statements
SEC A.N. (firm) as general auditors 0142-SEC, Category A;
valid to audit 2020 to 2025 financial statements
TIN 152-015-078
BIR A.N. 08-000745-042-2023, issued on December 22, 2023; effective until December 21, 2026
BOA/PRC Reg. No. 0142, effective until November 14, 2028

Makati City
February 18, 2026

BANK OF THE PHILIPPINE ISLANDS

Statements of Condition

December 31, 2025 and 2024
(In Millions of Pesos)

	Notes	Consolidated 2025	Consolidated 2024	Parent 2025	Parent 2024
ASSETS					
CASH AND OTHER CASH ITEMS	4	**53,018**	49,762	**52,159**	49,136
DUE FROM BANGKO SENTRAL NG PILIPINAS (BSP)	4	**106,344**	164,571	**89,303**	161,247
DUE FROM OTHER BANKS	4	**38,211**	72,060	**34,007**	68,439
INTERBANK LOANS RECEIVABLE AND SECURITIES PURCHASED UNDER AGREEMENTS TO RESELL, net	4,5	**35,480**	16,715	**34,909**	9,093
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	6,7	**85,274**	47,308	**77,245**	39,757
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	8	**285,367**	268,202	**279,354**	263,212
INVESTMENT SECURITIES AT AMORTIZED COST, net	9	**353,145**	343,108	**345,848**	336,233
LOANS AND ADVANCES, net	10	**2,567,131**	2,238,765	**2,500,475**	2,186,928
ASSETS HELD FOR SALE, net		**12,417**	8,411	**12,164**	8,154
BANK PREMISES, FURNITURE, FIXTURES AND EQUIPMENT, net	11	**25,088**	21,209	**23,494**	19,759
INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES, net	12	**13,047**	10,904	**19,822**	19,165
ASSETS ATTRIBUTABLE TO INSURANCE OPERATIONS	2	**22,649**	20,995	**-**	-
DEFERRED INCOME TAX ASSETS, net	13	**19,166**	18,201	**17,726**	17,183
OTHER ASSETS, net	14	**35,151**	38,602	**34,104**	38,772
Total assets		**3,651,488**	3,318,813	**3,520,610**	3,217,078

(forward)

	Notes	Consolidated 2025	Consolidated 2024	Parent 2025	Parent 2024
LIABILITIES AND CAPITAL FUNDS					
DEPOSIT LIABILITIES	15	**2,838,525**	2,614,802	**2,766,496**	2,564,135
DUE TO BSP AND OTHER BANKS		**3,151**	3,135	**3,151**	3,135
DERIVATIVE FINANCIAL LIABILITIES	7	**3,698**	4,976	**3,667**	4,913
BILLS PAYABLE AND OTHER BORROWED FUNDS	16	**223,433**	163,182	**223,139**	163,083
MANAGER'S CHECKS AND DEMAND DRAFTS OUTSTANDING		**10,460**	9,941	**10,459**	9,935
ACCRUED TAXES, INTEREST AND OTHER EXPENSES		**20,680**	17,327	**18,268**	15,061
LIABILITIES ATTRIBUTABLE TO INSURANCE OPERATIONS	2	**17,837**	16,541	**-**	-
DEFERRED CREDITS AND OTHER LIABILITIES	17	**54,834**	56,219	**50,774**	53,050
Total liabilities		**3,172,618**	2,886,123	**3,075,954**	2,813,312
CAPITAL FUNDS ATTRIBUTABLE TO THE EQUITY HOLDERS OF BPI	18				
Share capital		**52,747**	52,610	**52,747**	52,610
Share premium		**143,810**	143,278	**143,780**	143,248
Reserves		**16,511**	10,889	**48,837**	43,217
Accumulated other comprehensive loss		**(10,586)**	(12,640)	**(9,125)**	(10,722)
Surplus		**274,071**	236,332	**208,417**	175,413
		476,553	430,469	**444,656**	403,766
NON-CONTROLLING INTERESTS		**2,317**	2,221	**-**	-
Total capital funds		**478,870**	432,690	**444,656**	403,766
Total liabilities and capital funds		**3,651,488**	3,318,813	**3,520,610**	3,217,078

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

BANK OF THE PHILIPPINE ISLANDS

Statements of Income

For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Notes	Consolidated			Parent		
		2025	2024	2023	**2025**	2024	2023
INTEREST INCOME							
On loans and advances		**183,758**	159,594	120,900	**168,423**	148,062	114,050
On investment securities		**29,481**	27,251	21,737	**28,924**	26,834	21,466
On deposits with BSP and other banks		**2,027**	3,109	2,935	**1,285**	2,240	2,460
		215,266	189,954	145,572	**198,632**	177,136	137,976
INTEREST EXPENSE							
On deposits	15	**55,569**	53,181	36,027	**52,353**	50,659	34,934
On bills payable and other borrowed funds	16	**11,669**	9,187	5,195	**11,653**	9,045	4,956
		67,238	62,368	41,222	**64,006**	59,704	39,890
NET INTEREST INCOME		**148,028**	127,586	104,350	**134,626**	117,432	98,086
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	26	**17,750**	6,600	4,000	**13,027**	3,428	2,202
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES		**130,278**	120,986	100,350	**121,599**	114,004	95,884
OTHER INCOME							
Fees and commissions	19	**15,677**	15,162	12,717	**13,973**	13,744	11,166
Securities trading gain		**5,833**	3,293	1,919	**5,444**	3,017	1,827
Income attributable to insurance operations	2	**3,573**	3,011	1,843	**-**	-	-
Income from foreign exchange trading, net		**2,571**	3,474	3,223	**2,514**	3,361	3,205
Net (loss) gain on disposals of investment securities at amortized cost	9	**(171)**	4	2	**(29)**	5	2
Other operating income	19	**19,766**	17,609	14,267	**17,565**	13,572	12,741
		47,249	42,553	33,971	**39,467**	33,699	28,941
OTHER EXPENSES							
Compensation and fringe benefits	21	**30,280**	28,939	23,221	**26,341**	25,214	20,310
Occupancy and equipment-related expenses	11,20,21	**27,924**	25,132	22,012	**25,020**	22,648	20,139
Other operating expenses	21	**33,901**	29,725	23,877	**31,143**	27,404	22,142
		92,105	83,796	69,110	**82,504**	75,266	62,591
PROFIT BEFORE INCOME TAX		**85,422**	79,743	65,211	**78,562**	72,437	62,234
INCOME TAX EXPENSE	22						
Current		**19,251**	16,757	13,934	**16,935**	14,993	12,600
Deferred	13	**(676)**	746	(635)	**(201)**	1,060	(419)
		18,575	17,503	13,299	**16,734**	16,053	12,181
NET INCOME AFTER TAX		**66,847**	62,240	51,912	**61,828**	56,384	50,053
Attributable to:							
Equity holders of BPI		**66,615**	62,049	51,687	**61,828**	56,384	50,053
Non-controlling interests		**232**	191	225	**-**	-	-
		66,847	62,240	51,912	**61,828**	56,384	50,053
Basic and diluted earnings per share attributable to the equity holders of BPI during the year	18	**12.62**	11.78	10.90	**11.71**	10.71	10.56

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

BANK OF THE PHILIPPINE ISLANDS

Statements of Comprehensive Income

For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Note	Consolidated			Parent		
		2025	2024	2023	**2025**	2024	2023
NET INCOME FOR THE YEAR		**66,847**	62,240	51,912	**61,828**	56,384	50,053
OTHER COMPREHENSIVE INCOME (LOSS)	18						
Items that may be subsequently reclassified to profit or loss							
Share in other comprehensive income (loss) of associates		**103**	(175)	405	**-**	-	-
Net change in fair value reserve on investments in debt instruments measured at FVOCI, net of tax effect		**1,563**	(810)	556	**1,575**	(891)	546
Fair value reserve on investments of insurance subsidiaries, net of tax effect		**86**	24	90	**-**	-	-
Currency translation differences and others		**202**	349	(54)	**-**	-	-
Cash flow hedge, net of tax effect		**8**	(1)	-	**8**	(1)	-
Items that will not be reclassified to profit or loss							
Remeasurements of defined benefit obligation		**(1,233)**	(474)	(2,476)	**(1,212)**	(397)	(2,395)
Share in other comprehensive income (loss) of associates		**143**	(45)	49	**-**	-	-
Net change in fair value reserve on investments in equity instruments measured at FVOCI, net of tax effect		**1,204**	(360)	4,609	**1,226**	(357)	4,616
Total other comprehensive income (loss), net of tax effect		**2,076**	(1,492)	3,179	**1,597**	(1,646)	2,767
Total comprehensive income for the year		**68,923**	60,748	55,091	**63,425**	54,738	52,820
Attributable to:							
Equity holders of BPI		**68,669**	60,536	54,816	**63,425**	54,738	52,820
Non-controlling interests		**254**	212	275	**-**	-	-
		68,923	60,748	55,091	**63,425**	54,738	52,820

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

BANK OF THE PHILIPPINE ISLANDS

Statements of Changes in Capital Funds

For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Attributable to equity holders of BPI (Note 18)								
Consolidated	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive income (loss)	Surplus	Total	Non-controlling interests	Total capital funds
Balance, January 1, 2023	49,193	104,123	(33,043)	644	(14,256)	211,061	317,722	2,082	319,804
Comprehensive income									
Net income for the year	-	-	-	-	-	51,687	51,687	225	51,912
Other comprehensive income for the year	-	-	-	-	3,129	-	3,129	50	3,179
Total comprehensive income for the year	-	-	-	-	3,129	51,687	54,816	275	55,091
Transactions with owners									
Executive stock plan exercise and amortization	114	342	-	(84)	-	-	372	-	372
Cash dividends	-	-	-	-	-	(15,934)	(15,934)	(191)	(16,125)
Dividends - treasury shares	-	8,949	33,043	-	-	(42,364)	(372)	-	(372)
Total transaction with owners	114	9,291	33,043	(84)	-	(58,298)	(15,934)	(191)	(16,125)
Other movements									
Transfer from surplus to reserves	-	-	-	13	-	(13)	-	-	-
Others	-	-	-	70	-	530	600	-	600
Total other movements	-	-	-	83	-	517	600	-	600
Balance, December 31, 2023	49,307	113,414	-	643	(11,127)	204,967	357,204	2,166	359,370
Comprehensive income									
Net income for the year	-	-	-	-	-	62,049	62,049	191	62,240
Other comprehensive (loss) income for the year	-	-	-	-	(1,513)	-	(1,513)	21	(1,492)
Total comprehensive income for the year	-	-	-	-	(1,513)	62,049	60,536	212	60,748
Transactions with owners									
Issuance of shares as consideration of the merger	3,140	29,453	-	-	-	-	32,593	-	32,593
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)	(157)	(21,035)
Total transaction with owners	3,303	29,864	-	(32)	-	(20,878)	12,257	(157)	12,100
Other movements									
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-	-	-
Others	-	-	-	4	-	468	472	-	472
Total other movements	-	-	-	10,278	-	(9,806)	472	-	472
Balance, December 31, 2024	52,610	143,278	-	10,889	(12,640)	236,332	430,469	2,221	432,690
Comprehensive income									
Net income for the year	-	-	-	-	-	66,615	66,615	232	66,847
Other comprehensive income for the year	-	-	-	-	2,054	-	2,054	22	2,076
Total comprehensive income for the year	-	-	-	-	2,054	66,615	68,669	254	68,923
Transactions with owners									
Executive stock plan exercise and amortization	137	532	-	5	-	-	674	-	674
Cash dividends	-	-	-	-	-	(23,037)	(23,037)	(158)	(23,195)
Total transaction with owners	137	532	-	5	-	(23,037)	(22,363)	(158)	(22,521)
Other movements									
Transfer from surplus to reserves	-	-	-	5,616	-	(5,616)	-	-	-
Others	-	-	-	1	-	(223)	(222)	-	(222)
Total other movements	-	-	-	5,617	-	(5,839)	(222)	-	(222)
Balance, December 31, 2025	**52,747**	**143,810**	**-**	**16,511**	**(10,586)**	**274,071**	**476,553**	**2,317**	**478,870**

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

BANK OF THE PHILIPPINE ISLANDS

Statements of Changes in Capital Funds

For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

Parent (Note 18)	Share capital	Share premium	Treasury shares	Reserves	Accumulated other comprehensive income (loss)	Surplus	Total capital funds
Balance, January 1, 2023	49,193	104,123	(33,043)	33,055	(11,843)	157,544	299,029
Comprehensive income							
Net income for the year	-	-	-	-	-	50,053	50,053
Other comprehensive income for the year	-	-	-	-	2,767	-	2,767
Total comprehensive income for the year	-	-	-	-	2,767	50,053	52,820
Transactions with owners							
Executive stock plan exercise and amortization	114	342	-	(80)	-	-	376
Cash dividends	-	-	-	-	-	(15,934)	(15,934)
Dividends - treasury shares	-	8,918	33,043	-	-	(42,364)	(403)
Total transactions with owners	114	9,260	33,043	(80)	-	(58,298)	(15,961)
Other movements	-	-	-	-	-	415	415
Balance, December 31, 2023	49,307	113,383	-	32,975	(9,076)	149,714	336,303
Comprehensive income							
Net income for the year	-	-	-	-	-	56,384	56,384
Other comprehensive loss for the year	-	-	-	-	(1,646)	-	(1,646)
Total comprehensive income for the year	-	-	-	-	(1,646)	56,384	54,738
Transactions with owners							
Issuance of shares as consideration of the merger	3,140	29,454	-	-	-	-	32,594
Executive stock plan exercise and amortization	163	411	-	(32)	-	-	542
Cash dividends	-	-	-	-	-	(20,878)	(20,878)
Total transactions with owners	3,303	29,865	-	(32)	-	(20,878)	12,258
Other movements							
Transfer from surplus to reserves	-	-	-	10,274	-	(10,274)	-
Others	-	-	-	-	-	467	467
Total other movements	-	-	-	10,274	-	(9,807)	467
Balance, December 31, 2024	52,610	143,248	-	43,217	(10,722)	175,413	403,766
Comprehensive income							
Net income for the year	-	-	-	-	-	61,828	61,828
Other comprehensive income for the year	-	-	-	-	1,597	-	1,597
Total comprehensive income for the year	-	-	-	-	1,597	61,828	63,425
Transactions with owners							
Executive stock plan exercise and amortization	137	532	-	4	-	-	673
Cash dividends	-	-	-	-	-	(23,037)	(23,037)
Total transactions with owners	137	532	-	4	-	(23,037)	(22,364)
Other movements							
Transfer from surplus to reserves	-	-	-	5,616	-	(5,616)	-
Others	-	-	-	-	-	(171)	(171)
Total other movements	-	-	-	5,616	-	(5,787)	(171)
Balance, December 31, 2025	**52,747**	**143,780**	**-**	**48,837**	**(9,125)**	**208,417**	**444,656**

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

BANK OF THE PHILIPPINE ISLANDS

Statements of Cash Flows

For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Notes	Consolidated 2025	Consolidated 2024	Consolidated 2023	Parent 2025	Parent 2024	Parent 2023
CASH FLOWS FROM OPERATING ACTIVITIES							
Profit before income tax		**85,422**	79,743	65,211	**78,562**	72,437	62,234
Adjustments for:							
Impairment losses	26	**17,750**	6,600	4,000	**13,027**	3,428	2,202
Depreciation and amortization	11,14	**5,918**	5,257	6,615	**5,408**	4,786	6,195
Share in net income of associates	12	**(3,205)**	(2,738)	(1,372)	**-**	-	-
Dividend and other income	19	**(91)**	(93)	(100)	**(3,792)**	(1,505)	(3,066)
Share-based compensation	18	**5**	(32)	(84)	**4**	(32)	(80)
Profit from asset sold		**(257)**	(134)	(139)	**(256)**	(134)	(126)
Realized gain - investment securities		**(3,392)**	(2,314)	(949)	**(3,534)**	(2,317)	(949)
Interest income		**(215,266)**	(189,954)	(145,572)	**(198,632)**	(177,136)	(137,976)
Interest received		**213,554**	183,606	142,013	**197,457**	178,854	134,880
Interest expense		**67,697**	62,740	41,543	**64,382**	59,997	40,171
Interest paid		**(65,412)**	(61,381)	(38,341)	**(62,104)**	(59,082)	(37,459)
(Increase) decrease in:							
Interbank loans receivable and securities purchased under agreements to resell		**(18,401)**	5,651	4,117	**(18,399)**	5,395	4,058
Financial assets at fair value through profit or loss		**(37,930)**	(23,569)	(1,455)	**(37,454)**	(22,288)	(450)
Loans and advances, net		**(344,491)**	(244,187)	(181,412)	**(325,410)**	(230,778)	(170,155)
Assets held for sale		**(3,864)**	(1,678)	(761)	**(3,870)**	(1,706)	(773)
Assets attributable to insurance operations		**(715)**	(1,504)	254	**-**	-	-
Other assets		**1,733**	1,061	(5,752)	**2,901**	219	(6,564)
Increase (decrease) in:							
Deposit liabilities		**223,723**	173,533	199,096	**202,361**	157,817	181,540
Due to BSP and other banks		**186**	1,126	(1,151)	**186**	1,126	(1,075)
Manager's checks and demand drafts outstanding		**519**	358	1,708	**524**	383	1,680
Accrued taxes, interest and other expenses		**924**	(587)	798	**917**	(882)	730
Liabilities attributable to insurance operations		**1,256**	1,346	306	**-**	-	-
Derivative financial liabilities		**(1,278)**	2,155	(1,476)	**(1,246)**	2,139	(1,479)
Deferred credits and other liabilities		**(3,510)**	(694)	213	**(4,672)**	(1,477)	353
Net cash (absorbed by) from operations		**(79,125)**	(5,689)	87,310	**(93,640)**	(10,756)	73,891
Income taxes paid		**(18,747)**	(16,084)	(14,004)	**(16,582)**	(14,379)	(12,712)
Net cash (used in) from operating activities		**(97,872)**	(21,773)	73,306	**(110,222)**	(25,135)	61,179

(forward)

BANK OF THE PHILIPPINE ISLANDS

Statements of Cash Flows

For each of the three years in the period ended December 31, 2025
(In Millions of Pesos)

	Notes	Consolidated 2025	Consolidated 2024	Consolidated 2023	Parent 2025	Parent 2024	Parent 2023
(forwarded)							
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of bank premises, furniture, fixtures and equipment		**(6,297)**	(3,416)	(4,778)	**(5,928)**	(3,267)	(4,578)
Disposal of bank premises, furniture, fixtures and equipment		**519**	849	2,144	**518**	835	2,127
Placements in investment securities		**(318,183)**	(201,348)	(248,565)	**(315,733)**	(200,635)	(247,299)
Proceeds from:							
Maturities/sales of investment securities		**298,047**	227,374	171,331	**297,231**	227,205	171,332
Decrease (increase) in:							
Investment in subsidiaries and associates, net		**1,317**	53	769	**(648)**	(2,182)	(120)
Assets attributable to insurance operations		**(642)**	(418)	(270)	**-**	-	-
Impact of merger		**-**	22,071	-	**-**	20,572	-
Dividends received		**91**	93	100	**3,792**	1,505	3,066
Net cash (used in) from investing activities		**(25,148)**	45,258	(79,269)	**(20,768)**	44,033	(75,472)
CASH FLOWS FROM FINANCING ACTIVITIES							
Cash dividends paid	18	**(23,195)**	(21,035)	(16,125)	**(23,037)**	(20,877)	(15,934)
Issuance cost of treasury shares as dividends		**-**	-	(372)	**-**	-	(403)
Proceeds from share issuance		**669**	573	456	**669**	573	456
Proceeds from bills payable and other borrowed funds	16	**278,737**	392,738	138,190	**256,316**	360,659	122,029
Maturities and repayments of bills payable and other borrowed funds	16	**(219,002)**	(382,090)	(98,931)	**(196,776)**	(346,732)	(81,647)
Payments for principal portion of lease liabilities		**(2,426)**	(2,066)	(1,893)	**(2,106)**	(1,803)	(1,652)
Net cash from (used in) financing activities		**34,783**	(11,880)	21,325	**35,066**	(8,180)	22,849
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(88,237)**	11,605	15,362	**(95,924)**	10,718	8,556
CASH AND CASH EQUIVALENTS							
January 1	4,5	300,087	288,482	273,120	284,723	274,005	265,449
December 31		**211,850**	300,087	288,482	**188,799**	284,723	274,005
Non-cash financing and investing activities	11,16,18						

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

BANK OF THE PHILIPPINE ISLANDS

Notes to the Financial Statements

As at December 31, 2025 and 2024 and for each of the three years in the period ended December 31, 2025

1 General information

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

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

BPI and its subsidiaries (collectively referred to as the "BPI Group") offer a whole breadth of financial services that include corporate banking, consumer banking, investment banking, asset management, corporate finance, securities distribution and insurance services. At December 31, 2025, the BPI Group has 23,036 employees (2024 - 22,062 employees) and operates 1,315 branches (2024 - 1,266 branches) and 1,750 automated teller machines (ATMs) and cash accept machines (CAMs) (2024 - 1,876), and in partnership with 7,032 partner stores (2024 - 6,434), 987 of which are offering deposit and withdrawal services (2024 - 122), to support its delivery of services. The BPI Group also serves its customers through alternative electronic banking channels such as telephone, mobile phone and the internet.

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

On September 30, 2022, the Board of Directors (BOD) of BPI approved the execution of an agreement between the Parent Bank and Robinsons Bank Corporation ("RBC") and Robinsons Retail Holdings, Inc. and JG Summit Capital Services Corporation, as RBC shareholders, for the merger of BPI and RBC, with BPI as the surviving entity. The merger took effect on January 1, 2024.

Approval and authorization for issuance of financial statements

These financial statements have been approved and authorized for issuance by the BOD of the Parent Bank on February 18, 2026.

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

Subsidiaries	Country of incorporation	Principal activities	% of ownership 2025	% of ownership 2024
BPI Capital Corporation	Philippines	Investment house	100	100
BPI Direct BanKo, Inc., A Savings Bank	Philippines	Banking	100	100
BPI Asset Management and Trust Corporation operating under the trade name, BPI Wealth	Philippines	Asset management	100	100
BPI Wealth Hong Kong Ltd. (formerly BPI International Finance Limited)	Hong Kong	Financing	100	100
BPI Europe Plc.	England and Wales	Banking	100	100
BPI Securities Corporation	Philippines	Securities dealer	100	100
BPI Payments Holdings Inc. (BPHI)	Philippines	Financing	100	100
Filinvest Algo Financial Corp.	Philippines	Financing	100	100
BPI Investments, Inc. (formerly BPI Investment Management, Inc.)	Philippines	Mutual fund distribution	100	100
Santiago Land Development Corporation	Philippines	Land holding	100	100
BPI Computer Systems Corp.	Philippines	Business systems service	100	100
BPI Forex Corp.	Philippines	Foreign exchange	100	100
BPI Remittance Centre (HK) Ltd.	Hong Kong	Remittance	100	100
BPI Wealth Singapore Pte. Ltd.	Singapore	Asset management	100	100
First Far East Development Corporation	Philippines	Real estate	100	100
FEB Stock Brokers, Inc.	Philippines	Securities dealer	100	100
Legazpi Savings Bank, Inc. (LSB)	Philippines	Banking	99.94	99.94
Ayala Plans, Inc.	Philippines	Pre-need	98.93	98.93
FGU Insurance Corporation	Philippines	Non-life insurance	94.62	94.62
BPI/MS Insurance Corporation	Philippines	Non-life insurance	50.85	50.85
FEB Speed International*	Philippines	Remittance	-	100

**FEB Speed International's cessation and dissolution was approved by the SEC in 2024. On May 5, 2025, the Bureau of Internal Revenue (BIR) issued a Certificate of No Outstanding Tax Liability, confirming the company's closure.*

2 Assets and liabilities attributable to insurance operations

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

	Note	**2025**	2024
		(In Millions of Pesos)	
Assets			
Cash and cash equivalents	4	**375**	175
Insurance balances receivable, net		**7,822**	7,137
Investment securities			
Financial assets at fair value through profit or loss		**2,494**	1,954
Financial assets at fair value through other comprehensive income		**7,503**	7,256
Financial assets at amortized cost		**283**	359
Investment in associates		**167**	167
Accounts receivable and other assets, net		**3,887**	3,856
Land, building and equipment		**118**	91
		22,649	20,995

	2025	2024
	(In Millions of Pesos)	
Liabilities		
Reserves and other balances	**15,705**	14,682
Accounts payable, accrued expenses and other payables	**2,132**	1,859
	17,837	16,541

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

	2025	2024	2023
		(In Millions of Pesos)	
Premiums earned and related income	**4,199**	3,481	3,312
Investment and other income	**3,357**	3,019	1,675
	7,556	6,500	4,987
Benefits, claims and maturities	**1,889**	1,673	1,573
Decrease in actuarial reserve liabilities	**(239)**	(208)	(288)
Commissions	**1,231**	1,053	954
Management and general expenses	**1,071**	946	876
Other expenses	**31**	25	29
	3,983	3,489	3,144
Income before income tax and minority interest	**3,573**	3,011	1,843

3 Business segments

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

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

The BPI Group's main operating business segments follow:

- Consumer banking - this segment serves the individual and retail markets. Services cover deposit taking and servicing, consumer lending such as personal, home mortgages, auto loans and credit card finance as well as the remittance business. The segment also includes the entire transaction processing and service delivery infrastructure consisting of network of branches, ATMs and cash acceptance machines, as well as phone and internet-based banking platforms for individual customers. Furthermore, innovative business models such as Partnership and Agency banking are incorporated in this segment.

- Corporate banking - this segment caters both high-end corporations and middle market clients. Services offered include deposit taking and servicing, loan facilities, trade, cash management and internet-based banking platforms for corporate and institutional customers.

- Investment banking - this segment includes the various business groups operating in the investment markets and dealing in activities other than lending and deposit taking. These services cover corporate finance, securities distribution, asset management, trust and fiduciary services as well as proprietary trading and investment activities.

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

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

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

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

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

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

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

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

	2025			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
	(In Millions of Pesos)			
Net interest income	101,215	37,177	15,876	154,268
Provision for (reversal of) credit and impairment losses	19,106	(1,169)	(92)	17,845
Net interest income after provision for credit and impairment losses	82,109	38,346	15,968	136,423
Fees, commissions and other income, net	26,221	4,251	12,752	43,224
Total income	108,330	42,597	28,720	179,647
Compensation and fringe benefits	21,877	3,765	2,272	27,914
Occupancy and equipment-related expenses	9,719	572	1,346	11,637
Other operating expenses	34,608	5,458	2,420	42,486
Total other expenses	66,204	9,795	6,038	82,037
Operating profit	42,126	32,802	22,682	97,610
Income tax expense				18,575
Net income				66,847
Share in net income of associates				3,205
Total assets	995,884	1,816,740	773,948	3,586,572
Total liabilities	1,976,928	921,785	235,189	3,133,902

	2024			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
	(In Millions of Pesos)			
Net interest income	82,975	33,246	16,955	133,176
Provision for (reversal of) credit and impairment losses	11,570	(5,058)	115	6,627
Net interest income after provision for credit and impairment losses	71,405	38,304	16,840	126,549
Fees, commissions and other income, net	24,616	3,584	10,710	38,910
Total income	96,021	41,888	27,550	165,459
Compensation and fringe benefits	20,876	3,587	2,152	26,615
Occupancy and equipment-related expenses	9,075	567	1,121	10,763
Other operating expenses	32,691	4,892	2,268	39,851
Total other expenses	62,642	9,046	5,541	77,229
Operating profit	33,379	32,842	22,009	88,230
Income tax expense				17,503
Net income				62,240
Share in net income of associates				2,738
Total assets	781,780	1,693,238	781,382	3,256,400
Total liabilities	1,890,077	787,196	175,303	2,852,576

	2023			
	Consumer banking	Corporate banking	Investment banking	Total per management reporting
	(In Millions of Pesos)			
Net interest income	65,271	28,108	15,117	108,496
Provision for credit and impairment losses	7,711	(3,837)	140	4,014
Net interest income after provision for credit and impairment losses	57,560	31,945	14,977	104,482
Fees, commissions and other income, net	20,328	2,932	8,749	32,009
Total income	77,888	34,877	23,726	136,491
Compensation and fringe benefits	19,375	3,314	1,786	24,475
Occupancy and equipment-related expenses	10,144	1,089	865	12,098
Other operating expenses	26,485	4,082	3,221	33,788
Total other expenses	56,004	8,485	5,872	70,361
Operating profit	21,884	26,392	17,854	66,130
Income tax expense				13,299
Net income				51,912
Share in net income of associates				1,372
Total assets	644,092	1,505,254	717,734	2,867,080
Total liabilities	1,670,879	687,265	163,858	2,522,002

Reconciliation of segment results to consolidated results of operations:

	2025		
	Total per management reporting	Consolidation adjustments/ Others	Total per consolidated financial statements
		(In Millions of Pesos)	
Net interest income	154,268	(6,240)	148,028
Provision for credit and impairment losses	17,845	(95)	17,750
Net interest income after provision for credit and impairment losses	136,423	(6,145)	130,278
Fees, commissions and other income, net	43,224	4,025	47,249
Total income	179,647	(2,120)	177,527
Compensation and fringe benefits	27,914	2,366	30,280
Occupancy and equipment-related expenses	11,637	16,287	27,924
Other operating expenses	42,486	(8,585)	33,901
Total other expenses	82,037	10,068	92,105
Operating profit	97,610	(12,188)	85,422
Income tax expense	18,575		18,575
Net income	66,847		66,847
Share in net income of associates	3,205		3,205
Total assets	3,586,572	64,916	3,651,488
Total liabilities	3,133,902	38,716	3,172,618

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

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

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

4 Cash and cash equivalents

The account at December 31 consists of:

		Consolidated		Parent	
	Notes	**2025**	2024	**2025**	2024
		(In Millions of Pesos)			
Cash and other cash items		**53,018**	49,762	**52,159**	49,136
Due from Bangko Sentral ng Pilipinas (BSP)		**106,344**	164,571	**89,303**	161,247
Due from other banks		**38,211**	72,060	**34,007**	68,439
Interbank loans receivable and securities purchased under agreements to resell (SPAR)	5	**13,902**	13,519	**13,330**	5,901
Cash and cash equivalents attributable to insurance operations	2	**375**	175	**-**	-
		211,850	300,087	**188,799**	284,723

Interest income from BSP and Due from other banks account recognized in the statement of income for the year ended December 31, 2025 amounts to P989 million (2024 - P1,299 million; 2023 - P1,292 million) and P432 million (2024 - P687 million; 2023 - P936 million) for the BPI Group and the Parent Bank, respectively.

5 Interbank loans receivable and SPAR, net

The account at December 31 consists of transactions with:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
BSP	**-**	7,500	**-**	-
Other banks	**35,510**	9,227	**34,939**	9,111
	35,510	16,727	**34,939**	9,111
Accrued interest receivable	**11**	31	**11**	25
	35,521	16,758	**34,950**	9,136
Allowance for impairment	**(41)**	(43)	**(41)**	(43)
	35,480	16,715	**34,909**	9,093

As at December 31, 2025, interbank loans receivable and SPAR maturing within 90 days from the date of acquisition amounting to P13,902 million (2024 - P13,519 million) for the BPI Group and P13,330 million (2024 - P5,901 million) for the Parent Bank are classified as cash equivalents in the statements of cash flows (Note 4).

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current	**35,076**	15,005	**34,505**	7,383
Non-current	**404**	1,710	**404**	1,710
	35,480	16,715	**34,909**	9,093

In 2024, government bonds are pledged by the BSP as collateral under reverse repurchase agreements. The aggregate face value of securities pledged approximates the total balance of outstanding placements as at reporting date.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Peso-denominated	**4.85 - 8.37**	4.95 - 8.37	**4.85 - 8.37**	4.95 - 8.37
Foreign currency-denominated	**0.10 - 3.55**	4.10 - 5.70	**0.10 - 0.47**	4.40 - 5.41

Interest income from interbank loan receivables and SPAR recognized in the statement of income for the year ended December 31, 2025 amounts to P1,038 million (2024 - P1,810 million; 2023 - P1,643 million) and P853 million (2024 - P1,553 million; 2023 - P1,524 million) for the BPI Group and the Parent Bank, respectively.

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

The account at December 31 consists of:

	Note	Consolidated		Parent	
		2025	2024	**2025**	2024
		(In Millions of Pesos)			
Debt securities					
Government securities		**75,610**	35,942	**72,335**	33,548
Commercial papers of private companies		**4,946**	5,159	**429**	376
Listed equity securities		**219**	351	**-**	-
Derivative financial assets	7	**4,499**	5,856	**4,481**	5,833
		85,274	47,308	**77,245**	39,757

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

7 Derivative financial instruments

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

- Foreign exchange forwards represent commitments to purchase or sell one currency against another at an agreed forward rate on a specified date in the future. Settlement can be made via full delivery of forward proceeds or via payment of the difference (non-deliverable forward) between the contracted forward rate and the prevailing market rate at maturity.

- Foreign exchange swaps refer to spot purchase or sale of one currency against another with an offsetting agreement to sell or purchase the same currency at an agreed forward rate in the future.

- Interest rate swaps refer to agreement to exchange fixed rate versus floating interest payments (or vice versa) on a reference notional amount over an agreed period.

- Cross currency swaps refer to an exchange of notional amounts on two currencies at a given exchange rate where the parties on the transaction agree to pay a stated interest rate on the received notional amount and accept a stated interest rate on the delivered notional amount, payable and receivable or net settled (non-deliverable swaps) periodically over the term of the transaction.

- Foreign exchange option refers to the agreement between two parties that grants the option holder the right, but not the obligation, to buy or sell a predetermined notional amount of a specified underlying currency at an agreed-upon strike price on or before specified exercise date. In exchange for this right, the option holder pays an upfront premium. The option writer, in turn, is obligated to transact the underlying amount if the option holder elects to exercise the option. This structure allows the buyer to hedge against or speculate on future movements in foreign exchange rates while limiting their downside risk to the premium paid.

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

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

Consolidated

	Assets		Liabilities	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Held for trading				
Foreign exchange derivatives				
Currency swaps	**369**	127	**84**	160
Currency forwards	**3,349**	3,967	**3,203**	3,743
Interest rate swaps	**772**	1,760	**411**	1,069
Interest rate options	**2**	-	**-**	-
Warrants	**-**	2	**-**	-
Held for hedging				
Interest rate swap	**7**	-	**-**	4
	4,499	5,856	**3,698**	4,976

Parent

	Assets		Liabilities	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Held for trading				
Foreign exchange derivatives				
Currency swaps	**369**	127	**84**	160
Currency forwards	**3,331**	3,944	**3,172**	3,680
Interest rate swaps	**772**	1,760	**411**	1,069
Interest rate options	**2**	-	**-**	-
Warrants		2	**-**	-
Held for hedging				
Interest rate swap	**7**	-	**-**	4
	4,481	5,833	**3,667**	4,913

Cash flow hedge of floating rate securities

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

The Parent Bank aims to minimize or reduce the variability in cash flows arising from the floating rate securities through the float-for-fix interest rate swap (IRS) hedging instrument. Under the terms of the IRS, the Parent Bank agrees to receive a fixed rate in exchange of a floating rate which coincides with the interest from the hedged item. The hedge ratio of 1:1 is observed so as not to create an imbalance that would create hedge ineffectiveness. The hedge has been assessed to be effective as at December 31, 2025 and 2024.

As at December 31, 2025, the Parent Bank's IRS hedging instrument notional amount is P596.72 million (2024 - P587.00 million).

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

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

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

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

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Debt securities				
Government securities	**228,174**	231,908	**224,197**	229,754
Commercial papers of private companies	**49,704**	28,852	**49,001**	27,496
	277,878	260,760	**273,198**	257,250
Accrued interest receivable	**4,358**	3,598	**4,332**	3,584
	282,236	264,358	**277,530**	260,834
Equity securities				
Listed	**1,687**	2,293	**1,509**	2,094
Unlisted	**1,444**	1,551	**315**	284
	3,131	3,844	**1,824**	2,378
	285,367	268,202	**279,354**	263,212

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

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**17,059**	55,200	**14,050**	83,578
Non-current (over 12 months)	**265,177**	209,158	**263,480**	177,256
	282,236	264,358	**277,530**	260,834

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Peso-denominated	**2.33 - 8.57**	2.25 - 8.57	**2.33 - 8.57**	2.25 - 8.57
Foreign currency-denominated	**0.43 - 6.24**	0.24 - 7.00	**0.43 - 6.24**	0.24 - 7.00

Interest income from debt instruments recognized in the statement of income for the year ended December 31, 2025 amounts to P13,921 million (2024 - P11,569 million; 2023 - P6,176 million) and P13,727 million (2024 - P11,394 million; 2023 - P6,060 million) for the BPI Group and Parent Bank, respectively.

As at December 31, 2024, government securities aggregating P4.80 billion are used as security for bills payable of the Parent Bank (Note 16). There are no securities used as security for bills payable of the Parent Bank as at December 31, 2025.

Dividend income from equity instruments recognized in the statement of income under other operating income for the year ended December 31, 2025 amounts to P91 million (2024 - P93 million; 2023 - P100 million) and P67 million (2024 - P65 million; 2023 - P66 million) for the BPI Group and Parent Bank, respectively (Note 19).

9 Investment securities at amortized cost, net

Details of the account at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Government securities	**300,921**	285,396	**298,617**	284,620
Commercial papers of private companies	**48,468**	54,186	**43,557**	48,142
	349,389	339,582	**342,174**	332,762
Accrued interest receivable	**3,789**	3,642	**3,707**	3,554
	353,178	343,224	**345,881**	336,316
Allowance for impairment	**(33)**	(116)	**(33)**	(83)
	353,145	343,108	**345,848**	336,233

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Peso-denominated	**2.77 - 8.13**	2.48 - 8.13	**2.77 - 8.13**	2.48 - 8.13
Foreign currency-denominated	**1.10 - 5.92**	0.13 - 8.13	**1.10 - 5.92**	0.80 - 5.92

In 2025, the BPI Group and the Parent Bank recognized a net loss of P171 million and P29 million, respectively, from the sale of close-to-maturity investment securities and those with significant increase in credit risk. In 2024, the BPI Group and Parent Bank recognized a net gain of P4 million and P5 million, respectively, resulting from sale of investments that are close-to-maturity and an insignificant amount of debt securities. In 2023, the Parent Bank recognized a net gain of P2 million resulting from sale of close-to-maturity debt securities.

As at December 31, 2025, government securities aggregating P45.43 billion (2024 - P30.37 billion) are used as security for bills payable of the Parent Bank (Note 16).

Interest income from these investment securities recognized in the statement of income for the year ended December 31, 2025 amounts to P14,265 million (2024 - P14,444 million; 2023 - P14,678 million) and P14,056 million (2024 - P14,282 million; 2023 - P14,549 million) for the BPI Group and the Parent Bank, respectively.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**64,847**	30,866	**63,279**	29,364
Non-current (over 12 months)	**288,298**	312,242	**282,569**	306,869
	353,145	343,108	**345,848**	336,233

As at December 31, 2025, the Parent Bank has P5,874 million (2024 - P5,593 million) outstanding securities overlying securitization structures measured at amortized cost. The securities are held for collection of contractual cash flows until maturity and those cash flows represent solely payments of principal and interest.

Critical accounting judgment - Classification of investment securities at amortized cost

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

10 Loans and advances, net

Details of this account at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Corporate loans				
Large corporate customers	**1,800,399**	1,618,027	**1,793,219**	1,613,767
Small and medium enterprise	**125,397**	103,138	**125,385**	103,119
Retail loans				
Real estate mortgages	**275,596**	236,089	**273,668**	234,520
Credit cards	**238,503**	180,830	**238,503**	180,830
Auto loans	**120,349**	98,166	**120,322**	98,161
Others	**63,022**	50,797	**1,687**	2,459
	2,623,266	2,287,047	**2,552,784**	2,232,856
Accrued interest receivable	**18,941**	18,115	**16,842**	16,598
Unearned discount/income	**(18,342)**	(12,295)	**(18,144)**	(12,147)
	2,623,865	2,292,867	**2,551,482**	2,237,307
Allowance for impairment	**(56,734)**	(54,102)	**(51,007)**	(50,379)
	2,567,131	2,238,765	**2,500,475**	2,186,928

Others include personal loans, microfinance loans and bills purchased for the BPI Group and the Parent Bank as at December 31, 2025 and 2024.

As at December 31, 2025 and 2024, the BPI Group has no outstanding loans and advances used as security for bills payable (Note 16).

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

Loans and advances are expected to be realized as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**926,911**	798,681	**906,080**	781,931
Non-current (over 12 months)	**1,696,954**	1,494,186	**1,645,402**	1,455,376
	2,623,865	2,292,867	**2,551,482**	2,237,307

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Commercial loans				
Peso-denominated loans	**6.32 - 6.44**	6.24 - 6.44	**6.32 - 6.44**	6.24 - 6.44
Foreign currency-denominated loans	**5.81 - 7.27**	6.38 - 6.81	**5.81 - 7.27**	6.38 - 6.81
Real estate mortgages	**7.25 - 8.44**	7.17 - 8.23	**7.25 - 8.44**	7.17 - 8.23
Auto loans	**10.23 - 38.14**	11.03 - 39.40	**10.23 - 38.14**	11.08 - 39.40
Others	**5.34 - 49.55**	16.85 - 49.41	**0.00 - 5.34**	0.00 - 28.37

For credit cards, the Parent Bank is compliant with BSP Circular No. 1165 which allows banks to impose an interest or finance charge on all credit card transactions not to exceed an annual interest rate of 36% except credit card installment loans which shall be subject to monthly add-on rate not exceeding 1%.

Interest income from loans and advances recognized in the statement of income for the year ended December 31, 2025 amounts to P183,758 million (2024 - P159,594 million; 2023 - P120,900 million) and P168,423 million (2024 - P148,062 million; 2023 - P114,050 million) for the BPI Group and the Parent Bank, respectively.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	**406,920**	348,232	**404,960**	346,616
Project assets	**166,182**	162,641	**166,182**	162,641
Chattel mortgage	**117,501**	94,493	**117,474**	94,488
Others	**61,239**	48,507	**61,208**	48,482
	751,842	653,873	**749,824**	652,227
Unsecured loans	**1,853,082**	1,620,879	**1,784,816**	1,568,482
	2,604,924	2,274,752	**2,534,640**	2,220,709

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

11 Bank premises, furniture, fixtures and equipment, net

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

Consolidated

	2025			
	Land	Buildings and leasehold improvements	Furniture and equipment	**Total**
	(In Millions of Pesos)			
Cost				
January 1, 2025	2,986	38,122	16,940	**58,048**
Additions	68	6,337	2,563	**8,968**
Disposals	(1)	(6,393)	(823)	**(7,217)**
Transfers	8	(33)	22	**(3)**
Other changes	-	287	(53)	**234**
December 31, 2025	**3,061**	**38,320**	**18,649**	**60,030**
Accumulated depreciation				
January 1, 2025	-	21,909	14,930	**36,839**
Depreciation and amortization	-	3,359	1,398	**4,757**
Disposals	-	(6,044)	(561)	**(6,605)**
Transfers	-	(33)	22	**(11)**
Other changes	-	9	(47)	**(38)**
December 31, 2025	**-**	**19,200**	**15,742**	**34,942**
Net book value, December 31, 2025	**3,061**	**19,120**	**2,907**	**25,088**

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

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

Parent

	2025			
	Land	Buildings and leasehold improvements	Furniture and equipment	**Total**
	(In Millions of Pesos)			
Cost				
January 1, 2025	2,977	34,424	16,129	**53,530**
Additions	67	5,800	2,424	**8,291**
Disposals	(1)	(5,687)	(815)	**(6,503)**
Transfers	-	(33)	26	**(7)**
Other changes	-	306	(46)	**260**
December 31, 2025	**3,043**	**34,810**	**17,718**	**55,571**
Accumulated depreciation				
January 1, 2025	-	19,519	14,252	**33,771**
Depreciation and amortization	-	2,921	1,332	**4,253**
Disposals	-	(5,338)	(554)	**(5,892)**
Transfers	-	(33)	26	**(7)**
Other changes	-	-	(48)	**(48)**
December 31, 2025	**-**	**17,069**	**15,008**	**32,077**
Net book value, December 31, 2025	**3,043**	**17,741**	**2,710**	**23,494**

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

As at December 31, 2025, the BPI Group has recognized construction-in-progress amounting to P3.87 billion (2024 - P2.10 billion) in relation to the redevelopment of its main office, of which P1.99 billion relates to costs incurred in 2025 (2024 - P650.84 million).

In 2025, the Parent Bank entered into a memorandum of agreement with a related party to sell a portion of its main office. As at December 31, 2025, the Parent Bank is yet to receive regulatory approvals on the transaction. The expected amount of margin from the future sale is not material to the consolidated financial statements of the BPI Group.

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

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

Depreciation and amortization charges are included in “Occupancy and equipment-related expenses” category in the statement of income.

In 2025, the Parent Bank realized a gain of P408 million (2024 - P216 million; 2023 - P420 million) (Note 19) from the disposal of various assets including certain bank premises, furniture, fixtures and equipment.

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

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

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

12 Investments in subsidiaries and associates, net

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Carrying value (net of impairment)				
Investments at equity method	**13,047**	10,904	**-**	-
Investments at cost method	**-**	-	**19,822**	19,165
	13,047	10,904	**19,822**	19,165

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

Name of entity	Place of business/ country of incorporation	Percentage of ownership interest		Acquisition cost	
		2025	2024	**2025**	2024
		(in %)		In Millions of Pesos)	
Global Payments Asia-Pacific Philippines, Incorporated	Philippines	**49.00**	49.00	**1,342**	1,342
AF Payments, Inc. (AFPI)	Philippines	**20.00**	20.00	**1,140**	1,140
BPI AIA Life Assurance Corporation (formerly BPI-Philamlife Assurance Corporation)	Philippines	**47.97**	47.97	**390**	390
BPI Century Tokyo Lease and Finance Corporation	Philippines	**49.00**	49.00	**316**	316
Beacon Property Ventures, Inc.	Philippines	**20.00**	20.00	**72**	72
CityTrust Realty Corporation	Philippines	**40.00**	40.00	**2**	2
Unicon Insurance and Reinsurance Brokers Corporation	Philippines	**40.00**	40.00	**148**	148
				3,410	3,410

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

	2025	2024
	(In Millions of Pesos)	
Acquisition cost		
At January 1	**3,410**	3,181
Impact of merger	**-**	148
Additions during the year	**-**	81
At December 31	**3,410**	3,410
Accumulated equity in net income		
At January 1	**7,524**	4,920
Share in net income for the year*	**3,205**	2,738
Dividends received	**(1,317)**	(134)
At December 31	**9,412**	7,524
Accumulated share in other comprehensive income		
At January 1	**110**	326
Share in other comprehensive income (loss) for the year	**255**	(216)
At December 31	**365**	110
Allowance for impairment	**(140)**	(140)
	13,047	10,904

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

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

	2025	2024
	(In Millions of Pesos)	
Total assets	**136,117**	137,610
Total liabilities	**108,857**	114,882
Total revenues	**28,991**	30,386
Total net income	**6,660**	5,556

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

	Acquisition cost		Allowance for impairment		Carrying value	
	2025	2024	**2025**	2024	**2025**	2024
	(In Millions of Pesos)					
Subsidiaries						
BPI Europe Plc.	**7,180**	7,180	**-**	-	**7,180**	7,180
BPI Direct BanKo, Inc., A Savings Bank (BanKo)	**2,509**	2,509	**-**	-	**2,509**	2,509
Legazpi Savings Bank, Inc. (LSB)	**2,800**	2,050	**-**	-	**2,800**	2,050
BPI Wealth	**1,512**	1,512	**-**	-	**1,512**	1,512
BPI Payments Holdings Inc.	**982**	892	**(871)**	(700)	**111**	192
BPI Wealth Singapore Pte. Ltd.	**878**	878	**-**	-	**878**	878
Ayala Plans, Inc.	**864**	864	**-**	-	**864**	864
BPI Capital Corporation	**623**	623	**-**	-	**623**	623
FGU Insurance Corporation	**303**	303	**-**	-	**303**	303
BPI Forex Corp.	**195**	195	**-**	-	**195**	195
BPI Wealth Hong Kong Ltd.	**143**	143	**-**	-	**143**	143
Santiago Land Development Corporation	**140**	140	**-**	-	**140**	140
BPI Remittance Centre (HK) Ltd.	**132**	132	**-**	-	**132**	132
First Far East Development Corporation	**91**	91	**-**	-	**91**	91
FEB Stock Brokers, Inc.	**25**	25	**-**	-	**25**	25
BPI Computer Systems Corp.	**23**	23	**-**	-	**23**	23
Others	**23**	35	**-**	-	**23**	35
Associates	**2,270**	2,270	**-**	-	**2,270**	2,270
	20,693	19,865	**(871)**	(700)	**19,822**	19,165

In 2025, the Parent Bank made additional capital infusion to LSB amounting to P750 million (2024 - P750 million), and BPHI amounting to P90 million (2024 - P80 million). In 2024, the Parent Bank made additional capital infusion to BPI Direct BanKo, and BPI Wealth Singapore Pte. Ltd. amounting to P500 million and Singaporean Dollars (SGD) 20 million equivalent to P878 million, respectively. Further, the Parent Bank entered into an Assignment Agreement with BPI Wealth to transfer the trust accounts acquired from merger of with RBC accounted for as additional capital contribution of P10 million.

The merger between BPI and RBC involves the acquisition of RBC's investments in various entities. Investments in associate and subsidiary consists of investments in Unicon Insurance Brokers Corporation (UIBC) and LSB. UIBC is an insurance brokerage company while LSB, 99.94% owned by the Parent Bank, is a thrift bank with teacher's loans as its main product offering.

In 2024, BPI Wealth Singapore Pte. Ltd. issued the SGD20 million ordinary shares to Parent Bank. In 2025, the entity obtained its Capital Markets Services (CMS) License from the Monetary Authority of Singapore (MAS) under the Securities and Futures Act of 2001 (SFA), authorizing it to conduct fund management activities for Accredited and Institutional Investors as defined under the SFA. The entity commenced operations on October 1, 2025 following the approval of the license.

BPI/MS Insurance Corporation

BPI/MS Insurance Corporation was incorporated on September 4, 2006. As at December 31, 2025 and 2024, it is 50.85% owned by BPI. BPI/MS primarily carries on and engages in the business of insurance, reinsurance, bonding, fidelity and guaranty in any and all branches, and acts as agent of other insurance or surety companies, except life insurance.

The proportion of equity interest held by non-controlling interests is 49.15 for the years ended December 31, 2025 and 2024. Dividends paid to the non-controlling interest for the year ended December 31, 2025 amounted to P158.26 millions (2024 - P159.79 millions).

The summarized financial information of BPI/MS Insurance Corporation as at and for the years ended December 31, 2025 and 2024 are provided below. This information is based on amounts before inter-company eliminations.

	December 31, 2025	December 31, 2024
Statement of financial position		
Total assets	**20,661**	18,944
Total liabilities	**16,044**	14,520
Total equity	**4,617**	4,424

	For the years ended December 31	
	2025	2024
Statement of comprehensive income		
Revenue	**4,594**	3,885
Net income	**470**	385
Total comprehensive income	**470**	394

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

Critical accounting estimate - Impairment of investments in subsidiaries and associates

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

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

The BPI Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs. Management has not identified any indicators of impairment as at December 31, 2025 and 2024 in its subsidiaries apart from BPHI.

In 2025, the Parent Bank recognized an impairment loss of P171 million in its investment in BPHI due to financial losses incurred by BPHI's associate, AFPI (2024 - P28 million).

For the 2025 and 2024 reporting periods, the recoverable amount of the subsidiary was determined based on the higher between fair value less cost to sell and value-in-use (VIU) calculations which require the use of assumptions. The VIU calculations use cash flow projections based on financial budgets approved by management.

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

13 Deferred income taxes

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

	Consolidated		**Parent**	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Deferred income tax assets				
Allowance for credit and impairment losses	**16,226**	14,879	**14,727**	13,916
Pension liability	**2,500**	2,319	**2,448**	2,254
Provisions	**825**	832	**757**	767
Others	**318**	480	**393**	476
Total deferred income tax assets	**19,869**	18,510	**18,325**	17,413
Deferred income tax liabilities				
Unrealized gain on assets	**(130)**	(103)	**(39)**	(39)
Others	**(573)**	(206)	**(560)**	(191)
Total deferred income tax liabilities	**(703)**	(309)	**(599)**	(230)
Deferred income tax assets, net	**19,166**	18,201	**17,726**	17,183

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

	Consolidated		**Parent**	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Beginning of the year	**18,201**	18,185	**17,183**	17,536
Impact of merger	**-**	860	**-**	782
Amounts recognized in statement of income	**676**	(746)	**201**	(1,060)
Amounts recognized in other comprehensive income	**289**	(98)	**342**	(75)
End of the year	**19,166**	18,201	**17,726**	17,183

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

	Consolidated			**Parent**		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Allowance for impairment	**(1,282)**	1,286	99	**(811)**	1,580	280
Pension	**(112)**	155	(629)	**(106)**	144	(606)
Others	**718**	(695)	(105)	**716**	(664)	(93)
	(676)	746	(635)	**(201)**	1,060	(419)

Critical accounting judgment - Realization of deferred income tax assets

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

14 Other assets, net

The account at December 31 consists of the following:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Goodwill	**9,518**	9,518	**9,518**	9,518
Intangible assets	**8,008**	9,206	**7,435**	8,636
Accounts receivable	**4,788**	3,806	**6,304**	6,058
Prepaid expenses	**2,978**	2,926	**2,874**	2,842
Documentary stamp taxes	**2,349**	1,113	**2,272**	1,040
Advances to suppliers	**1,417**	762	**1,417**	762
Sundry debits	**1,094**	3,197	**1,007**	3,196
Accrued trust and other fees	**1,008**	857	**152**	134
Rental deposits	**945**	905	**888**	851
Creditable withholding tax	**617**	557	**390**	367
Investment properties	**54**	62	**44**	51
Miscellaneous assets	**4,815**	7,688	**4,175**	7,236
	37,591	40,597	**36,476**	40,691
Allowance for impairment	**(2,440)**	(1,995)	**(2,372)**	(1,919)
	35,151	38,602	**34,104**	38,772

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

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

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

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

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

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

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

Miscellaneous assets include creditable withholding taxes, input value added tax, security deposits with partner stores, pension asset from benefits forfeited from separated employees and stationery and supplies.

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

	Note	Consolidated		Parent	
		2025	2024	**2025**	2024
		(In Millions of Pesos)			
Beginning of the year		**1,995**	1,108	**1,919**	1,019
Provision for impairment losses	26	**613**	1,064	**700**	1,044
Transfer/reallocation		**(12)**	(38)	**(100)**	(5)
Write-off		**(156)**	(139)	**(147)**	(139)
End of the year		**2,440**	1,995	**2,372**	1,919

Other assets are expected to be realized as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**19,805**	21,581	**19,386**	22,340
Non-current (over 12 months)	**17,786**	19,016	**17,090**	18,351
	37,591	40,597	**36,476**	40,691

Critical accounting estimate - Useful lives of intangible assets

The BPI Group determines the estimated useful lives of its intangible assets with finite useful life based on the period over which the asset is expected to generate economic benefits. The BPI Group amortizes intangible assets with a finite useful life, using the straight-line method. Amortization begins when the asset is available for use and ends when it is derecognized or classified as held for sale.

For the year ended December 31, 2025, the BPI Group and the Parent Bank recognized amortization expense attributable to intangible assets amounting to P1,151 million (2024 - P1,047 million; 2023 - P2,708 million) and P1,145 million (2024 - P1,026 million; 2023 - P2,689 million), respectively.

The BPI Group considers that it is impracticable to disclose with sufficient reliability the possible effects of sensitivities surrounding the carrying values of intangible assets.

Critical accounting estimates - Impairment of goodwill

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

The Parent Bank performs assessment of goodwill impairment on an annual basis. For 2025, the recoverable amount of cash-generating unit (CGU) was determined based on value in use calculations which require the use of assumptions. The CGU is defined as the combined Parent Bank and RBC operations since the accounts migrated to the Parent Bank's systems are no longer identified separately and are co-mingled with other accounts. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

The following are the key assumptions used in the goodwill impairment assessment:

Interest income volume (% annual growth rate)	10.57%
Other income volume (% annual growth rate)	13.17%
Budgeted gross margin (%)	11.55%
Growth rate	6.00%
Discount rate	11.00%

As at December 31, 2025 and 2024, management assessed that the goodwill is not impaired as the recoverable amount is higher than the carrying amount of the CGU.

15 Deposit liabilities

The account at December 31 consists of:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Demand	**431,962**	426,789	**437,014**	428,977
Savings	**1,291,009**	1,225,451	**1,262,039**	1,207,114
Time	**1,115,554**	962,562	**1,067,443**	928,044
	2,838,525	2,614,802	**2,766,496**	2,564,135

Deposit liabilities include amounts due to related parties (Note 24).

Deposit liabilities are expected to be settled as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**1,645,460**	1,465,575	**1,584,125**	1,425,359
Non-current (over 12 months)	**1,193,065**	1,149,227	**1,182,371**	1,138,776
	2,838,525	2,614,802	**2,766,496**	2,564,135

In 2025, the interest rate on demand and savings deposit ranges from 0.05% to 0.17% (2024 - 0.06% to 0.13%) and 0.05% to 0.08% (2024 - 0.06% to 0.09%) for the BPI Group and Parent Bank, respectively. The interest rate on time deposit ranges from 4.82% to 5.46% (2024 - 5.39% to 5.52%) and 4.79% to 5.44% (2024 - 5.34% to 5.50%) for the BPI Group and Parent Bank, respectively.

In 2019, the Parent Bank issued the first tranche of long-term negotiable certificates of deposit (LTNCD) amounting to P3 billion out of the established P50-billion LTNCD program approved by the BSP. The LTNCD paid interest on a quarterly basis at a rate of 4% per annum and carried a tenor of 5.5 years. These deposits matured on April 25, 2025.

Related interest expense on deposit liabilities is presented below:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Demand	**260**	263	248	**260**	264	248
Savings	**2,269**	2,343	2,115	**1,528**	1,956	2,065
Time	**53,040**	50,575	33,664	**50,565**	48,439	32,621
	55,569	53,181	36,027	**52,353**	50,659	34,934

BSP reserve requirement

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

In 2025, the BSP approved the reduction in minimum reserve requirement against deposit and deposit substitute liabilities for universal and commercial banks to 5% from 7% and for thrift banks to 0% from 1% effective March 28, 2025 by virtue of BSP Circular No. 1211. These rates continue for the remaining period of 2025 from the date of effectivity.

Reserves must be set aside in deposits with the BSP. BSP Memorandum Circular No. M-2025-040 issued on December 12, 2025 mandates the reserve weeks of December 19 to 25, 2025 and December 26, 2025 to January 1, 2026 shall be considered as a single reserve week for the purpose of computing compliance with the reserve requirements. The BPI Group is in full compliance with the reserve requirement as at December 31, 2025 and 2024.

16 Bills payable and other borrowed funds

The account at December 31 consists of:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Bills payable				
Local banks	**15,298**	8,082	**15,004**	7,983
Foreign banks	**49,874**	47,614	**49,874**	47,614
Other borrowed funds	**158,261**	107,486	**158,261**	107,486
	223,433	163,182	**223,139**	163,083

Bills payable

Bills payable include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group in accordance with the agreed financing programs. The payment terms of these bills payable ranges from 2 days to 5 years (2024 - 6 days to 5 years).

As a result of the merger with RBC, BPI assumed peso-denominated borrowings with the Development Bank of the Philippines. As at December 31, 2025, the carrying amount of the borrowings amounts to P4,990 million (2024 - P4,983 million) and is presented as part of bills payable to local banks.

On August 24, 2023, the Parent Bank signed a facility agreement for an unsecured syndicated term loan amounting to US Dollars (USD) 300 million, with Philippine peso equivalent of P16,494 million. The three-year loan bears a floating interest payable on a quarterly basis commencing in November 2023 and was originally scheduled to mature on August 24, 2026. As at December 31, 2024, it has a carrying amount of P17,274 million. On August 29, 2025, the Parent Bank prepaid the loan in full ahead of its maturity. No pretermination fees were incurred upon full prepayment of the loan. The bills payable was presented under foreign banks.

In early 2025, the Parent Bank entered into bilateral loan agreements with three foreign banks, obtaining a total facility amount of USD 300 million with Philippine peso equivalent of P17,592 million. The facilities carry floating rates, with interest payable quarterly. Maturities of these bilateral loans range from two to three years.

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
Private firms and local banks - Peso - denominated	**0.52 - 6.09**	5.94 - 7.00	**0.52 - 6.09**	5.94 - 7.00
Foreign banks - Foreign currency-denominated	**3.87 - 4.98**	4.40 - 7.23	**3.89 - 4.98**	4.40 - 6.33

Other borrowed funds

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

(a) Peso Bond and Commercial Paper Program

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

Details of the outstanding balances as at December 31, 2025 and December 31, 2024 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
					(In Millions of Pesos)	
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	November 13, 2023	6.43%	May 13, 2025	36,661	**-**	36,586
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	August 9, 2024	6.20%	February 9, 2026	33,700	**33,678**	33,485

On October 16, 2024, the BOD of the Parent Bank approved the establishment of a P200 billion Bond Program to be issued in one or more tranches over a period of three years following the full utilization of the Bank's Bond Program established in 2022. On June 10, 2025, BPI issued the first tranche called BPI Supporting Inclusion, Nature and Growth Bonds ("BPI SINAG Bonds"). The net proceeds of P36,801 million were used for the financing or refinancing of new or existing eligible Green and/or Social Projects, consistent with BPI's Sustainable Funding Framework with outstanding balance as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
					(In Millions of Pesos)	
Fixed rate bond, unconditional, unsecured and unsubordinated bonds	June 10, 2025	5.85%	December 10, 2026	40,000	**39,783**	-

(b) Medium-Term Note (MTN) Program

On June 21, 2018, the BOD of the Parent Bank approved the establishment of the MTN Program in the aggregate amount of up to USD 2,000 million. On December 13, 2023, the BOD approved the increase in size of this program to USD 3,000 million. Details of outstanding balances as at December 31, 2025 and December 31, 2024 are as follows:

Description of instrument	Date of drawdown	Interest rate	Maturity	Face amount	Carrying amount	
					2025	2024
					(In Millions of Pesos)	
USD 400 million, 5-year senior unsecured fixed rate bonds	March 26, 2024	5.25%	March 26, 2029	23,516	**23,379**	22,967
USD 500 million, 5-year senior unsecured fixed rate bonds	April 7, 2025	5.00%	April 7, 2030	29,395	**29,177**	-
USD 300 million, 10-year senior unsecured fixed rate bonds	April 7, 2025	5.63%	April 7, 2035	17,637	**17,552**	-

(c) Private Placement

On August 25, 2023, the Parent Bank issued a green bond amounting to USD 250 million with the International Finance Corporation as the sole subscriber. The bond carries floating interest payable on a semi-annual basis. The bond is unconditional, unsecured and unsubordinated and is expected to mature on August 25, 2026. As at December 31, 2025, the carrying amount of the bond amounts to P14,692 million (2024 - P14,448 million).

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

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
			(In Millions of Pesos)			
Bills payable	**3,253**	2,727	1,050	**3,237**	2,585	811
Other borrowed funds	**8,416**	6,460	4,145	**8,416**	6,460	4,145
	11,669	9,187	5,195	**11,653**	9,045	4,956

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
		(In Millions of Pesos)		
At January 1	**163,182**	137,104	**163,083**	133,726
Impact of merger	**-**	14,952	**-**	14,952
Additions	**278,737**	392,738	**256,316**	360,659
Maturities/repayments	**(221,339)**	(384,648)	**(199,111)**	(349,140)
Amortization of discount	**516**	478	**516**	478
Exchange differences	**2,337**	2,558	**2,335**	2,408
At December 31	**223,433**	163,182	**223,139**	163,083

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**127,721**	70,025	**127,427**	69,926
Non-current (over 12 months)	**95,712**	93,157	**95,712**	93,157
	223,433	163,182	**223,139**	163,083

17 Deferred credits and other liabilities

The account at December 31 consists of the following:

	Notes	Consolidated		Parent	
		2025	2024	**2025**	2024
		(In Millions of Pesos)			
Accounts payable		**12,333**	8,180	**10,572**	7,229
Lease liabilities	20	**9,989**	9,824	**8,846**	8,641
		7,654	14,968	**7,654**	14,968
Bills purchased - contra					
Pension and other employment benefits	23	**5,691**	4,516	**5,529**	4,295
Other deferred credits		**3,038**	3,215	**3,037**	3,215
Outstanding acceptances		**3,035**	3,238	**3,035**	3,238
Due to the Treasurer of the Philippines		**2,290**	1,552	**2,277**	1,541
Withholding tax payable		**2,058**	1,962	**1,965**	1,871
Miscellaneous liabilities		**8,746**	8,764	**7,859**	8,052
		54,834	56,219	**50,774**	53,050

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

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

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

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

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

The account is expected to be settled as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Current (within 12 months)	**42,221**	46,481	**39,002**	42,908
Non-current (over 12 months)	**12,613**	9,738	**11,772**	10,142
	54,834	56,219	**50,774**	53,050

18 Capital funds

(a) Share capital

Details of authorized share capital of the Parent Bank follow:

	2025	2024	2023
	(In Millions of Pesos, except par value per share)		
Authorized capital (at P10 par value per share)			
Common shares	**54,000**	54,000	54,000
Preferred A shares	**600**	600	600
	54,600	54,600	54,600

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

	2025	2024	2023
	(In absolute number of shares)		
Common shares			
At January 1	**5,272,095,143**	4,945,197,291	4,919,307,531
Subscription of shares during the year	**11,699,080**	12,893,860	25,889,760
Impact of merger	**-**	314,003,992	-
At December 31	**5,283,794,223**	5,272,095,143	4,945,197,291
	(In absolute amounts of Pesos)		
Subscription receivable	**90,517,927**	111,000,871	144,726,145

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

As at December 31, 2025, the Parent Bank has a subscription receivable representing the amortization of Executive Stock Purchase Plan (ESPP) shares in excess of par value and booked against share premium amounting to P532 million (2024 - P411 million; 2023 - P342 million).

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

As at December 31, 2025, 2024 and 2023, the Parent Bank has 11,594, 11,641 and 11,760 common shareholders, respectively. There are no preferred shares issued and outstanding at December 31, 2025, 2024 and 2023.

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

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

BPI and RBC merger

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

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

(b) Reserves

The account consists of:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
General loan loss provision	**15,890**	10,274	-	**15,890**	10,274	-
Reserve for trust business	**400**	400	400	**-**	-	-
Executive stock option plan amortization	**21**	17	49	**8**	4	36
Reserve for trading participants	**73**	73	73	**-**	-	-
Reserve for self-insurance	**34**	34	34	**34**	34	34
Merger reserves	**-**	-	-	**32,905**	32,905	32,905
Others	**93**	91	87	**-**	-	-
	16,511	10,889	643	**48,837**	43,217	32,975

General loan loss provision (GLLP)

In 2018, the BSP issued Circular 1011 which mandates among others, banks to set up GLLP equal to 1% of all outstanding "Stage 1" on-balance sheet loans, except for accounts considered as credit risk-free under existing regulations. Under the said Circular, if the PFRS 9 "Stage 1" loan loss allowance is lower than the required GLLP, the deficiency shall be recognized as an appropriation of retained earnings or surplus. As at December 31, 2025, the Parent Bank appropriated P15,890 million (2024 - P10,274 million) out of surplus representing the excess of GLLP over PFRS 9 Stage 1 loan loss allowance to meet the requirements of the BSP.

Reserve for trust business

In compliance with existing BSP regulations, 10% of income from trust business of BPI Wealth, a wholly-owned subsidiary of the Parent Bank, should be appropriated to surplus reserve. This appropriation is required until the surplus reserve for trust business reaches 20% of BPI Wealth's regulatory net worth. As at December 31, 2023, the appropriated reserve is already equivalent to 20% of its authorized capital, hence, no additional appropriation required for 2024 and 2025.

Reserve for trading participants

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

Reserve for self-insurance

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

Merger reserves

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

Share-based compensation plan

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

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

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

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

	2025	2024	2023
At January 1	**3,260,620**	5,966,559	9,866,999
Granted	**-**	-	-
Exercised	**(1,545,526)**	(2,552,606)	(3,900,440)
Cancelled	**(1)**	(153,333)	-
At December 31	**1,715,093**	3,260,620	5,966,559
Exercisable	**1,715,093**	3,260,620	5,966,559

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

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

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

The subscription price for 2025 ESPP is equivalent to 15% below the volume weighted average price of BPI share for 30-trading days prior to the grant date. The subscribed shares will vest over a period of three (3) years from grant date. The 2025 ESPP was granted on April 22, 2025 and subscriptions were received on May 10, 2025.

(c) Accumulated other comprehensive loss

Details of and movements in the account are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Fair value reserve on financial assets at FVOCI						
At January 1	**(4,063)**	(2,893)	(8,058)	**(3,551)**	(2,303)	(7,465)
Unrealized fair value gain before tax	**6,519**	997	6,996	**6,547**	917	7,005
Amount recycled to profit or loss	**(3,563)**	(2,350)	(947)	**(3,563)**	(2,349)	(947)
Deferred income tax effect	**(189)**	183	(884)	**(183)**	184	(896)
At December 31	**(1,296)**	(4,063)	(2,893)	**(750)**	(3,551)	(2,303)
Share in other comprehensive gain (loss) of insurance subsidiaries						
At January 1	**(22)**	(30)	(80)	**-**	-	-
Share in other comprehensive income (loss) for the year	**55**	10	63	-	-	-
Deferred income tax effect	**(11)**	(2)	(13)	-	-	-
At December 31	**22**	(22)	(30)	-	-	-
Share in other comprehensive income (loss) of associates						
At January 1	**72**	292	(162)	**-**	-	-
Share in other comprehensive income (loss) for the year	**246**	(220)	454	**-**	-	-
At December 31	**318**	72	292	**-**	-	-
Translation adjustment on foreign operations						
At January 1	**(287)**	(636)	(582)	**-**	-	-
Translation differences and others	**202**	349	(54)	**-**	-	-
At December 31	**(85)**	(287)	(636)	**-**	-	-
Cash flow hedge reserves						
At January 1	**(1)**	-	-	**(1)**	-	-
Translation differences and others	**8**	(1)	-	**8**	(1)	-
At December 31	**7**	(1)	-	**7**	(1)	-
Remeasurements of defined benefit obligation, net						
At January 1	**(8,339)**	(7,860)	(5,374)	**(7,170)**	(6,773)	(4,378)
Actuarial (loss) gain for the year	**(1,547)**	(399)	(3,434)	**(1,562)**	(323)	(3,342)
Deferred income tax effect	**334**	(80)	948	**350**	(74)	947
At December 31	**(9,552)**	(8,339)	(7,860)	**(8,382)**	(7,170)	(6,773)
	(10,586)	(12,640)	(11,127)	**(9,125)**	(10,722)	(9,076)

(d) Dividend declarations

Cash dividends

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

Date declared	Amount of dividends	
	Per share	Total
		(In Millions of Pesos)
For the year ended December 31, 2025		
May 21, 2025	2.08	10,990
November 19, 2025	2.28	12,047
		23,037
For the year ended December 31, 2024		
May 15, 2024	1.98	10,439
November 20, 2024	1.98	10,439
		20,878
For the year ended December 31, 2023		
May 17, 2023	1.68	7,626
November 15, 2023	1.68	8,308
		15,934

Property dividends

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

(e) Earnings per share (EPS)

EPS is calculated as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos, except earnings per share amounts)					
a) Net income attributable to equity holders of the Parent Bank	**66,615**	62,049	51,687	**61,828**	56,384	50,053
b) Weighted average number of common shares outstanding (in millions)	**5,280**	5,266	4,741	**5,280**	5,266	4,741
c) Basic EPS (a/b) based on net income	**12.62**	11.78	10.90	**11.71**	10.71	10.56

The basic and diluted EPS are the same for the years presented as the impact of stock options outstanding is not significant to the calculation of weighted average number of common shares.

19 Other income

(a) Fees and commission

Details of fees and commission are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Service charges	**11,734**	11,812	9,673	**11,074**	11,055	9,000
Bank commissions	**2,881**	2,694	2,168	**2,899**	2,689	2,166
Underwriting fees	**845**	456	693	**-**	-	-
Stock brokerage fees	**217**	200	183	**-**	-	-
	15,677	15,162	12,717	**13,973**	13,744	11,166

Service charges represent service fees and processing fees collected from customers.

Bank commissions include foreign and domestic commissions collected for services rendered.

(b) Other operating income

Details of other operating income are as follows:

		Consolidated			Parent		
	Notes	**2025**	2024	2023	**2025**	2024	2023
		(In Millions of Pesos)					
Credit card income		**9,515**	8,089	6,209	**9,518**	8,089	6,209
Trust and asset management fees		**5,365**	4,983	4,211	**-**	-	2
Gain on sale of assets	11	**417**	247	407	**408**	216	420
Rental income		**130**	141	135	**156**	156	167
Dividend income	8	**91**	93	100	**3,792**	1,505	3,066
Miscellaneous income		**4,248**	4,056	3,205	**3,691**	3,606	2,877
		19,766	17,609	14,267	**17,565**	13,572	12,741

Dividend income recognized by the Parent Bank substantially pertains to dividend distributions of subsidiaries.

Miscellaneous income includes recoveries on charged-off assets, fees arising from service arrangements with customers and related parties and share in net income (loss) of associates.

20 Leases

The BPI Group (as lessee) has various lease agreements which mainly pertain to branch premises and equipment. Lease terms are negotiated either on a collective or individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets cannot be used as security for borrowing purposes. The balances arising from the lease contracts are presented below:

Right-of-use assets and lease liabilities (PFRS 16)

Details of right-of-use assets and lease liabilities as at December 31 are as follows:

		Consolidated		Parent	
	Notes	**2025**	2024	**2025**	2024
		(In Millions of Pesos)			
Right-of-use assets					
Buildings and leasehold improvements	11	8,482	8,287	7,452	7,177
Lease liabilities (included in "Deferred credits and other liabilities")	17				
Current		3,090	2,964	2,642	2,665
Non-current		6,899	6,860	6,204	5,976
		9,989	9,824	8,846	8,641

Additions to the right-of-use assets in 2025 aggregated P2,670 million (2024 - P1,862 million) and P2,363 million (2024 - P1,469 million) for BPI Group and Parent bank, respectively. Total cash outflow for leases in 2025 amounted to P2,885 million (2024 - P2,438 million) and P2,482 million (2024 - P2,096 million) for BPI Group and Parent bank, respectively.

Lease contracts assumed from the merger with RBC mostly pertain to building and parking spaces with terms ranging from 2 to 10 years. The lease contracts are cancellable upon mutual agreement of the parties or renewable at the Parent Bank's option. Additions to the right-of-use asset due to the impact of merger amounted to P411 million (Note 11).

Amounts recognized in the statement of income relating to leases:

		Consolidated		Parent	
	Note	**2025**	2024	**2025**	2024
		(In Millions of Pesos)			
Depreciation expense					
Buildings and leasehold improvements	11	**2,455**	2,278	**2,093**	1,965
Interest expense (included in "Occupancy and equipment-related expenses")		**459**	372	**376**	293
Expense relating to short-term leases (included in "Occupancy and equipment-related expenses")		**326**	450	**321**	449
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in "Occupancy and equipment-related expenses")		**691**	511	**607**	452
		3,931	3,611	**3,397**	3,159

The BPI Group has received COVID-19 related rent discount and deferral of the escalation of lease payments and has applied the practical expedients allowed under PFRS 16, *Leases*, introduced in May 2020 in accounting for the rent concessions. Consequently, the BPI Group recognized the following amounts for the years ended December 31:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Rent concession (included in "Other operating income")	**-**	1	**-**	1

Critical accounting judgment - Determining the lease term

In determining the lease term, the BPI Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Critical accounting judgment - Determining the incremental borrowing rate

To determine the incremental borrowing rate, each entity within the BPI Group:

- where possible, uses recent third-party financing received as a starting point, adjusted to reflect changes in financing conditions since third party financing was received; or
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held which do not have recent third-party financing; and
- makes adjustments specific to the lease (e.g. term, currency and security).

The BPI Group's weighted average incremental borrowing rates applied to the lease liabilities ranged from 4.39% to 6.61% (2024 - 4.08% to 6.84%). The rates were determined in reference to the borrowing rates arising from the most recent debt issuances of the Parent Bank.

21 Operating expenses

(a) Compensation and fringe benefits

Details of the account for the years ended December 31 are as follows:

		Consolidated			Parent		
	Note	**2025**	2024	2023	**2025**	2024	2023
				(In Millions of Pesos)			
Salaries and wages		**24,362**	23,423	18,600	**21,193**	20,562	16,320
Retirement expense	23	**1,598**	1,450	1,232	**1,500**	1,363	1,148
Other employee benefit expenses		**4,320**	4,066	3,389	**3,648**	3,289	2,842
		30,280	28,939	23,221	**26,341**	25,214	20,310

Other employee benefit expenses pertain to employee incentives, HMO coverage and SSS premiums.

(b) Occupancy and equipment-related expenses

The account primarily consists of depreciation and amortization of bank premises, furniture and equipment, interest expense on lease liability, expenses related to short-term leases and leases of low-value assets and technology-related expenses. For the year ended December 31, 2025, the technology-related expenses amounted to P18,796 million (2024 - P16,721 million; 2023 - P14,685 million) and P17,393 million (2024 - P15,607 million; 2023 - P13,850 million) for BPI Group and Parent Bank, respectively.

(c) Other operating expenses

Details of the account for the years ended December 31 are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
			(In Millions of Pesos)			
Fees and commissions	**10,958**	8,921	6,557	**10,630**	8,729	6,460
Insurance	**6,723**	6,371	5,204	**6,581**	6,256	5,140
Advertising	**5,278**	3,996	4,124	**4,432**	3,822	4,020
Travel and communication	**1,502**	1,685	1,575	**1,259**	1,484	1,414
Supervision and examination fees	**1,143**	999	963	**854**	774	783
Management and other professional fees	**967**	1,288	730	**832**	1,244	673
Litigation expenses	**796**	665	477	**780**	653	468
Taxes and licenses	**720**	634	224	**613**	554	165
Office supplies	**611**	579	428	**527**	502	363
Amortization expense	**471**	484	18	**467**	465	1
Others	**4,732**	4,103	3,577	**4,168**	2,921	2,655
	33,901	29,725	23,877	**31,143**	27,404	22,142

Fees and commissions consists primarily of service charges, expenses for outsourced services and fees related to membership licensing.

Insurance expense comprises mainly of premium payments made to PDIC and other product-related insurance costs.

Amortization expense includes the amortization of intangible assets acquired from the merger with RBC (Note 14).

Other expenses mainly include freight charges and other business expenses such as those incurred in staff meetings, donations, periodicals and magazines.

22 Income taxes

The reconciliation between the income tax expense at the statutory tax rate and the effective income tax for the years ended December 31 is shown below:

	Consolidated					
	2025		2024		2023	
	Amount	**Rate (%)**	Amount	Rate (%)	Amount	Rate (%)
			(In Millions of Pesos)			
Statutory income tax	**21,355**	**25.00**	19,936	25.00	16,303	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	**(1,471)**	**(1.72)**	(1,598)	(2.00)	(392)	(0.60)
Tax-exempt income	**(950)**	**(1.11)**	(1,715)	(2.15)	(1,134)	(1.74)
Others, net	**(359)**	**(0.43)**	880	1.10	(1,478)	(2.27)
Effective income tax	**18,575**	**21.74**	17,503	21.95	13,299	20.39

	Parent					
	2025		2024		2023	
	Amount	Rate (%)	Amount	Rate (%)	Amount	Rate (%)
	(In Millions of Pesos)					
Statutory income tax	**19,641**	**25.00**	18,109	25.00	15,559	25.00
Effect of items not subject to statutory tax rate:						
Income subjected to lower tax rates	**(461)**	**(0.59)**	(579)	(0.80)	(446)	(0.72)
Tax-exempt income	**(1,629)**	**(2.07)**	(1,683)	(2.32)	(1,872)	(3.01)
Others, net	**(817)**	**(1.04)**	206	0.28	(1,060)	(1.70)
Effective income tax	**16,734**	**21.30**	16,053	22.16	12,181	19.57

Capital Markets Efficiency Promotion Act

The Philippines' Republic Act No. 12214, also known as the *Capital Markets Efficiency Promotion Act* (CMEPA), was signed into law on May 29, 2025, to create a fairer and simpler tax system for passive income, encourage more savings and investments, support easier movement of capital, and attract more investment in stocks and debt securities. The law took effect on July 1, 2025.

The implementation of CMEPA did not have a material impact on the consolidated financial statements of the BPI Group as at and for the year ended December 31, 2025.

Base Erosion and Profit Shifting (BEPS) Pillar 2

The BPI Group is within the scope of the OECD Pillar Two model rules. As at December 31, 2025, Pillar Two legislation is not yet enacted in the Philippines, the jurisdiction in which the Parent Bank is incorporated. The BPI Group is in the process of assessing the possible impact of the Pillar Two legislation.

23 Retirement plans

The BPI Group maintains both defined benefit and defined contribution retirement plans. Assets of both retirement plans are held in trust and governed by local regulations and practices in the Philippines. The key terms of these pension plans are discussed below.

a) Defined benefit retirement plan

BPI Group (excluding non-life insurance subsidiaries, offshore subsidiaries and LSB)

BPI has a unified plan which covers all subsidiaries except insurance entities. Under this plan, the normal retirement age is 60 years. Those who elect to retire prior to the normal retirement age will require company approval, subject to meeting the eligibility conditions on age and years of credited services. The normal retirement benefit consists of a lump sum benefit equivalent to 200% of the employee's basic monthly salary at the time of retirement for each year of service, if the employee has rendered at least 10 years of service, or 150% of the basic monthly salary if the employee has rendered less than 10 years of service, plus the cash equivalent of accrued and unused vacation and sick leave, if any, subject to the BPI Group's implementing guidelines and policies. For voluntary retirement, the benefit is equivalent to 112.50% of the employee's basic monthly salary for a minimum of 10 years of service, with the rate factor progressing to a maximum of 200% for 25 or more years of service. The death or disability benefit shall be the highest amount among: (1) the benefit computed on the same basis as voluntary retirement; (2) an amount equivalent to 100% of the employee's basic monthly salary at the time of retirement for each year of service; and (3) the minimum amount required under the Labor Code.

The net defined benefit cost and contributions to be paid by the entities within the BPI Group are determined by an independent actuary.

With the merger of RBC with the Bank effective January 1, 2024, its retirement fund assets were also transferred to the BPI Group's retirement fund.

Non-life insurance subsidiary

BPI/MS Insurance Corporation has a separate trusteed defined benefit plan. Under the plan, the normal retirement age is 60 years. Normal retirement benefit consists of a lump-sum benefit equivalent to 175% of the employee's basic monthly salary at the time of retirement for each year of service, if the employee has rendered as least 10 years of service, or 150% of the basic monthly salary if the employee has rendered less than 10 years of service. The death or disability benefit for all employees of the non-life insurance subsidiary is determined on the same basis as the benefit applicable in normal or voluntary retirement, as the case may be.

LSB

LSB has a stand-alone non-contributory defined benefit plan covering all its regular and permanent employees. Under the retirement plan, all employees are entitled to cash benefits after satisfying certain age and service requirements. As at December 31, 2025, the pension liability amounts to P3 million (2024 - P9 million). The impact of LSB's pension plan is not considered material to the financial statements; thus, the disclosures were limited only to the information mentioned.

Following are the amounts recognized based on recent actuarial valuation exercise:

(a) Pension liability as at December 31 recognized in the statement of condition:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Present value of defined benefit obligation	**20,529**	19,860	**19,930**	19,304
Fair value of plan assets	**(15,026)**	(15,667)	**(14,401)**	(15,182)
	5,503	4,193	**5,529**	4,122
Effect of asset ceiling	**61**	33	**-**	-
	5,564	4,226	**5,529**	4,122

Pension liability is shown as part of Deferred credits and other liabilities in the statement of condition (Note 17).

The movements in plan assets are summarized as follows:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
At January 1	**15,667**	14,103	**15,182**	13,722
Impact of merger	**-**	470	**-**	470
Contributions	**1,243**	1,213	**1,203**	1,165
Interest income	**866**	775	**839**	752
Benefit payments	**(2,539)**	(1,703)	**(2,481)**	(1,691)
Remeasurement (loss) gain - return on plan assets	**(211)**	1,539	**(342)**	1,494
Transfer from the plan	**-**	(730)	**-**	(730)
At December 31	**15,026**	15,667	**14,401**	15,182

The carrying values of the plan assets represent their fair value as at December 31, 2025 and 2024.

The plan assets comprised the following:

	Consolidated		Parent	
	2025	2024	2025	2024
	(In Millions of Pesos)			
Debt securities	**9,224**	10,130	**8,840**	9,817
Equity securities	**4,055**	4,341	**3,886**	4,207
Others	**1,747**	1,196	**1,675**	1,158
	15,026	15,667	**14,401**	15,182

The plan assets of the unified retirement plan include investment in BPI's common shares with aggregate fair value of P3,024 million at December 31, 2025 (2024 - P2,747 million). An officer of the Parent Bank exercises the voting rights over the plan's investment in BPI's common shares.

Others include cash and cash equivalents and other receivables.

The movements in the present value of defined benefit obligation are summarized as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
At January 1	**19,860**	18,632	**19,304**	18,098
Impact of merger	**-**	471	**-**	471
Current service cost	**893**	863	**861**	826
Interest cost	**1,215**	1,124	**1,182**	1,091
Remeasurement - changes in financial assumptions	**26**	(76)	**25**	(73)
Remeasurement - experience adjustment	**1,074**	1,279	**1,033**	1,267
Benefit payments	**(2,539)**	(1,703)	**(2,481)**	(1,691)
Transfer from the plan	**-**	(730)	**6**	(685)
At December 31	**20,529**	19,860	**19,930**	19,304

Other than the regular funding contributions to the BPI Group's retirement fund, the transfer of RBC fund assets were also considered as presented above.

(b) Expense recognized in the statement of income for the years ended December 31 are as follows:

	Consolidated			Parent		
	2025	2024	2023	**2025**	2024	2023
	(In Millions of Pesos)					
Current service cost	**893**	863	757	**861**	826	730
Net interest cost	**349**	349	229	**343**	339	228
	1,242	1,212	986	**1,204**	1,165	958

The principal assumptions used for the actuarial valuations of the unified plan are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Discount rate	**6.09%**	6.12%	**6.09%**	6.12%
Future salary increases	**6.00%**	6.00%	**6.00%**	6.00%

Assumptions regarding future mortality and disability experience are based on published statistics generally used for local actuarial valuation purposes.

The defined benefit plan typically exposes the BPI Group to a number of risks such as investment risk, interest rate risk and salary risk. The most significant of which relate to investment and interest rate risk. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. A decrease in government bond yields will increase the defined benefit obligation although this will also be partially offset by an increase in the value of the plan's fixed income holdings. Hence, the present value of defined benefit obligation is directly affected by the discount rate to be applied by the BPI Group. However, the BPI Group believes that due to the long-term nature of the pension liability and the strength of the BPI Group itself, the mix of debt and equity securities holdings of the plan is an appropriate element of the BPI Group's long-term strategy to manage the plan efficiently.

The BPI Group ensures that the investment positions are managed within an asset-liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the plan.

The BPI Group's main objective is to match assets to the defined benefit obligation by investing primarily in long-term debt securities with maturities that match the benefit payments as they fall due. The asset-liability matching is being monitored on a regular basis and potential change in investment mix is being discussed with the trustor, as necessary to better ensure the appropriate asset-liability matching.

The BPI Group contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary engaged by management. The expected contributions for the year ending December 31, 2026 for the BPI Group and the Parent Bank amount to P1,421 billion and P1,375 billion, respectively. The weighted average duration of the defined benefit obligation under the BPI unified retirement plan as at December 31, 2025 is 5.26 years (2024 - 5.64 years).

The projected maturity analysis of retirement benefit payments as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Up to one year	**3,842**	3,845	**3,769**	3,754
More than 1 year to 5 years	**15,553**	14,575	**15,106**	14,163
More than 5 years to 10 years	**9,518**	9,837	**9,188**	9,545
More than 10 years to 15 years	**4,581**	4,569	**4,356**	4,340
More than 15 years to 20 years	**3,297**	3,319	**3,125**	3,139
Over 20 years	**2,883**	3,069	**2,695**	2,875

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions as at December 31 follows:

Consolidated

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 4.6%**	**Increase by 5.0%**
Salary growth rate	1.00%	**Increase by 5.0%**	**Decrease by 4.6%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

Parent

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 4.6%**	**Increase by 5.0%**
Salary growth rate	1.00%	**Increase by 5.0%**	**Decrease by 4.6%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 4.70%	Increase by 5.10%
Salary growth rate	1.00%	Increase by 5.10%	Decrease by 4.70%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the retirement liability recognized within the statement of condition.

b) Defined contribution (DC) retirement plan subject to the requirements of Republic Act (RA) No. 7641

All non-unionized employees hired on or after the January 1, 2016 are automatically under the new defined contribution plan. Employees hired prior to the effective date shall have the option to elect to become members of the new defined contribution plan.

Upon normal or late retirement, employees are entitled to a lump sum benefit equal to the total of the following amounts:

- The greater of the (a) updated member account balance where the company periodically contributes 8% of the basic monthly salary and (b) the minimum legal retirement benefit under the Labor Code; and
- The updated member account balance funded by (a) voluntary employee contribution and (b) employer matching contribution; and
- Cash equivalent of the accrued and unused vacation and sick leave, if any.

The defined contribution retirement plan has a defined benefit minimum guarantee equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the liability for the defined benefit minimum guarantee is actuarially calculated similar to the defined benefit plan.

Upon effectivity of the merger, the active employees of RBC were enrolled in the defined benefit plan. Subsequently, they were provided an option to participate to the BPI Group's defined contribution plan instead resulting to the transfer of P730 million representing the initial balance offer.

The funding status of the defined contribution plan as at December 31 is shown below:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Present value of the obligation under DC Plan	**4,494**	3,911	**3,895**	3,443
Fair value of plan assets	**(4,571)**	(3,712)	**(3,953)**	(3,270)
(Surplus) deficit	**(77)**	199	**(58)**	173

The pension asset in 2025 represents benefits forfeited from separated employees which will be applied against future contributions. This is presented as part of Miscellaneous assets under Other assets, net in the statement of condition.

The movements in the present value of the obligation under DC Plan follow:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
At January 1	**3,911**	595	**3,443**	531
Current service cost	**148**	62	**125**	54
Interest cost	**239**	36	**210**	33
Benefit payments	**(329)**	(186)	**(291)**	(157)
Remeasurement - changes in financial assumptions	**(18)**	3	**(15)**	3
Remeasurement - experience adjustment	**542**	2,671	**419**	2,262
Transfer to the plan	**1**	730	**4**	717
At December 31	**4,494**	3,911	**3,895**	3,443

The movements in the fair value of plan assets follow:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
At January 1	**3,712**	2,261	**3,270**	1,898
Contribution paid by employer	**648**	591	**534**	496
Interest income	**224**	133	**197**	111
Benefit payments	**(329)**	(186)	**(291)**	(156)
Remeasurement gain - return on plan assets	**316**	183	**243**	191
Transfer to the plan	**-**	730	**-**	730
At December 31	**4,571**	3,712	**3,953**	3,270

Total retirement expense for the year ended December 31, 2025 under the defined contribution plan for the BPI Group and Parent Bank amounts to P163 million (2024 - P68 million) and P139 million (2024 - P59 million), respectively.

The components of plan assets of the defined contribution as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Debt securities	**1,638**	705	**1,417**	621
Equity securities	**3,025**	2,248	**2,616**	1,980
Others	**(92)**	759	**(80)**	669
	4,571	3,712	**3,953**	3,270

The BPI Group contributes to the plan depending on the suggested funding contribution as calculated by an independent actuary engaged by management. The expected contributions for the year ending December 31, 2026 for the BPI Group and the Parent Bank amount to P660 million and P583 million, respectively. The weighted average duration of the defined contribution retirement plan for the BPI Group and Parent Bank is 10.87 years (2024 - 10.45 years).

The sensitivity of the defined contribution obligation to changes in the weighted principal assumptions as at December 31 follows:

Consolidated

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 1.3%**	**Increase by 1.6%**
Salary growth rate	1.00%	**Increase by 1.6%**	**Decrease by 1.3%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 1.70%	Increase by 1.20%
Salary growth rate	1.00%	Increase by 1.20%	Decrease by 1.70%

Parent

2025

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	**Decrease by 1.3%**	**Increase by 1.6%**
Salary growth rate	1.00%	**Increase by 1.6%**	**Decrease by 1.3%**

2024

		Impact on defined benefit obligation	
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	Decrease by 1.70%	Increase by 1.10%
Salary growth rate	1.00%	Increase by 1.10%	Decrease by 1.70%

Critical accounting estimate - Calculation of defined benefit obligation

The BPI Group estimates its pension benefit obligation and expense for defined benefit pension plans based on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, the discount rate and future salary increases. The BPI Group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligations. The present value of the defined benefit obligations of the BPI Group at December 31, 2025 and 2024 are determined using the market yields on Philippine government bonds with terms consistent with the expected payments of employee benefits. Plan assets are invested in either equity securities, debt securities or other forms of investments. Equity markets may experience volatility, which could affect the value of pension plan assets. This volatility may make it inherently impracticable and difficult to estimate the long-term rate of return on plan assets. Actual results that differ from the BPI Group's assumptions are reflected as remeasurements in other comprehensive income. The BPI Group's assumptions are based on actual historical experience and external data regarding compensation and discount rate trends.

24 Asset management business

At December 31, 2025, the total trust and fund assets under management of the BPI Group through BPI Wealth amounts to P1,829 billion (2024 - P1,531 billion).

As required by the General Banking Act, BPI Wealth has deposited government securities with the BSP valued at P1,004 million (2024 - P989 million).

25 Related party transactions

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

The Parent Bank has a Board-level Related Party Transactions Committee (RPTC) that vets and endorses all significant related party transactions which exceed the Parent Bank's set materiality threshold, including those involving DOSRI, for which the latter shall require final BOD approval. The RPTC consists of three directors, majority of whom are independent directors including the Chairman, and two resource persons from management's control groups, namely, the Chief Audit Executive and the Chief Compliance Officer. Those related party transactions involving amounts below the materiality threshold, the Management Vetting Committee (MVC), which is composed of the Parent Bank's Executive Vice Presidents, the Bank's Chief Finance Officer, and the Bank's Treasurer, shall have the authority to vet these transactions. In case any of the vetting committees has conflict of interest, be it actual or perceived, in a particular related party transaction, he or she is required to inhibit from the vetting and endorsement of the particular RPT.

Transactions with related parties have terms and conditions that are generally comparable to those offered to non-related parties and/or to similar transactions in the market. Any deviation or amendment from previously vetted terms and conditions shall require appropriate RPT vetting and approval.

To ensure that related party transactions are within prudent levels, the Parent Bank's BOD shall prescribe, from time to time, internal limits or sub-limits for individual and aggregate credit exposures to related parties that are consistent with the Parent Bank's risk appetite and regulatory guidelines. The limits shall be computed and based on the Parent Bank's prescribed capital metrics.

The RPTC shall report to the BOD, on a regular basis, the status and aggregate exposures of the Parent Bank to each related party as well as the total amount of exposure to all related parties.

A summary of significant related party transactions and outstanding balances as at and for the years ended December 31 is shown below (transactions with subsidiaries have been eliminated in the consolidated financial statements):

Consolidated

	2025		
	Transactions for the year	Outstanding balances	Terms and conditions
		(In Millions of Pesos)	
Loans and advances to:			
Associates	(330)	149	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.99% to 8.27% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	8,248	88,649	
Deposits from:			
Associates	1,116	1,836	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.12% - 0.17% Time - 4.82% to 5.46%
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	4,288	20,856	

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

	2023		
	Transactions for the year	Outstanding balances	Terms and conditions
	(In Millions of Pesos)		
Loans and advances to:			
Associates	71	113	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.45% to 7.58% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Ayala Group	(3,087)	61,567	
	(3,016)	61,680	
Deposits from:			
Associates	912	1,949	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.08% to 0.10% Time - 4.35% to 5.38% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Ayala Group	(2,239)	687	
Key management personnel	958	1,215	
	(369)	3,851	

Parent

	2025		
	Transactions for the year	Outstanding balances	Terms and conditions
	(In Millions of Pesos)		
Loans and advances to:			
Subsidiaries	103	178	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.49% to 7.79% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 14 years. Additional information on DOSRI loans are discussed below.
Associates	(330)	149	
Ayala Group	8,588	88,490	
Key management personnel	(10)	10	
	8,351	88,827	
Deposits from:			
Subsidiaries	1,938	7,321	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.07% Savings - 0.07% - 0.08% Time - 4.79% to 5.44%
Associates	1,116	1,836	
Ayala Group	3,191	18,607	
Key management personnel	(19)	413	
	6,226	28,177	

	2024		
	Transactions for the year	Outstanding balances	Terms and conditions
	(In Millions of Pesos)		
Loans and advances to:			
Subsidiaries	(12)	75	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 7.33% to 7.71% (including those pertaining to foreign currency-denominated loans) and with maturity periods ranging from 4 days to 12 years. Additional information on DOSRI loans are discussed below.
Associates	366	479	
Ayala Group	18,335	79,902	
Key management personnel	20	20	
	18,709	80,476	
Deposits from:			
Subsidiaries	(982)	5,383	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.06% to 0.07% Savings - 0.08% to 0.09% Time - 5.34% to 5.50%
Associates	(1,229)	720	
Ayala Group	14,729	15,416	
Key management personnel	(759)	432	
	11,759	21,951	

	2023		
	Transactions for the year	Outstanding balances	Terms and conditions
	(In Millions of Pesos)		
Loans and advances to:			
Subsidiaries	53	87	These are loans and advances granted to related parties that are generally secured with interest rates ranging from 6.22% to 7.23% (including those pertaining to foreign currency-denominated loans). These are collectible in cash at gross amount and with maturity periods ranging from 1 day to 12 years. Additional information on DOSRI loans are discussed below.
Associates	71	113	
Ayala Group	(3,087)	61,567	
Other related parties	-	-	
	(2,963)	61,767	
Deposits from:			
Subsidiaries	442	6,365	These are demand, savings and time deposits bearing the following average interest rates: Demand - 0.05% to 0.80% Savings - 0.09% to 0.09% Time - 4.35% to 5.35% Demand and savings deposits are payable in cash and on demand. Time deposits are payable in cash at maturity.
Associates	912	1,949	
Ayala Group	(2,239)	687	
Key management personnel	936	1,191	
	51	10,192	

The aggregate amounts included in the determination of income before income tax (after elimination) that resulted from transactions with each class of related parties are as follows:

Consolidated	**2025**	2024	2023
		(In Millions of Pesos)	
Interest income			
Associates	**-**	-	8
Ayala Group	**4,197**	3,162	2,297
Key management personnel	**1**	1	-
	4,198	3,163	2,305
Other income			
Associates	**2,375**	2,359	327
Ayala Group	**4,978**	1,543	935
	7,353	3,902	1,262
Interest expense			
Associates	**19**	17	18
Ayala Group	**38**	539	4
Key management personnel	**-**	9	14
	57	565	36
Other expenses			
Associates	**1,004**	216	191
Ayala Group	**2,672**	1,632	799
	3,676	1,848	990
Retirement benefits			
Key management personnel	**60**	61	50
Salaries, allowances and other short-term benefits			
Key management personnel	**1,758**	1,646	1,477
Directors' remuneration	**121**	125	113

Parent	**2025**	2024	2023
		(In Millions of Pesos)	
Interest income			
Subsidiaries	**10**	21	19
Associates	**-**	-	8
Ayala Group	**4,197**	3,162	2,297
Key management personnel	**1**	1	-
	4,208	3,184	2,324
Other income			
Subsidiaries	**3,053**	1,811	209
Associates	**2,375**	2,359	139
Ayala Group	**4,978**	1,543	935
	10,406	5,713	1,283
Interest expense			
Subsidiaries	**8**	21	19
Associates	**19**	17	18
Ayala Group	**38**	539	4
Key management personnel	**-**	9	14
	65	586	55
Other expenses			
Subsidiaries	**628**	48	127
Associates	**1,004**	216	-
Ayala Group	**2,672**	1,632	799
	4,304	1,896	926
Retirement benefits			
Key management personnel	**58**	60	48
Salaries, allowances and other short-term benefits			
Key management personnel	**1,713**	1,603	1,433
Directors' remuneration	**86**	91	88

Other income mainly consists of revenue from service arrangements with related parties in which the related outstanding balance is included under accounts receivable. Other expenses pertain to shared costs with related parties and the related outstanding balance is recognized as accounts payable.

Details of DOSRI loans are as follows:

	Consolidated		**Parent**	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Outstanding DOSRI loans	**23,412**	31,588	23,412	31,588

As at December 31, 2025, allowance for credit losses amounting to P68 million (2024 - P140 million) have been recognized against receivables from related parties.

26 Financial risk management

The BOD carries out its risk management function through the Risk Management Committee (RMC). The RMC is tasked with nurturing a culture of risk management across the BPI Group. The RMC sets the risk appetite; proposes and approves risk management policies, frameworks, and guidelines; and regularly reviews risk management structures, metrics, limits, and issues across the BPI Group, in order to meet and comply with regulatory and international standards on risk measurement and management.

At the management level, the Risk Management Office (RMO) is headed by the Chief Risk Officer (CRO). The CRO is ultimately responsible in leading the formulation of risk management policies and methodologies in alignment with the overall business strategy of BPI, ensuring that risks are prudently and rationally undertaken and within its risk appetite, as well as commensurate and disciplined to maximize returns on shareholders' capital. Risk management is carried out by a dedicated team of skilled risk managers and senior officers who have extensive prior operational experience. BPI's risk managers regularly monitor key risk indicators and report exposures against carefully established financial and business risk metrics and limits approved by the RMC.

Finally, independent reviews are regularly conducted by the Internal Audit group, external auditors, and regulatory examiners to ensure that risk controls and mitigants are in place and functioning effectively as intended.

The possibility of incurring losses is, however, compensated by the possibility of earning more than expected income. Risk-taking is, therefore, not entirely negative to be avoided. Risk-taking actions present opportunities if risks are fully identified and accounted, deliberately taken, and are kept within prudent and rationalized limits.

Credit risk, liquidity risk and market risk, as well as operational and cyber security risks are some of the top risks that the BPI Group manages.

26.1 Credit risk

The BPI Group takes on exposure to credit risk, which is the risk that may arise if a borrower or counterparty fails to meet its obligations in accordance with agreed repayment terms. Credit risk is the single largest risk for the BPI Group's business; management therefore carefully manages its exposure to credit risk as governed by prudent credit policies, standards and methodologies, relevant regulatory requirements, and international benchmarks.

Loans and advances are the most evident source of credit risks; however, other sources of credit risk exist throughout the activities of the BPI Group, including in credit-related activities recorded in the banking books, investment securities in the trading books and off-balance sheet transactions.

26.1.1 Credit risk management

The Credit Policy and Risk Management (CPRM) division is responsible for the overall management of the BPI Group's credit risks. CPRM supports the Senior Management in coordination with various business lending and operations units in identifying, measuring, reporting, and managing credit risk.

The BPI Group employs a range of policies and practices to mitigate credit risks. The BPI Group monitors its loan and investment portfolios based on different segmentations to reflect the acceptable level of diversification and concentration. Concentration risk in credit portfolios is inherent in banking and cannot be eliminated. However, said risk may be reduced by adopting proper risk controls, mitigation, and diversification strategies to prevent undue credit risk concentrations from excessive exposures to counterparties, borrower-groups, industries, countries or regions.

The BPI Group structures the levels of credit risks it undertakes by placing limits or monitoring thresholds on the amount of risks accepted in relation to one borrower, or group of borrowers, industry segments, and countries or regions. Such risks are monitored on a regular basis and subjected to annual or more frequent review, when deemed necessary. Limits on large exposures and credit concentration are approved by the BOD through the RMC.

The exposure to any borrower may also be further restricted by sub-limits covering on- and off-balance sheet exposures. Actual exposures against risk limits are monitored regularly. Methodologies for measuring credit risk vary depending on several factors, including type of asset, borrower or counterparties' risk profiles, risk measurement parameters and risk management and collection processes. Credit risk measurement is based on the probability of default (PD) of an obligor or counterparty, the loss severity given a default (LGD) event and the exposure at default (EAD).

A rigorous control framework is applied in the determination of expected credit loss (ECL) models. The BPI Group has policies and procedures that govern the calculation of ECL, which is performed by the Credit Risk Modeling, Analytics and MIS (CRMA-MIS) division. All ECL models are regularly reviewed by the Risk Management Office to ensure that necessary controls are in place and the models are applied accordingly.

The review and validation of ECL models are performed by groups that are independent of CRMA-MIS, e.g., Risk Models Validation Division, Internal Auditors, and/or external assurance partners. Expert judgments on measurement methodologies and assumptions are reviewed by a group of internal experts from various functions across the Parent Bank.

Credit loss estimates are based on estimates of the PD and loss severity given a default. The PD is the likelihood that a borrower will default on its obligation; the LGD is the estimated loss that would be realized upon the default and takes into consideration collateral and structural support for each credit facility. The estimation process includes assigning risk ratings to each borrower and credit facility to differentiate risk within the portfolio. These risk ratings are reviewed regularly by RMO and revised as needed to reflect the borrower's current financial position, risk profile, related collateral or credit enhancements, and other credit risk mitigants. The calculations and assumptions are based on both internal and external historical experience and management judgment and are reviewed regularly.

The BPI Group's forward-looking, point-in-time PD models are driven by internal forecasts of macroeconomic variables (MEVs) over the next five years. These models are recalibrated annually and a more frequent review and update of these models may be conducted in response to changing macroeconomic conditions.

The BPI Group also manages counterparty credit risk arising from both pre-settlement and settlement risks. Pre-settlement risk is the risk that a counterparty will default prior to the final settlement/maturity of a transaction, while settlement risk pertains to the risk that a counterparty fails to deliver on settlement/maturity date when the Bank has already delivered on its contractual obligations. In managing counterparty risks, pre-settlement and settlement risk limits are established and exposures are monitored daily for each counterparty to cover the aggregate of pre-settlement and settlement risks arising from transactions with the BPI Group. The BPI Group also employs various tools and methods including use of delivery versus payment settlement, payment versus payment settlement, use of collateral agreements, and other acceptable credit risk mitigation techniques to further manage counterparty credit risk.

The BPI Group employs specific control and risk mitigation measures, some of which are outlined below:

(a) Collateral or guarantees

One of the most traditional and common practice in mitigating credit risks is requiring collaterals and/or securities particularly for loans and advances. The BPI Group implements guidelines on the acceptability of specific classes of collateral for credit risk mitigation. The BPI Group assesses the valuation of the collateral obtained as part of the loan origination process. This assessment is reviewed periodically. The common collateral types for loans and advances are:

- Mortgages over physical properties (e.g., real estate and personal);
- Mortgages over financial assets [e.g., guarantees, investments (bonds or equities)]; and
- Margin agreement for derivatives, for which the BPI Group has also entered into master netting agreements.

In order to minimize credit loss, the BPI Group seeks additional collateral and/or securities from the counterparty when impairment indicators are observed for the relevant individual loans and advances.

The BPI Group's policies regarding obtaining collateral have not changed during the reporting period and there has been no significant change in the overall quality of the collaterals held by the BPI Group since the prior period.

(b) Market limits

The BPI Group maintains market limits on net open derivative positions (i.e., the difference between purchase and sale contracts). Credit risk is limited to the net current fair value of instruments, which in relation to derivatives is only a portion of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments (except where the BPI Group requires margin deposits from counterparties).

(c) Master netting arrangements

The BPI Group further restricts its exposure to credit losses by entering master netting arrangements with certain counterparties with which it undertakes significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts (asset position) is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The BPI Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

(d) Credit-related commitments

Documentary and commercial letters of credit - which are written undertakings by the BPI Group on behalf of a customer authorizing a third party to draw drafts on the BPI Group up to a stipulated amount under specific terms and conditions - are collateralized by the underlying shipments of goods and therefore carry less risk than a direct loan.

26.1.2 Credit risk rating

The BPI Group uses internal credit risk gradings that reflect its assessment of the PD of individual counterparties. The BPI Group uses its internal credit risk rating system, credit models (e.g. credit risk scorecards) or external ratings from reputable credit rating agencies. Specific data about the borrower and loan are collected at the time of application and credit evaluation (such as financial and business information, source of incomes/revenues, and level of collateral for retail exposures, and turnover and industry type for wholesale exposures) and are used in the internal credit scoring models. In addition, the internal models allow expert judgment from the Credit Risk Rating Committee and consideration of other data inputs not captured into the model in the determination of the final internal credit score for each borrower.

The BPI Group has adopted an internal credit classification system that is aligned with regulatory guidelines and aims to identify deteriorating credit exposures on a timely basis. Exposures are classified into each of the following categories:

- *Standard monitoring* - This category includes accounts which do not have a greater-than-normal risk and do not possess the characteristics of special monitoring and defaulted loans. The borrower or counterparty has the ability to satisfy the obligation in full and therefore minimal loss, if any, is anticipated.

- *Special monitoring* - This category includes accounts which need closer and frequent monitoring to prevent any further credit deterioration. The counterparty is assessed to be vulnerable to highly vulnerable and its capacity to meet its financial obligations is dependent upon favorable business, financial, and economic conditions.

- *Default* - This category includes accounts which exhibit probable to severe weaknesses wherein probability of non-repayment of loan obligation is ranging from high to extremely high.

i. Corporate (including cross-border loans, contracts-to-sell/group plans with recourse, floorstock lines) and Small and Medium-sized Enterprise (SME) loans

The BPI Group's internal credit risk rating system comprises a 22-scale rating with eighteen (18) 'pass' rating levels for large corporate accounts, a 14-scale rating system with ten (10) 'pass' rating grades for SME accounts, and a 23-scale rating with nineteen (19) 'pass' rating levels for cross-border accounts. For cross-border accounts, the BPI Group also uses available external/benchmark credit ratings issued by reputable rating agencies if there is no internal rating. The level of risk and associated PD are determined using either the internal credit risk ratings or external/benchmark credit ratings, as applicable, for corporate loans.

The BPI Group uses the following set of classifications:

Classifications	Large corporate	SME	Cross-Border
Standard monitoring	AAA to B-, unrated, and ≤ 30 days past due (dpd)	AAA to B-, unrated, and ≤ 30 dpd	AAA to B- with no significant increase in credit risk (SICR), and ≤ 30 dpd
Special monitoring	CCC to C or based on prescribed dpd threshold	CCC to C or based on prescribed dpd threshold	Downgraded to lower than BB+ with SICR but not impaired, or based on prescribed dpd threshold
Default	Adversely classified accounts (ACA) or >90 dpd or Items in Litigation (IL)	ACA or >90 dpd or IL	Default/ACA with objective evidence of impairment, or > 90 dpd

ii. Retail loans

The BPI Group uses automated credit scoring models to assess the level of risk for retail accounts. Behavioral indicators are considered in conjunction with other forward-looking information (e.g., industry forecast) to assess the level of risk of a loan. After the date of initial recognition, the payment behavior of the borrower is monitored on a periodic basis to develop a behavioral score which is mapped to a PD.

Classifications	Credit cards	Personal*, auto, housing and MAX 500**	SEME***
Standard monitoring	≤ 29 dpd	≤ 30 dpd	≤ 10 dpd
Special monitoring	30 to 89 dpd	31 to 90 dpd or based on prescribed dpd threshold	Not applicable
Default	>89 dpd or IL	>90 dpd or IL	>10 dpd

**Includes salary-based general purpose consumption loan*
*** A product of BanKo, wholly-owned subsidiary of the Parent Bank, and classified as micro-enterprise loan*
**** A product of BanKo and offered to self-employed micro-entrepreneurs*

iii. Treasury and other investment debt securities

Investments in high grade securities and bills are viewed as a way to gain better credit quality mix and at the same time, maintain a readily available source to meet funding requirements. The level of credit risk for treasury and other investment debt securities and their associated PD are determined using either internal ratings or reputable external ratings and/or available and reliable qualitative and quantitative information. In the absence of both internal and external credit ratings, a comparable issuer or guarantor rating is used. Should there be a change in the credit rating of the chosen comparable, evaluation is made to ascertain whether the rating change is applicable to the security being assessed for impairment.

Classifications	Applicable ratings
Standard monitoring	AAA to B- with no SICR
Special monitoring	Downgraded to lower than BB+ with SICR but not impaired
Default	Default, with objective evidence of impairment

iv. Other financial assets at amortized cost

For other financial assets (non-credit receivables), the BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected credit loss methodology. These financial assets are grouped based on shared risk characteristics and aging profile. For some of these, impairment is assessed individually at a counterparty level.

26.1.3 Maximum exposure to credit risk

26.1.3.1 Loans and advances, net

Credit risk exposures relating to on-balance sheet loans and advances are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Corporate and SME loans, net	**1,896,506**	1,685,197	**1,888,967**	1,680,654
Retail loans, net	**670,625**	553,568	**611,508**	506,274
	2,567,131	2,238,765	**2,500,475**	2,186,928

The carrying amount of loans and advances above also represents the BPI Group's maximum exposure to credit risk. The following tables contain an analysis of the credit risk exposure of each financial instrument for which an ECL allowance is recognized.

Credit quality of loans and advances, net

Consolidated

Corporate and SME loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	1,563,975	128,597	-	**1,692,572**	1,419,122	92,448	-	1,511,570
Special monitoring	101,563	74,528	-	**176,091**	104,098	56,728	-	160,826
Default	-	-	54,834	**54,834**	-	-	44,378	44,378
Gross amount	1,665,538	203,125	54,834	**1,923,497**	1,523,220	149,176	44,378	1,716,774
Loss allowance	(1,548)	(3,229)	(22,214)	**(26,991)**	(5,721)	(2,159)	(23,697)	(31,577)
Carrying amount	1,663,990	199,896	32,620	**1,896,506**	1,517,499	147,017	20,681	1,685,197

Retail loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	62 4,538	22,142	-	**646,680**	518,497	18,837	-	537,334
Special monitoring	628	18,525	-	**19,153**	723	12,412	-	13,135
Default	-	-	34,535	**34,535**	-	-	25,624	25,624
Gross amount	625,166	40,667	34,535	**700,368**	519,220	31,249	25,624	576,093
Loss allowance	(5,884)	(4,562)	(19,297)	**(29,743)**	(4,327)	(3,496)	(14,702)	(22,525)
Carrying amount	619,282	36,105	15,238	**670,625**	514,893	27,753	10,922	553,568

Parent

Corporate and SME loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	1,556,617	128,597	-	**1,685,214**	1,414,762	92,448	-	1,507,210
Special monitoring	101,563	74,523	-	**176,086**	104,098	56,727	-	160,825
Default	-	-	54,817	**54,817**	-	-	44,364	44,364
Gross amount	1,658,180	203,120	54,817	**1,916,117**	1,518,860	149,175	44,364	1,712,399
Loss allowance	(1,720)	(3,227)	(22,203)	**(27,150)**	(5,901)	(2,159)	(23,685)	(31,745)
Carrying amount	1,656,460	199,893	32,614	**1,888,967**	1,512,959	147,016	20,679	1,680,654

Retail loans

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
				(In Millions of Pesos)				
Credit grade								
Standard monitoring	566,949	22,116	-	**589,065**	472,088	18,810	-	490,898
Special monitoring	628	17,412	-	**18,040**	715	11,655	-	12,370
Default	-	-	28,260	**28,260**	-	-	21,640	21,640
Gross amount	567,577	39,528	28,260	**635,365**	472,803	30,465	21,640	524,908
Loss allowance	(4,751)	(4,538)	(14,568)	**(23,857)**	(3,393)	(3,478)	(11,763)	(18,634)
Carrying amount	562,826	34,990	13,692	**611,508**	469,410	26,987	9,877	506,274

The tables below present the gross amount of "Stage 2" loans and advances by age category.

Consolidated

	2025			2024		
	Corporate and SME loans	Retail loans	**Total**	Corporate and SME loans	Retail loans	Total
			(In Millions of Pesos)			
Current	201,416	15,380	**216,796**	148,490	13,729	162,219
Past due up to 30 days	558	6,971	**7,529**	86	5,355	5,441
Past due 31 - 90 days	1,151	18,316	**19,467**	600	12,165	12,765
Past due 91 - 180 days	-	-	**-**	-	-	-
Over 180 days	-	-	**-**	-	-	-
	203,125	40,667	**243,792**	149,176	31,249	180,425

Parent

	2025			2024		
	Corporate and SME loans	Retail loans	**Total**	Corporate and SME loans	Retail loans	Total
			(In Millions of Pesos)			
Current	201,416	15,361	**216,777**	148,490	13,708	162,198
Past due up to 30 days	558	6,953	**7,511**	85	5,343	5,428
Past due 31 - 90 days	1,146	17,214	**18,360**	600	11,414	12,014
Past due 91 - 180 days	-	-	**-**	-	-	-
Over 180 days	-	-	**-**	-	-	-
	203,120	39,528	**242,648**	149,175	30,465	179,640

26.1.3.2 Treasury and other investment securities, net

Credit risk exposures arising from treasury and other investment securities are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Due from BSP	**106,344**	164,571	**89,303**	161,247
Due from other banks	**38,211**	72,060	**34,007**	68,439
Interbank loans receivable and SPAR, net	**35,480**	16,715	**34,909**	9,093
Financial assets at FVTPL*	**85,055**	46,957	**77,245**	39,757
Financial assets at FVOCI*	**282,236**	264,358	**277,530**	260,834
Investment securities at amortized cost, net	**353,145**	343,108	**345,848**	336,233
	900,471	907,769	**858,842**	875,603

**Excludes equity securities*

Credit quality of treasury and other investment securities, net

Consolidated

	2025				2024			
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring								
Due from BSP	106,344	-	-	**106,344**	164,571	-	-	164,571
Due from other banks	38,211	-	-	**38,211**	72,060	-	-	72,060
Interbank loans receivable and SPAR	35,484	-	-	**35,484**	16,720	-	-	16,720
Financial assets at FVTPL*	85,055	-	-	**85,055**	46,957	-	-	46,957
Financial assets at FVOCI*	282,236	-	-	**282,236**	263,903	455	-	264,358
Investment securities at amortized cost	353,178	-	-	**353,178**	342,189	1,035	-	343,224
Default								
Interbank loans receivable and SPAR	-	-	37	**37**	-	-	38	38
Gross carrying amount	900,508	-	37	**900,545**	906,400	1,490	38	907,928
Loss allowance	(37)	-	(37)	**(74)**	(97)	(24)	(38)	(159)
Carrying amount	900,471	-	-	**900,471**	906,303	1,466	-	907,769

**Excludes equity securities*

Parent

	2025				2024			
	Stage 1 12-month ECL	**Stage 2** Lifetime ECL	**Stage 3** Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring								
Due from BSP	89,303	-	-	**89,303**	161,247	-	-	161,247
Due from other banks	34,007	-	-	**34,007**	68,439	-	-	68,439
Interbank loans receivable and SPAR	34,913	-	-	**34,913**	9,098	-	-	9,098
Financial assets at FVTPL*	77,245	-	-	**77,245**	39,757	-	-	39,757
Financial assets at FVOCI*	277,530	-	-	**277,530**	260,379	455	-	260,834
Investment securities at amortized cost	345,881	-	-	**345,881**	335,282	1,034	-	336,316
Default								
Interbank loans receivable and SPAR	-	-	37	**37**	-	-	38	38
Gross carrying amount	858,879	-	37	**858,916**	874,202	1,489	38	875,729
Loss allowance	(37)	-	(37)	**(74)**	(64)	(24)	(38)	(126)
Carrying amount	858,842	-	-	**858,842**	874,138	1,465	-	875,603

**Excludes equity securities*

26.1.3.3 Other financial assets at amortized cost

Other financial assets at amortized cost that are exposed to credit risk are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Accounts receivable, net	**1,628**	2,626	**3,381**	5,010
Rental deposits	**945**	905	**888**	851
Other accrued interest and fees receivable	**74**	98	**24**	5
Others, net	**825**	341	**816**	320
	3,472	3,970	**5,109**	6,186

The carrying amounts of the above financial assets represent the BPI Group's maximum exposure to credit risk.

The BPI Group's other financial assets at amortized cost (shown under Other assets, net) generally arise from transactions with various unrated counterparties with good credit standing. The BPI Group applies the PFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss methodology for other financial assets.

26.1.3.4 Loan commitments

Credit risk exposures arising from undrawn loan commitments are as follows:

Consolidated

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	883,659	2,862	-	**886,521**	704,278	1,609	-	705,887
Special monitoring	20,368	26	-	**20,394**	21,421	19	-	21,440
Default	-	-	590	**590**	-	-	339	339
Gross amount	904,027	2,888	590	**907,505**	725,699	1,628	339	727,666
Loss allowance*	(1,454)	(187)	(28)	**(1,669)**	(1,130)	(112)	(25)	(1,267)
Carrying amount	902,573	2,701	562	**905,836**	724,569	1,516	314	726,399

**Included in "Miscellaneous liabilities" in Note 17*

Parent

	2025				2024			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	**Total**	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)							
Credit grade								
Standard monitoring	883,659	2,862	-	**886,521**	704,278	1,609	-	705,887
Special monitoring	20,368	26	-	**20,394**	21,421	19	-	21,440
Default	-	-	590	**590**	-	-	339	339
Gross amount	904,027	2,888	590	**907,505**	725,699	1,628	339	727,666
Loss allowance*	(1,454)	(187)	(28)	**(1,669)**	(1,130)	(112)	(25)	(1,267)
Carrying amount	902,573	2,701	562	**905,836**	724,569	1,516	314	726,399

**Included in "Miscellaneous liabilities" in Note 17*

26.1.4 Credit impaired loans and advances

The BPI Group closely monitors collaterals held for financial assets considered to be credit-impaired (Stage 3), as it becomes more likely that the BPI Group will take possession of collateral to mitigate potential credit losses. Loans and advances that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

Consolidated

	2025			2024		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
	(In Millions of Pesos)					
Credit-impaired assets						
Corporate and SME loans	54,834	22,214	32,620	44,378	23,697	20,681
Retail loans	34,535	19,297	15,238	25,624	14,702	10,922
Total credit-impaired assets	**89,369**	**41,511**	**47,858**	70,002	38,399	31,603
Fair value of collateral	**37,199**			31,611		

Parent

	2025			2024		
	Gross exposure	Impairment allowance	Net carrying amount	Gross exposure	Impairment allowance	Net carrying amount
	(In Millions of Pesos)					
Credit-impaired assets						
Corporate and SME loans	54,817	22,203	32,614	44,364	23,685	20,679
Retail loans	28,260	14,568	13,692	21,640	11,763	9,877
Total credit-impaired assets	**83,077**	**36,771**	**46,306**	66,004	35,448	30,556
Fair value of collateral	**37,160**			31,570		

The BPI Group acquires assets by taking possession of collaterals held as security for loans and advances.

As at December 31, 2025, the foreclosed collaterals of BPI Group and Parent Bank have carrying amount of P12,417 million (2024 - P8,411 million) and P12,164 million (2024 - P8,154 million), respectively. The related foreclosed collaterals of BPI Group and Parent Bank have aggregate fair value of P31,222 million (2024 - P25,956 million) and P30,735 million (2024 - P25,470 million), respectively. Foreclosed collaterals include real estate (land, building, and improvements) and chattel. Repossessed properties are sold as soon as practicable and are classified as Assets held for sale in the statement of condition. In 2025, the BPI Group realized a total loss of P570 million (2024 - P205 million loss) with book value of P3,258 million (2024 - P3,030 million) while the Parent Bank realized a loss of P561 million (2024 - P237 million loss) from disposals of foreclosed collaterals with book value of P3,244 million (2024 - P2,997 million).

26.1.5 Loss allowance

The loss allowance recognized in the period is impacted by a variety of factors, as described below:

- Transfers between Stage 1 and Stages 2 or 3 due to financial instruments experiencing significant increases (or decreases) in credit risk or becoming credit-impaired in the period, and the consequent transfer between 12-month and lifetime ECL;
- Additional allowances for new financial instruments recognized during the year and releases for financial instruments derecognized during the year;
- Write-offs of allowances related to assets that were written off during the year;
- Impact on the measurement of ECL due to changes in PDs, EADs and LGDs during the year;
- Impacts on the measurement of ECL due to changes made to models and assumptions; and
- Foreign exchange translations for assets denominated in foreign currencies and other movements.

The following tables summarize the changes in the loss allowance for loans and advances between the beginning and the end of the annual period. No movement analysis of allowance for impairment is presented for treasury and other investment debt securities and other financial assets subject to impairment as the related loss allowance is deemed insignificant for financial reporting purposes.

Consolidated

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2025	5,721	2,159	23,697	**31,577**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,787)	2,209	3,845	**3,267**
Transfer from Stage 2	9	(283)	246	**(28)**
Transfer from Stage 3	1	1	(76)	**(74)**
New financial assets originated	3,840	-	-	**3,840**
Financial assets derecognized during the year	(1,219)	(526)	(3,314)	**(5,059)**
Changes in assumptions and other movements in provision	(3,484)	(334)	(103)	**(3,921)**
	(3,640)	1,067	598	**(1,975)**
Write-offs and other movements	(533)	3	(2,081)	**(2,611)**
Loss allowance, at December 31, 2025	**1,548**	**3,229**	**22,214**	**26,991**

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2025	4,327	3,496	14,702	**22,525**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(3,644)	3,318	10,267	**9,941**
Transfer from Stage 2	136	(1,967)	3,516	**1,685**
Transfer from Stage 3	4	32	(235)	**(199)**
New financial assets originated	4,613	-	-	**4,613**
Financial assets derecognized during the year	(543)	(174)	(1,186)	**(1,903)**
Changes in assumptions and other movements in provision	1,439	(109)	3,459	**4,789**
	2,005	1,100	15,821	**18,926**
Write-offs and other movements	(448)	(34)	(11,226)	**(11,708)**
Loss allowance, at December 31, 2025	**5,884**	**4,562**	**19,297**	**29,743**

Parent

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	(In Millions of Pesos)			
Loss allowance, at January 1, 2025	5,901	2,159	23,685	**31,745**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,786)	2,209	3,844	**3,267**
Transfer from Stage 2	9	(283)	247	**(27)**
Transfer from Stage 3	1	1	(76)	**(74)**
New financial assets originated	3,838	-	-	**3,838**
Financial assets derecognized during the year	(1,219)	(527)	(3,314)	**(5,060)**
Changes in assumptions and other movements in provision	(3,415)	(335)	(98)	**(3,848)**
	(3,572)	1,065	603	**(1,904)**
Write-offs and other movements	(609)	3	(2,085)	**(2,691)**
Loss allowance, at December 31, 2025	**1,720**	**3,227**	**22,203**	**27,150**

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2025	3,393	3,478	11,763	**18,634**
Impact of merger	-	-	-	**-**
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,773)	3,296	6,733	**8,256**
Transfer from Stage 2	136	(1,673)	3,050	**1,513**
Transfer from Stage 3	4	32	(213)	**(177)**
New financial assets originated	2,591	-	-	**2,591**
Financial assets derecognized during the year	(158)	(172)	(1,025)	**(1,355)**
Changes in assumptions and other movements in provision	961	(394)	2,615	**3,182**
	1,761	1,089	11,160	**14,010**
Write-offs and other movements	(403)	(29)	(8,355)	**(8,787)**
Loss allowance, at December 31, 2025	**4,751**	**4,538**	**14,568**	**23,857**

Consolidated

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	10,596	3,483	25,167	39,246
Impact of merger	160	268	1,470	1,898
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,030	989
Transfer from Stage 2	87	(2,028)	166	(1,775)
Transfer from Stage 3	17	4	(148)	(127)
New financial assets originated	6,189	-	-	6,189
Financial assets derecognized during the year	(1,500)	(749)	(2,720)	(4,969)
Changes in assumptions and other movements in provision	(3,197)	(309)	(3,184)	(6,690)
	(2,955)	(1,572)	(1,856)	(6,383)
Write-offs and other movements	(2,080)	(20)	(1,084)	(3,184)
Loss allowance, at December 31, 2024	5,721	2,159	23,697	31,577

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	4,890	3,242	10,096	18,228
Impact of merger	306	53	963	1,322
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(2,530)	2,491	7,020	6,981
Transfer from Stage 2	114	(1,745)	2,401	770
Transfer from Stage 3	7	55	(509)	(447)
New financial assets originated	3,076	-	-	3,076
Financial assets derecognized during the year	(449)	(166)	(816)	(1,431)
Changes in assumptions and other movements in provision	(1,150)	(414)	3,691	2,127
	(932)	221	11,787	11,076
Write-offs and other movements	63	(20)	(8,144)	(8,101)
Loss allowance, at December 31, 2024	4,327	3,496	14,702	22,525

Parent

Corporate and SME loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	10,767	3,483	25,164	39,414
Impact of merger	160	268	1,452	1,880
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(4,551)	1,510	4,029	988
Transfer from Stage 2	87	(2,028)	166	(1,775)
Transfer from Stage 3	17	4	(148)	(127)
New financial assets originated	6,188	-	-	6,188
Financial assets derecognized during the year	(1,500)	(749)	(2,719)	(4,968)
Changes in assumptions and other movements in provision	(3,193)	(309)	(3,176)	(6,678)
	(2,952)	(1,572)	(1,848)	(6,372)
Write-offs and other movements	(2,074)	(20)	(1,083)	(3,177)
Loss allowance, at December 31, 2024	5,901	2,159	23,685	31,745

Retail loans	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
		(In Millions of Pesos)		
Loss allowance, at January 1, 2024	4,135	3,229	8,271	15,635
Impact of merger	298	52	833	1,183
Provision for credit losses for the year				
Transfers:				
Transfer from Stage 1	(1,119)	2,475	4,685	6,041
Transfer from Stage 2	113	(1,591)	2,142	664
Transfer from Stage 3	7	54	(475)	(414)
New financial assets originated	1,441	-	-	1,441
Financial assets derecognized during the year	(161)	(165)	(696)	(1,022)
Changes in assumptions and other movements in provision	(1,421)	(557)	3,153	1,175
	(1,140)	216	8,809	7,885
Write-offs and other movements	100	(19)	(6,150)	(6,069)
Loss allowance, at December 31, 2024	3,393	3,478	11,763	18,634

Critical accounting estimate - Measurement of expected credit loss for loans and advances

The measurement of the expected credit loss (ECL) for loans and advances is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses). The explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 30.3.2.2.

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as:

- determining criteria for SICR;
- choosing appropriate models and assumptions for the measurement of ECL;
- establishing the number and relative weightings of forward-looking scenarios for each type of product and the associated ECL;
- establishing groups of similar financial assets for the purposes of measuring ECL; and
- for individually credit-impaired loans, assessing recoverability through future cash flows or through foreclosure of collateral.

Forward-looking information incorporated in the ECL models

Three distinct macroeconomic scenarios (baseline, upside and downside) are considered in the BPI Group's estimation of expected credit losses in Stage 1 and Stage 2. These scenarios are based on assumptions supported by economic theories and historical experience. The downside scenario reflects a negative macroeconomic event occurring within the forecast period. The probability of each scenario is determined using expert judgment and recession probability tools provided by reputable external service providers. The baseline case incorporates the BPI Group's outlook both for the domestic and global economy. The upside and downside scenarios take into account certain adjustments that will lead to a positive or negative economic outcome, respectively.

Other forward-looking considerations not otherwise incorporated within the above scenarios, such as the impact of any climate, regulatory, legislative or political changes is likewise considered as post-model adjustments, if material.

The BPI Group has performed historical analyses and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The most significant assumptions used for the ECL estimate are set out below. The scenarios "base", "upside" and "downside" were used for all portfolios.

At December 31, 2025

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	4.4	5.9	6.1	6.6	1.8	3.1
Inflation rate (%)	3.0	3.1	2.6	2.4	8.0	8.2
BVAL 5Y (%)	6.0	5.8	5.1	4.9	11.3	11.1
US federal funds rate	3.7	3.0	2.6	2.0	10.1	9.5
Exchange rate	59.540	63.660	59.060	61.073	65.070	80.788

At December 31, 2024

	Base Scenario		Upside Scenario		Downside Scenario	
	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)	Next 12 Months	2 to 5 years (Average)
Real GDP growth (%)	7.2	7.3	7.2	7.3	0.2	2.3
Inflation rate (%)	3.6	3.3	2.4	2.1	10.0	9.8
BVAL 5Y (%)	5.7	5.3	4.0	3.5	9.2	8.8
US federal funds rate	3.9	3.8	2.2	2.0	7.4	7.3
Exchange rate	57.500	60.433	54.686	52.006	63.996	83.640

Sensitivity analysis

The loan portfolios have different sensitivities to movements in MEVs, so the above three scenarios have varying impact on the expected credit losses of the BPI Group's portfolios. The allowance for impairment is calculated as the weighted average of expected credit losses under the baseline, upside and downside scenarios. The impact of weighting these multiple scenarios was an increase in the allowance for impairment of BPI Group by P591 million as at December 31, 2025 from the baseline scenario (2024 - P1,036 million).

Transfers between stages

Transfers from Stage 1 and Stage 2 are based on the assessment of SICR from initial recognition. The impact of moving from 12 month expected credit losses to lifetime expected credit losses, or vice versa, varies by product and is dependent on the expected remaining life at the date of the transfer. Stage transfers may result in significant fluctuations in expected credit losses. Assuming all Stage 2 accounts are considered as Stage 1, allowance for impairment for BPI Group would have decreased by P3,191 million as at December 31, 2025 (2024 - P1,664 million).

26.1.6 Concentrations of risks of financial assets with credit risk exposure

The BPI Group's main credit exposure at their carrying amounts, as categorized by industry sectors follow:

Consolidated (December 31, 2025)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	**Total**
	(In Millions of Pesos)								
Financial and insurance activities	106,344	38,211	35,521	4,675	22,871	12,557	260,209	-	**480,388**
Real estate activities	-	-	-	51	3,128	6,051	586,577	-	**595,807**
Manufacturing	-	-	-	-	7,723	4,038	290,069	-	**301,830**
Consumer	-	-	-	585	2,131	411	391,727	-	**394,854**
Transportation, storage and communications	-	-	-	-	4,372	9,331	78,380	-	**92,083**
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	6,741	14,016	322,363	-	**343,120**
Electricity, gas, steam and air-conditioning supply	-	-	-	-	392	2,527	262,261	-	**265,180**
Others*	-	-	-	79,744	234,878	304,247	432,279	5,411	**1,056,559**
Allowance	-	-	(41)	-	-	(33)	(56,734)	(1,939)	**(58,747)**
At December 31, 2025	**106,344**	**38,211**	**35,480**	**85,055**	**282,236**	**353,145**	**2,567,131**	**3,472**	**3,471,074**

**Others include government, information and communication, construction, utilities and mining and quarrying.*

Consolidated (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
	(In Millions of Pesos)								
Financial and insurance activities	164,571	72,060	16,758	25,350	45,393	12,670	241,549	-	578,351
Real estate activities	-	-	-	12	329	4,180	521,509	-	526,030
Manufacturing	-	-	-	263	3,523	4,802	324,932	-	333,520
Consumer	-	-	-	-	983	1,311	305,299	-	307,593
Transportation, storage and communications	-	-	-	21	1,977	9,429	247,634	-	259,061
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	253,819	-	262,529
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,125	-	206,569
Others*	-	-	-	20,890	207,838	287,414	211,000	5,405	732,547
Allowance	-	-	(43)	-	-	(116)	(54,102)	(1,435)	(55,696)
At December 31, 2024	164,571	72,060	16,715	46,957	264,358	343,108	2,238,765	3,970	3,150,504

**Others include government, information and communication, construction, utilities and mining and quarrying.*

Parent Bank (December 31, 2025)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	**Total**
					(In Millions of Pesos)				
Financial and insurance activities	89,303	34,007	34,950	370	22,480	11,674	260,201	-	**452,985**
Real estate activities	-	-	-	51	3,128	6,051	584,555	-	**593,785**
Manufacturing	-	-	-	-	7,723	2,802	287,108	-	**297,633**
Consumer	-	-	-	585	2,131	291	345,900	-	**348,907**
Transportation, storage and communications	-	-	-	-	4,372	7,563	78,001	-	**89,936**
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	-	6,741	12,976	309,616	-	**329,333**
Electricity, gas, steam and air-conditioning supply	-	-	-	-	392	2,527	262,176	-	**265,095**
Others*	-	-	-	76,239	230,563	301,997	423,925	6,979	**1,039,703**
Allowance	-	-	(41)	-	-	(33)	(51,007)	(1,870)	**(52,951)**
At December 31, 2025	**89,303**	**34,007**	**34,909**	**77,245**	**277,530**	**345,848**	**2,500,475**	**5,109**	**3,364,426**

**Others include government, information and communication, construction, utilities and mining and quarrying.*

Parent Bank (December 31, 2024)

	Due from BSP	Due from other banks	Interbank loans receivable and SPAR, net	Financial assets at FVTPL	Financial assets at FVOCI	Investment securities at amortized cost, net	Loans and advances, net	Other financial assets, net	Total
					(In Millions of Pesos)				
Financial and insurance activities	161,247	68,439	9,136	21,962	45,393	11,477	241,539	-	559,193
Real estate activities	-	-	-	12	329	4,180	519,857	-	524,378
Manufacturing	-	-	-	210	3,523	3,475	323,052	-	330,260
Consumer	-	-	-	-	983	118	270,573	-	271,674
Transportation, storage and communications	-	-	-	21	1,977	9,429	246,267	-	257,694
Wholesale and retail trade, repair of motor vehicle, motorcycle	-	-	-	77	3,439	5,194	242,807	-	251,517
Electricity, gas, steam and air-conditioning supply	-	-	-	344	876	18,224	187,023	-	206,467
Others*	-	-	-	17,131	204,314	284,219	206,189	7,545	719,398
Allowance	-	-	(43)	-	-	(83)	(50,379)	(1,359)	(51,864)
At December 31, 2024	161,247	68,439	9,093	39,757	260,834	336,233	2,186,928	6,186	3,068,717

**Others include government, information and communication, construction, utilities and mining and quarrying.*

26.1.7 Provision for (reversal of) credit and impairment losses

The BPI Group's provision for (reversal of) credit and impairment losses are attributable to the following accounts:

		Consolidated			Parent		
	Notes	2025	2024	2023	2025	2024	2023
				(In Millions of Pesos)			
Loans and advances	10	16,951	4,693	3,940	12,106	1,513	2,164
Assets held for sale		(142)	837	(222)	(140)	837	(223)
Interbank loans receivable and SPAR	5	-	7	3	-	7	3
Investment securities at amortized cost	9	(74)	56	20	(41)	56	20
Undrawn loan commitments		402	(57)	198	402	(57)	198
Impairment on equity investment	12	-	-	-	-	28	-
Accounts receivable	14	810	689	34	558	639	12
Other assets	14	(197)	375	27	142	405	28
		17,750	6,600	4,000	13,027	3,428	2,202

26.2 Market risk

The BPI Group is exposed to market risk - the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk management in BPI covers managing exposures to trading risk, foreign exchange risk, and interest rate risk in the banking book.

Market risk management is incumbent on the BOD through the RMC. At the management level, the BPI Group's market risk exposures are managed by the RMO, headed by the Parent Bank's CRO who reports directly to the RMC. In order to effectively manage market risk, the Bank has well established policies and procedures approved by the RMC and confirmed by the Executive Committee/BOD. In addition, the Internal Audit is responsible for the independent review of risk assessment measures and procedures and the control environment.

The BPI Group reviews and controls market risk exposures of both its trading and non-trading portfolios. Trading portfolios include those positions arising from BPI's market-making and risk-taking activities. The BPI Group also has derivatives exposures in interest rate swaps, currency swaps and structured notes as part of its trading and position taking activities. Non-trading portfolios include positions arising from core banking activities, which includes the BPI Group's retail and commercial banking assets and liabilities.

Value-at-Risk (VaR) measurement is an integral part of the BPI Group's market risk control system. This metric is estimated at 99% confidence level, the maximum loss that a trading portfolio may incur over a trading day. This metric indicates as well that there is 1% statistical probability that the trading portfolios' actual loss would be greater than the computed VaR. To ensure model soundness, the VaR is periodically subject to model validation and back testing. VaR is supplemented by other risk metrics and measurements that would provide preliminary signals to Treasury and to Management to assess the vulnerability of BPI Group's positions. To control the risk, the RMC sets risk limits for trading portfolios which are consistent with the BPI Group's goals, objectives, risk appetite, and strategies.

Stress tests indicate the potential losses that could arise in extreme conditions that would have adverse effect to the BPI Group's positions. The BPI Group periodically performs price stress testing to assess the BPI Group's condition on assumed stress scenarios. Contingency plans are frequently reviewed to ensure the BPI Group's preparedness in the event of real stress. Results of stress tests are reviewed by Senior Management and by the RMC.

The average daily VaR for the trading portfolios are as follows:

	Consolidated		**Parent**	
	2025	2024	**2025**	2024
		(In Millions of Pesos)		
Local fixed-income	**73**	66	**65**	62
Foreign fixed-income	**234**	182	**206**	167
Foreign exchange	**294**	186	**185**	107
Derivatives	**79**	46	**79**	46
Equity securities	**21**	24	**-**	-
Mutual fund	**13**	20	**-**	-
	714	524	**535**	382

26.2.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates. It arises on financial instruments that are denominated in a foreign currency other than the functional currency which they are measured.

The BPI Group takes on exposure to the effects of fluctuations in the prevailing exchange rates on its foreign currency financial position and cash flows. The table below summarizes the BPI Group's exposure to more material foreign currency exchange rate risk primarily in USD, shown in their Peso equivalent at December 31:

Consolidated

	2025			2024		
	USD	Others*	**Total**	USD	Others*	Total
			(In Millions of Pesos)			
Financial assets						
Cash and other cash items	3,303	440	**3,743**	3,363	246	3,609
Due from other banks	19,832	9,993	**29,825**	36,067	25,860	61,927
Interbank loans receivable and SPAR	245	32,219	**32,464**	20	5,957	5,977
Financial assets at FVTPL	22,745	2,957	**25,702**	8,278	2,461	10,739
Financial assets at FVOCI - debt securities	79,578	5,467	**85,045**	67,176	1,164	68,340
Investment securities at amortized cost	119,619	1,156	**120,775**	119,096	1,347	120,443
Loans and advances, net	173,358	12,994	**186,352**	130,881	11,561	142,442
Other financial assets	6	13	**19**	302	1	303
Total financial assets	**418,686**	**65,239**	**483,925**	365,183	48,597	413,780
Financial liabilities						
Deposit liabilities	281,831	60,696	**342,527**	283,061	42,803	325,864
Due to BSP and other banks	2,547	-	**2,547**	2,225	-	2,225
Derivative financial liabilities	493	1,612	**2,105**	1,127	1,865	2,992
Bills payable and other borrowed funds	132,902	2,065	**134,967**	85,128	-	85,128
Manager's checks and demand drafts outstanding	149	3	**152**	200	-	200
Accounts payable	(359)	16	**(343)**	404	3	407
Other financial liabilities	309	-	**309**	1,208	183	1,391
Total financial liabilities	**417,872**	**64,392**	**482,264**	373,353	44,854	418,207
Net on-balance sheet position	**814**	**847**	**1,661**	(8,170)	3,743	(4,427)

**Others category includes financial instruments denominated in JPY, EUR and GBP.*

Parent Bank

	2025			2024		
	USD	Others*	**Total**	USD	Others*	Total
			(In Millions of Pesos)			
Financial assets						
Cash and other cash items	3,303	440	**3,743**	3,363	246	3,609
Due from other banks	19,518	9,988	**29,506**	35,601	25,851	61,452
Interbank loans receivable and SPAR	-	31,891	**31,891**	-	5,859	5,859
Financial assets at FVTPL	20,678	2,088	**22,766**	6,811	1,930	8,741
Financial assets at FVOCI - debt securities	78,921	5,467	**84,388**	66,489	1,164	67,653
Investment securities at amortized cost	114,807	-	**114,807**	113,563	-	113,563
Loans and advances, net	166,524	12,641	**179,165**	127,212	10,974	138,186
Other financial assets	6	12	**18**	302	-	302
Total financial assets	**403,757**	**62,527**	**466,284**	353,341	46,024	399,365
Financial liabilities						
Deposit liabilities	280,101	52,236	**332,337**	281,433	38,304	319,737
Due to BSP and other banks	2,547	-	**2,547**	2,225	-	2,225
Derivative financial liabilities	465	1,612	**2,077**	1,066	1,866	2,932
Bills payable and other borrowed funds	132,608	2,065	**134,673**	85,028	-	85,028
Manager's checks and demand drafts outstanding	149	3	**152**	200	-	200
Accounts payable	(372)	16	**(356)**	401	3	404
Other financial liabilities	309	-	**309**	1,186	168	1,354
Total financial liabilities	**415,807**	**55,932**	**471,739**	371,539	40,341	411,880
Net on-balance sheet position	**(12,050)**	**6,595**	**(5,455)**	(18,198)	5,683	(12,515)

**Others category includes financial instruments denominated in JPY, EUR and GBP.*

Presented below is a sensitivity analysis demonstrating the impact on pre-tax income of reasonably possible change in the exchange rate between US Dollar and Philippine Peso. The fluctuation rate is based on the historical movement of US Dollar against the Philippine Peso year on year.

Year	Change in currency	Effect on pre-tax income	
		Consolidated	**Parent**
		(In millions of Pesos)	
2025	**+/- 1.78%**	**+/- 14**	**-/+ 214**
2024	+/- 1.99%	-/+ 163	-/+ 362

26.2.2 Interest rate risk

Interest rate risk is the risk that cash flows or fair value of a financial instrument will fluctuate due to movements in market interest rates.

Interest Rate Risk in the Banking Book (IRRBB)

IRRBB is the current and prospective risk to the BPI Group's capital and earnings arising from the adverse movements in interest rates that affect its banking book positions (core banking activities). The BPI Group is exposed to interest rate risk arising from financial assets and liabilities that have different maturities and repricing schedules and are re-priced taking into account the prevailing market interest rates. Excessive levels of interest rate risks in the banking book can pose a significant threat to the BPI Group's earnings and capital base.

The BPI Group employs two methods to measure the potential impact of interest rate risk in the banking book: (i) one that focuses on the impact on economic value of the future cash flows in the banking book due to changes in interest rates - Balance Sheet VaR (BSVaR), and (ii) one that focuses on the potential deterioration in net interest earnings - Earnings-at-Risk (EaR). The RMC sets limits on the two interest rate risk metrics which are monitored daily by the Market and Liquidity Risk Management Division of the RMO. The EaR and BSVaR are built on the interest rate/repricing gap profile of the bank.

The interest rate gap is the difference between the amount of interest rate sensitive assets and liabilities and off-balance sheet items. It distributes the balance sheet accounts according to their contractual maturity if fixed, or repricing date if floating. For accounts that do not have defined maturity or repricing schedules (i.e., non-maturity deposits), and accounts with embedded optionality (i.e., time deposit pretermination, fixed-rate loan prepayment), historical patterns/behaviors are utilized and assessed to determine their expected repricing schedules. These behavioral assumptions are derived from historical customer behavior and are regularly back tested to ensure accuracy and propriety of these assumptions. Interest rate derivatives are used to hedge banking book interest rate exposures, and these are also included in the repricing gap analysis.

Earnings-at-Risk (EaR)

The EaR is built on the repricing profile of the BPI Group and considers principal payments only. The BPI Group projects interest inflows from its financial assets and interest outflows from its financial liabilities in the next 12 to 36 months as earnings are affected when interest rates move against the BPI Group's position. In determining the appropriate rate shocks in calculating EaR, the daily year-on-year change in rates is determined using the parametric approach at 99% confidence level. The Parent Bank uses more than ten years' worth of data in deriving the rate shocks. As at December 31, 2025, the net interest income impact of movement in interest rates will result in an increase of P5,385 million (2024 - P2,695 million) for the whole BPI Group and an increase of P5,438 million (2024 - P2,812 million) for the Parent Bank over a short-term (12-month) horizon. Likewise, the net interest income impact of movement in interest rates over the medium-term (36-month) horizon will result in an increase of P24,307 million (2024 - P15,062 million) for the whole BPI Group and an increase of P24,204 million (2024 - P15,212 million) for the Parent Bank.

Balance Sheet Value at Risk (BSVaR)

The BSVaR model is also built on repricing gap or the difference between the amount of rate-sensitive financial assets and liabilities which considers both principal and interest payments. It measures the deterioration in the economic/present value of the BPI Group's expected net cash flows due to adverse interest rate movements. In determining the appropriate rate shocks in calculating BSVaR, the adverse daily year-on-year change in rates is determined using the historical approach for the past one year at 99% confidence level. As at December 31, 2025, the average monthly BSVaR for the banking book stood at P12,824 million (2024 - P12,966 million) for the whole BPI Group and P12,374 million (2024 - P12,290 million) for the Parent Bank.

The IRRBB levels are closely monitored against RMC-approved limits and results are reported and discussed regularly at the Management level through the Asset and Liability Committee (ALCO) and at the Board level through the RMC. The BPI Group manages interest rate exposures related to its assets and liabilities through a transfer-pricing system administered by Treasury. Investment securities and interest rate derivatives are also used to hedge interest rate risk and manage repricing gaps in the balance sheet.

The BPI Group also conducts price stress tests in the banking book and EaR stress tests utilizing a variety of interest rate shock scenarios to identify the impact of adverse movements in interest rates on the BPI Group's economic value and earnings. The design of the price and EaR stress tests include the following:

- Internal rate shocks scenarios including extreme yet plausible historical stressed events, curve shifting (parallel up/down) and twisting (steepening and flattening yield curves), and forward-looking scenarios; and
- Other rate shocks as prescribed by Basel.

The interest rate shocks applied are calibrated for all major currencies in which the BPI Group has significant positions. The BPI Group also conducts Uniform Stress Testing in accordance with the prescribed scenarios of the BSP.

The results of the stress test are reported to the RMC and Senior Management and are integrated into the overall risk management framework of the BPI Group.

The BPI Group has established comprehensive risk management framework (e.g., policies, procedures, risk limits structures) supported by a robust risk management system. Furthermore, the risk management process, including its various components, is subject to periodic independent review (i.e. internal audit and model validation) and consistently calibrated to ensure accuracy, relevance, propriety and timeliness of data and assumptions employed. The assumptions and parameters used in building these metrics are properly documented. Any changes in the methodology and assumptions used are duly approved by the Chief Risk Officer and noted by the RMC.

The table below summarizes the BPI Group's exposure to interest rate risk, categorized by the earlier of contractual repricing or maturity dates.

Consolidated (December 31, 2025)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	**Total**
	(In Millions of Pesos)				
As at December 31, 2025					
Financial Assets					
Cash and other cash items	-	-	-	53,018	**53,018**
Due from BSP	-	-	-	106,344	**106,344**
Due from other banks	-	-	-	38,211	**38,211**
Interbank loans receivable and SPAR	-	-	-	35,480	**35,480**
Financial assets at FVTPL	145	184	452	84,274	**85,055**
Financial assets at FVOCI	-	-	-	282,236	**282,236**
Investment securities at amortized cost	-	-	-	353,145	**353,145**
Loans and advances, net	1,568,287	292,751	316,301	389,792	**2,567,131**
Other financial assets	-	-	-	3,472	**3,472**
Total financial assets	**1,568,432**	**292,935**	**316,753**	**1,345,972**	**3,524,092**
Financial Liabilities					
Deposit liabilities	1,645,460	497,064	696,001	-	**2,838,525**
Due to BSP and other banks	-	-	-	3,151	**3,151**
Derivative financial liabilities	26	140	245	3,287	**3,698**
Bills payable and other borrowed funds	-	17,592	-	205,841	**223,433**
Manager's checks and demand drafts outstanding	-	-	-	10,460	**10,460**
Lease liabilities	-	-	-	9,989	**9,989**
Other financial liabilities	-	-	-	14,773	**14,773**
Total financial liabilities	**1,645,486**	**514,796**	**696,246**	**247,501**	**3,104,029**
Total interest gap	**(77,054)**	**(221,861)**	**(379,493)**	**1,098,471**	**420,063**

Consolidated (December 31, 2024)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	Total
	(In Millions of Pesos)				
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,762	49,762
Due from BSP	-	-	-	164,571	164,571
Due from other banks	-	-	-	72,060	72,060
Interbank loans receivable and SPAR	-	-	-	16,715	16,715
Financial assets at FVTPL	161	720	879	45,197	46,957
Financial assets at FVOCI	-	-	-	264,358	264,358
Investment securities at amortized cost	-	-	-	343,108	343,108
Loans and advances, net	1,332,408	291,669	313,924	300,764	2,238,765
Other financial assets	-	-	-	3,970	3,970
Total financial assets	1,332,569	292,389	314,803	1,260,505	3,200,266
Financial Liabilities					
Deposit liabilities	1,465,575	458,825	690,402	-	2,614,802
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,903	4,976
Bills payable and other borrowed funds	-	-	-	163,182	163,182
Manager's checks and demand drafts outstanding	-	-	-	9,941	9,941
Lease liabilities	-	-	-	9,824	9,824
Other financial liabilities	-	-	-	9,865	9,865
Total financial liabilities	1,465,740	459,163	690,972	199,850	2,815,725
Total interest gap	(133,171)	(166,774)	(376,169)	1,060,655	384,541

Parent Bank (December 31, 2025)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	**Total**
	(In Millions of Pesos)				
As at December 31, 2025					
Financial Assets					
Cash and other cash items	-	-	-	52,159	**52,159**
Due from BSP	-	-	-	89,303	**89,303**
Due from other banks	-	-	-	34,007	**34,007**
Interbank loans receivable and SPAR	-	-	-	34,909	**34,909**
Financial assets at FVTPL	145	184	452	76,464	**77,245**
Financial assets at FVOCI	-	-	-	277,530	**277,530**
Investment securities at amortized cost	-	-	-	345,848	**345,848**
Loans and advances, net	1,560,500	292,372	315,296	332,307	**2,500,475**
Other financial assets	-	-	-	5,109	**5,109**
Total financial assets	**1,560,645**	**292,556**	**315,748**	**1,247,636**	**3,416,585**
Financial Liabilities					
Deposit liabilities	1,584,125	492,777	689,594	-	**2,766,496**
Due to BSP and other banks	-	-	-	3,151	**3,151**
Derivative financial liabilities	26	140	245	3,256	**3,667**
Bills payable and other borrowed funds	-	17,592	-	205,547	**223,139**
Manager's checks and demand drafts outstanding	-	-	-	10,459	**10,459**
Lease liabilities	-	-	-	8,846	**8,846**
Other financial liabilities	-	-	-	12,999	**12,999**
Total financial liabilities	**1,584,151**	**510,509**	**689,839**	**244,258**	**3,028,757**
Total interest gap	**(23,506)**	**(217,953)**	**(374,091)**	**1,003,378**	**387,828**

Parent Bank (December 31, 2024)

	Repricing				
	Up to 1 year	Over 1 up to 3 years	Over 3 years	Non-repricing	Total
	(In Millions of Pesos)				
As at December 31, 2024					
Financial Assets					
Cash and other cash items	-	-	-	49,136	49,136
Due from BSP	-	-	-	161,247	161,247
Due from other banks	-	-	-	68,439	68,439
Interbank loans receivable and SPAR	-	-	-	9,093	9,093
Financial assets at FVTPL	162	720	879	37,996	39,757
Financial assets at FVOCI	-	-	-	260,834	260,834
Investment securities at amortized cost	-	-	-	336,233	336,233
Loans and advances, net	1,327,577	291,348	313,207	254,796	2,186,928
Other financial assets	-	-	-	6,186	6,186
Total financial assets	1,327,739	292,068	314,086	1,183,960	3,117,853
Financial Liabilities					
Deposit liabilities	1,425,359	455,237	683,539	-	2,564,135
Due to BSP and other banks	-	-	-	3,135	3,135
Derivative financial liabilities	165	338	570	3,840	4,913
Bills payable and other borrowed funds	-	-	-	163,083	163,083
Manager's checks and demand drafts outstanding	-	-	-	9,935	9,935
Lease liabilities	-	-	-	8,641	8,641
Other financial liabilities	-	-	-	8,903	8,903
Total financial liabilities	1,425,524	455,575	684,109	197,537	2,762,745
Total interest gap	(97,785)	(163,507)	(370,023)	986,423	355,108

26.3 Liquidity risk

Liquidity risk is the risk that the BPI Group will be unable to meet its payment obligations associated with its financial liabilities when they fall due, and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

The BPI Group's liquidity profile is observed and monitored through its metric, the Minimum Cumulative Liquidity Gap (MCLG). The MCLG is the smallest net cumulative cash inflow (if positive) or the largest net cumulative cash outflow (if negative) over the next three (3) months. The MCLG indicates the biggest funding requirement in the short term and the degree of liquidity risk present in the current cash flow profile of the BPI Group. A red flag is immediately raised and reported to management and the RMC when the MCLG level projected over the next 3 months is about to breach the RMC-prescribed MCLG limit.

26.3.1 Liquidity risk management process

The BPI Group's liquidity management process, as carried out within the BPI Group and monitored by the RMC includes:

- day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or as borrowed by customers;
- maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- monitoring liquidity gaps and ratios against internal and regulatory requirements;
- managing the concentration and profile of debt maturities; and
- performing periodic liquidity stress testing on the BPI Group's liquidity position by assuming a faster rate of withdrawals in its deposit base.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month as these are key periods for liquidity management. The starting point for these projections is an analysis of the contractual maturity of the financial liabilities (Note 26.3.2) and the expected collection date of the financial assets. Sources of liquidity are regularly reviewed by the BPI Group to maintain a wide diversification by currency, geography, counterparty, product and term.

The BPI Group also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit.

Liquidity Coverage Ratio (LCR)

Pursuant to BSP Circular No. 905 issued in 2016, the Parent Bank is required to hold and maintain an adequate level of unencumbered High Quality Liquid Assets (HQLA) that are sufficient to meet its estimated total cash outflows over a 30 calendar-day period of liquidity stress. The LCR is the ratio of HQLAs to total net cash outflows which should be no lower than 100% on a daily basis. It is designed to promote short-term resilience of the BPI Group's liquidity risk profile to withstand significant liquidity shocks that may last over 30 calendar days. HQLA represents the Parent Bank's stock of liquid assets that qualify for inclusion in the LCR which consists mainly of cash, regulatory reserves and unencumbered high-quality liquid securities. This serves as defense against potential stress events.

The main drivers of the Parent Bank's LCR comprise the changes in the total stock of HQLA as well as changes in net cash outflows related to deposits, unsecured borrowings, committed and/or uncommitted facilities, derivatives cash flows and cash inflows from maturing corporate, business and retail loans, among others. Significant portion of funding comes from retail and wholesale deposits, and unsecured wholesale funding. The Parent Bank has derivatives exposures in foreign exchange derivatives and interest rate swaps. Cash outflows from the derivatives contracts are effectively offset by the derivatives cash inflows. These two are accorded 100% outflow and inflow factors, respectively. The exposures coming from derivatives and potential counterparty collateral calls are not significant to impact the LCR, with Parent Bank's Peso and USD LCR both well above the minimum regulatory limit of 100%. There is also no significant currency mismatch noted in the LCR.

The Parent Bank manages its liquidity position through line of business and asset-liability management activities. A centralized approach to funding and liquidity management enhances the Parent Bank's ability to monitor liquidity requirements, maximizes access to funding sources, minimizes borrowing costs and facilitates timely responses to liquidity events.

Net Stable Funding Ratio (NSFR)

On January 1, 2019, the Parent Bank adopted BSP Circular No. 1007 issued in 2018 regarding the NSFR requirement. The NSFR is aimed at strengthening the Parent Bank's long-term resilience by maintaining a stable funding in relation to its assets and off-balance sheet items as well as to limit the maturity transformation risk of the BPI Group. The NSFR is expressed as the ratio of Available Stable Funding (ASF) and the Required Stable Funding (RSF) and complements the LCR as it takes a longer view of the BPI Group's liquidity risk profile. The BPI Group's capital, retail deposits and long-term debt are considered as stable funding sources whereas the BPI Group's assets including, but not limited to, performing and non-performing loans and receivables, HQLA and non-HQLA securities as well as off-balance items form part of the required stable funding. The Parent Bank's solo and consolidated NSFRs are well-above the regulatory minimum of 100%.

The Parent Bank maintains a well-diversified funding base and has a substantial amount of core deposits, thereby avoiding undue concentrations by counterparty, maturity, and currency. The Parent Bank manages its liquidity position through asset-liability management activities supported by a well-developed funds management practice as well as a sound risk management system. As part of risk oversight, the Parent Bank monitors its liquidity risk on a daily basis, in terms of single currency and significant currencies, to ensure it is operating within the risk appetite set by the BOD and to assess ongoing compliance with the minimum requirement of the liquidity ratios. Furthermore, the Parent Bank has a set of policies and escalation procedures in place that govern its day-to-day risk monitoring and reporting processes.

The table below shows the actual liquidity metrics of the BPI Group and the Parent Bank:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Liquidity coverage ratio - Single currency	**147.89%**	159.07%	**144.05%**	156.25%
Net stable funding ratio	**133.77%**	145.70%	**132.27%**	138.97%
Leverage ratio	**11.02%**	10.75%	**10.50%**	10.15%
Total exposure measure	**3,650,628**	3,403,607	**3,521,534**	3,315,223

The decrease in the Parent Bank's LCR was driven by higher net cash outflows from deposits. Cash, reserves and due from BSP make up 18% (2024 - 27%) of the total stock of HQLA for the year ended December 31, 2025. Likewise, the Parent Bank's NSFR decreased driven by higher RSF from performing loans.

26.3.2 Maturity profile - Non-derivative financial instruments

The tables below present the maturity profile of non-derivative financial instruments based on undiscounted cash flows including future interest which the BPI Group uses to manage the inherent liquidity risk. The maturity analysis is based on the remaining period from the end of the reporting period to the contractual maturity date or, if earlier, the expected date the financial asset will be realized, or the financial liability will be settled.

Consolidated (December 31, 2025)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	**Total**
		(In Millions of Pesos)		
As at December 31, 2025				
Financial Assets				
Cash and other cash items	53,018	-	-	**53,018**
Due from BSP	106,344	-	-	**106,344**
Due from other banks	38,211	-	-	**38,211**
Interbank loans receivable and SPAR	35,271	48	426	**35,745**
Financial assets at FVTPL	60,092	7,335	15,546	**82,973**
Financial assets at FVOCI	39,167	48,577	313,184	**400,928**
Investment securities at amortized cost	83,134	176,690	148,416	**408,240**
Loans and advances	929,575	927,347	1,277,087	**3,134,009**
Other financial assets	3,472	-	-	**3,472**
Total financial assets	**1,348,284**	**1,159,997**	**1,754,659**	**4,262,940**
Financial Liabilities				
Deposit liabilities	1,684,752	504,641	697,668	**2,887,061**
Due to BSP and other banks	3,151	-	-	**3,151**
Bills payable and other borrowed funds	127,720	25,605	70,108	**223,433**
Manager's checks and demand drafts outstanding	10,460	-	-	**10,460**
Lease liabilities	2,760	4,066	4,226	**11,052**
Other financial liabilities	14,773	-	-	**14,773**
Total financial liabilities	**1,843,616**	**534,312**	**772,002**	**3,149,930**
Total maturity gap	**(495,332)**	**625,685**	**982,657**	**1,113,010**

Consolidated (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
		(In Millions of Pesos)		
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,762	-	-	49,762
Due from BSP	164,571	-	-	164,571
Due from other banks	72,060	-	-	72,060
Interbank loans receivable and SPAR	15,171	1,340	559	17,070
Financial assets at FVTPL	28,506	3,491	9,616	41,613
Financial assets at FVOCI	31,931	41,772	227,905	301,608
Investment securities at amortized cost	49,155	192,356	155,373	396,884
Loans and advances	1,136,998	722,198	524,459	2,383,655
Other financial assets	3,970	-	-	3,970
Total financial assets	1,552,124	961,157	917,912	3,431,193
Financial Liabilities				
Deposit liabilities	1,465,575	458,825	690,402	2,614,802
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	70,025	70,190	22,967	163,182
Manager's checks and demand drafts outstanding	9,941	-	-	9,941
Lease liabilities	2,459	3,931	4,234	10,624
Other financial liabilities	9,865	-	-	9,865
Total financial liabilities	1,561,000	532,946	717,603	2,811,549
Total maturity gap	(8,876)	428,211	200,309	619,644

Parent Bank (December 31, 2025)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	**Total**
		(In Millions of Pesos)		
As at December 31, 2025				
Financial Assets				
Cash and other cash items	52,159	-	-	**52,159**
Due from BSP	89,303	-	-	**89,303**
Due from other banks	34,007	-	-	**34,007**
Interbank loans receivable and SPAR	34,700	48	426	**35,174**
Financial assets at FVTPL	57,328	6,703	13,378	**77,409**
Financial assets at FVOCI	34,635	47,032	312,951	**394,618**
Investment securities at amortized cost	81,122	175,161	143,501	**399,784**
Loans and advances	908,244	881,230	1,246,410	**3,035,884**
Other financial assets	5,109	-	-	**5,109**
Total financial assets	**1,296,607**	**1,110,174**	**1,716,666**	**4,123,447**
Financial Liabilities				
Deposit liabilities	1,620,688	500,357	691,301	**2,812,346**
Due to BSP and other banks	3,151	-	-	**3,151**
Bills payable and other borrowed funds	127,426	25,605	70,108	**223,139**
Manager's checks and demand drafts outstanding	10,459	-	-	**10,459**
Lease liabilities	2,350	3,429	3,985	**9,764**
Other financial liabilities	12,999	-	-	**12,999**
Total financial liabilities	**1,777,073**	**529,391**	**765,394**	**3,071,858**
Total maturity gap	**(480,466)**	**580,783**	**951,272**	**1,051,589**

Parent Bank (December 31, 2024)

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
		(In Millions of Pesos)		
As at December 31, 2024				
Financial Assets				
Cash and other cash items	49,136	-	-	49,136
Due from BSP	161,247	-	-	161,247
Due from other banks	68,439	-	-	68,439
Interbank loans receivable and SPAR	7,550	1,340	559	9,449
Financial assets at FVTPL	25,540	2,093	8,385	36,018
Financial assets at FVOCI	29,821	40,945	227,730	298,496
Investment securities at amortized cost	47,296	191,387	150,416	389,099
Loans and advances	1,124,452	690,694	483,375	2,298,521
Other financial assets	6,186	-	-	6,186
Total financial assets	1,519,667	926,459	870,465	3,316,591
Financial Liabilities				
Deposit liabilities	1,462,979	463,771	688,044	2,614,794
Due to BSP and other banks	3,135	-	-	3,135
Bills payable and other borrowed funds	69,926	70,190	22,967	163,083
Manager's checks and demand drafts outstanding	9,935	-	-	9,935
Lease liabilities	2,149	3,348	3,775	9,272
Other financial liabilities	8,903	-	-	8,903
Total financial liabilities	1,557,027	537,309	714,786	2,809,122
Total maturity gap	(37,360)	389,150	155,679	507,469

26.3.3 Maturity profile - Derivative instruments

- *Derivatives settled on a net basis*

The BPI Group's derivatives that are settled on a net basis consist of interest rate swaps, interest rate options, non-deliverable forwards and non-deliverable swaps. The table below presents the contractual undiscounted cash flows of interest rate swaps based on the remaining period from December 31 to the contractual maturity dates that are subject to offsetting, enforceable master netting arrangements and similar agreements.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	**144**	**178**	**450**	**772**
- Outflow	**(26)**	**(140)**	**(245)**	**(411)**
- Net inflow	**118**	**38**	**205**	**361**
Interest rate swap contracts - held for hedging				
- Inflow	**-**	**-**	**7**	**7**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**7**	**7**
Interest rate options				
- Inflow	**-**	**-**	**2**	**2**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**2**	**2**
Non-deliverable forwards and swaps - held for trading				
- Inflow	**157**	**-**	**-**	**157**
- Outflow	**(37)**	**-**	**-**	**(37)**
- Net outflow	**120**	**-**	**-**	**120**

Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	**144**	**178**	**450**	**772**
- Outflow	**(26)**	**(140)**	**(245)**	**(411)**
- Net inflow	**118**	**38**	**205**	**361**
Interest rate swap contracts - held for hedging				
- Inflow	**-**	**-**	**7**	**7**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**7**	**7**
Interest rate options				
- Inflow	**-**	**-**	**2**	**2**
- Outflow	**-**	**-**	**-**	**-**
- Net outflow	**-**	**-**	**2**	**2**
Non-deliverable forwards and swaps - held for trading				
- Inflow	**157**	**-**	**-**	**157**
- Outflow	**(34)**	**-**	**-**	**(34)**
- Net outflow	**123**	**-**	**-**	**123**

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Interest rate options				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(486)	-	-	(486)
- Net outflow	(423)	-	-	(423)

Parent

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Interest rate swap contracts - held for trading				
- Inflow	162	720	878	1,760
- Outflow	(165)	(334)	(570)	(1,069)
- Net inflow	(3)	386	308	691
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	(4)	-	(4)
- Net outflow	-	(4)	-	(4)
Interest rate swap contracts - held for hedging				
- Inflow	-	-	-	-
- Outflow	-	-	-	-
- Net outflow	-	-	-	-
Non-deliverable forwards and swaps - held for trading				
- Inflow	63	-	-	63
- Outflow	(485)	-	-	(485)
- Net outflow	(422)	-	-	(422)

- *Derivatives settled on a gross basis*

The BPI Group's derivatives that are settled on a gross basis include foreign exchange derivatives mainly currency forwards and currency swaps and warrants. The table below presents the contractual undiscounted cash flows of foreign exchange derivatives based on the remaining period from reporting date to the contractual maturity dates.

Consolidated

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	**3,247**	**174**	**140**	**3,561**
- Outflow	**(3,142)**	**(25)**	**(83)**	**(3,250)**
- Net inflow	**105**	**149**	**57**	**311**
Warrants				
- Inflow	**-**	**-**	**-**	**-**
- Outflow	**-**	**-**	**-**	**-**
- Net inflow	**-**	**-**	**-**	**-**

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	3,883	112	36	4,031
- Outflow	(3,398)	(4)	(15)	(3,417)
- Net inflow	485	108	21	614
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

Parent Bank

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2025		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	**3,228**	**174**	**141**	**3,543**
- Outflow	**(3,114)**	**(25)**	**(83)**	**(3,222)**
- Net inflow	**114**	**149**	**58**	**321**
Warrants				
- Inflow	**-**	**-**	**-**	**-**
- Outflow	**-**	**-**	**-**	**-**
- Net inflow	**-**	**-**	**-**	**-**

	Up to 1 year	Over 1 up to 3 years	Over 3 years	Total
2024		(In Millions of Pesos)		
Foreign exchange derivatives - held for trading				
- Inflow	3,860	112	36	4,008
- Outflow	(3,336)	(4)	(15)	(3,355)
- Net inflow	524	108	21	653
Warrants				
- Inflow	-	-	2	2
- Outflow	-	-	-	-
- Net inflow	-	-	2	2

26.4 Fair value measurement

The following tables present the carrying value of assets and liabilities and the level of fair value hierarchy within which the fair value measurements are categorized:

26.4.1 Assets and liabilities measured at fair value on a recurring or non-recurring basis

Consolidated (December 31, 2025)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	4,499	-	4,499	-	**4,499**
Trading assets					
- Debt securities	80,556	80,556	-	-	**80,556**
- Equity securities	219	63	156	-	**219**
Financial assets at FVOCI					
- Debt securities	282,236	282,236	-	-	**282,236**
- Equity securities	3,131	1,687	323	1,121	**3,131**
	370,641	**364,542**	**4,978**	**1,121**	**370,641**
Financial liabilities					
Derivative financial liabilities	3,698	-	3,698	-	**3,698**
Non-recurring measurements					
Assets held for sale, net	12,417	-	31,222	-	**31,222**

Consolidated (December 31, 2024)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,856	-	5,856	-	5,856
Trading assets					
- Debt securities	41,101	41,101	-	-	41,101
- Equity securities	351	351	-	-	351
Financial assets at FVOCI					
- Debt securities	264,358	264,358	-	-	264,358
- Equity securities	3,844	2,293	399	1,152	3,844
	315,510	308,103	6,255	1,152	315,510
Financial liabilities					
Derivative financial liabilities	4,976	-	4,976	-	4,976
Non-recurring measurements					
Assets held for sale, net	8,411	-	25,956	-	25,956

Parent Bank (December 31, 2025)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	4,481	-	4,481	-	**4,481**
Trading assets					
- Debt securities	72,764	72,764	-	-	**72,764**
- Equity securities	-	-	-	-	**-**
Financial assets at FVOCI					
- Debt securities	277,530	277,530	-	-	**277,530**
- Equity securities	1,824	1,509	315	-	**1,824**
	356,599	**351,803**	**4,796**	**-**	**356,599**
Financial liabilities					
Derivative financial liabilities	**3,667**	**-**	**3,667**	**-**	**3,667**
Non-recurring measurements					
Assets held for sale, net	**12,164**	**-**	**30,735**	**-**	**30,735**

Parent Bank (December 31, 2024)

	Carrying Amount	Fair value			
		Level 1	Level 2	Level 3	Total
Recurring measurements:			(In Millions of Pesos)		
Financial assets					
Financial assets at FVTPL					
Derivative financial assets	5,833	-	5,833	-	5,833
Trading assets					
- Debt securities	33,924	33,924	-	-	33,924
- Equity securities	-		-	-	-
Financial assets at FVOCI					
- Debt securities	260,834	260,834	-	-	260,834
- Equity securities	2,378	2,378	-	-	2,378
	302,969	297,136	5,833	-	302,969
Financial liabilities					
Derivative financial liabilities	4,913	-	4,913	-	4,913
Non-recurring measurements					
Assets held for sale, net	8,154	-	25,470	-	25,470

The table below shows the valuation techniques and applicable unobservable inputs used to measure the BPI Group's Level 3 financial instruments (equities classified at FVOCI) as at December 31:

Description	Valuation technique	Unobservable inputs	Amount	
			2025	2024
Unlisted equity securities	Net asset value; investment multiple	Net asset value; investment multiple	1,121	1,162

The investment valuation sensitivity of the underlying portfolio investee company is mainly impacted by the movement in net asset value and investment multiple. At December 31, 2025, if the net asset value and investment had increased/decreased by 1% with all other variables held constant, net income and equity as at and for the year ended December 31, 2025 would have been P8.41 million (2024 - P8.71 million) higher/lower.

There were no transfers between the fair value hierarchy levels during the years ended December 31, 2025 and 2024.

26.4.2 Fair value disclosures of assets and liabilities not measured at fair value

Consolidated (December 31, 2025)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	53,018	-	53,018	-	**53,018**
Due from BSP	106,344	-	106,344	-	**106,344**
Due from other banks	38,211	-	38,211	-	**38,211**
Interbank loans receivable and SPAR, net	35,480	-	35,480	-	**35,480**
Investment securities at amortized cost, net	353,145	350,530	-	-	**350,530**
Loans and advances, net	2,567,131	-	-	3,269,285	**3,269,285**
Other financial assets	3,472	-	-	3,472	**3,472**
Financial liabilities					
Deposit liabilities	2,838,525	-	-	2,824,519	**2,824,519**
Due to BSP and other banks	3,151	-	3,151	-	**3,151**
Bills payable and other borrowed funds	223,433	158,261	294	64,878	**223,433**
Manager's checks and demand drafts outstanding	10,460	-	10,460	-	**10,460**
Lease liabilities	9,989	-	-	9,989	**9,989**
Other financial liabilities	14,773	-	-	14,773	**14,773**
Non-financial assets				-	
Investment properties	54	-	603	-	**603**

Consolidated (December 31, 2024)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	49,762	-	49,762	-	49,762
Due from BSP	164,571	-	164,571	-	164,571
Due from other banks	72,060	-	72,060	-	72,060
Interbank loans receivable and SPAR, net	16,715	-	16,715	-	16,715
Investment securities at amortized cost, net	343,108	328,793	-	-	328,793
Loans and advances, net	2,238,765	-	-	2,710,915	2,710,915
Other financial assets	3,970	-	-	3,970	3,970
Financial liabilities					
Deposit liabilities	2,614,802	-	-	2,593,439	2,593,439
Due to BSP and other banks	3,135	-	3,135	-	3,135
Bills payable and other borrowed funds	163,182	107,486	99	55,597	163,182
Manager's checks and demand drafts outstanding	9,941	-	9,941	-	9,941
Lease liabilities	9,824	-	-	9,824	9,824
Other financial liabilities	9,865	-	-	9,865	9,865
Non-financial assets				-	
Investment properties	62	-	472	-	472

Parent Bank (December 31, 2025)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	**Total**
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	52,159	-	52,159	-	**52,159**
Due from BSP	89,303	-	89,303	-	**89,303**
Due from other banks	34,007	-	34,007	-	**34,007**
Interbank loans receivable and SPAR, net	34,909	-	34,909	-	**34,909**
Investment securities at amortized cost, net	345,848	344,692	-	-	**344,692**
Loans and advances, net	2,500,475	-	-	3,192,682	**3,192,682**
Other financial assets	5,109	-	-	5,109	**5,109**
Financial liabilities					
Deposit liabilities	2,766,496	-	-	2,753,138	**2,753,138**
Due to BSP and other banks	3,151	-	3,151	-	**3,151**
Bills payable and other borrowed funds	223,139	158,261	-	64,878	**223,139**
Manager's checks and demand drafts outstanding	10,459	-	10,459	-	**10,459**
Lease liabilities	8,846	-	-	8,846	**8,846**
Other financial liabilities	12,999	-	-	12,999	**12,999**
Non-financial assets				-	
Investment properties	44	-	603	-	**603**

Parent Bank (December 31, 2024)

	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
			(In Millions of Pesos)		
Financial assets					
Cash and other cash items	49,136	-	49,136	-	49,136
Due from BSP	161,247	-	161,247	-	161,247
Due from other banks	68,439	-	68,439	-	68,439
Interbank loans receivable and SPAR, net	9,093	-	9,093	-	9,093
Investment securities at amortized cost, net	336,233	320,711	-	-	320,711
Loans and advances, net	2,186,696	-	-	2,655,343	2,655,343
Other financial assets	6,186	-	-	6,186	6,186
Financial liabilities					
Deposit liabilities	2,564,135	-	-	2,543,600	2,543,600
Due to BSP and other banks	3,135	-	3,135	-	3,135
Bills payable and other borrowed funds	163,083	107,486	-	55,597	163,083
Manager's checks and demand drafts outstanding	9,935	-	9,935	-	9,935
Lease liabilities	8,641	-	-	8,641	8,641
Other financial liabilities	8,903	-	-	8,903	8,903
Non-financial assets					
Investment properties	62	-	472	-	472

The fair value of the above financial assets classified within the Level 2 hierarchy is determined using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The primary source of input parameters like yield curve or counterparty credit risk is Bloomberg.

The fair value of the above financial assets classified within the Level 3 hierarchy is determined using valuation techniques that incorporate significant unobservable inputs. The estimated fair values are determined based on the discounted amount of estimated future cash flows expected to be received or paid.

26.5 Insurance risk management

The non-life insurance entities decide on the retention, or the absolute amount that they are ready to assume insurance risk from one event. The retention amount is a function of capital, experience, actuarial study and risk appetite or aversion.

In excess of the retention, these entities arrange reinsurances either thru treaties or facultative placements. They also accredit reinsurers based on certain criteria and set limits as to what can be reinsured. The reinsurance treaties and the accreditation of reinsurers require BOD's approval.

The insurance risk is not material to the BPI Group as a whole. Refer to Note 2 for assets and liabilities attributable to insurance operations.

27 Capital management

Capital management is understood to be a facet of risk management. The primary objective of the BPI Group is the generation of sustainable positive returns to shareholders. To this end, the BPI Group's policies, business strategies and activities are directed towards the generation of cash flows that are in excess of its fiduciary and contractual obligations to its depositors, and to its various funders and stakeholders.

Cognizant of its exposure to risks, the BPI Group maintains sufficient capital to absorb unexpected losses, stay in business for the long haul, and satisfy regulatory requirements. The BPI Group further understands that its performance, as well as the performance of its various units, should be measured in terms of returns generated vis-à-vis allocated capital and the amount of risk borne in the conduct of business.

Effective January 1, 2014, the BSP, through its Circular No. 781, requires each bank and its financial affiliated subsidiaries to adopt new capital requirements in accordance with the provisions of Basel III. The new guidelines are meant to strengthen the composition of the bank's capital by increasing the level of core capital and regulatory capital. The Circular sets out minimum Common Equity (CET1) ratio and Tier 1 Capital ratios of 6.0% and 7.5%, respectively. A capital conservation buffer of 2.5%, comprised of CET1 capital, was likewise imposed. The minimum required capital adequacy ratio remains at 10% which includes the capital conservation buffer.

Information on the regulatory capital is summarized below:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
CET1	**457,741**	418,664	**457,051**	417,974
Less: Regulatory adjustments to CET1 capital	**55,445**	52,619	**87,290**	81,427
Tier 1 capital	**402,296**	366,045	**369,761**	336,547
Tier 2 capital	**23,473**	20,480	**22,345**	19,553
Total qualifying capital	**425,769**	386,525	**392,106**	356,100
Risk weighted assets	**2,886,738**	2,641,674	**2,779,205**	2,560,487
CAR (%)	**14.75%**	14.63%	**14.11%**	13.91%
CET1 (%)	**13.94%**	13.86%	**13.30%**	13.14%

The BPI Group has fully complied with the CAR requirement of the BSP.

Likewise, regulatory capital structures of certain subsidiaries on a standalone basis are managed to meet the requirements of the relevant regulatory bodies (i.e. Insurance Commission (IC), SEC, PSE etc.). These subsidiaries have fully complied with the applicable regulatory capital requirements.

As part of the reforms of the PSE to expand capital market and improve transparency among listed firms, PSE requires listed entities to maintain a minimum of ten percent (10%) of their issued and outstanding shares, exclusive of any treasury shares, held by the public. The Parent Bank is likewise fully compliant with this requirement.

28 Commitments and contingencies

At present, there are lawsuits, claims and tax assessments pending against the BPI Group. In the opinion of management, after reviewing all actions and proceedings and court decisions with legal counsels, the aggregate liability or loss, if any, arising therefrom will not have a material effect on the BPI Group's financial position or financial performance.

In the normal course of business, the BPI Group makes various commitments that may not have been presented in the financial statements. The BPI Group does not anticipate any material losses from these commitments.

29 Subsequent events

Planned merger of BPI Direct BanKo, Inc., a Savings Bank and Legazpi Savings Bank

On December 17, 2025, the BOD of the Parent Bank authorized Management to pursue plans to merge BPI Direct BanKo, Inc., A Savings Bank (BanKo) and Legazpi Savings Bank, Inc. (LSB), with BanKo as the surviving entity, subject to the consideration and approval of their respective BOD and stockholders. On January 22, 2026, the BOD of both BanKo and LSB approved the Plan for Merger, subject to shareholder and regulatory approvals.

The merger is subject to conditions precedent including obtaining corporate and regulatory approvals.

Pricing and listing of BPI SIGLA Bonds

BPI priced its P5 Billion Peso-denominated fixed-rate BPI Supporting Individuals Grow, Lead, and Achieve Bonds due 2028 (the "BPI SIGLA Bonds"), with option to upsize, marking the second tranche under BPI's P200 Billion Bond and Commercial Paper Program, approved by its Board of Directors on October 16, 2024 (the "Offer"). The BPI SIGLA Bonds were issued at par value and bear an interest rate of 5.405% per annum, gross of applicable tax, to be paid quarterly. The public offer period ran from January 26, 2026, until February 4, 2026.

The BPI SIGLA Bonds were issued and listed with the Philippine Dealing & Exchange Corp. on February 13, 2026. The BPI SIGLA Bonds have a tenor of two (2) years and carry the "ASEAN Social Bond" label, as affirmed by the Securities and Exchange Commission on December 18, 2025. The net proceeds of the Offer will be used for the financing or refinancing of eligible social projects under BPI's Sustainable Funding Framework, consistent with the ASEAN Social Bond Standards.

30 Summary of material accounting policies

The material information of the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

30.1 Basis of preparation

The financial statements of the BPI Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards comprise the following authoritative literature:

- PFRS Accounting Standards;
- PAS Standards; and
- Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), Philippine Interpretations Committee (PIC), and Standing Interpretations Committee (SIC) as approved by the Financial and Sustainability Reporting Standards Council (FSRSC) and the Board of Accountancy, and adopted by the SEC.

As allowed by the SEC, the pre-need subsidiary of the Parent Bank continues to follow the provisions of the Pre-Need Uniform Chart of Accounts (PNUCA) prescribed by the SEC and adopted by the IC.

The financial statements comprise the statements of condition, statements of income and statements of total comprehensive income shown as two statements, statements of changes in capital funds, statements of cash flows and the notes.

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at FVTPL, financial assets at FVOCI, and plan assets of the BPI Group's defined benefit plans.

The preparation of financial statements in conformity with PFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the BPI Group's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate and that the financial statements therefore fairly present the financial position and results of the BPI Group. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are shown below:

Critical accounting estimates

- Determination of fair value of derivatives and other financial instruments (Note 7)
- Useful lives of bank premises, furniture, fixtures and equipment (Note 11)
- Useful lives of intangible assets (Note 14)
- Impairment of goodwill (Note 14)
- Impairment of investments in subsidiaries and associates (Note 12)
- Calculation of defined benefit obligation (Note 23)
- Measurement of expected credit losses for loans and advances (Note 26.1.5)

Critical accounting judgments

- Classification of investment securities at amortized cost (Note 9)
- Realization of deferred income tax assets (Note 13)
- Determining the lease term (Note 20)
- Determining the incremental borrowing rate (Note 20)

30.2 Changes in accounting policy and disclosures

(a) New standard and amendments to existing standards adopted by the BPI Group

There are no new standards or amendments to existing standards effective January 1, 2025 that have a material impact to the BPI Group.

(b) New standards and amendments to existing standard not yet adopted by the BPI Group

The following new accounting standards are not mandatory for December 31, 2025 reporting period and have not been early adopted by the BPI Group:

- *PFRS 17, 'Insurance Contracts'*

  PFRS 17 was issued in May 2017 as replacement for PFRS 4, "Insurance Contracts". On March 17, 2020, the IASB has decided to further defer the effective date of the standard to annual reporting periods beginning on or after January 1, 2023. Taking into consideration the implications of the pandemic, the IC recognizes that the insurance industry has to realign its priority programs and focus on modifying its business operations under a new normal.

  Through IC-CL 2020-62, FSRSC Pronouncement dated December 21, 2021, and BOA Resolution No. 1, s. 2022, the adoption of PFRS 17 was deferred from January 1, 2023 to January 1, 2025.

  On March 10, 2025, the IC issued IC-CL 2025-04 further deferring the application of PFRS 17 effective January 1, 2027, due to gaps in the insurance industry's preparation for PFRS 17 and the need for additional time to ensure smooth transition while maintaining regulatory stability.

  PFRS 17 represents a fundamental change in the accounting framework for insurance contracts requiring liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of (1) discounted probability-weighted cash flows, (2) an explicit risk adjustment, and (3) a contractual service margin ("CSM") representing the unearned profit of the contract which is recognized as revenue over the coverage period.

  The standard allows a choice between recognizing changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under PFRS 9, "Financial instruments." An optional, simplified premium allocation approach (PAA) is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

BPI/MS, the Bank's non-life insurance subsidiary, has substantially completed its implementation plan and will apply the full retrospective approach. BPI/MS assessed that it is eligible to apply PAA. The measurement differences between PFRS 4 and PFRS 17 lead to an upside impact on net worth as at transition date which is mainly a result of the deferral of other directly attributable insurance acquisition cost, as allowed by the Standard, and the impact of discounting to the liability for incurred claims. The adoption of this standard is not expected to have a material impact to the financial statements of the BPI Group as a whole.

- *PFRS 18, 'Presentation and Disclosure in Financial Statements'*

  This is the new standard on presentation and disclosure in financial statements, which replaces PAS 1, with a focus on updates to the statement of profit or loss.

  The key new concepts introduced in PFRS 18 relate to:
  - The structure of the statement of profit or loss with defined subtotals;
  - Requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
  - Required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
  - Enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

- *PFRS 19, 'Subsidiaries without Public Accountability: Disclosures'*

  This new standard works alongside other PFRS Accounting Standards. An eligible subsidiary applies the requirements in other PFRS Accounting Standards except for the disclosure requirements; and it applies instead the reduced disclosure requirements in PFRS 19. PFRS 19's reduced disclosure requirements balance the information needs of the users of eligible subsidiaries' financial statements with cost savings for preparers. PFRS 19 is a voluntary standard for eligible subsidiaries. A subsidiary is eligible if:
  - It does not have public accountability; and
  - It has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with PFRS Accounting Standards.

- *Amendments to the Classification and Measurement of Financial Instruments – Amendments to PFRS 9 and PFRS 7*

  On May 30, 2024, the IASB issued targeted amendments to PFRS 9 Financial Instruments and PFRS 7 Financial Instruments: Disclosures to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:
  (a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
  (b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
  (c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  (d) Update the disclosures for equity instruments design.

  The adoption of PFRS 18, PRFS 19 and amendments to PFRS 9 and PFRS 7 are not expected to have a material financial effect to the financial statements of the BPI Group.

There are no other new standards, amendments to existing standards, or interpretations that are effective for annual periods beginning on or after January 1, 2026 that are considered relevant or expected to have a material effect on the financial statements of the BPI Group.

30.3 Financial instruments

30.3.1 Measurement methods

Amortized cost and effective interest rate

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortized cost before any impairment allowance) or to the amortized cost of a financial liability. The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the effective interest rate, such as origination fees. For purchased or originated credit-impaired ('POCI') financial assets - assets that are credit-impaired (see definition on Note 30.3.2.2) at initial recognition - the BPI Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortized cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows. When the BPI Group revises the estimates of future cash flows, the carrying amount of the respective financial assets or financial liability is adjusted to reflect the new estimate discounted using the original effective interest rate. Any changes are recognized in profit or loss.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets, except for:

- POCI financial assets, for which the original credit-adjusted effective interest rate is applied to the amortized cost of the financial asset.
- Financial assets that are not 'POCI' but have subsequently become credit-impaired (or 'Stage 3'), for which interest revenue is calculated by applying the effective interest rate to their amortized cost (i.e. net of the expected credit loss provision).

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the BPI Group commits to purchase or sell the asset.

At initial recognition, the BPI Group measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, as described in Note 30.3.2.1 below, which results in the loss provision being recognized in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the BPI Group recognizes the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognized as a gain or loss.
- In all other cases, the difference is deferred, and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortized over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realized through settlement.

30.3.2 Financial assets

30.3.2.1 Classification and subsequent measurement

The BPI Group classifies its financial assets in the following measurement categories: at FVTPL, FVOCI, and at amortized cost. The classification requirements for debt and equity instruments are described below:

Debt instruments

Classification and subsequent measurement of debt instruments depend on the BPI Group's business model for managing the asset and the cash flow characteristics of the asset.

Based on these factors, the BPI Group classifies its debt instruments into one of the following three measurement categories:

- *Amortized cost*

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The BPI Group's amortized cost financial assets include cash and other cash items, due from BSP, due from other banks, interbank loans receivables and SPAR, loans and advances, and other financial assets.

- *FVOCI*

  Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortized cost which are recognized in the statements of income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

- *FVTPL*

  Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in profit or loss and presented in the statements of income within "Securities trading gain" in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately.

Business model

The business model reflects how the BPI Group manages the assets in order to generate cash flows. That is, whether the BPI Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable, then the financial assets are classified and measured at FVTPL. Factors considered by the BPI Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated.

Solely Payment of Principal and Interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the BPI Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test'). In making this assessment, the BPI Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

The BPI Group reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

Equity instruments

The BPI Group subsequently measures all equity investments at FVTPL, except where the BPI Group's management has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI. The BPI Group's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognized in other comprehensive income and are not subsequently reclassified to profit or loss, even on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognized in profit or loss as 'Other operating income' when the BPI Group's right to receive payments is established. Gains and losses on equity investments at FVTPL are included in the "Securities trading gain" in the statements of income.

30.3.2.2 Impairment of amortized cost and FVOCI financial assets

The BPI Group assesses impairment as follows:

- individually for loans that exceed specified thresholds. Where there is objective evidence of impairment, individually assessed provisions will be recognized; and
- collectively for loans below the specified thresholds noted above or if there is no objective evidence of impairment. These loans are included in a group of loans with similar risk characteristics and collectively assessed for impairment. If there is objective evidence that the group of loans is collectively impaired, collectively assessed provisions will be recognized.

Expected credit losses

The BPI Group assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at amortized cost and FVOCI and with the exposure arising from loan commitments. The BPI Group recognizes a loss allowance for such losses including post-model adjustments, as applicable, at each reporting date. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

PFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarized below:

- A financial instrument that is not credit-impaired on initial recognition is classified in "Stage 1" and has its credit risk continuously monitored by the BPI Group.
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is moved to "Stage 2" but is not yet deemed to be credit-impaired. The BPI Group determines SICR based on prescribed benchmarks approved by the Board of the Directors.
- If the financial instrument is credit-impaired, the financial instrument is then moved to "Stage 3".
- Financial instruments in Stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that results from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis.
- A pervasive concept in measuring ECL in accordance with PFRS 9 is that it should consider forward-looking information both in the ECL models and post-model adjustments, as applicable.
- POCI financial assets are those financial assets that are credit impaired on initial recognition. Their ECL is always measured on a lifetime basis (Stage 3). The BPI Group has no POCI as at December 31, 2025 and December 31, 2024.

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that risk exposures within a group are homogeneous.

Determination of SICR

The BPI Group compares the probabilities of default occurring over its expected life as at the reporting date with the PD occurring over its expected life on the date of initial recognition to determine SICR. Since comparison is made between forward-looking information at reporting date against initial recognition, the deterioration in credit risk may be triggered by the following factors:

- substantial deterioration in credit quality as measured by the applicable internal or external ratings or credit score or the shift from investment grade category to non-investment grade category;
- adverse changes in business, financial and/or economic conditions of the borrower;
- early warning signs of worsening credit where the ability of the counterparty to honor his obligation is dependent upon the business or economic condition;
- the account has become past due beyond 30 days where an account is classified under special monitoring category (refer to Note 26.1.2 for the description of special monitoring); and
- expert judgment for the other quantitative and qualitative factors which may result to SICR as defined by the BPI Group.

Measuring ECL - Inputs, assumptions and estimation techniques

The ECL is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the PD, EAD and LGD, defined as follows:

(a) The PD represents the likelihood that the borrower will default (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining life (lifetime PD) of the asset.

(b) EAD is based on the amounts the BPI Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining life (lifetime EAD). For example, for a revolving commitment, the BPI Group includes the current drawn balance plus any further amount that is expected to be drawn up to the current contractual limit by the time of default, should it occur.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

- For amortizing products and bullet repayment loans, this is based on the contractual repayments owed by the borrower over a 12-month or lifetime basis.
- For committed credit lines, the EAD is predicted by taking current drawn balance and adding a "credit conversion factor" which allows for the expected drawdown of the remaining limit by the time of default.

(c) LGD represents the BPI Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default.

The LGDs are determined based on the factors which impact the recoveries made post-default.

- For secured products, this is primarily based on collateral type and projected collateral values, historical discounts to market/book values due to forced sales, time to repossession and recovery costs observed.
- For unsecured products, LGDs are typically set at product level due to the limited differentiation in recoveries achieved across different borrowers. These LGDs are influenced by collection strategies and historical recoveries.

The ECL is determined by multiplying the PD, LGD and EAD together for each individual exposure or collective segment. This effectively calculates an ECL for each future year, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the life of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

Forward-looking economic information is also included in determining the 12-month and lifetime PD. These assumptions vary by product type.

The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs and how collateral values change - are monitored and reviewed regularly.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period from the time of the adoption of PFRS 9 on January 1, 2018 to the reporting date.

Forward-looking information incorporated in the ECL models

The BPI Group incorporates historical and current information, and forecasts forward-looking events and key economic variables that are assessed to impact credit risk and expected credit losses for each portfolio. MEVs that affect a specific portfolio's non-performing loan rate(s) are determined through statistical modelling and the application of expert judgment. The BPI Group's economics team establishes possible global and domestic economic scenarios. With the use of economic theories and conventions, expert judgment and external forecasts, the economics team develops assumptions to be used in forecasting variables in the next five (5) years, subsequently reverting to long run-averages. The probability-weighted ECL is calculated by running each scenario through the relevant ECL models and multiplying it by the appropriate scenario weighting.

The estimation and application of forward-looking information requires significant judgment. As with any economic forecasts, the projections and likelihood of occurrences are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The scenarios and their attributes are reassessed at each reporting date. Information regarding the forward-looking economic variables and the relevant sensitivity analysis is disclosed in Note 26.1.5.

Financial assets with low credit risk

Loss allowance for financial assets at amortized cost and FVOCI that have low credit risk is limited to 12-month expected credit losses. Management considers "low credit risk" for listed government bonds to be an investment grade credit rating with at least one major rating agency. Other debt instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Definition of default and credit-impaired assets

The BPI Group considers a financial instrument in default or credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria

The borrower is more than 90 days past due on its contractual payments (with the exception of credit cards and micro-finance loans where a borrower is required to be 90 days past due and over 7 days past due, respectively, to be considered in default).

Qualitative criteria

The counterparty is experiencing significant financial difficulty which may lead to non-payment of loan as may be indicated by any or combination of the following events:

- The counterparty is in long-term forbearance;
- The counterparty is insolvent;
- The counterparty is in breach of major financial covenant(s) which lead(s) to event of default;
- An active market for the security has disappeared;
- Granting of concession that would not be otherwise considered due to economic or contractual reasons relating to the counterparty's financial difficulty;
- It is becoming probable that the counterparty will enter bankruptcy or other financial reorganization; and
- Financial assets are purchased or originated at a deep discount that reflects the incurred credit losses.

The criteria above have been applied to all financial instruments held by the BPI Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the PD, EAD, and LGD throughout the BPI Group's expected credit loss calculations.

The BPI Group's definition of default is substantially consistent with non-performing loan definition of the BSP. For cross-border, treasury and debt securities, these are classified as defaulted based on combination of BSP and external credit rating agency definitions.

30.3.3 Modification of loans

The BPI Group sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the BPI Group assesses whether or not the new terms are substantially different to the original terms. The BPI Group does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.
- Change in the currency the loan is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan.

If the terms are substantially different, the BPI Group derecognizes the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the BPI Group also assesses whether the new financial asset recognized is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognized in the statements of income as a gain or loss on derecognition.

If the terms are not substantially different, the BPI Group recalculates the gross carrying amount of the financial asset and recognizes a modification gain or loss in the statement of income. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

30.3.4 Derecognition of financial assets other than modification

Financial assets, or a portion thereof, are derecognized when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the BPI Group transfers substantially all the risks and rewards of ownership, or (ii) the BPI Group neither transfers nor retains substantially all the risks and rewards of ownership and the BPI Group has not retained control.

The BPI Group enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the BPI Group:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.5 Write-off of financial assets

The BPI Group writes off financial assets when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The financial assets are then considered uncollectible or worthless. Indicators that there is no reasonable expectation of recovery include any of the following (i) borrower's and co-maker's/guarantor's whereabouts are unknown, or they are insolvent, or their payment capacity is permanently impaired and (ii) where the BPI Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full, or the collaterals no longer have recoverable values.

The BPI Group may write-off financial assets that are still subject to enforcement activity as the write-off process does not prejudice continuance of enforcement efforts and/or legal actions.

The write-off of loans is approved by the BOD in compliance with the BSP requirements. Loans written-off are fully covered with allowance.

Recoveries on written-off assets

Collections on accounts or recoveries, if any, from impaired financial assets previously written off are recognized in profit or loss under Miscellaneous income in the period where the recovery transaction occurs.

30.3.6 Financial liabilities

30.3.6.1 Classification of financial liabilities

The BPI Group classifies its financial liabilities in the following categories: financial liabilities at FVTPL and financial liabilities at amortized cost.

(a) Financial liabilities at FVTPL

This category comprises two sub-categories: financial liabilities classified as held for trading, and financial liabilities designated by the BPI Group as at FVTPL upon initial recognition.

A financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effective as hedging instruments. Gains and losses arising from changes in fair value of financial liabilities classified as held for trading are included in the statements of income and are reported as "Securities trading gain". The BPI Group has no financial liabilities that are designated at fair value through profit loss.

(b) Other liabilities measured at amortized cost

Financial liabilities that are not classified as at FVTPL fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost include deposits from customers and banks, bills payable, amounts due to BSP and other banks, manager's checks and demand drafts outstanding, subordinated notes and other financial liabilities under deferred credits and other liabilities.

30.3.6.2 Subsequent measurement and derecognition

Financial liabilities at FVTPL are subsequently carried at fair value. Other liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are derecognized when they have been redeemed or otherwise extinguished (i.e. when the obligation is discharged or is cancelled or has expired). Collateral (shares and bonds) furnished by the BPI Group under standard repurchase agreements and securities lending and borrowing transactions is not derecognized because the BPI Group retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

30.3.7 Loan commitments

Loan commitments are not issued at below-market interest rates and are not settled net in cash or by delivering or issuing another financial instrument.

30.3.8 Derivative financial instruments

A derivative instrument is initially recognized at fair value on the date a derivative contract is entered into, and is subsequently remeasured to its fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument or is held for trading.

Changes in the fair value of any derivative instrument that does not qualify for hedge accounting (and therefore, held for trading) are recognized immediately in profit or loss and are included in "Securities trading gain".

Hedge accounting

The BPI Group designates derivatives as either:
- hedges of the fair value of recognized assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognized assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the BPI Group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The BPI Group documents its risk management objective and strategy for undertaking its hedge transactions.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the "Cash flow hedge reserve" within equity. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss, within "Other operating income".

When the group excludes the forward element of a forward contract and foreign currency basis spread of financial instruments in the hedge designation, the fair value change of the forward element and currency basis spread that relates to the hedged item ('aligned forward element/currency basis spread') is recognized within OCI in the costs of hedging reserve within equity. If the group designates the full change in fair value of the derivative (including forward points and currency basis spreads) the gains or losses relating to the effective portion of the change in fair value of the entire derivative are recognized in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss within other operating income in the same periods during which the hedged future cash flows affect profit or loss. However, if the amount is a loss and the BPI Group expects that all or a portion of that loss will not be recovered in one or more future periods, the amount that is not expected to be recovered shall immediately be reclassified to profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time shall be reclassified to profit or loss in the same periods during which the future cash flows affect profit or loss. When the future cash flows are no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

30.3.8.1 Embedded derivatives

Certain derivatives are embedded in hybrid contracts, such as the conversion option in a convertible bond. If the hybrid contract contains a host that is a financial asset, then the BPI Group assesses the entire contract for classification and measurement in accordance with the policy outlined in Note 30.3.2 above. Otherwise, the embedded derivatives are treated as separate derivatives when:

- Their economic characteristics and risks are not closely related to those of the host contract;
- A separate instrument with the same terms would meet the definition of a derivative; and
- The hybrid contract is not measured at FVTPL.

These embedded derivatives are separately accounted for at fair value, with changes in fair value recognized in the statements of income unless the BPI Group chooses to designate the hybrid contracts at FVTPL.

30.3.9 Fair value measurement

The fair value of a non-financial asset is measured based on its highest and best use. The asset's current use is presumed to be its highest and best use.

The fair value of financial and non-financial liabilities takes into account non-performance risk, which is the risk that the entity will not fulfill an obligation.

A subsidiary of the Parent Bank has investments in non-marketable equity securities classified under Level 3 as at December 31, 2025 and 2024 (Note 26.4.1).

30.3.10 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are recognized using the effective interest method.

When calculating the effective interest rate, the BPI Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Once a financial asset or a group of similar financial assets have been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring impairment loss.

30.3.11 Cash and cash equivalents

Interbank loans receivable and securities purchased under agreements to resell (SPAR) are presented as cash equivalents if they have a maturity of three months or less and are readily convertible to known amount of cash and which are subject to insignificant changes in value.

30.3.12 Repurchase and reverse repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks or deposits from customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

Securities purchased under agreements to resell ('reverse repos') are recorded as loans and advances to other banks and customers and included in the statement of condition under "Interbank loans receivable and securities purchased under agreements to resell". Securities lent to counterparties are also retained in the financial statements.

30.4 Consolidation

The subsidiaries' financial statements are prepared for the same reporting year as the consolidated financial statements. Refer to Note 1 for the list of the Parent Bank's subsidiaries.

(a) Subsidiaries

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the BPI Group, except for the pre-need subsidiary which follows the provisions of the PNUCA as allowed by the SEC.

(b) Associates

Associates are all entities over which the BPI Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates in the consolidated financial statements are accounted for using the equity method of accounting.

The BPI Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the BPI Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of profit (loss) of an associate' in profit or loss.

Unrealized gains on transactions between the BPI Group and its associates are eliminated to the extent of the BPI Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the BPI Group.

(c) Business combination between entities under common control

Business combinations under common control are accounted for using the pooling of interest method following the guidance under the PIC Q&A No. 2018-06. Under this method, the Parent Bank does not restate the acquired businesses or assets and liabilities to their fair values. The net assets of the combining entities or businesses are combined using the carrying amounts of assets and liabilities of the acquired entity. No amount is recognized in consideration for goodwill or the excess of acquirer's interest in the net fair value of acquired identifiable assets, liabilities and contingent liabilities over their cost at the time of the common control combination.

(d) Business combination under PFRS 3

The BPI Group applies the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the BPI Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement, if any, and fair value of any pre-existing equity interest in the acquiree, if any. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the BPI Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the BPI Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is not accounted for within equity.

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the BPI Group's share of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in profit or loss.

Measurement period

PFRS 3 allows a one year measurement period for the acquirer to retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable.

Accounting for loss allowances relating to financial assets acquired through merger

The BPI Group applies the provision in PFRS 3 wherein a separate valuation allowance, such as a provision for impairment of receivables, is not recognized when assets are measured at their acquisition date fair values. The asset's fair value includes the probabilities and uncertainties regarding future cash flows. The BPI Group does not recognize a separate valuation allowance for the contractual cash flows that are deemed to be uncollectable at that date or a loss allowance for expected credit losses. The related provision for credit and impairment losses arising from the acquired financial assets are netted against the assets' fair value.

30.5 Investments in subsidiaries and associates

Investments in subsidiaries and associates in the Parent Bank's separate financial statements are accounted for using the cost method in accordance with PAS 27. Under this method, income from investment is recognized in profit or loss only to the extent that the investor receives distributions from accumulated profits of the investee arising after the acquisition date. Distributions received in excess of such profits are regarded as a recovery of investment and are recognized as reduction of the cost of the investment.

The Parent Bank recognizes a dividend from a subsidiary or associate in profit or loss in its separate financial statements when its right to receive the dividend is established.

The Parent Bank determines at each reporting date whether there is any indicator of impairment that the investment in the subsidiary or associate is impaired. If this is the case, the Parent Bank calculates the amount of impairment as the difference between the recoverable amount and carrying value and the difference is recognized in profit or loss.

Investments in subsidiaries and associates are derecognized upon disposal or when no future economic benefits are expected to be derived from the subsidiaries and associates at which time the cost and the related accumulated impairment loss are removed in the statements of condition. Any gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the investment and recognized in profit or loss.

30.6 Segment reporting

All transactions between business segments are conducted on an arm's length basis, with intra-segment revenue and costs being eliminated upon consolidation. Income and expenses directly associated with each segment are included in determining business segment performance.

In accordance with PFRS 8, the BPI Group has the following main banking business segments: consumer banking, corporate banking and investment banking. Its insurance business is assessed separately from these banking business segments (Note 3).

30.7 Bank premises, furniture, fixtures and equipment

Land and buildings comprise mainly of branches and offices. All bank premises, furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the BPI Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the year in which they are incurred.

Construction-in-progress is initially recognized at cost and will be depreciated once completed and available for use. The cost of construction-in-progress includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for its intended use and the costs of dismantling and removing the items on the site on which it is located. Borrowing costs related to the acquisition or construction of qualifying assets are capitalized as part of the cost of those assets during the construction period. The construction-in-progress is internally funded by the Parent Bank hence, no borrowing costs were capitalized. The construction-in-progress is recorded as part of Buildings and leasehold improvements.

Land is carried at historical cost and is not depreciated. Depreciation for buildings and furniture and equipment is calculated using the straight-line method to allocate cost or residual values over the estimated useful lives of the assets, as follows:

Building	25-50 years
Furniture and equipment	3-5 years
Equipment for lease	2-8 years

Leasehold improvements are depreciated over the shorter of the lease term (ranges from 5 to 10 years) and the useful life of the related improvement (ranges from 5 to 10 years). Major renovations are depreciated over the remaining useful life of the related asset.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. There are no bank premises, furniture, fixtures and equipment that are fully impaired as at December 31, 2025 and 2024.

30.8 Investment properties

Properties that are held either to earn rental income or for capital appreciation or both, and that are not significantly occupied by the BPI Group are classified as investment properties. Transfers to, and from, investment property are made when, and only when, there is a change in use, evidenced by:

(a) Commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
(b) Commencement of development with a view of sale, for a transfer from investment property to real properties held-for-sale and development;
(c) End of owner occupation, for a transfer from owner-occupied property to investment property; or
(d) Commencement of an operating lease to another party, for a transfer from real properties held-for-sale and development to investment property.

Transfers to and from investment property do not result in gain or loss.

Investment properties comprise land and building. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation on investment property is determined using the same policy as applied to Bank premises, furniture, fixtures, and equipment. Impairment test is conducted when there is an indication that the carrying amount of the asset may not be recovered. An impairment loss is recognized for the amount by which the property's carrying amount exceeds its recoverable amount, which is the higher of the property's fair value less costs to sell and value in use.

An item of investment property is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gains and losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

30.9 Foreclosed assets

Assets foreclosed shown as Assets held for sale in the statements of condition are accounted for at the lower of cost and fair value less cost to sell similar to the principles of PFRS 5. The cost of assets foreclosed includes the carrying amount of the related loan. Impairment loss is recognized for any subsequent write-down of the asset to fair value less cost to sell.

Foreclosed assets not classified as Assets held for sale are accounted for in any of the following classification using the measurement basis appropriate to the asset as follows:

(a) Investment property is accounted for using the cost model under PAS 40;
(b) Bank-occupied property is accounted for using the cost model under PAS 16; and
(c) Financial assets are accounted for under PFRS 9.

When foreclosed assets are recovered through a sale transaction, the gain or loss recognized from the difference between the carrying amount of the foreclosed asset disposed and the net disposal proceeds is recognized in profit or loss.

30.10 Intangible assets

Intangible assets

(a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the BPI Group's share in the net identifiable assets of another entity at the date of acquisition. Goodwill on acquisition is included under Other assets, net in the statements of condition. Separately recognized goodwill is carried at cost less accumulated impairment losses.

Goodwill is an indefinite-lived intangible asset and hence not subject to amortization. Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each cash-generating unit is represented by each primary reporting segment.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) Contractual customer relationships and core deposits

Contractual customer relationships and core deposits acquired in a business combination are recognized at fair value at the acquisition date. The contractual customer relationships and core deposits have finite useful lives of 9 years and 18 years, respectively and are carried at cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the intangible assets. Contractual customer relationships and core deposits are included under Other assets, net in the statements of condition.

(c) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over the expected useful lives (three to five years). Computer software is included under Other assets, net in the statements of condition.

Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the BPI Group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other assets to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognized as an expense when incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

(d) Management contracts

Management contracts are recognized at fair value at the acquisition date. They have a finite useful life of five years and are subsequently carried at cost less accumulated amortization and impairment losses, if any. Amortization is calculated using the straight-line method over the estimated useful life of the contract. Management contracts are included under Other assets, net in the statements of condition.

(e) Branch licenses

Branch licenses arise from the acquisition of branches in a business combination. They have an indefinite useful life and are subject to annual impairment assessment. The useful life is reviewed annually to determine whether indefinite useful life assessment continues to be supportable.

30.11 Impairment of non-financial assets

Assets that have indefinite useful lives, like goodwill, are not subject to amortization and are tested annually for impairment and more frequently if there are indicators of impairment. Assets that have definite useful lives are subject to amortization and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of impairment at each reporting date.

30.12 Borrowings and borrowing costs

The BPI Group's borrowings consist mainly of bills payable and other borrowed funds. Borrowings are recognized initially at fair value, which is the issue proceeds, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed as incurred. The BPI Group has no qualifying asset as at December 31, 2025 and 2024. Borrowings derecognized when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of income as other income.

30.13 Fees and commission income

The BPI Group has applied PFRS 15 where revenue is recognized when (or as) The BPI Group satisfies a performance obligation by transferring a promised good or service to a customer (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset.

The recognition of revenue can be either over time or at a point in time depending on when the performance obligation is satisfied.

When control of a good or service is transferred over time, that is, when the customer simultaneously receives and consumes the benefits, the BPI Group satisfies the performance obligation and recognizes revenue over time. Otherwise, revenue is recognized at the point in time at the point of transfer control of the good or service to the customer.

Variable consideration is measured using either the expected value method or the most likely amount method depending on which method the BPI Group expects to better predict the amount of consideration to which it will be entitled. This is the estimated amount of variable consideration, or the portion, if any, of that amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Where there is a single performance obligation, the transaction price is allocated in its entirety to that performance obligation. Where there are multiple performance obligations, the transaction price is allocated to the performance obligation to which it relates based on stand-alone selling prices.

The BPI Group recognizes revenue based on the price specified in the contract, net of the estimated rebates/discounts and include variable consideration, if there is any. Accumulated experience is used to estimate and provide for the discounts and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

The BPI Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the BPI Group does not adjust any of the transaction prices for the time value of money.

Commission and fees arising from negotiating or participating in the negotiation of a transaction for a third party (i.e. the arrangement of the acquisition of shares or other securities, or the purchase or sale of businesses) are recognized on completion of underlying transactions. Portfolio and other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-proportionate basis. Asset management fees related to investment funds are recognized ratably over the period in which the service is provided.

30.14 Credit card income

Credit card arrangements involve numerous contracts between various parties. The BPI Group has determined that the more significant contracts within the scope of PFRS 15 are (1) the contract between the BPI Group and the credit card holder ('Cardholder Agreement') under which the BPI Group earn miscellaneous fees (e.g., annual membership fees, late payment fees, foreign exchange fees, etc.) and (2) an implied contract between the BPI Group and merchants who accept the credit cards in connection with the purchase of their goods and/or services ('Merchant Agreement') under which the BPI Group earn interchange fees.

The Cardholder Agreement obligates the BPI Group, as the card issuer, to perform activities such as process redemption of loyalty points by providing goods, services, or other benefits to the cardholder; provide ancillary services such as concierge services, travel insurance, airport lounge access and the like; process late payments; provide foreign exchange services and others. The amount of fees stated in the contract represents the transaction price for that performance obligation.

The implied contract between the BPI Group and the merchant results in the BPI Group receiving an interchange fee from the merchant. The interchange fee represents the transaction price associated with the implied contract between the BPI Group and the merchant because it represents the amount of consideration to which the BPI Group expects to be entitled in exchange for transferring the promised service (i.e., purchase approval and payment remittance) to the merchant. The performance obligation associated with the implied contract between the BPI Group and the merchant is satisfied upon performance and simultaneous consumption by the customer of the underlying service. Therefore, a portion of the interchange fee is allocated to the performance obligations based on stand-alone transaction price and revenue is recognized when these performance obligations are satisfied.

30.15 Foreign currency translation

(a) Functional and presentation currency

Items in the financial statements of each entity in the BPI Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in Philippine Peso, which is the Parent Bank's functional and presentation currency.

(b) Foreign subsidiaries

The results and financial position of BPI's foreign subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at reporting date;
- income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognized as a separate component (Currency translation differences) of Accumulated other comprehensive income (loss) in the capital funds. When a foreign operation is sold, such exchange differences are recognized in profit or loss as part of the gain or loss on sale.

(c) Income from foreign exchange trading

Foreign exchange gains and losses arising from trading of foreign currencies are recorded under "Income from foreign exchange trading" in the statement of income. Gains or losses are calculated as the difference between the carrying amount of the asset sold and the net disposal proceeds at the date of sale.

30.16 Provisions for legal or contractual obligations

Provisions are recognized when all of the following conditions are met: (i) the BPI Group has a present legal or constructive obligation as a result of past events; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item is included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognized as interest expense.

30.17 Income taxes

(a) Current income tax

Income tax payable is calculated on the basis of the applicable tax law in the respective jurisdiction.

The BPI Group has substantial income from its investment in government securities subject to final withholding tax. Such income is presented at its gross amount and the final tax paid or withheld is included in Income tax expense - Current.

(b) Deferred income tax

The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses (net operating loss carryover or NOLCO) and unused tax credits (excess minimum corporate income tax or MCIT) to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and unused tax credits can be utilized. Deferred income tax liabilities are recognized in full for all taxable temporary differences except to the extent that the deferred tax liability arises from the initial recognition of goodwill.

The BPI Group reassesses at each reporting date the need to recognize a previously unrecognized deferred income tax asset.

30.18 Employee benefits

(a) Short-term benefits

The BPI Group recognizes a liability net of amount already paid and an expense for services rendered by employees during the accounting period. Short-term benefits given to its employees include salaries and wages, social security contributions, short-term compensated absences and bonuses, and non-monetary benefits.

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

(b) Defined benefit retirement plan

The BPI Group has a defined benefit plan that shares risks among entities within the group. A defined benefit plan is a pension plan that defines 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 liability recognized in the statement of condition in respect of defined benefit pension plan is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Defined benefit costs comprise of service cost, net interest on the net defined benefit liability or asset and remeasurements of net defined liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the statement of income. Past service costs are recognized when the plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as interest income or expense in the statement of income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

For individual financial reporting purposes, the unified plan assets are allocated among the BPI Group entities based on the level of the defined benefit obligation attributable to each entity to arrive at the net liability or asset that should be recognized in the individual financial statements.

(c) Defined contribution retirement plan

The BPI Group also maintains a defined contribution plan that covers certain full-time employees. Under its defined contribution plan, the BPI Group pays fixed contributions based on the employees' monthly salaries. The BPI Group, however, is covered under RA No. 7641, otherwise known as The Philippine Retirement Pay Law, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. Accordingly, the BPI Group accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

For the defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The BPI Group and Parent Bank determine the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset) then, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest and other expenses related to the defined benefit plan are recognized in the statement of income.

The defined contribution liability is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

Actuarial gains and losses arising from the remeasurements of the net defined contribution liability are recognized immediately in the other comprehensive income.

(d) Share-based compensation

The BPI Group engages in equity-settled share-based payment transactions in respect of services received from certain employees.

The fair value of the services received is measured by reference to the fair value of the shares or share options granted on the date of the grant. The cost of employee services received in respect of the shares or share options granted is recognized in profit or loss (with a corresponding increase in reserves in capital funds) over the period that the services are received, which is the vesting period.

The fair value of the options granted is determined by using option pricing models which take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

When the stock options are exercised or shares are subscribed, the proceeds received are credited to share capital (par value) and share premium for the excess of exercise price over par value.

(e) Bonus plans

The BPI Group recognizes a liability and an expense for bonuses and recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

30.19 Capital funds

Merger reserves

Merger reserves represent the difference between the value of shares issued by the Parent Bank in exchange for the carrying value of the net assets acquired in respect of the acquisition of BFB accounted for under the pooling-of-interest method and the difference between the results of operations of BFB during the year ended December 31, 2021 and the dividends declared on December 29, 2021.

30.20 Fiduciary activities

The BPI Group commonly acts as trustee and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the BPI Group (Note 24).

30.21 Leases

30.21.1 BPI Group is the lessee

Measurement of right-of-use assets and lease liabilities

Lease payments to be made under reasonably certain extension options are included in the measurement of the lease liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the BPI Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the BPI Group:
- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held for entities which do not have recent third-party financing; and
- makes adjustments specific to the lease (i.e. term, currency and security).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the BPI Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Extension and termination options

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the BPI Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is revised only if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

Lease modification

Lease modifications are accounted either as a separate lease or not a separate lease. The BPI Group accounts for the lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right of use to one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For lease modification that is not accounted for a separate lease, at the effective date of lease modification, the BPI Group:

- allocates the consideration in the modified contract on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

The revised discount rate is determined as the interest rate implicit in the lease for the remainder of the lease term, or the lessee's incremental borrowing rate at the effective date of the modification, if the interest rate implicit in the lease cannot be readily determined.
For a lease modification that is not accounted for as a separate lease, the BPI Group accounts for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease; and
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The BPI Group recognizes in profit or loss any gain or loss relating to the partial or full termination of the lease.

Short-term leases and leases of low-value assets

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statements of income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

30.21.2 BPI Group is the lessor

BPI Group (as a lessor) continues to classify its leases as operating leases.

30.22 Insurance and pre-need operations

(a) Non-life insurance

The more significant accounting policies observed by the non-life insurance subsidiaries follow: (a) gross premiums written from short-term insurance contracts are recognized at the inception date of the risks underwritten and are earned over the period of cover in accordance with the incidence of risk using the 24th method; (b) acquisition costs are deferred and charged to expense in proportion to the premium revenue recognized; reinsurance commissions are deferred and deducted from the applicable deferred acquisition costs, subject to the same amortization method as the related acquisition costs; (c) a liability adequacy test is performed which compares the subsidiaries' reported insurance contract liabilities against current best estimates of all contractual future cash flows and claims handling, and policy administration expenses as well as investment income backing up such liabilities, with any deficiency immediately charged to profit or loss; and (d) financial assets and liabilities are measured following the classification and valuation provisions of PFRS 9.

(b) Pre-need

The material provisions of the PNUCA as applied by the pre-need subsidiary follow: (a) costs of contracts issued and other direct costs and expenses are recognized as expense when incurred; (b) pre-need reserves which represent the accrued net liabilities of the subsidiary to its plan holders are actuarially computed based on standards and guidelines set forth by the Insurance Commission; the increase or decrease in the account is charged or credited to other costs of contracts issued in profit or loss; and (c) insurance premium reserves which represent the amount that must be set aside by the subsidiary to pay for premiums for insurance coverage of fully paid plan holders, are actuarially computed based on standards and guidelines set forth by the Insurance Commission.

31 Supplementary information required under BSP Circular No. 1074

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

(i) Basic Quantitative Indicators of Financial Performance

The key financial performance indicators follow (in %):

	Consolidated		Parent	
	2025	2024	**2025**	2024
Return on average equity				
- Daily average[1]	**14.54**	15.07	**14.35**	14.45
- Simple average[2]	**14.69**	15.67	**14.57**	15.24
Return on average assets				
- Daily average[3]	**1.96**	1.98	**1.88**	1.86
- Simple average[4]	**1.91**	2.00	**1.84**	1.87
Net interest margin				
- Daily average[5]	**4.59**	4.31	**4.31**	4.08
- Simple average[6]	**4.47**	4.31	**4.19**	4.07

[1]*Net income divided by average total equity for the period indicated. Average equity is based on the daily average balance of equity for the years ended December 31, 2025 and 2024.*
[2]*Net income divided by average total equity for the period indicated. Average total equity is based on the year-on-year balance of equity for the years ended December 31, 2025 and 2024.*
[3]*Net income divided by average total assets as at period indicated. Average total assets are based on the daily average balance of total assets as at December 31, 2025 and 2024.*
[4]*Net income divided by average total assets as at period indicated. Average total assets are based on the year-on-year balance of total assets as at December 31, 2025 and 2024.*
[5]*Net interest income divided by average interest-earning assets. Average interest earning assets is based on the daily average balance of interest earning assets as at December 31, 2025 and 2024.*
[6]*Net interest income divided by average interest-earning assets. Average interest earning assets is based on the year-on-year balance of interest earning assets as at December 31, 2025 and 2024.*

a. Description of Capital Instrument Issued

BPI considers its common shares as capital instrument for purposes of calculating its capital adequacy ratio as at December 31, 2025 and 2024.

Significant credit exposures

Details of the loans and advances portfolio as to concentration per industry/economic sector over total loan portfolio (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Real estate, renting and other related activities	**22.36**	22.74	**22.91**	23.24
Consumer	**14.93**	13.32	**13.56**	12.09
Wholesale and retail trade	**12.29**	11.07	**12.13**	10.85
Manufacturing	**11.06**	14.17	**11.25**	14.44
Electricity, gas, steam and air-conditioning supply	**10.00**	8.16	**10.28**	8.36
Financial institutions	**9.92**	10.53	**10.20**	10.80
Transportation, storage and communications	**2.99**	10.80	**3.06**	11.01
Agriculture and forestry	**1.91**	1.57	**1.94**	1.59
Others	**14.54**	7.64	**14.67**	7.62
	100.00	100.00	**100.00**	100.00

Details of the loans and advances portfolio as to concentration per industry/economic sector over Tier 1 Capital (in %) as at December 31 are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
Real estate, renting and other related activities	**145.81**	142.47	**158.64**	154.47
Manufacturing	**72.10**	88.77	**78.45**	95.99
Consumer	**97.37**	83.40	**105.94**	80.40
Transportation, storage and communications	**19.48**	67.65	**21.20**	73.17
Wholesale and retail trade	**80.13**	69.34	**87.18**	72.15
Financial institutions	**64.68**	65.99	**70.37**	71.77
Electricity, gas, steam and air-conditioning supply	**65.19**	51.12	**70.93**	55.57
Agriculture and forestry	**12.49**	9.84	**13.58**	10.54
Others	**94.97**	47.81	**103.32**	50.72

Breakdown of total loans

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

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Secured loans				
Real estate mortgage	**406,920**	348,232	**404,960**	346,616
Project assets	**166,182**	162,641	**166,182**	162,641
Chattel mortgage	**117,501**	94,493	**117,474**	94,488
Others	**61,239**	48,507	**61,208**	48,482
	751,842	653,873	**749,824**	652,227
Unsecured loans	**1,853,082**	1,620,879	**1,784,816**	1,568,482
	2,604,924	2,274,752	**2,534,640**	2,220,709

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

Breakdown of performing and non-performing loans net of allowance for credit losses, as reported to the BSP, are as follows:

Consolidated

	2025			2024		
	Performing	Non-performing	Total	Performing	Non-performing	Total
			(In Millions of Pesos)			
Corporate loans	**1,779,580**	**21,243**	**1,800,823**	1,663,158	22,391	1,685,549
Credit cards	**211,603**	**10,386**	**221,989**	161,855	7,265	169,120
Other retail loans	**542,658**	**25,237**	**567,895**	401,387	18,708	420,095
	2,533,841	**56,866**	**2,590,707**	2,226,400	48,364	2,274,764
Allowance for probable losses	**(12,989)**	**(33,592)**	**(46,581)**	(11,229)	(29,940)	(41,169)
Net carrying amount	**2,520,852**	**23,274**	**2,544,126**	2,215,171	18,424	2,233,595

**Amounts exclude accrued interest receivables and GLLP per financial reporting package*

Parent

	2025			2024		
	Performing	Non-performing	Total	Performing	Non-performing	Total
	(In Millions of Pesos)					
Corporate loans	**1,775,273**	**20,846**	**1,796,119**	1,658,994	22,235	1,681,229
Credit cards	**211,603**	**10,386**	**221,989**	161,855	7,265	169,120
Other retail loans	**489,174**	**20,294**	**509,468**	354,903	15,462	370,365
	2,476,050	**51,526**	**2,527,576**	2,175,752	44,962	2,220,714
Allowance for probable losses	**(12,978)**	**(29,741)**	**(42,719)**	(11,409)	(27,583)	(38,992)
Net carrying amount	**2,463,072**	**21,785**	**2,484,857**	2,164,343	17,379	2,181,722

**Amounts exclude accrued interest receivables and GLLP per financial reporting package*

BSP Circular 941, *Amendments to Regulations on Past Due and Non-Performing Loans,* states that loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and if there is an evidence that full repayment of principal and interest is unlikely without foreclosure of collateral. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after they have become past due.

Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

(ii) Information on Related Party Loans

Details of related party loans are as follows (transactions with subsidiaries have been eliminated in the consolidated financial statements):

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Loans and advances to:				
Subsidiaries	**-**	-	**178**	75
Associates	**149**	479	**149**	479
Ayala Group	**88,490**	79,902	**88,490**	79,902
Key management personnel	**10**	20	**10**	20
Other related parties	**-**	-	**-**	-

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	**88,649**	80,401	**88,827**	80,476
% to total outstanding related party loans				
Subsidiaries	**-**	-	**0.20**	0.09
Associates	**0.17**	0.60	**0.17**	0.60
Ayala Group	**99.82**	99.38	**99.62**	99.29
Key management personnel	**0.01**	0.02	**0.01**	0.02
Other related parties	**-**	-	**-**	-

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos, except percentages)			
Total outstanding loans and advances	**88,649**	80,401	**88,827**	80,476
% to total outstanding related party loans				
Unsecured related party loans	**60.50**	47.85	**60.58**	47.88
Past due related party loans	**-**	-	**-**	-
Non-performing related party loans	**-**	-	**-**	-

Details of DOSRI loans are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Outstanding DOSRI loans	**23,412**	31,588	**23,412**	31,588

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In percentages)			
% to total outstanding loans and advances	**0.90**	1.39	**0.92**	1.42
% to total outstanding DOSRI loans				
Unsecured DOSRI loans	**4.16**	1.61	**4.16**	1.61
Past due DOSRI loans	**0.01**	0.02	**0.01**	0.02
Non-performing DOSRI loans	**0.04**	0.03	**0.04**	0.03

The BPI Group is in full compliance with the General Banking Act and the BSP regulations on DOSRI loans as at December 31, 2025 and 2024.

(iii) Secured Liabilities and Assets Pledged as Security

The BPI Group's Bills payable (Note 16) include mainly funds borrowed from various banking institutions which were lent out to customers of the BPI Group. As at December 31, 2025 and 2024, part of the bills payable of the Parent Bank is secured by government securities classified as investment securities at amortized cost (Note 9).

Contingencies and commitments arising from off-balance sheet items

The following is a summary of BPI's contingencies and commitments at their equivalent peso amounts as reported to the BSP:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Trust accounts	**1,829,881**	1,530,708	**-**	-
Derivatives	**596,237**	496,116	**582,771**	489,149
Commitments	**396,986**	245,341	**396,986**	245,341
Financial standby letters of credit - foreign	**34,428**	36,103	**34,428**	36,103
Bills for collection	**29,256**	35,060	**29,256**	35,060
Spot foreign exchange contracts	**20,272**	24,679	**20,272**	24,679
Performance standby letters of credit - foreign	**10,239**	11,228	**10,239**	11,228
Commercial letters of credit	**10,672**	10,242	**10,672**	10,242
Guarantees issued	**6,876**	3,555	**6,876**	3,555
Trade related guarantees	**1,152**	2,758	**1,152**	2,758
Other contingent accounts	**134,952**	40,285	**52,649**	39,545
	3,070,951	2,436,075	**1,145,301**	897,660

Derivatives refers to the notional amount of derivatives contracts of the BPI Group and the Parent Bank as defined under BSP Manual of Accounts – Asset Accounts Item (5.c).

Other contingent accounts pertain to late deposits or payments received, deficiency claims receivable, items held for safekeeping, and items held as collateral.

Significant credit risk exposures arising from off-balance sheet items are as follows:

	Consolidated		Parent	
	2025	2024	**2025**	2024
	(In Millions of Pesos)			
Undrawn loan commitments	**842,980**	663,659	**842,980**	663,659
Unused letters of credit	**64,525**	64,007	**64,525**	64,007
Gross carrying amount	**907,505**	727,666	**907,505**	727,666
Loss allowance	**(1,669)**	(1,267)	**(1,669)**	(1,267)
Carrying amount	**905,836**	726,399	**905,836**	726,399

Undrawn loan commitments and letters of credit are commitments under which over the duration of the commitment, the BPI Group is required to provide a loan with pre-specified terms to the customer. These off-balance sheet items are within the scope of PFRS 9 where the BPI Group estimates that the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to the off-balance sheet items is recognized in Miscellaneous liabilities (Note 17).

The BPI Group has no other off-balance sheet items other than the items listed above.

32 Supplementary information required by the Bureau of Internal Revenue

On December 28, 2010, Revenue Regulations (RR) No. 15-2010 became effective and amended certain provisions of RR No. 21-2002 prescribing the manner of compliance with any documentary and/or procedural requirements in connection with the preparation and submission of financial statements and income tax returns. Section 2 of RR No. 21-2002 was further amended to include in the Notes to the Financial Statements information on taxes, duties and license fees paid or accrued during the year in addition to what is mandated by PFRS Accounting Standards.

Below is the additional information required by RR No. 15-2010 that is relevant to the Parent Bank. This information is presented for purposes of filing with the Bureau of Internal Revenue (BIR) and is not a required part of the basic financial statements.

(i) Documentary stamp tax

Documentary stamp taxes paid through the Electronic Documentary Stamp Tax System for the year ended December 31, 2025 consist of:

	Amount (In Millions of Pesos)
Deposit and loan documents	13,921
Trade finance documents	712
Mortgage documents	770
Shares of stocks	1
Others	8
	15,412

(ii) Withholding taxes

Withholding taxes paid/accrued and/or withheld for the year ended December 31, 2025 consist of:

	Amount		
	Paid	Accrued	**Total**
	(In Millions of Pesos)		
Final income taxes withheld on interest on deposits and yield on deposit substitutes	8,939	714	**9,653**
Income taxes withheld on compensation	3,803	360	**4,163**
Creditable income taxes withheld (expanded)	1,291	169	**1,460**
Final income taxes withheld on income payment	1,090	616	**1,706**
Fringe benefit tax	127	30	**157**
Withholding value-added tax	424	105	**529**
Withholding tax on withdrawal from decedent's account	112	1	**113**
	15,786	**1,995**	**17,781**

(iii) All other local and national taxes

All other local and national taxes paid/accrued for the year ended December 31, 2025 consist of:

	Amount		
	Paid	Accrued	**Total**
	(In Millions of Pesos)		
Gross receipts tax	9,518	820	**10,338**
Municipal taxes	600	-	**600**
Real property tax	123	-	**123**
Others	8	-	**8**
	10,249	**820**	**11,069**

Municipal and other taxes imposed by the government which are incurred under the normal courses of business are part of "Taxes and licenses" within Other operating expenses (Note 21).

(iv) Tax cases and assessments

As at reporting date, the Parent Bank has various claims of tax refund pending with tax authorities. There are no outstanding tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the BIR.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR NON-FINANCIAL STATEMENTS

The Management of the Bank of the Philippine Islands (BPI) is responsible for the preparation of BPI's 2025 Integrated Report ("Report"), in accordance with the following standards:

- Global Reporting Initiative's (GRI) Standards
- International Integrated Reporting Council's (IIRC) Integrated Reporting <IR> Framework
- Sustainability Accounting Standards Board (SASB) Standards
- Bangko Sentral ng Pilipinas (BSP) Guidelines and Philippine Securities and Exchange Commission (SEC) Guidelines for annual and sustainability reports

The report also generally adheres to disclosure requirements under BSP Circular 1085 on the Sustainable Finance Framework.

The Management supervised the preparation, review, and publication of the Report to ensure its integrity.

The Report contains certain forward-looking statements that may involve risks or uncertainties as they relate to future events and circumstances that may be beyond BPI's control.

In addition, regulations of the Philippine Stock Exchange (PSE) prohibit making price-sensitive forecasts without considerable independent review. The Management therefore advises readers to use caution when interpreting any forward-looking statements in the Report.

The Bank's Integrated Report, which includes sustainability disclosures, has been duly approved by the BPI Board of Directors.

JOSE TEODORO K. LIMCAOCO
President and Chief Executive Officer

ERIC ROBERTO M. LUCHANGCO
Executive Vice President, Chief Finance Officer, and Chief Sustainability Officer

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR INTEGRATED REPORT

The Management of the Bank of the Philippine Islands (BPI) is responsible for the preparation and fair presentation of BPI's 2025 Integrated Report ("Report"), in accordance with the prescribed compliance with relevant regulatory and disclosure requirements. In fulfilling this responsibility, the Management exercises oversight over the Report's scope, accuracy, and alignment with the Bank's strategic objectives, risk management practices, and governance principles.

Through its approval, the Management affirms that the Report provides a reliable and meaningful account of the Bank's activities and outcomes for the year ended December 31, 2025.

The Report contains certain forward-looking statements that may involve risks or uncertainties as they relate to future events and circumstances that may be beyond BPI's control.

A working team of BPI officers from various units, including Corporate Planning, Investor Relations, and Sustainability, Corporate Governance, Compliance, Institutional Brand Management, Risk Management, and the Office of the Corporate Secretary, have compiled, written, and edited content from the relevant business and support units to ensure compliance with the regulations.

JOSE TEODORO K. LIMCAOCO
President and Chief Executive Officer

ERIC ROBERTO M. LUCHANGCO
Executive Vice President, Chief Finance Officer, and Chief Sustainability Officer

Certificate No: C863145

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV AS Philippine Branch ('DNV'), has been commissioned by Bank of the Philippine Islands ('BPI' or 'the Company', Securities and Exchange Commission Identification Number: PW 121) to undertake an independent assurance of the Company's sustainability/non-financial disclosures in its Integrated Report covering the calendar 2025 (hereafter referred as 'Report').

The disclosures have been prepared by BPI:

- in reference to the requirements of the Global Reporting Initiative (GRI) sustainability reporting standards 2021
- Sustainability Accounting Standards Board (SASB)
- International Integrated Reporting Framework developed by the International Integrated Reporting Council
- Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

DNV has carried out assurance engagement in accordance with DNV's VeriSustain™ protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's Verisustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's Verisustain™ protocol, the DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements*; to evaluate indicators wrt greenhouse gases.

The intended user of this assurance statement is the Management of BPI.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on Company's website for the current reporting period.

Responsibilities of the Management of BPI and of the Assurance Provider

The Management of BPI has the sole responsibility for the preparation of the Report and is responsible for all information disclosed in the Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information, as well as ensuring the quality and consistency of the information presented in the Report. BPI is also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

The agreed scope of work included a limited level of assurance of the information on non-financial performance which was disclosed in the Report prepared by BPI based on GRI Topic-specific Standards for the identified material topics for the activities undertaken by the Company during the reporting period 01 January 2025 to 31 December 2025. The reported topic boundaries of non-financial performance are based on the materiality assessment covering the Company's operations as described in the 'ESG matters' section of the report.

The boundary of the assessment covers the performance of BPI operations in the Philippines that fall under the direct operational control of the Company's Legal structure. Based on the agreed scope with the Company, the boundary of assurance covers BPI's sites within the Philippines.

Inherent Limitation(s):

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements.
The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV does not take any responsibility for the financial data reported in the Integrated report of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.

- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of BPI. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

Limited Level of Assurance
Reviewed the disclosures in the report. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework.
Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in report.
Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees. We interviewed those with overall responsibility for monitoring, data collation and reporting the selected indicators.
The DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Reviewed the process of reporting as defined in the assessment criteria.

Conclusion

On the basis of the Limited level of assessment undertaken, nothing has come to our attention to suggest that the disclosures are not fairly stated and are not prepared, in all material aspects, in accordance with the reporting criteria. Without affecting our assurance opinion, we provide the following observations against the principles of VeriSustain™ and the GRI Reporting Principles applicable to the disclosure of selected subject matter.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.
The Report describes the materiality assessment process, detailing how sustainability factors were identified, drawing on stakeholder surveys, industry and peer input, media reports, and Board level-Sustainability discussions. The resulting list of material topics has been prioritized, reviewed and validated by the Company.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Stakeholder inclusiveness

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.
The Report explains the stakeholder engagement process in the "Stakeholder Engagement" section. BPI has engaged key stakeholders through pertinent relationship holders within the Company to gather insights on sustainability issues, concerns, and expectations. The feedback from stakeholders was collected through various modes of engagement, consolidated and analyzed.
Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Stakeholder Inclusiveness.

Responsiveness

The extent to which an organization responds to stakeholder issues.
The Report adequately brings out the Company's policies, strategies, management systems and governance mechanisms in place to respond to topics identified as material and significant concerns of key stakeholder groups.
Nothing has come to our attention to believe that the Report does not meet the requirements related to the Principle of Responsiveness.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.
BPI employs data management systems to monitor, track, and consolidate key sustainability disclosures across its reporting boundaries. Most of the information reviewed and validated through our assessments with BPI's management teams and process

owners at the sampled site was found to be accurate and reliable. Minor data inaccuracies identified during the verification process of sample data sets were attributed to transcription, interpretation, and aggregation errors. These data inaccuracies have been communicated for correction, and the related disclosures were reviewed post correction.

Nothing has come to our attention to believe that the Report does not meet the principle of Reliability.

Completeness

How much of all the information that has been identified as material to the organization and its stakeholders is reported?

The Report presents the Company's performance, governance and approaches related to the environmental, social and governance issues that it has identified as material for its business coming under the boundary of the report, for the chosen reporting period while applying and considering the requirements of Principle of Completeness.

Nothing has come to our attention to suggest that the Report does not meet the Principle of Completeness with respect to scope, boundary and time.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report explains the content and presents the disclosures related to BPI's performance during the reporting period in a neutral tone considering the overall macroeconomic and industry environment.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 – *Conformity assessment – General principles are requirements for validation and verification bodies* and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[1] during the assurance engagement. DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of BPI.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the Company in accordance with the agreement between us. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of the Company for our work or this report.

For DNV AS Philippine Branch,

Gangwar, Vishal Digitally signed by Gangwar, Vishal Date: 2026.04.06 10:54:59 +08'00'	Kim, So Hyun Digitally signed by Kim, So Hyun Date: 2026.04.06 12:25:48 +09'00'
Vishal Gangwar Lead Verifier, Sustainability Services	So Hyun Kim Assurance Reviewer, Sustainability Services
Justine Repalam (Verifier)	

06 Apr 2026

DNV AS Philippine Branch is part of DNV, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

[1] *DNV Corporate Governance & Code of Conduct - https://www.dnv.com/about/in-brief/corporate-governance.html*

Annex I

Verified disclosures

Disclosures	Indicator
GRI 204	204-1 Proportion of spending on local suppliers
GRI 205	205-1 Operations assessed for risks related to corruption
	205-2 Communication and training about anti-corruption policies and procedures
	205-3 Confirmed incidents of corruption and actions taken
GRI 302	302-1 Energy consumption within the organization
	302-2 Energy consumption outside of the organization
GRI 303	303-1 Interactions with water as a shared resource
	303-2 Management of water discharge-related impacts
	303-3 Water withdrawal
	303-4 Water discharge
	303-5 Water consumption
GRI 305	305-1 Direct (Scope 1) GHG emissions
	305-2 Energy indirect (Scope 2) GHG emissions
	305-3 Other Indirect (Scope 3) GHG emissions
GRI 306	306-1 Waste generation and significant waste-related impacts
	306-2 Management of significant waste-related impacts
	306-3 Waste generated
	306-4 Waste diverted from disposal
	306-5 Waste directed to disposal
GRI 401	401-1 New employee hires and employee turnover
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
	401-3 Parental leave
GRI 403	403-1 Occupational health and safety management system
	403-2 Hazard identification, risk assessment, and incident investigation
	403-3 Occupational health services
	403-4 Worker participation, consultation, and communication on occupational health and safety
	403-5 Worker training on occupational health and safety
	403-6 Promotion of worker health
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
	403-8 Workers covered by an occupational health and safety management system
	403-9 Work-related injuries
	403-10 Work-related ill health
GRI 404	404-1 Average hours of training per year per employee
	404-2 Programs for upgrading employee skills and transition assistance programs
GRI 405	405-1 Diversity of governance bodies and employees
	405-2 Ratio of basic salary and remuneration of women to men
GRI 408	408-1 Operations and suppliers at significant risk for incidents of child labor
GRI 409	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor
GRI 418	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
SASB FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations

Annex II

Sites selected for On-site audits

S.no	Site
1.	BPI Buendia Center
2.	BPI Corporate office at Ayala Triangle Gardens (ATG) Tower 2
3.	BPI Branch Salcedo village
4.	BPI Consumer Center Makati

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TOP MATERIAL TOPICS AND BPI'S INITIATIVES

The table below summarizes the top material topics based on the Double Materiality Assessment (DMA), along with BPI's corresponding solutions and the key concerned stakeholder groups for each material topic. These material topics reflect the Bank's most significant, environmental, social, governance, and economic impacts (ESG+E2), as well as the issues that matter most to its stakeholders.

For each topic, the table outlines BPI's strategic actions and commitments, demonstrating how the Bank integrates responsible business practices into its operations while creating long-term value for customers, employees, communities, and other stakeholders.

MATERIAL TOPICS	BPI RESPONSE	CONCERNED STAKEHOLDERS
Data Privacy & Cybersecurity - Protecting customers by managing risks related to the collection, retention and usage of sensitive and confidential client data, supported by strong cybersecurity and scam prevention measures.	> Continuous monitoring and upgrading of systems to ensure secure, reliable, and uninterrupted services > Diversified, reliable, and efficient service delivery channels	> Business Banking Customers > Community Partners > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail and BanKo Customers > Senior Management > Suppliers
Business Ethics & Compliance - Ensuring the Bank operates with integrity and transparency by promoting ethical behavior among employees, maintaining strict compliance with laws and regulations, and engaging responsibly with regulators and policymakers on public policy.	> Compliance with regulations through established policies, standards, and processes > Conduct of internal and external audits > Continuous dialogue and engagement with regulators, including on sustainable finance and the integration of environmental and social principles > Timely, transparent, and accurate disclosures and reporting	> Business Banking Customers > Community Partner > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management
Financial Inclusion & Affordability - Improving availability of financial products and services for underbanked and underserved communities, through accessible and affordable digital banking, financial literacy programs, as well as fair and reasonable fees, charges and interest rates.	> Enhancement, introduction, and expansion of products and services to support income growth > Diversified, reliable, and efficient service delivery channels > Economic, business, and product briefings for relevant stakeholders	> Business Banking Customers > Community Partner > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management
Customer Welfare and Protection - Protecting the health, safety and well-being of our customers, including ensuring their physical safety in the branches, and providing care and support for customers experiencing vulnerability and financial hardship.	> Continuous monitoring and upgrading of systems to ensure secure, reliable, and uninterrupted services > Process improvements to address client concerns and reduce turnaround time for transactions	> Business Banking Customers > Community Partner > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management
Consumer Financial Protection - Having policies and processes to ensure lending products and services of BPI are in the customer's best interest, ensuring terms are clear and transparent, and providing support if repayment difficulties arise.	> Process improvements to address client concerns and reduce turnaround time for transactions > Timely and tailored feedback, advice, and solutions to stakeholder inquiries	> Business Banking Customers > Community Partner > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management
Employee Engagement, Benefits, Training & Development - BPI's ability to attract, motivate, and retain talent by promoting an engaged workforce and providing proper benefits, effective training and professional development opportunities.	> Continuous employee capacity building, cross-posting within the bank, competency upgrading, and leadership development > Fair and competitive compensation, including merit-based promotions, salary reviews, and performance incentives > Rewards and recognition programs reinforcing the Bank's core values	> Business Banking Customers > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management > Supplier
Economic Contribution to Society - BPI's direct value generated for the local economy, including through tax payments, infrastructure investments, services supported, and workforce employment.	> Business strategies focused on value-adding sectors to maximize shareholder value while managing risks > Enhancement, introduction, and expansion of products and services to support income growth > Maintenance of a strong workforce (reflected through capacity building and fair compensation)	> Business Banking Customers > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management
Business Continuity - BPI's ability to adapt, innovate and maintain operations amid changing social, environmental and economic conditions, including evolving laws, expectations, and disruptions from natural or man-made disasters.	> Continuous monitoring and upgrading of systems to ensure secure, reliable, and uninterrupted services > Diversified, reliable, and efficient service delivery channels > Business strategies focused on value-adding sectors to maximize shareholder value while managing risks	> Business Banking Customers > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management > Supplier
Employee Health, Safety & Wellbeing - Supporting the physical and mental well-being of all staff/workers, including by supporting a positive work culture, harassment and bullying, and ensuring workplace safety to avoid injuries	> Employee wellness programs, flexible work arrangements, and mobility tools	> Business Banking Customers > Community Partner > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management
Employee Labor Practices - Fair and ethical treatment of BPI staff and Indirect Hires, including fair wages, the right to join or form groups, and other labor rights and practices.	> Fair and competitive compensation, including merit-based promotions, salary reviews, and performance incentives > Streamlined procurement policies and digitalized supplier engagement processes	> Business Banking Customers > Community Partner > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management > Supplier
Community Engagement & Development - Engaging with Filipino communities and fostering their sustainable development, livelihoods, and financial education through partnerships with organizations, volunteer programs, and various acts of charity.	> Implementation of social development programs focused on enterprise development, livelihoods, and financial education > Sharing of technical expertise and best practices with relevant stakeholders > Measurement and monitoring of outputs, outcomes, and overall impact	> Community Partner > Directors > Institutional Banking Customers > Senior Management
Sustainable Finance - Promotion and integration of environmental, social, and governance (ESG) standards into the evaluation and decision-making processes for funded projects and companies, to ensure long-term value and positive impacts on the environment and society.	> Continuous dialogue and engagement with regulators, including on sustainable finance and the integration of environmental and social principles > Contributions in the evaluation and discourse of industry developments, emerging trends, and regulatory changes > Active participation and collaboration in industry and association activities	> Business Banking Customers > Directors > Employees > Institutional Banking Customers > Private Wealth Customers > Retail Customers > Senior Management
Climate Change Impacts - Readiness and resilience of BPI to the potential impacts of climate change, including from more frequent and stronger storms and flooding, rising average temperatures, national policy changes, and the shift to renewable energy.	> Business strategies focused on value-adding sectors to maximize shareholder value while managing risks > Measurement and monitoring of outputs, outcomes, and overall impact > Active participation and collaboration in industry and association activities	> Directors > Supplier

TOPIC INDICES

TOPIC INDICES	GRI INDEX	SASB INDEX
Anti-Corruption	GRI 205-1 to GRI 205-3	FN-CB-510a.1
Anti-Money Laundering		FN-CB-510a.1
Biodiversity & Ecosystem Impacts		FNCB410a.2
Business Continuity		
Business Ethics & Compliance		FN-CB-510a.1 FN-CB-510a.2
Climate Change Impacts / Climate Risks and Opportunities	GRI 102-4 to GRI 102-8 GRI 201-2	
Community Engagement & Development	GRI 413-1	FN-CB-240a.1 FN-CB-240a.2
Customer Service	GRI 416-1 GRI 4171 GRI 418-1	
Customer Welfare and Financial Protection / Consumer Financial Protection	GRI 416-1 GRI 4171 GRI 418-1	
Data Privacy & Cybersecurity / Data and Information Security	GRI 418-1	FNCB230a.1 FNCB230a.2
Digitalization	GRI 2-6	
Diversity, Equal Opportunity, Inclusion, and Non-Discrimination	GRI 405-1 GRI 405-2 GRI 406-1	
Economic Performance / Economic Contribution to Society	GRI 201-1	
Employee Benefits and Remuneration	GRI 2-7 GRI 2-19 GRI 401-1 to GRI 404-4 GRI 405-2	
Employee Engagement		
Employee Health, Safety & Wellbeing	GRI 4031 GRI 403-3 GRI 403-5 GRI 403-8 GRI 403-9 GRI 403-10	

TOPIC INDICES	GRI INDEX	SASB INDEX
Employee Labor Practices		
Employee Training and Education / Employee Training and Development	GRI 404-1 to GRI 404-3	
Financial Inclusion & Affordability		FN-CB-240a.1 FN-CB-240a.4
Freedom of Association and Collective Bargaining	GRI 2-30	
Governance Structure and Composition	GRI 2-9 to GRI 2-12 GRI 2-18 GRI 2-22	FNCB510a.2
Greenhouse Gas (GHG) Emissions	GRI 102-4 to GRI 102-8 GRI 305-1 to 5	
Incorporation of ESG Factors into Credit Analysis	GRI 2-23	FN-CB-410a.2
Marketing and Labelling		
Occupational Health and Safety	GRI 403-1 to GRI 403-9	
Procurement Practices / Supply Chain Risks & Resilience	GRI 204-1 GRI 308-1 GRI 414-1	
Products and Services Delivery Channels	GRI 26	
Sustainable Finance		FN-CB-410a.2
Systemic Risk Management		FN-CB-550a.2
Tax Payments	GRI 207-2	FN-CB-510a.1
Waste, Recycling & Circularity	GRI 3061 to GRI 3065	
Water & Wastewater Management	GRI 3033 to GRI 3035	

GRI CONTENT INDEX

The Bank of the Philippine Islands has reported the information cited in this GRI Content Index for the period of January 1, 2025 to December 31, 2025 with reference to the GRI Standards.

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE REFERENCE PAGE
GRI 1: Foundation 2021			
GRI 2: General Disclosures 2021	2-1	Organizational details	1, 5-7, 18-23
	2-2	Entities included in the organization's sustainability reporting	4
	2-3	Reporting period, frequency and contact point	4
	2-4	Restatements of information	96-99, 107
	2-5	External assurance	194-203, 326-329
	2-6	Activities, value chain and other business relationships	54-121
	2-7	Employees	100-107
	2-8	Workers who are not employees	105
	2-9	Governance structure and composition	122-144
	2-10	Nomination and selection of the highest governance body	127-129
	2-11	Chair of the highest governance body	122-123
	2-12	Role of the highest governance body in overseeing the management of impacts	123, 140-144
	2-13	Delegation of responsibility for managing impacts	123, 140-144
	2-14	Role of the highest governance body in sustainability reporting	111-112, 142
	2-15	Conflicts of interest	147
	2-16	Communication of critical concerns	133-135
	2-17	Collective knowledge of the highest governance body	138
	2-18	Evaluation of the performance of the highest governance body	136-137
	2-19	Remuneration policies	100-101, 130-133
	2-20	Process to determine remuneration	130-133
	2-22	Statement on sustainable development strategy	36-37, 40-47, 75-78
	2-23	Policy commitments	40-47, 76-78, 111-119, 145-152
	2-24	Embedding policy commitments	40-47, 76-78, 111-119, 145-152
	2-26	Mechanisms for seeking advice and raising concerns	148
	2-27	Compliance with laws and regulations	102, 111-119, 145-152, 162-163
	2-28	Membership associations	362
	2-29	Approach to stakeholder engagement	32-33
	2-30	Collective bargaining agreements	102, 142-143
GRI 3: Material Topics 2021	3-1	Process to determine material topics	4, 32-33, 332-333
	3-2	List of material topics	332-335
	3-3	Management of material topics	332-335
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	7, 39
	201-2	Financial implications and other risks and opportunities due to climate change	30-31, 75-78, 113-115, 173-174
	201-3	Defined benefit plan obligations and other retirement plans	258-264
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	105-107
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	52-121
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	110
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	147-148
	205-2	Communication and training about anti-corruption policies and procedures	103, 145-148
	205-3	Confirmed incidents of corruption and actions taken	148

GRI STANDARD	DISCLOSURE NUMBER	DISCLOSURE TITLE	DISCLOSURE REFERENCE PAGE
GRI 207: Tax 2019	207-2	Tax governance, control, and risk management	171-172
GRI 302: Energy 2016	302-1	Energy consumption within the organization	98
	302-3	Energy intensity	98
	302-4	Reduction of energy consumption	
GRI 303: Water and Effluents 2018	303-5	Water consumption	93-95
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	114-115
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	96
	305-2	Energy indirect (Scope 2) GHG emissions	96
	305-3	Other indirect (Scope 3) GHG emissions	97
	305-4	GHG emissions intensity	96-97
	305-5	Reduction of GHG emissions	93-96, 99
GRI 306: Waste 2020	306-4	Waste diverted from disposal	99
	306-5	Waste directed to disposal	99
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	110
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	106-107
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	100-101
	401-3	Parental leave	107
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	100-102
	403-2	Hazard identification, risk assessment, and incident investigation	101-102, 113
	403-3	Occupational health services	101-102
	403-4	Worker participation, consultation, and communication on occupational health and safety	101-102
	403-5	Worker training on occupational health and safety	101-103
	403-6	Promotion of worker health	100-102
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	100-102
	403-8	Workers covered by an occupational health and safety management system	101-102
	403-9	Work-related injuries	102
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	107
	404-2	Programs for upgrading employee skills and transition assistance programs	102-105
	404-3	Percentage of employees receiving regular performance and career development reviews	102
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	124-126
	405-2	Ratio of basic salary and remuneration of women to men	107
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	100-102, 121
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	32-33, 37, 52-68
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	110, 150-151
GRI 415: Public Policy 2016	415-1	Political contributions	117, 147
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	108-110
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	108-110

SASB CONTENT INDEX

Based on the Sustainability Accounting Standard for Commercial Banks as of 2025.

SUSTAINABILITY DISCLOSURE TOPICS AND METRICS			
Topic	**Metric**	**Code**	**Disclosure Reference Page**
Data Security	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of account holders affected[1]	FN-CB-230a.1	116-117, 150, 163
	Description of approach to identifying and addressing data security risks	FN-CB-230a.2	116-117, 150, 163
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding that qualify for programmes designed to promote small business and community development[2]	FN-CB-240a.1	7, 34-37, 41, 54-65, 234
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers[3]	FN-CB-240a.4	50-72, 108
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	FN-CB-410a.2	111-115, 173-174
Financed Emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	FN-CB-410b.1	96-98
	Gross exposure for each industry by asset class	FN-CB-410b.2	76-78
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations[4]	FN-CB-510a.1	145-152
	Description of whistleblower policies and procedures	FN-CB-510a.2	148
Systemic Risk Management	Description of approach to integrate results of mandatory and voluntary stress tests into capital adequacy planning, longterm corporate strategy, and other business activities	FN-CB-550a.2	164-165, 178-187

[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.

ACTIVITY METRICS		
Activity Metric	**Code**	**Disclosure Reference Page**
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate[6]	FN-CB-000.B	214-215

[6] Note to FN-CB-000.B – Mortgage loans as well as revolving credit loans shall be excluded from the scope of the disclosure.

TCFD CONTENT INDEX

PILLAR	RECOMMENDED DISCLOSURES	DISCLOSURE REFERENCE PAGE
Governance	a) Describe the board's oversight of climate-related risks and opportunities.	111-112, 142, 163
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	42-47, 111-112
Strategy	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	30-31, 36-37, 75-91, 93-99, 111-115, 173-174
	b) Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	30-31, 36-37, 75-91, 93-99, 111-115, 173-174
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	111-115, 173-174
Risk Management	a) Describe the organization's processes for identifying and assessing climate-related risks.	30-31, 111-115, 173-174
	b) Describe the organization's processes for managing climate-related risks.	30-31, 111-115, 173-174
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	30-31, 111-115, 173-174
Metrics and Targets	a) Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.	76-78, 93-98
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	93-98
	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	76-78, 93-98

LEADERS' BIOGRAPHIES

JAIME AUGUSTO ZOBEL DE AYALA
Chairman, Non-Executive Director

Mr. Zobel de Ayala, Filipino, 67 years old, has been a member of the Board of Directors of BPI since March 1990 and Chairman since March 2004. He is currently the Chairman of the Bank's Executive Committee, Personnel and Compensation Committee and a member of the Nomination Committee. Mr. Zobel de Ayala likewise served as the Vice Chairman of the Bank from January 1995 to March 2004. He serves as Director and Chairman of Ayala Corporation, one of the largest business groups in the Philippines, with interests in real estate, banking, telecommunications, power, healthcare, logistics, industrial technologies, water, infrastructure, education, and technology investments. He is likewise the Chairman of AC Energy and Infrastructure Corporation (formerly AC Energy, Inc.) and Asiacom Philippines, Inc.

Outside the Ayala group, he is a member of various business and socio-civic organizations in the Philippines and abroad. He is a Director of Temasek Holdings (Private) Limited and a member of JP Morgan International Council, JP Morgan Asia Pacific Council, and LeapFrog Investments Global Leadership Council. He sits on various advisory boards of Harvard University, including the Global Advisory Council and Harvard Business School (HBS) Asia-Pacific Advisory Board. He is likewise the Chairman of Singapore Management University's International Advisory Council in the Philippines.

His other positions include Emeritus Member of the Asia Business Council, Director of Endeavor Philippines, Member of the Council for Inclusive Capitalism, Co-Vice Chairman of the Makati Business Club, and Trustee Emeritus of Eisenhower Fellowships. He has been a director of the US-Philippines Society since 2012 and assumed the Co-Chair position in 2024. He was also the Philippine Representative to the Asia Pacific Economic Cooperation Business Advisory Council from 2010-2015, among others.

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

Mr. Zobel de Ayala graduated with B.A. in Economics (with honors) from Harvard University in 1981. He obtained an MBA from the Harvard Graduate School of Business Administration in 1987 and received an Honorary Doctorate in Management from the Asian Institute of Management in 2024.

CEZAR P. CONSING
Vice Chairman, Non-Executive Director

Mr. Consing, Filipino, 66 years old, has been a director of the Bank since February 1995. He is currently the Vice Chairman of the Bank's Board and Executive Committee and member of the Personnel and Compensation Committee.

Mr. Consing is the President & CEO of Ayala Corporation, a position he has held since 2022. He is Chairman of ACEN Corporation, and Vice Chairman of Ayala Land Inc. and Globe Telecom. He is also the Chairman or Vice Chairman of many of the Ayala Group's unlisted companies. Mr. Consing is likewise Chairman of the Philippine Dealing and Exchange Corporation. He is a non-executive director of the Private Infrastructure Development Group, an infrastructure development and finance organization owned by the governments of Australia, Germany, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom. He is a member of the Trilateral Commission, and a member of the boards of trustees of the Philippine-American Educational (Fulbright) Foundation, the Philippines – Japan Economic Cooperation Committee, De La Salle University, and the Manila Golf Club Foundation.

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

Mr. Consing has previously served as Chairman of Philippine Dealing System Holdings and the College of St. Benilde, Chairman and President of the Bankers Association of the Philippines, President of Bancnet, and Chairman of the National Reinsurance Corporation. He was an independent director of Jollibee Foods Corporation, CIMB Group Holdings Berhad, and First Gen Corporation. Mr. Consing has previously served as a board director of the Asian Youth Orchestra, US-Philippines Society, Endeavor Philippines, and International Care Ministries, among others.

Mr. Consing received an A.B. Economics degree, Magna Cum Laude, from De La Salle University, Manila, in 1979. He obtained an M.A. in Applied Economics from the University of Michigan, Ann Arbor, in 1980.

JOSE TEODORO K. LIMCAOCO
President and CEO, Executive Director

Mr. Limcaoco, Filipino, 64 years old, has been a BPI Director since February 2019 and was appointed as President and Chief Executive Officer of BPI in April 2021. He is currently chairman of Credit Committee and member of Executive Committee. He serves as Chairman of the Board in the following entities: BPI Wealth – A Trust Corporation, Bank of the Philippine Islands (Europe) Plc., BPI Capital Corporation, BPI/MS Insurance Corporation, and BPI Wealth Singapore Pte Ltd., and various ALFM Funds. He is likewise the Vice Chairman of BPI Century Tokyo Lease & Finance Corporation, BPI Tokyo Century Rental Corporation. Furthermore, he serves as the President and Vice Chairman of The Bank of the Philippine Islands Foundation, Inc., and Director of BPI AIA Life Assurance Corporation and Global Payments Asia-Pacific Philippines Incorporated.

Outside of the BPI group, he is Chairman of Philippine Payments Management Inc., and Director of AC Mobility Holdings, Incorporated. He was President of the Bankers Association of the Philippines from March 2023 to March 2026. He is also the Treasurer and Director of Just for Kids, Inc., a homegrown business of his family.

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

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

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

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

JANET GUAT HAR ANG
Independent Director

Ms. Ang, Singaporean, 66 years old, was elected as an Independent Director of BPI in May 2021. She is the Chairman of the Bank's Related Party Transactions Committee, member of the Bank's Risk Management Committee, and one of the Bank's Board Representatives in the IT Steering Committee. Ms. Ang also serves as an Independent Director of BPI Wealth Singapore Pte Ltd.

Ms. Ang is currently the Chairperson of National University of Singapore-Institute of Systems Science (NUS–ISS), Singapore Polytechnic, Public Transport Council, and Singapore Business Federation Foundation.

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

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

Ms. Ang was a recipient of Singapore's National Day Awards - The Public Service Star in 2025 and The Public Service Medal in 2019. She was also awarded NUS Outstanding Service Award in 2021, the Singapore Computer Society IT Leaders Award – Hall of Fame in 2018, the NUS Distinguished Alumni Service Award in 2015 and the NUS Business School Eminent Alumni Award in 2014.

Ms. Ang graduated with a Bachelor's degree in Business Administration (with Honours) from the National University of Singapore. She has also completed the INSEAD International Directors Program.

RENÉ DG. BAÑEZ
Non-Executive Director

Mr. Bañez, Filipino, 70 years old, was elected as director of BPI in August 2021. He is a member of the Bank's Executive, Related Party Transactions, and Retirement/Pension Committees. Mr. Bañez also serves as a Board Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation) and BPI Capital Corporation.

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

Management from 1998 to 2000. Prior to joining PLDT, he was Group Tax Director of Metro Pacific Investment Corporation until 1998.

Mr. Bañez served as the Commissioner of the Bureau of Internal Revenue (BIR) from February 2001 to August 2002 and as Deputy Commissioner from June 1993 to November 1995. Before his appointment to the BIR in 1993, he spent more than 11 years at accounting firm Isla Lipana & Co./PwC (formerly Joaquin Cunanan & Co.), starting as a Tax Consultant in 1982 until he became Tax Principal (Partner) from 1990 to 1993.

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

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

KARL KENDRICK T. CHUA
Non-Executive Director

Mr. Chua, Filipino, 47 years old, was elected as director of BPI in April 2023. He is a member of the Bank's Retirement/Pension Committee. He also serves as a Board Director of BPI Direct BanKo, Inc., A Savings Bank and is currently the Managing Director for Data Science and Artificial Intelligence in Ayala Corporation. He is also a Director of AC Industrials Technology Holdings, Inc., AC Infrastructure Holdings, Corp., Brave Connective Holdings Inc., and an Independent Director of D&L Industries, Inc. and LH Paragon, Inc. Mr. Chua is likewise a Board Adviser for various LH Paragon Businesses. He previously served as a Director of Manila Water Company, Inc. and AC Ventures.

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

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

Mr. Chua was a senior official in the Government of the Philippines for six years from 2016 to 2022. As Secretary of Socioeconomic Planning and Chief Economist of the country, he provided strategic leadership on economic policy during the Covid-19 pandemic and the further liberalization of key sectors of the economy. As chair, he also oversaw the implementation of the national ID program and the national innovation strategy.

As Undersecretary in the DOF, he led the technical team in the passage of the Comprehensive Tax Reform Program covering income, consumption, transaction, and wealth taxes, and the passage of the Rice Tariffication Law, among other reforms in the government's 10-Point Socioeconomic Agenda.

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

WILFRED T. CO
Non-Executive Director

Mr. Co, Filipino, 61 years old, was elected as director of BPI in April 2024. Outside BPI, he is the President of Coherco Securities, Inc. and Herco Trading, Inc. Mr. Co is also the Chairman of the following companies: Robinsons Handyman, Inc., Robinsons True Serve Hardware Philippines Inc., Robinsons Daiso, and Federal Chemicals, Inc. From 2013 to 2015, Mr. Co served as an advisory board member of Robinsons Bank.

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

RESTITUTO C. CRUZ
Independent Director

Mr. Cruz, Filipino, 69 years old, was elected as Independent Director of BPI in April 2025. He is a member of the Bank's Audit and Related Party Transactions Committee. Outside BPI, he has been an Independent Director of Guagua Rural Bank, Inc. since January 2024.

Mr. Cruz worked for 43 years with the Bangko Sentral ng Pilipinas (BSP) under various capacities until his retirement in 2022. He previously served as an Independent Director of Philippine Payments Management, Inc. He also held the following positions in the BSP throughout his decorated career: Assistant Governor from 2017-2022, Managing Director from 2014-2017, Director from 2009-2014, Deputy Director from 2006-2009, and various officer positions from 1979-2006. Prior to working with the BSP, he was a Staff Auditor at SGV & Co., CPAs from 1977-1979.

Mr. Cruz is a Certified Public Accountant. He obtained his Bachelor of Science in Business Administration and Accounting from the University of the East in 1977, and his Master's Degree in Business Administration from the Ateneo Graduate School of Business in 1996.

EMMANUEL S. DE DIOS
Independent Director

Mr. de Dios, Filipino, 71 years old, was elected as Independent Director of BPI in April 2022 and is the Chairman of the Bank's Corporate Governance and Sustainability Committee and Nomination Committee. Mr. de Dios is currently a Professor Emeritus at the University of the Philippines School of Economics, where he has been a professor since 1980 until his retirement in 2019.

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

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

RIZALINA G. MANTARING
Lead Independent Director

Ms. Mantaring, Filipino, 66 years old, was elected as director of BPI in April 2023. She is a member of the Bank's Executive Committee, Corporate Governance and Sustainability Committee, Retirement/Pension Committee, and Chairman of the Risk Management Committee. Moreover, she is one of the Bank's Board Representatives in the IT Steering Committee. She also serves as a Board Director of BPI Asset Management and Trust Corporation (also known as BPI Wealth, A Trust Corporation).

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

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

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

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

MARIO ANTONIO V. PANER
Independent Director

Mr. Paner, Filipino, 67 years old, was elected as Independent Director of BPI in April 2024. He is currently a member of the Bank's Risk Management Committee, Audit Committee, Personnel and Compensation Committee, and Chairman of the Retirement/Pension Committee. Mr. Paner is also an Independent Director of ENEX Energy Corp. since April 2021. He was likewise an Independent Director of ACEN Corporation from April 2020 to April 2021 and ALFM Funds from January 2022 to March 2024.

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

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

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

CESAR V. PURISIMA
Independent Director

Mr. Purisima, Filipino, 66 years old, was elected as Independent Director of BPI in January 2021. He is the chairman of the Bank's Audit Committee, and member of the Executive, Risk Management and Nomination Committees. He also serves as an Independent Director of BPI Capital Corporation.

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

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

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

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

JAIME Z. URQUIJO
Non-Executive Director

Mr. Urquijo, Filipino, 37 years old, was elected as director of BPI in September 2022. Mr. Urquijo is a member of the Bank's Corporate Governance and Sustainability Committee and Risk Management Committee. He serves as a Director of ACEN Corporation, AC Industrial Technology Holdings, Inc., AC Infrastructure Holdings Corporation, ACEN International, Inc., AC Energy and Infrastructure Corporation, and Integrated Micro-Electronics, Inc., and Chairman of Klima 1.5 Corp. He is also Vice-Chairman of the Board of Trustees of Ayala Foundation and an Independent Advisor to the Board of Directors of Ayala Land, Inc.

Currently, he is an Executive Director and the Chief Sustainability Officer and Chief Risk Officer (CSRO) of Ayala Corporation. He was previously Vice President for Business Development at Ayala Corporation's listed energy platform, ACEN Corporation. During his tenure at ACEN, Mr. Urquijo led initiatives to expand the group's asset portfolio in the Philippines, Vietnam, Myanmar, and Indonesia. As country manager for Indonesia, he established ACEN's office in Jakarta. These initiatives resulted in 500MW of operating wind and solar assets in Vietnam and over 2GW of pipeline projects for ACEN across the region. He continues to be a member of the Board of Directors of several foreign affiliates of ACEN Corporation.

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

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

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

FERNANDO ZOBEL DE AYALA
Non-Executive Director

Mr. Zobel de Ayala, Filipino, 66 years old, has been a member of the board of directors of BPI since September 2023. He also serves as a member of the Bank's Executive Committee and Personnel and Compensation Committee.

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

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

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

MARIANA BEATRIZ E. ZOBEL DE AYALA
Non-Executive Director

Ms. Zobel de Ayala, Filipino, 37 years old, has been a member of the board of directors of BPI since April 2025. She also serves as a member of the Bank's Personnel and Compensation Committee. She is a Managing Director of Ayala Corporation and concurrently a Senior Vice President of Ayala Land, where she oversees the Leasing and Hospitality Group, including Ayala Malls, Ayala Land Offices, Ayala Land Hospitality, and Ayala Land Leisure Estates.

Ms. Zobel de Ayala is a board director of Ayala Land where she is a member of its Executive, Risk Oversight, and Sustainability Committees. Additionally, she is a Board Director of Ayala Land's listed REIT subsidiary, AREIT.

In her role as Senior Vice President of Ayala Land, she sits in the following positions: the Chairman and President of Ayala Land Malls, Inc. (formerly: ALI Commercial Center, Inc.); Vice Chairman of ALI Eton Property Development Corporation; Chairman and Director of Ayala Land Offices, Inc., Chairman of Ayala Land Hotels and Resorts Corp., and Director of Fort Bonifacio Development Corporation, Bonifacio Land Corporation, Columbus Holdings, Inc., Berkshires Holdings, Inc., Emerging City Holdings, Inc., Altaraza Development Corporation, Ortigas Land Corporation, AKL Properties, and Makati Central Estate Association (MACEA). She also serves as Chairman and Director of Chirica Resorts Corporation, Ten Knots Development Corporation, Lio Resort Ventures Inc., Pangulasian Island Resort Corp., Ten Knots Phils., Inc., Swift Aerodrome Services, Inc., and ALI Capital Corp.; President & Director of Station Square East Commercial Corporation; and Director of Cagayan de Oro Gateway Corp., Accendo Commercial Corp., and Cebu District Property Enterprise Inc.

As Managing Director of Ayala Corporation, Mariana also serves on the Group Management Committee of Ayala Corporation and as a Board Director for A&CO Holdings Corporation, ACX Holdings Corporation, and ANKO JV Company, Inc.

Ms. Zobel de Ayala previously worked for the Bank of the Philippine Islands (BPI) as a Senior Vice President, leading the development of its marketing and digital platforms for its Consumer Bank. Before this position, she served as the Deputy Head of Ayala Malls and previously worked in project development across Ayala Land. She started working at the Ayala Group as a corporate strategy and business development associate at Ayala Corporation.

Ms. Zobel de Ayala began her career at J.P. Morgan in New York. She obtained her BA in Social Studies (Philosophy, Politics, and Economics) from Harvard College and MBA from INSEAD.

DINO R. GASMEN
Executive Vice President, Treasurer
Head of Global Markets

Filipino, 59 years old, Mr. Gasmen is the Treasurer and Head of Global Markets. He is responsible for optimizing BPI's financial resources through management of interest rate and liquidity gaps, as well as its fixed income and currency market-making, trading, and distribution. He serves as Chairman of the Bank's Asset & Liability Committee and is a Director of BPI (Europe) PLC. He is also a Member of the Asset & Liability Committee of BPI Wealth Hong Kong.

Mr. Gasmen is the Head of the Interest-Rate Sub Committee of the Bankers Association of the Philippines Open Market Committee. He is also a Member of the Finance Committee of the Ayala Multi-Purpose Cooperative.

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

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

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

Mr. Gasmen holds a Bachelor's degree in Electrical Engineering and a Master's degree in Business Administration from the University of the Philippines Diliman.

MA. CRISTINA L. GO
Executive Vice President
Head of Consumer Banking

Filipino, 56 years old, Ms. Go leads the Consumer Banking Segment, serving over 18 million clients and overseeing more than 820 branches nationwide. She is responsible for managing retail digital platforms, core retail products—including deposits, auto loans, housing loans, motorcycle loans, as well as life and non-life bancassurance—and all related support services. Ms. Go has consistently championed a client-first "phygital" transformation strategy, emphasizing the delivery of a seamless omni-channel experience for the Bank's diverse markets. This approach leverages BPI's extensive physical presence to provide trusted advice through its team of over 11,000 expert banking professionals, complemented by best-in-class digital capabilities that enhance convenience and accessibility for clients.

Under Ms. Go's leadership, 107 branches have been converted to the phygital format, redefining the in-branch customer experience and integrating digital education. A key aspect of this transformation is the shift of branch roles from transaction centers to advisory hubs, supported by ongoing manpower development. The Bank's mobile app and online platforms continue to introduce innovations, such as an improved user interface for fund transfers and payments, the addition of over 600 new billers, buy-and-sell functionality for US dollars, cardless withdrawals at retail partner stores, expanded reach for mobile check deposits, virtual privilege cards, and more. The BPI app has received high ratings on both the App Store and Google Play Store. The Bank's digital transformation has accelerated across all channels, with robust adoption of Salesforce, Talkdesk, and the GenAI-enabled BPI Express Assist Intelligence (BEAi), all supported by streamlined processes and continuous upskilling of personnel. These initiatives have strengthened customer engagement and enhanced productivity.

The Bank's retail loan products—including housing, auto, and motorcycle loans—have achieved significant market share growth through data-driven lending programs that have simplified application processes and reduced turnaround times. New products in both life and non-life insurance, such as BPI AIA's Prime USD life insurance and BPI MS's Kaya Care, Safe Sakay, and Freelancer non-life insurance, have made notable impacts in the market.

Prior to leading Consumer Banking, Ms. Go served as President of BPI Family Savings Bank (BFSB), where she oversaw the successful merger and integration with BPI. She was previously Group Head of BFSB Retail Loans in 2015, following 11 years as Head of BPI's Payments and Unsecured Lending Group. There, she introduced innovations such as the first EMV-compliant credit cards and the launch of Real Thrills, the Bank's first instant rewards program. Her extensive experience in transformational initiatives—spanning manpower, processes, products, systems, and culture—has enabled the Bank to pursue market-creating growth opportunities and maintain a high-quality customer portfolio. With a client-first transformation strategy focused on customer satisfaction, BPI has achieved the highest Net Promoter Score (NPS) among universal banks and fintechs in the country.

Before joining BPI, Ms. Go was Vice President at Citibank Philippines, overseeing Retail Bank Marketing, and later served in Citibank's Credit Cards Cross Sell Division in New York. She also held leadership roles at Ayala Land, establishing and heading its Market Planning and Development Division, where she contributed to the company's expansion into the middle-market segment. Ms. Go began her career at Procter & Gamble as Brand Assistant and was later promoted to Assistant Brand Manager, managing brands such as Mr. Clean, Perla, Star, and Dari Crème. She holds a Master's degree with honors from the Harvard Business School (1996) and graduated magna cum laude with a Bachelor of Science degree in Business Administration and Accountancy from the University of the Philippines Diliman. She was recognized as one of the Ten Outstanding Students of the Philippines, placed first in the 1991 CPA licensure exam, and was named a Distinguished Alumna by the UP College of Business Administration in 2012. In 2016, she was honored by the Filipina Women's Network as one of the 100 Most Influential Filipina Women in the World.

Ms. Go currently serves as Chairman of the Personnel Committee and Director of BPI MS Insurance Corporation. She is also a Director on the Boards of Legazpi Savings Bank and TransUnion Philippines, and a Trustee of Ayala Foundation. Additionally, she is a member of the Ayala Group's AI Governance and Steering Committee, the Management Association of the Philippines, the Harvard Global Club of the Philippines, the Harvard Business School Club of the Philippines, the Filipina CEO Circle, and the NextGen Organization of Women Corporate Directors. Ms. Go actively mentors high-impact entrepreneurs through Endeavor Philippines and supports the development of current and future leaders within BPI and in various organizations with which she is affiliated.

In 2025, Ms. Go was named Retail Banker of the Year at the World Financial Innovation Series Philippines. Under her leadership, BPI was also recognized as the Best Retail Bank in the Philippines by FinanceAsia and The Asian Banker Global.

ERIC ROBERTO M. LUCHANGCO
Executive Vice President
Chief Finance Officer and
Chief Sustainability Officer

Filipino, 55 years old, Mr. Luchangco is the BPI's Chief Finance Officer, Chief Sustainability Officer, and Head of Strategy and Finance. In this role, he oversees BPI's strategic planning and budgeting, capital structure, and sustainability agenda.

Before taking on his current role, Mr. Luchangco was Head of Business Banking from June 2019 until May 2022, during which he managed the Bank's presence in the SME space.

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

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

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

MARIA THERESA D. MARCIAL
President & CEO of BPI Wealth

Filipino, 55 years old, Ms. Marcial is the President & CEO of BPI Wealth – A Trust Corporation. She leads the asset and wealth management business of the Bank of the Philippine Islands, overseeing total assets under management of PHP 2.1 trillion. With over three decades of extensive banking experience, Ms. Marcial has held key senior executive roles within the BPI group, including Chief Finance Officer, demonstrating her expertise in finance, strategy, and leadership.

She currently serves as chairman of BPI Wealth Hong Kong and sits on the boards of BPI Wealth Singapore, BPI Europe Plc, BPI AIA Life Assurance Corporation, AREIT Inc, and Alternergy Holdings Corporation (as independent director). She also serves as board governor of the Management Association of the Philippines, fellow of the Foundation for Economic Freedom, and member of HBS Club of the Philippines, NextGen Organization of Women Corporate Directors and Filipina CEO Circle.

Previously, Ms. Marcial served as president of the Fund Managers Association of the Philippines and the Trust Officers Association of the Philippines, vice chairman of the Capital Markets Development Committee of the Financial Executives Institute of the Philippines (FINEX), and as alternate governor of the Market Governance Board of the Philippine Dealing and Exchange Corporation. Before her banking career, she contributed to public service as a project officer at the Agricultural Policy Credit Council and as an economist at the National Economic and Development Authority.

Beyond her professional interests, Ms. Marcial is deeply engaged in environmental and community causes, advocating for marine conservation and the growth of the Philippine sailing community. She also champions financial literacy, retirement planning, and the development of robust capital markets, while dedicating time to mentoring the next generation of leaders in wealth management, finance, and business. She serves on non-profit boards of World Wildlife Fund (WWF) Philippines and the Ocean Racing Club of the Philippines, and previously as a member of the WWF Asia Pacific Council and WWF Philippines National Advisory Council. She is passionate about personal growth and enjoys exploring the outdoors through open water scuba diving, underwater photography, and offshore sailing. She holds a Royal Yachting Association skipper certification earned in Sydney, Australia, and has logged over 8,000 nautical miles sailing in the Philippines, Australia, the South China Sea, and the Mediterranean. Ms. Marcial has competed in renowned international yacht races, including the 2018 Rolex Middle Sea Race and the 2023 Rolex China Sea Race.

Ms. Marcial holds a Master of Arts in Economics from the University of the Philippines (UP) Diliman and a Bachelor of Science degree in Economics (cum laude) from UP Los Baños. She has completed Harvard's Advanced Management Program and Stanford's

Executive Program in Strategy and Organization. Among her recognitions are the Philippine Daily Inquirer Women of Power, Asian Investor's Top 25 Most Influential Women in Asset Management in Asia, Institutional Investor's Best CFO, and Most Outstanding Alumnus of the University of the Philippines Los Baños.

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

Filipino, 66 years old, Mr. Sarte is a highly accomplished executive with over 40 years of experience in the banking industry. He joined the Bank following the merger between BPI and Robinsons Bank Corporation (RBC).

He serves as Chairman & Director of Legazpi Savings Bank and UNICON Insurance & Reinsurance Brokers Corporation. He was elected as Director of BPI/MS Insurance Corporation, Director of Global Payments Asia-Pacific Philippines, Incorporated, BPI Holdings, Inc. (formerly BPI Card Finance Corporation), BPI Direct BanKo, Inc., and AF Payments, Inc. He is also the BPI Payments Council Head and serves as Chairman of the BPI Management Vetting Committee (MVC).

Mr. Sarte is the Vice Chairman of the Philippine Clearing House Corporation, a member of the Board of Trustees of The Grove by Rockwell Condominium Corporation, and a Director of the Galleria Corporate Center Condominium Corporation.

Before joining BPI, Mr. Sarte was the President and CEO of RBC from 2014 to 2023. It was under his leadership that RBC began its digital transformation and embarked on its journey towards becoming digital to the core. He formed an agile culture at RBC, created a new digital organization, and put in place digital strategies that were steadfastly implemented to deliver innovative, high-tech, low-touch, real-time, and on-demand products and services to customers. RBC was the first bank to launch a digital retail online account opening at the onset of the health crisis in 2020. Back then, the Department of Social Welfare and Development partnered with RBC to distribute the government's social amelioration program to millions of needy families impacted by the pandemic. RBC created a digital banking solution to help beneficiaries, which led to being featured in the Bangko Sentral ng Pilipinas' Financial Inclusion Book, entitled "No One Left Behind." This stemmed from a data-driven culture in which RBC's enterprise data warehouse was built to centralize data from various systems, enabling analytics, reporting, and strategic direction. It was also under his leadership that RBC successfully raised PHP10 billion in its maiden bond issuance, which was four times oversubscribed of the book build and got a "PRS AA minus–Stable outlook" from The Philippine Rating Services Corporation (PhilRatings), which sealed RBC's efforts to gain the trust and confidence of the investing public. Mr. Sarte delivered RBC from rank 26th in 2014 to rank 16th by end-2023 in terms of assets among Universal and Commercial banks in the Philippines, which resulted in numerous recognitions from various local and international award-giving bodies.

His rich banking experience includes serving as President, Director, and CEO of PNB Savings Bank from 2013 to 2014. He was the Head of the Consumer Finance Group at Philippine National Bank (PNB) from 2010 to 2013. Prior to joining PNB, he was with Union Bank of the Philippines from 1995 to 2010, serving in various roles, the last of which was as Head of the Credit Services Division. His entry into the corporate world began at Credit Information Bureau Inc. (CIBI), where he honed for his credit skills.

Mr. Sarte has been a Director of various organizations, namely: GoTyme Bank Corporation, Bankers Association of the Philippines (BAP), BAP Data Exchange Inc., Maxicare Healthcare Corporation, and Maxicare Life Insurance Corporation. He also served as the Chairman of the BAP Operations Committee from 2017 to 2023.

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

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

Filipino, 59 years old, Mr. Syquia was the Head of Institutional Banking before his secondment to Ayala Corporation effective May 1, 2025. He led a comprehensive portfolio encompassing Corporate and Commercial Banking, Investment Banking, and Transaction Banking. His strategic oversight and client-centric approach played a pivotal role in strengthening BPI's institutional relationships and financial performance.

Mr. Syquia is currently Chief Financial Officer of Ayala Corporation. His earlier career included key leadership roles at ING, where he served as Managing Director and Head of Corporate Finance in the Philippines. He also held the role of Head of Strategy and Business Development for ING Asia Pacific Ltd., overseeing the firm's insurance and asset management operations across the region. He further broadened his banking experience in the Philippines as Head of Corporate and Institutional Banking at Standard Chartered, where he provided leadership in serving top-tier corporate clients and driving strategic growth initiatives in the local market.

Mr. Syquia's deep expertise spans across finance, mergers and acquisitions, cross-border transactions, and business information — making him a trusted advisor and strategic leader in the financial sectors. He carries a Master's degree in Business Administration with a concentration in Finance and International Business from Fordham University in New York, where he graduated with honors. He earned his Bachelor of Arts degree in Management Economics from the Ateneo de Manila University.

JOSEPH ANTHONY M. ALONSO
Senior Vice President
Chief Credit Officer

Filipino, 60 years old, Mr. Alonso is the Bank's Chief Credit Officer responsible for managing the aggregate risk in the BPI Group's loan portfolio – ensuring that portfolio quality and profitability are maintained across lending units through the establishment of procedures and guidelines that facilitate effective decision-making based on overall risk appetite and compliance with internal policies and regulatory requirements. He also serves as Vice Chairman of the Bank's Credit Committee and a member of the Fraud and Irregularities Committee.

Mr. Alonso was a Board member of BPI Century Tokyo Lease & Finance Corporation and BPI Century Tokyo Rental Corporation until July 2019. He was involved in Corporate Relationship Management for most of his 29-year career at BPI, starting as a Market Head in the Asian Division and eventually becoming Division Head of the Asian Corporates/PEZA Division. The Division also included the Special Projects Team under the Financial Institutions Group, as well as BPI Leasing Corporation and BPI Rental Corporation, prior to its merger with Tokyo Century Corporation of Japan. Mr. Alonso started his banking career with The Mitsubishi Bank, Ltd. in Tokyo in 1990 as a management trainee, holding positions in branch, treasury and international operations, and SME and multinational relationship management. Prior to joining BPI in January 1997, Mr. Alonso headed the Japan Desk at the World Corporation Group of Citibank, N.A. Manila Branch from 1994.

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

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

Filipino, 55 years old, Ms. Asis is the Chief Risk Officer (CRO) of the BPI Group of Companies and Head of its Risk Management Office. As the CRO, her primary role involves overseeing the management of our enterprise risks– ensuring that all relevant financial and non-financial risks are appropriately identified, measured, controlled, and monitored within the Bank's approved risk appetite and commensurate with returns on capital. She provides executive and strategic risk support to the Board of Directors, through the Risk Management Committee (RMCom), to fulfill its risk management function and ensure that BPI has a robust Enterprise Risk Management (ERM) framework. She works closely with the Chief Audit Executive and Chief Compliance Officer and actively contributes to effective risk management governance, compliance, and control processes across the Bank.

Ms. Asis currently chairs BPI's Fraud and Irregularities Committee and Data & AI Governance Sub-Committee, and serves as Deputy Commander of the Crisis Resiliency Committee. She is a member of the IT Project Steering Committee, Operational Risk Management Committee, Enterprise Data Council, Sustainability Council, IT Infrastructure Governance Committee, and serves in an advisory capacity to the Finance Committee, Information Technology Steering Committee, and Project Prioritization Committee. She also acts as a resource person to the Credit Committee and Money Laundering Evaluation Committee.

She has a distinguished 30-year career with BPI and has held key roles in Institutional Banking before joining the Risk Management Office in 2017 as Head of Credit Policy and Risk Management (CPRM) that oversees risks for both the corporate and retail lending activities of the Bank.

Ms. Asis holds a Bachelor of Science degree in Business Economics and a Master of Arts degree in Economics from the University of the Philippines Diliman. Currently, she is an Executive Member of the Enterprise Risk Management Council of the Ayala Group, a member of the Institute of Corporate Directors (ICD), Bankers Association of the Philippines (BAP) Risk Committee, Bankers Institute of the Philippines (BAIPHIL), and Pan-Asia Risk & Insurance Management Association (PARIMA).

LUIS GEMINIANO E. CRUZ
Senior Vice President
Head of Institutional Banking

Filipino, 56 years old, Mr. Cruz is the Head of Institutional Banking effective May 1, 2025. Mr. Cruz's responsibilities include managing the Corporate Banking Relationship Management, Commercial Banking Relationship Management, Corporate & Commercial Credit Products, Transaction Banking (Cash Management and Trade), Remittance & Fund Transfer, and Investment Banking (which includes Equity Brokerage) units of the Bank. He serves as a member of the Board of Directors of BPI's merchant acquiring joint venture company, Global Payments Asia-Pacific Philippines Incorporated, BPI's investment banking subsidiary - BPI Capital Corporation, BPI Century Tokyo Lease and Finance Corporation, BPI Tokyo Century Rental Corporation, and Unicon Insurance and Reinsurance Brokers Corporation.

Mr. Cruz has over 25 years of work experience in the financial services industry. Before assuming his current role, he began his career at BPI Corporate Banking where he spent 15 years before joining Citibank and HSBC. He returned to BPI in 2010 to lead a team in Private Banking and later moved to BPI Capital Corporation in 2013 to head the Securities Distribution Division, marking his entry into capital markets. He subsequently became Syndicate Head in 2014 and Debt Capital Market Head in 2017. After two years, in 2019 he was appointed Group Head for Large Corporations at BPI.

He also oversees business development, customer care and people management, ensuring that corporate strategies are effectively supported by motivated and knowledgeable relationship managers. He works to align relationship management with product partners, optimizing collaboration to deliver efficient service and to recommend a broad range of banking products and services, including customized solutions tailored to client needs.

Mr. Cruz earned his Bachelor of Science degree in Applied Economics from De La Salle University in 1991. He completed his secondary education in 1987 at the Ateneo de Manila University and in Luverne High School, Luverne, Minnesota.

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

Filipino, 54 years old, Mr. Jereza leads BPI Agency Banking, where he drives the expansion of the Bank's customer base through strategic partnerships with established and trusted retail brands. These partnerships enable BPI to expand its reach, acquire new customers, and deliver essential banking services to more Filipinos nationwide.

Mr. Jereza also spearheaded the rollout of the Person-to-Merchant (P2M) model, empowering business clients to accept QR payments from any QR Ph-enabled bank or e-wallet, with funds credited in real time.

Among his notable innovations is the internationally acclaimed earned wage access solutions: BPI Salary On-Demand and BPI Sweldo On-The-Spot. These allow BPI Payroll employees to access a portion of their earned salary ahead of the traditional payday, helping address short-term financial needs while improving employee engagement and productivity—delivering value to both employers and employees.

Under his leadership, Agency Banking has grown into a full-service access channel, allowing customers to conveniently perform deposit and withdrawal transactions at partner locations nationwide. A key milestone was the launch last year of cardless cash withdrawal using BPI app-generated barcodes, reinforcing the Bank's commitment to secure, accessible, and digitally enabled banking.

Mr. Jereza also spearheaded the rollout of the Person-to-Merchant (P2M) model, empowering business clients to accept QR payments from any QR Ph-enabled bank or e-wallet, with funds credited in real time.

Mr. Jereza has been with the Bank for more than 19 years, having joined BPI in January 2007.

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

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

Ms. Lacerna started her career at BPI in 2015 as Vice President and Division Head for Credit Cards and Personal Loans, where she has successfully increased the business's volumes, credit card loan volume, revenues, and income. It is also in this role that she won the prestigious BPI Excellence Award, as the Senior Management Unibanker of the Year in 2018.

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

Prior to joining BPI, Ms. Lacerna was an esteemed financial institution veteran with 15 years of experience at Citibank across Credit Cards, Retail Banking, and Personal Loans. She also worked at American Express, gaining eight years of experience in Card Sales and Marketing. She also served as First Vice President of the Global Remittances Group at Philippine National Bank from 2014 to 2015.

Ms. Lacerna holds a Bachelor of Science degree in Business Administration from the University of Santo Tomas.

DOMINIQUE R. OCLIASA
Senior Vice President
Head of Business Banking

Filipino, 58 years old, Mr. Ocliasa is the Head of Business Banking. He oversees the expansion of BPI's presence in the SME space, which has been identified as a growth area for the Bank. Business Banking envisions to be the partner of choice for small and medium enterprises in the Philippines by providing simple, convenient, and relevant product offerings and services to address the needs of small businesses.

Mr. Ocliasa began his banking career in 1987 as an Analyst in the Credit Division of Far East Bank and Trust Company, where he later became Deputy Administrative Officer. In 1990, he moved to Corporate Banking as Account Officer covering top corporates, a role he retained upon the merger with BPI in 2000. He was promoted to Assistant Vice President in 2008 and became Team Head of Asian Corporates & PEZA in 2011. In 2015, he was assigned to the Corporate Credit Products Group, where he concurrently headed the credit divisions covering Metro Manila Lending, Asian Corporates & PEZA, and Leasing Express Lane until early 2019. He briefly joined the Office of the Chief Credit as a member of the BPI Sub-Credit Committee before moving to BPI Family Savings Bank (BFSB) as Co-Chairman of the BFSB Credit Committee in late 2019. In April 2020, he became Retail Credit Division Head and Chairman of the BFSB Credit Committee. He returned to BPI in June 2022 to cover Business Banking.

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

RICARDO D. PEÑA
Senior Vice President
Head of Enterprise Operations

Filipino, 50 years old, Mr. Peña leads BPI's Enterprise Operations Segment, which serves as the backbone of the Bank's service delivery capabilities that include Core Banking Operations, Retail Banking Operations, the Contact Center, Enterprise Vendor Management, Enterprise Fraud Operations, and the Facilities Services Management, among many others He also oversees the performance of major outsourcing partners related to our operations, such as Brinks, ATPI, Unisys, Gemalto, Euronet, and various security and courier agencies.

Mr. Peña has had a distinguished career spanning nearly 28 years, marked by significant achievements and extensive experience in the banking and financial services industry. Prior to joining BPI, he was a Senior Vice President and the Division Head of the Strategic Support and Transformation Division at Metrobank, where he oversaw its Clearing, Cash Management, and Electronic Banking Divisions alongside managing their Operations Group's business transformation activities, involving process digitization and RPA solutions.

Prior to transitioning to local banking groups in 2020, he spent the first 22 years of his career with global and regional banking conglomerates such as JPMorgan Chase (JPM), the Australia & New Zealand Banking Group (ANZ), and Citibank (Citi). He concluded that period as an Executive Director at JPM, managing global operations teams in the Philippines and India, and implementing automation and machine learning technologies to support JPM's Wholesale Payments businesses across multiple geographies. Prior to that, he spent nine years with ANZ Philippines as its Head of Operations and, later, as a Senior Vice President and its Chief Operating Officer, where he had overall responsibility for all middle and back-office operations, technology, operational risk management, facilities, administration, and security. He played a key role in major transformation projects, including ANZ's purchase of RBS Philippines, the rapid expansion of its Transaction Banking and Financial Markets capabilities and the implementation of a new core banking system. Prior to joining ANZ, he held various positions at Citibank Manila's Global Corporate and Investment Bank over a ten-year period. He managed different teams within its Operations & Technology function after graduating from Citi's Management Associate program. He started his career with Citi as a sales and product manager under their Financial Markets business in the Philippines. His career reflects his expertise in strategic support, transformation, operational excellence, and product management in the banking sector.

Mr. Peña earned his Master's in Business Management from the Asian Institute of Management in 2005 and graduated from the Ateneo de Manila University in 1998 with a Bachelor of Arts degree in Economics.

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

Filipino, 58 years old, Ms. Santamaria has been BPI's Chief Customer and Marketing Officer (CCMO) since August 2021. She leads the branding reinvention, safeguards reputation, and takes on the transformation for customer delight experiences.
Ms. Santamaria joined the Bank in 2011, starting with Customer Relationship Marketing (CRM). She then held various roles in the organization, subsequently becoming its Chief Marketing Officer in November 2018.
With over 30 years of marketing experience, Ms. Santamaria began her career in the advertising industry with Adformatix. She then worked with leading companies such as Philippine Airlines, Monterey, and Wyeth-Suaco. Most notable was her stint at Kraft Foods where she held various marketing positions in the Philippines and was appointed to Kraft Foods International headquarters (Rye Brook, New York) as Director, Business Development where she identified business opportunities for specific market categories across Central and Eastern Europe, Brazil, Australia, China, and Saudi Arabia and subsequently appointed as General Manager for Kraft Foods Jaya, leading Singapore, Malaysia, and Brunei. Immediately before joining BPI, Ms. Santamaria was connected with Globe Telecom, where she led the mobile business and spearheaded the repositioning of various brands.
Ms. Santamaria's accolades throughout her career include the Rookie of the Year (Adformatix), President's Award (Kraft Foods – Asia Pacific/Kraft Foods International), Best Innovation – TM (Touch Mobile, Globe Telecom), and various Awards of Excellence in Data-Driven Marketing and Consumer Insight (Marketing Interactive), including honors from the Anvil Awards, Philippine Quill Awards, the Philippine Association of National Advertisers (PANA), and the Bank Marketing Association of the Philippines (BMAP). The Ayala Innovation Awards also recognized her in 2016 and 2023. Within the Bank, her team has won the Best Innovation Project – Employee Category in 2016 and 2023, and the teams she leads have been recognized yearly in the Unibank Excellence Awards program since 2018. In 2025, she was honored as Chief Marketing Officer of the Year at the Asia-Pacific Tambuli Awards and as Female Executive of the Year in Asia, Australia, or New Zealand at the Stevie® Awards for Women in Business. She was also awarded a Silver Stevie® for Marketing Executive of the Year at the International Business Awards.

Ms. Santamaria served as Vice President of BMAP in 2018; and as Auditor (2023), Treasurer (2024), and Vice President/President (2025) of PANA.

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

MARIA LOURDES P. GATMAYTAN
Senior Vice President
Corporate Secretary

Atty. Gatmaytan, Filipino, 58 years old, is concurrently the Co-Head of Legal / Head of Corporate Legal Affairs and Corporate Secretary of BPI. She also serves as Corporate Secretary of BPI Asset Management and Trust Corporation (also known as BPI Wealth - A Trust Corporation), BPI Direct BanKo, Inc., A Savings Bank, BPI/MS Insurance Corporation, and The Bank of the Philippine Islands Foundation, Inc.

Atty. Gatmaytan started her career at ACCRALAW before taking on in-house counsel and leadership roles in top corporations, such as Corporate Legal Counsel at SM Investments Corporation, Associate General Counsel at San Miguel Corporation, Head of Legal at Bahay Financial Services, Inc. and Chief Legal Counsel at Splash Corporation. She was named in Legal 500's maiden GC Powerlist Philippines in 2023 and led the BPI Legal team to be included in the GC Powerlist Southeast Asia Teams 2023 and GC Powerlist Philippines Teams 2024, and to be awarded by In-House Community as In-House Legal Team of the Year 2025 for Banking.

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

ANNA LIZA O. BOBADILLA
Senior Vice President
Chief Audit Executive

Ms. Anna Liza O. Bobadilla, 57 years old and Filipino, is the Chief Audit Executive of the BPI Group of Companies, a position she has held since July 2023. In this role, she leads the Group's Internal Audit function, overseeing the audit of business units, systems, and operational processes across the organization; and providing independent assessment and assurance on the adequacy and effectiveness of internal control systems, risk management frameworks, and governance processes. She supports the Audit Committee in the discharge of its oversight responsibilities, and works closely with the Chief Risk Officer, Chief Compliance Officer, the external auditor, and other assurance units to ensure a comprehensive and integrated approach to compliance and risk management.

As Chief Audit Executive, Ms. Bobadilla serves as a resource person to the Board-level Related Party Transactions Committee and the Management-level Fraud and Irregularities Committee. She has been the appointed Internal Audit Head for BPI Europe, PLC (since 2016) and BPI Wealth Singapore (effective October 1, 2025), and Audit Manager-in-Charge for BPI Wealth Hong Kong since 2021.

Prior to her appointment as Chief Audit Executive, Ms. Bobadilla served as Department Head with audit oversight of Global Markets, Wealth Management, Enterprise Services, Strategy and Finance, and Insurance. She also led the Internal Audit Quality Assurance and Improvement Unit and played a key role in achieving a "Generally Conforms" rating during the function's first external quality assessment in 2007, establishing practices that continue to align Internal Audit with international standards.

Ms. Bobadilla is a Certified Public Accountant and holds a Bachelor of Science in Accountancy from the University of the East – Caloocan.

MARIA PAZ A. GARCIA
Senior Vice President
Chief Compliance Officer

Filipino, 59 years old, Atty. Garcia was the Chief Compliance Officer (CCO) of BPI since Jan. 1, 2024. She oversees the implementation of the Bank's enterprise-wide compliance programs and is composed of the following divisions: Anti-Money Laundering, Regulatory Compliance, Data Privacy Office, Corporate Governance and Subsidiary Regulatory Oversight, and Compliance Systems, Projects and Analytics. Atty. Garcia has more than 30 years of banking and investment management experience, 22 years of which had been fully dedicated to trust and investment operations covering the areas of Legal, Risk and Compliance. Prior to moving to BPI as its CCO, she headed the Legal Services and Family Office of BPI Wealth–A Trust Corporation (BPI Wealth). From 2011 to 2022, she led the legal, risk management, compliance and accounts review functions of BPI's trust and investment business (now known as BPI Wealth), a function she assumed as Head of legal, risk and compliance for four years from 2007 to 2011 in ING Bank Trust Department when the latter was acquired by BPI. She was Legal Counsel of Metropolitan and Trust Company– Trust Banking Group from 2000 to 2007 and a Legal Officer of Far East and Trust Company from 1992 to 1999.

She previously served as President and Director of the Trust Association of the Philippines (TOAP) and is a professor and faculty member of the Trust Institute Foundation of the Philippines (TIFP). She is a Director of the Association of Bank Compliance Officers, heading the Education and Events Committee.

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

President and Ceo
Limcaoco, Jose Teodoro K.

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Lualhati, Genaro N. Iv
Montenegro, Jose Victor G.

Vice President
Barroga, Donna Michelle T.
Barroquillo, Ericson H.
Farinas, Ritche G.
Salvador, Rennielyn T.

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Pagulayan, Rhodora Adelaida C.
Paulino, Ma Genalyn R.

Vice President
Aquino, Ma Eloisa E.
Basa, Lovellynne D.
Cruz, Katrina Joy G.
Ramos, Mary Jhoanna J.
Raneses, Nino Jesus B.
Rojas, Rosemarie Carmen P.
San Diego, Ma Cristina L.

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Aniceto, Homer L.

Vice President
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Almario, Arlene M.
Catalan, Mari Margaret Z.
Cruz, Jamie Jasmin M.
Gutierrez, Trisha Marie Gerette B.
Villanueva, Ruby D.

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Senior Vice President
Paz, Jonathan John B.

Vice President
Abiog, Leni P.
Rafa, Mario B.
Recto, Enrico Francisco A.
Sevilla, Don Cesar Teodoro L. Ii
Villaflores-Balatan, Melissa B.

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Senior Vice President
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Fronda, Dennis T.
Galvez, Marwin L.
Gasa, Jose Mari Israel V.
Gonzales, Glenda M.
Sampang, Maya B.
Sy, Cristina J.

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Alcuaz, Geraldine Therese C.
Alegario, Adonis G.
Amarillo, Lorilei Joy E.
Andrada, Clyde F.
Ang, Neil Vincent T.
Apolonio, Rolando D.
Bada, Phil P.
Badua, Arrex S.
Balingit, Ma Corazon C.
Brocka, Virginia Gloria B.
Cala, Vincent A.
Casaul, Allan H.
Catindig, Myra Liza D.
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Cuajotor, Dexter Lloyd C.
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Espiritu, Hazel Marie O.
Facundo, Alan Ramil T.
Garcia, Manuel Antonio S.
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Hasegawa, Edgar C.
Imam, Robert B.
Iringan, Ariel M.
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Limson, Agnes B.
Lopez, Redilberto V.
Maglasang, Stephen N.
Mallari, Edward C.
Medina, Melissa R.
Mercado, Arlene D.
Meregillano, Ma Theresa D.
Miranda, Bessie D.
Montemayor, Rochelle S.
Montes, Vivian D.
Navarrete, Rhodora Marie R.
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Ocampo, Amelita C.
Ocampo, Bernadette B.
Panizales, Mark Launcel P.
Perez, Art Gerald B.
Quimbo, Joseph Sidney D.
Raymundo, Maribeth A.
Rodriguez, Audrey May M.
Ruiz, Anne Christine O.
Sampang, Jose P. Jr
Santos, Maria Claudina C.
Santos, Mylene Riza C.
Soriano, Rhoda A.
Taguba, Janette B.
Tech, Marie Blesee Alexys M.
Teo, William C.
Tined, Edelinda R.
Trinidad, Jonathan V.
Ty, Janice S.
Ureta, Joy L.
Wambangco, Angel Gerald D.
Yerro, Jasmin E.
Yuan, Ma Teresa M.

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Segui, Maribeth G.

Vice President
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Dy, Beatrice Joan D.
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Valdez, Melissa Joy D.

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Peña, Ricardo D.
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De Jesus, Donna M.
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Lee, Eugene O.
Lim, Roseller B.
Mundo, Maria Rosalina S.
Poblete, Carlo Eduardo P.
Rendon, Alfonso O. Jr
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Cruz, Napoleon I. Jr
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Evacula, Caitlin Mae D.
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Ferrer, Josephine B.
Hierro, Teodoro Paterno J.
Javier, Ivan Angelo E.
Jugo, Carlos V.
Marquez, Geraldine Joyce H.
Palafox, John Emmanuel J.
Paran, Giselle M.
Ramos, Roderick U.
Rivas, Rachelle F.
Roque, Archie R.
Roselada, Rolando H.
Roxas, Michael D.
Sacdalan, Rosalie B.
Saveron, Grace Catherine G.
Sianghio, Ed Martin A.
Silverio, Marco Antonio C.
Taguibao, Domingo Digno A. Jr
Treyes, Anthony Y.
Trocio, Bernadette S.
Umayam, Editha F.
Valeriano, Jovie B.
Villacorta, Ma. Ria D.
Villegas, Christian R.
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Cabral, Voltaire P.
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Gingco, Rowena M.
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Guevarra, Jenny C.
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Pascual, Benedicto R. Jr
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Wee Sit, Clive Manuel O.
Yabut, Galo P.
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Uy, Jonathan T.

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Rivera, Eduard S.
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Santoyo, Kristine Joy V.
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Tan, Janice U.

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Lacerna, Jenelyn Z.

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Alejo, Alejandro N.
Bejar, Mary Catherine A.
Celorico, Stephanie Faye C.
Feranil, Catherine Y.
Francisco, Glenn H.
Ibarra, Girly G.
Jimenez, Joseph G.
Manianglung, Luigi A.
Okoye, Ranjit Kaur B.
Punzalan, Renato R.
Robles, Fritzie S.
Velasco, Melissa B.
Villaraza, Carmel Ace Q.

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Vice President

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David, Jan Lenard S.
Dimaunahan, Ma Ofelia R.
Gianan, Maria Lucia P.
Isaac, Christine P.
Moreno, Darlene Joy G.
Tagaza, Maria Cristina C.

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Ysmael, Paul Roderick A.
Gatmaytan, Ma. Lourdes P.
Osalvo, Emmanuel Jesus G.

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Agdeppa, Maria Lourdes Valerie C.
Banta, Jeri Alanz A.
Canare, Ma Karen A.
Clavesillas, John Christopher V.
Coloma, Cesar Bernard R.
Cruz, Feliciana S.
De Castro, Anna Marie A.
Eala, Jo Ann B.
Go, Rhory F.
Leano, Leslie I.
Narvaez, Hermenegildo Z.
Oconer, Christine T.
Paredes, Charlo D.
Pural-Andal, Ana Liza K.
Segundo, Servillano R.
Taco, Eliza May T.
Tan, Cherish Honey C.
Tanyavutti, Nuttanuj
Tiu, Jennifer A.
Tuddao, Dennis T.
Villanueva, Trini Anne N.

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Ayson, Remarie Suzette A.

Vice President

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Ambito, Sabrina Rosario A.
Ang, Irene L.
Balita, Jose Erwin B.
Boon, Lorraine Dominique C.
Buenaventura, Gladys L.
Bustamante, Ma. Carmencita S.
Del Prado, Joselito R.
Evaristo, Mario Gerardo Z.
Gomez, Vittorio Raoul M.
Gutierrez, Patricia Louise B.
Manalaysay, Eric Francis R.
Manalo, Andrae V.
Maranan, Lea Angeline A.
Masilungan, Janet Aurea A.
Melliza, Madeline H.
Mendoza, Barbara B.
Mercado, Gerissa T.
Rocamora, Minette Josephine C.
Sarreal, Lovell A.
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Totanes, Maria Guillermina G.
Ty-Gosingco, Leslie Ann N.
Valdecantos, Francine Angela P.
Yatco, Dominic N.
Yu, Kristine Jan D.
Soriano-Lozano, Marian Genevieve A.

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Ong, Lester

Vice President

Ho, Jennifer V.
Jardeleza, Francis L.
Ng Uy, April Ria M.
Victoriano, Pamela Louise Q.

BPI SECURITIES CORPORATEION

President
Race, Mark Rome M.

BPI EUROPE, PLC

Managing Director
Yulo, Lizbeth Joan P.

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Mapanao, Perlita S.

Vice President
Quiambao, Norhene C.
Verayo, Harold Ceasar T.

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Chief Executive and Managing Director
Lui, Chi Hang

Vice President
Antonio, Roland Matthew B.
Choi, Wai Kit Winnie
Li, Tsan Man
Ng, Wah Chung Anthony
Pang, Joshua Cheuk Chun
Ueng, Yeu Jye

BPI WEALTH SINGAPORE

Senior Vice President and Managing Director
Sevilla, Christmas G.

BPI DIRECT BANKO, INC.

President
Mabiasen, Rodolfo K. Jr.

Senior Vice President
Abad, Mykel D.

Vice President
De Jesus, Ma Cynthia Leticia S.
Delos Reyes, Anne A.
Flor, Arthem Edward C.
Florentino, Maria Angelica G.

LEGAZPI SAVINGS BANK

President
Minglana, Jerome B.

Vice President
De Asis, Jo Ann S.
Del Villar, Erlinda O.
Llana, Adrian T.
Marasigan, Gyrasyr T.
Sambitan, Jason-Dennis R.

BPI FOUNDATION

Executive Director
Marquez, Ma. Carmina T.

PRODUCTS AND SERVICES

BUSINESS BANKING
Loans
Ka-Negosyo Credit Line
Ka-Negosyo SME Loan
Ka-Negosyo SME Loan (KSL) for Property Acquisition
Ka-Negosyo Ready Loan
Digital Platforms
- BPI BizLink
- Ka-Negosyo On The Go

GLOBAL MARKETS
Global Markets Asset & Liability Management (ALM)
- Long-term Repos and Repo to Maturity (RTM)

Global Markets Sales
- Fixed Income Securities
- Foreign Exchange
- Derivatives and Hedging Solutions

BPI/MS
Comprehensive Motor Insurance
Compulsory Third Party Liability
Family Personal Accident
Personal Accident - Individual
BPI Freelancer
BPI Kaya Care
Hospital Income Protect Plus
Accident Secure Max
Safe Sakay
Home Protection
Travel Secure Max
JetSetProtect
Personal Cyber Insurance
Condo Care Advantage
BPI MS BanKo Secure Assist Microinsurance

BPI AIA
Individual Account/In-branch
- Family Care Plus
- Life Protect
- Accident Guard 24/7
- Invest Peso Max
- Invest Dollar Max
- Preferred Life Plus
- Dollar Protect Plus
- Critical Care 100
- Total Care Max
- BPI AIA Aspire
- PamilyaProtect
- Future Ready
- Aspire Premier
- Wealth Advantage
- BPI AIA Prosper
- BPI AIA Prime USD

BPI AIA Direct
- Smart Shield
- Smart Health Shield Series
- Life Protect Health Direct
- PamilyaProtect
- InstaProtect

BPI FOUNDATION
Financial Education
- FinEd Unboxed
- Breakthrough
- Personal Finance 101

Enterprise Development and Livelihood
- BPI Sinag
- TechVoc
- BPI SEAL
- Farm to Table

Bayanihan
- BPI BAYAN

Arts Management and Special Projects
- BPI-DOST Innovation Awards
- Pagpupugay Scholarship
- BPI Art Collection
- BPI Museum Cebu
- BPI Museum Zamboanga

BPI WEALTH
Trust
- Unit Investment Trust Funds (UITF)
- Institutional Trust Accounts
  - Employee Benefit Plan/Retirement Fund (Pension and Provident Funds)
  - Pre-need Trust
  - Other Institutional Trust Accounts
- Individual Trust Accounts
- Personal Management Trust

Agency
- Institutional Agency Accounts
  - Employee Benefit Plan (Pension and Provident Funds)
  - Pre-need Accounts
  - Other Institutional Agency Accounts (Investment Management Account)
  - Individual Agency Accounts
    - Other Individual Accounts (Investment Management Account)

Other Fiduciary Solutions
- UITF – Other Fiduciary Services
- Personal Equity and Retirement Account (PERA) Administration
- Corporate Fiduciary Accounts
  - Mortgage Trust Indenture
  - Facility/Loan Agency or Bond Trusteeship
- Depository
- Escrow Agency
- Custody
- Other Fiduciary Services - Administrative Agency Services
  - Safekeeping
  - Life Insurance Trust
  - Property Administratorship
  - Other Services
- Court Trust
  - Executorship
  - Guardianship
- Legislated and Quasi-Judicial Trust
- Other Fiduciary Accounts

Advisory/Consultancy

INVESTMENT FUNDS
- Money Market Funds
  - BPI Short Term Fund
  - BPI Money Market Fund
  - BPI US Dollar Short Term Fund

- Fixed Income Funds
  - BPI Premium Bond Fund
  - Odyssey Peso Bond Fund
  - ABF Philippines Bond Index Fund
  - BPI Global Bond Fund-of-Funds
  - BPI Global Bond Income Fund (available in USD and PHP classes)
  - BPI Sustainable Global Bond Fund-of-Funds
  - BPI Philippine Dollar Bond Index Fund
  - Odyssey Philippine Dollar Bond Fund

  - ALFM Peso Bond Fund
  - Ekklesia Mutual Fund
  - Philam Bond Fund
  - Philam Managed Income Fund
  - ALFM Dollar Bond Fund
  - PAMI Global Bond Fund
  - Philam Dollar Bond Fund
  - ALFM Euro Bond Fund

- Multi-Asset Funds
  - BPI Balanced Fund
  - BPI Bayanihan Balanced Fund
  - Odyssey Diversified Capital Fund
  - BPI Sustainable Global Balanced Fund-Of-Funds

  - BPI Wealth Builder
  - Philam Fund
  - PAMI Horizon Fund
  - Solidaritas Fund
  - Affinity Global Multi-Asset Fund, Inc. (shares and units)
  - ALFM Global Multi-Asset Income Fund (USD and PHP classes)
  - PAMI Asia Balanced Fund

- Equity Funds
  - BPI Philippine High Dividend Equity Fund
  - BPI Equity Value Fund
  - BPI Philippine Equity Index Fund
  - BPI Philippine Consumer Equity Index Fund
  - BPI Philippine Infrastructure Equity Index Fund
  - Odyssey Philippine High Conviction Equity Fund
  - BPI Catholic Values Global Equity Feeder Fund
  - BPI US Equity Index Feeder Fund Mother Fund
  - BPI US Equity Index Feeder Fund (available in USD and PHP classes)
  - BPI European Equity Feeder Fund
  - BPI Global Equity Fund-of-Funds
  - BPI Global Health Care Feeder Fund
  - BPI World Technology Feeder Fund
  - Odyssey Asia Pacific High Dividend Equity Feeder Fund
  - BPI Sustainable Global Equity Fund-of-Funds

  - ALFM Growth Fund
  - Philippine Stock Index Fund
  - PAMI Equity Index Fund
  - Philam Strategic Growth Fund

BPI Sustainable Suite Funds
- BPI Sustainable Global Equity Fund-of-Funds
- BPI Sustainable Global Bond Fund-Of-Funds
- BPI Sustainable Global Balanced Fund-of-Funds

BPI PERA Funds
- BPI PERA Money Market Fund
- BPI PERA Government Bond Fund
- BPI PERA Corporate Income Fund
- BPI PERA Equity Fund

DEPOSITS

Peso Deposit Products
- Demand Deposits
  - Regular Checking
  - Business Checking
  - Bizlink Checking
- Savings Deposits
  - Regular Savings
  - Passbook Savings
  - #SaveUp
  - #MySaveUp
  - Maxi-Saver
  - Saver-Plus
  - Pamana Savings
  - Pamana Padala
  - Padala Moneyger
  - Jumpstart Savings
- Combo Account (with features of demand and savings account)
  - Maxi-One
- Time Deposits
  - Regular Non-Auto Renew Time Deposits
  - Regular Auto Renew Time Deposits
  - Plan Ahead

Foreign Currency Deposit Products
- Demand Deposits
  - Regular USD Checking

- Savings Deposits
  - Regular Foreign Currency Savings
  - USD Pamana Savings
  - USD Maxi-Saver
  - USD Pamana Padala

- Time Deposits
  - Regular Non-Auto Renew Foreign Currency Time Deposits
  - Regular Auto Renew Foreign Currency Time Deposits

RETAIL

Housing Loans
- MyBahay Program

Auto Loans

Motorsiklo Loans

TRADE & SUPPLY CHAIN

Import Trade Services
- Advanced Payment
- Direct Remittance
- Open Account
- Documentary Collection
- Letters of Credit

Export Trade Services
- Letter of Credit Advising, Confirmation, Negotiation
- Outward Bills for Collection

Other Trade Services
- Standby Letters of Credit
- Shipping Guarantees
- BOC Duties Payment

Trade Financing
- Import Bills
- Trust Receipt Financing
- Export Advance Loan
- Export Bills Purchase

Supply Chain Financing
- Supplier Finance
- Receivable Finance

AGRIBUSINESS

Agri-related project development, expansion, and acquisition of fixed assets and working capital
- Short, Medium, and Long-Term Loans
- Revolving Promissory Note Line
- Crop Loan
- Domestic Letters of Credit/Trust Receipts Line

Agri-related import and export needs
- Import Letters of Credit/Trust Receipts Line
- Export Advance Line

Agri-related import and export needs
- Import Letters of Credit/Trust Receipts Line
- Export Advance Line

BPI DIRECT BANKO, INC.

Loan Products
- NegosyoKo Loan
- NegosyoKo Lite
- Micro- Agri NegosyoKo Loan
- InstaCashKo Personal Loan

Deposit Products
- PondoKo Savings
- TODO Savings

LEGAZPI SAVINGS BANK

Loan Products
- Teachers Loan

Deposit Products

2025 AWARDS AND CITATIONS

AGENCY BANKING

- Innovation in Technology Development – Financial Services Industries: May BPI Dito, Gold
  Asia-Pacific Stevie Awards
- Innovation in Brand Development: May BPI Dito, Bronze
  Asia-Pacific Stevie Awards
- Excellence in Customer Service Innovation – Digital CX Awards: May BPI Dito
  The Digital Banker CX Awards
- Customer Experience Initiative of the Year – Philippines
  Asian Banking and Finance Retail Banking Awards
- Customer-Centric Innovation of the Year – Financial Services: BPI Salary On-Demand and BPI Sweldo on the Spot
  Asian Innovation Excellence Awards
- Excellence in Location-based Marketing: Partner Services in Cebu, 3rd Place
  Marketing Excellence Awards
- Innovative Partnerships, 3rd Place
  Inquirer ESG Edge Impact Awards
- Digital Goods Category, Winner's Circle
  Lazada

BUSINESS BANKING

- Best Bank for SMEs in the Philippines
  Euromoney Awards for Excellence
- Best Outstanding Digital CX – SME Loans
  The Digital Banker CX Awards
- Best SME Bank in the Philippines, 12th consecutive year
  Alpha Southeast Asia Awards
- Best Small Business Banking Service in the Philippines
  The Asian Banker Excellence in Retail Finance and Financial Technology Awards
- Best SME Bank in the Philippines, 5th consecutive year
  Global Finance SME Bank Awards

GLOBAL MARKETS

- Best Bank in the Philippines for Treasury and Working Capital for LLCs, 4th consecutive win
  The Asset Triple A Treasuries Awards
- Best Bank in the Philippines for Treasury and Working Capital for SMEs, 5th consecutive win
  The Asset Triple A Treasuries Awards
- Derivatives House of the Year - Philippines
  Risk Asia Awards 2025
- Philippines' Domestic Foreign Exchange Bank of the Year, 3rd consecutive win
  Asian Banking & Finance Wholesale Banking Awards
- Best FX Bank for Corporates & FIs, 8th consecutive win
  Alpha Southeast Asia Treasury & FX Awards
- Best FX Bank for Retail Clients
  Alpha Southeast Asia Treasury & FX Awards
- Best Online FX Platform: end-to-end e-trading and eFX platform
  Alpha Southeast Asia Treasury & FX Awards
- 3rd Best Economist, Fund Managers Association of the Philippines, Inc. – Emillio S. Neri Jr.
  Fund Manager Association of the Philippines, Inc.
- 4th Best Individuals in Research – Best of the Sellside
  The Asset Benchmark Research Awards 2025
- Top Sell side Firms in the Secondary Market, Government Bonds, Rank 2
  The Asset Benchmark Research Awards 2025
- Top 10 Government Securities Dealers (GSEDs) for 2025
  Bureau of Treasury
- Special Award as Top GSED with Highest Share of Secondary Market Volume for 2025
  Bureau of Treasury
- Top 5 Fixed Income Brokering Participant, Rank 3
  PDS Awards
- Top Traded Corporate Bond Issue of the Year
  PDS Awards
- Top Brokering Participant for Corporate Securities
  PDS Awards

MOBILE APP AND WEALTH ONLINE

- Philippine Technology Excellence Award for Digital Banking
  Asian Business Review
- Enterprise Innovation Awards – Philippines, Data & AI Category Winner
  ASEAN Innovation Business Platform

TRANSACTION BANKING

- Outstanding Digital CX – Supply Chain Finance
  The Digital Banker CX Awards
- Best Financial Supply Chain Bank in the Philippines
  19th Alpha Southeast Asia Transaction Banking Awards

INSTITUTIONAL BANKING

- Best Corporate Bank – Large Corp & MNCs
  FinanceAsia Awards

BPI CAPITAL

- Philippines' Best Investment Bank for ECM
  Euromoney Awards for Excellence
- Top Corporate Issue Manager/Arranger, Investment House Category
  Philippine Dealing System 20th Annual Awards
- Cesar E.A Virata Award – Best Security Houses Awards, Investment House Category
  Philippine Dealing System 20th Annual Awards
- Best ECM House in the Philippines – Domestic
  FinanceAsia 29th Annual Awards
- Best Investment Bank – Domestic
  FinanceAsia 29th Annual Awards
- Best Equity House in the Philippine
  Alpha Southeast Asia 19th Best Financial Institution Awards
- Best Equity House
  Investment House of the Philippines' 10th IHAP Awards
- Best Sustainability-Linked Financing, Philippines (Ayala Land, Inc.'s PHP6 billion SLB and PHP14.5 billion Sustainability-Linked Loan)
  The Asset Triple A Sustainable Finance Awards
- Sustainability-Linked Bond of the (ALI's PHP6 billion SLB and PHP14.5 billion Sustainability-Linked Loan)
  Asian Banking & Finance Corporate & Investment Banking Awards
- Best Fixed Income Deal – Large Cap (ALI's PHP6 billion Sustainability-Linked Bond and PHP14.5 billion Sustainability-Linked Loan)
  Investment House of the Philippines' 10th IHAP Awards
- Best Sustainability-Bond – Local Currency, Philippines (BPI's PHP33.7 billion triple-tranche Sustainability Bond)
  The Asset Triple A Sustainable Finance Awards
- Best Blue Bond, Philippines (Maynilad's PHP15 billion dual-tranche Blue Bond)
  The Asset Triple A Sustainable Finance Awards
- Blue Bond of the Year (Maynilad's PHP15 billion dual-tranche Blue Bond)
  Asian Banking & Finance Corporate & Investment Banking Awards
- Best Social Loan – Agriculture, Philippines (Agrilever Philippines Corporation
  PHP35.7 million Funding Solutions to Small-plot Farmers)
  The Asset Triple A Sustainable Finance Awards
- Philippines Domestic ESG Program of the Year (Agrilever's PHP35.7 million Funding Solutions to Small-plot Farmers)
  Asian Banking & Finance Wholesale Banking Awards
- Best Acquisition Financing, Philippines (I Squared Capital USD282 million Acquisition Financing for Philippine Coastal Storage & Pipeline Corporation
  The Asset Triple A Sustainable Finance Awards
- Green Project of the Year (Energy Development Corporation's PHP10 billion triple-tranche ASEAN Green Bond)
  The Asset Triple A Sustainable Infrastructure Awards
- Telecom Deal of the Year (EdgePoint Tower Inc.'s PHP6 billion CapEx Facility)
  The Asset Triple A Sustainable Infrastructure Awards
- Water Deal of the Year (Maynilad's PHP15 billion dual-tranche Blue Bond)
  The Asset Triple A Sustainable Infrastructure Awards
- Mergers and Acquisition Deal of the Year (PCSPC's US$282 million Acquisition)
  Asian Banking & Finance Corporate & Investment Banking Awards
- Best Advisory Deal – Small-Mid Cap (Filinvest Land, Inc. Tender Offer and Exchange Transaction)
  Investment House of the Philippines' 10th IHAP Awards
- Best Equity Deal (FLI Tender Offer and Exchange Transaction)
  Finance Asia Achievement Awards 2025
- Best Local Currency Bond in the Philippines (SM Prime Holdings, Inc.'s PHP25 billion & PHP17 billion Fixed-Rate Bonds)
  Alpha Southeast Asia 19th Deal & Solution Awards
- Best Deal of the Year in the Philippines (SMC Tollways Corporation's PHP35 billion Fixed-Rate Bonds)
  Alpha Southeast Asia 19th Deal & Solution Awards
- Most Innovative Equity Deal of the Year in Asia (SMC's PHP18.9 billion Preferred Shares Exchange Offering & PHP30 billion Follow-On Offering)
  Alpha Southeast Asia 19th Deal & Solution Awards
- Best Leveraged Finance Backed M&A Deal of the Year (PCSPC's US$282 million Acquisition)
  Alpha Southeast Asia 19th Deal & Solution Awards
- Best Equity/IPO Deal of the Year in the Philippines (Maynilad's PHP34.3 billion IPO)
  Alpha Southeast Asia 19th Deal & Solution Awards
- Best IPO for Retail Investors in Asia (Maynilad's PHP34.3 billion IPO)
  Alpha Southeast Asia 19th Marquee Awards

UNSECURED LENDING AND CARDS

- Innovation in Cross-Media Marketing, Bronze
  Innovating Cross-Media Marketing: BPI Cards' Integrated Approach
- Innovation in Business Information Apps, Bronze
  Asia-Pacific Stevie Awards

OVERSEAS FILIPINO

- Best Advertisement Award
  Migration Advocacy and Media Award

BPI/MS

- Philippines Executive of the Year – General Insurance
  Asian Management Excellence Awards
- Outstanding use of Digital Channels for Improved CX (Express Protect Microsites)
  The Digital Banker CX Awards
- Highly Acclaimed – Best Digital Insurance Product for CX
  The Digital Banker CX Awards
- One Golden Arrow Award
  Golden Arrow Awards

BPI AIA

- BPI AIA PamilyaProtect – Digital Insurance Initiative of the Year
  Insurance Asia
- Three Golden Arrows
  Institute of Corporate Directors

BPI WEALTH

- Best in Family Office Solutions
  Euromoney Private Banking Awards
- Best Wealth Manager for Digital CX in the Philippines
  The Digital Banker CX Awards
- Most Outstanding Innovation in Digital CX – Fixed Income
  The Digital Banker CX Awards
- Best Digital CX – Account Opening and Customer Onboarding (Highly Commended)
  The Digital Banker CX Awards
- Best in NextGen Offerings
  Euromoney Private Banking Awards
- Best Private Bank in the Philippines
  Global Private Banking Innovations Awards
- Relationship Manager of the Year, Private Bank – Jamie Yutingco
  Global Private Banking Innovations Awards
- Best Private Bank for Credit
  Global Private Banking Innovations Awards
- Outstanding Private Bank for Growth Strategy
  Global Private Banking Innovations Awards
- Best Digital Wealth Management Experience
  The Asset Triple A Digital Awards
- Best Institutional Strategy
  The Asian Investor Asset Management Awards
- Best Asset Manager – Philippines
  International Finance Awards
- Best Managed Fund of the Year for Dollar Money Market Fund
  CFA Society Philippines
- Best Managed Fund of the Year for Dollar Global Equity Feeder Fund
  CFA Society Philippines
- Best Managed Fund of the Year for Dollar Equity Index Feeder Fund
  CFA Society Philippines
- Best Managed Fund of the Year for Dollar Equity Fund
  CFA Society Philippines
- Best Managed Fund of the Year for Peso Local Equity Thematic Fund
  CFA Society Philippines
- Best Managed Fund of the Year for Peso Medium Term Bond Funds
  CFA Society Philippines
- Best Overall Asset & Fund Manager
  Philippines
  Alpha Southeast Asia Awards 2025
- Best Asset Manager for Equity, Fixed Income, and Balanced Funds
  Philippines
  Alpha Southeast Asia Awards
- Best Absolute Return Strategy
  Philippines
  Alpha Southeast Asia Awards
- Best Fund Manager for Pension Mandates & PRS Philippines
  Alpha Southeast Asia Awards

BPI DIRECT BANKO, INC.

- Best Strategic Partnership Award
  Retail Banker International Asia Trailblazer Awards
- Outstanding Digital CX for Financial Inclusion
  The Digital Banker CX Awards
- SME Community Support of the Year – Philippines
  Asia Banking and Finance Awards
- Best Financial Inclusion Initiative – SEME's
  Global Retail Innovation Banking Awards
- Excellence in Financial Inclusion
  Retail Banker International Asia Trailblazer Awards

CUSTOMER AND MARKETING GROUP

- BPI #ProudToBePartOfIt: A New Standard for Innovative PR Video Storytelling, Innovation in Public Relations Videos, Gold Stevie
  Asia-Pacific Stevie Awards
- AFASA: Blazing the Trail in Consumer Protection, Innovation in Public Affairs Communications, Gold Stevie
  Asia-Pacific Stevie Awards
- BPIFinancialEducationFriday: Promoting financial literacy through Social Media, Communication Skills: Social Media, Award of Excellence
  Philippine Quill Awards 2025
- Best use of Customer Feedback – Philippines, Winner
  Digital CX Awards 2025
- ProudtoBePartofIt, Excellence in Employer Branding, Gold
  HR Excellence Awards Philippines 2025

CORPORATE GOVERNANCE

- Four Golden Arrow Award, Top Performing – Company (Domestic Recognition)
  Institute of Corporate Directors
- 2025 Best Corporate Governance Bank, Global Banking & Finance Review

MEMBERSHIP IN INDUSTRY ASSOCIATIONS

ACI Philippines Financial Markets Association
Analytics and AI Association of the Philippines
Association of Bank Compliance Officers Inc.
Association of Bank Remittance Officers Inc.
Association of Certified Anti-Money Laundering Specialists
Association of Foundations (Philippines) Inc.
Bank Marketing Association of the Philippines
Bankers Association of the Philippines
Bankers Institute of the Philippines
Business Continuity Institute (Philippines)
Business Continuity Managers Association of the Philippines
Business for Sustainable Development, Inc.
Cebu Chamber of Commerce & Industry, Inc.
CFA Society Philippines
Credit Card Association of the Philippines
Credit Management Association of the Philippines
Davao City Chamber of Commerce
European Chamber of Commerce of the Philippines
Financial Executive Institute of the Philippines
Fintech Alliance.PH Inc.
Foundation for Economic Freedom
Fund Managers Association of the Philippines
IABC Philippines
Information Systems Audit & Control Association
Institute of Corporate Directors, Inc.
Institute of Internal Auditors (Philippines)
Integrated Bar of the Philippines
Internet and Mobile Marketing Association of the Philippines
Investment House Association of the Philippines
League of Corporate Foundations, Inc.
Makati Business Club, Inc.
Management Association of the Philippines
Marketing & Opinion Research Society of the Philippines
Money Market Association of the Philippines
National Association of Securities Dealers
Nordic Chamber of Commerce of the Philippines
Philippine Association of National Advertisers, Inc.
Philippine Council for NGO Certification
Philippine Disaster Resilience Foundation
Philippine Institute of Certified Public Accountants
Philippine Payments Management, Inc.
Philippine Stock Exchange, Inc.
Public Relations Society of the Philippines
Rotary Foundation of Makati West, Inc.
The American Chamber of Commerce of the Philippines
The Japanese Chamber of Commerce & Industry (Philippines)
Trust Officers Association of the Philippines
WeAreAyala Business Club

GROUP DIRECTORY

PHILIPPINES

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BPI Wealth, A Trust Corporation
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Product-related inquiries:
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www.pamifunds.com

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www.bpims.com

BPI AIA Life Assurance Corporation
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CORPORATE INFORMATION

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Whistleblower Reports
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External Assurance
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Partner-in-charge
Roderick M. Danao
Accreditation number: 88453-SEC, Category A
Validity: 2023 to 2026 Financial Statements

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BPI is regulated by the Bangko Sentral ng Pilipinas
https://www.bsp.gov.ph

ABOUT THE COVER



< Foundations for the Future
Elevating Financial Services for All

BPI continuously promotes secure and convenient financial services whenever, wherever Filipinos are. By enabling more digital transactions and expanding access through innovative solutions and channels, the Bank continues to enable and empower more people to take part in the financial system, creating a more inclusive, future-ready economy.



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