RCBC
Partners Through Generations

13 May 2026

Atty. Suzy Claire R. Selleza
Head – Issuer Compliance and Disclosure Department
**PHILIPPINE DEALING & EXCHANGE CORP.**
29/F BDO Equitable Tower
8751 Paseo de Roxas
Makati City

Subject: Quarterly Report (SEC Form 17-Q)

Dear Atty. Selleza,

Please see attached disclosure for the information of the Exchange. It concerns RCBC's 1Q2026 SEC Form 17-Q report.

Thank you.

Sincerely yours,

Ma. Christina P. Alvarez

**MARIA CHRISTINA P. ALVAREZ**
First Senior Vice President and Corporate Information Officer
Corporate Planning Group Head
Rizal Commercial Banking Corporation

RCBC
Partners Through Generations

May 13, 2026

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

Dear Atty. Negre,

We submit herewith the March 31, 2026 SEC 17-Q report of Rizal Commercial Banking Corporation.

Thank you.

Very truly yours,

**Florentino M. Madonza**
FSVP, Head-Controllership Group

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

**COVER SHEET**

1 7 5 1 4

S.E.C. Registration Number

**R I Z A L C O M M E R C I A L B A N K I N G**

**C O R P O R A T I O N A N D S U B S I D I A R I E S**

(Company's Full Name)

Y U C H E N G C O T O W E R , R C B C P L A Z A,

6 8 1 9 A Y A L A A V E N U E , M A K A T I C I T Y

PAUL P. ESGUERRA

Contact Person

8 8 9 4 3 3 5 3

Company Telephone Number

0 3 3 1

*Month* *Day*

Fiscal Year

1 7 Q

FORM TYPE

*Month* *Day*

Annual Meeting

Secondary License Type, If Applicable

S E C

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

809

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

SEC Number 17514
PSE Code ________
File Number ________

# RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES

(Company's Full Name)

**Yuchengco Tower, RCBC Plaza**
**6819 Ayala Avenue, Makati City**

(Company's Address)

**8894-9000**

(Telephone Number)

**December 31**

(Fiscal Year Ending)

**SEC FORM 17-Q**

Form Type

Amendment Designation (if applicable)

**March 31, 2026**

For the Quarterly Period Ended

(Secondary License Type and File Number)

**SECURITIES AND EXCHANGE COMMISSION**
**SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended **March 31, 2026**
2. SEC Identification Number 17514 3. BIR Tax Identification No. 000-599-760-000
4. Exact name of registrant as specified in its charter:

   **RIZAL COMMERCIAL BANKING CORPORATION**
5. Philippines
   Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
   Industry Classification Code:
7. Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City 1200
   Address of principal office Postal Code
8. (632) 8894-9000
   Registrant's telephone number, including area code
9. Not applicable
   Former name, former address & 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 |
|---|---|
| Common Stock, P10 par value | 2,419,536,530 (March 31, 2026) |

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

    Yes (x) No ( )

12. Check whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the SRC 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 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 90 days

    Yes (x) No ( )

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## PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

### RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
### STATEMENTS OF FINANCIAL POSITION
*(Amounts in Millions of Philippine Pesos)*

| | Notes | 3/31/2026 (Unaudited) | 12/31/2025 (Audited) |
|---|---|---|---|
| **RESOURCES** | | | |
| CASH AND OTHER CASH ITEMS | | P 18,615 | P 23,656 |
| DUE FROM BANGKO SENTRAL NG PILIPINAS | | 63,684 | 86,955 |
| DUE FROM OTHER BANKS | | 7,471 | 9,050 |
| LOANS UNDER REVERSE REPURCHASE AGREEMENT | | 35,064 | 20,641 |
| TRADING AND INVESTMENT SECURITIES - Net | 3 | 412,879 | 374,881 |
| LOANS AND RECEIVABLES - Net | 4 | 810,998 | 803,412 |
| INVESTMENTS IN ASSOCIATES | 5 | 747 | 745 |
| BANK PREMISES, FURNITURE, FIXTURES & EQUIPMENT- | | 7,888 | 8,229 |
| INVESTMENT PROPERTIES - Net | | 779 | 768 |
| DEFERRED TAX ASSETS | | 6,873 | 6,331 |
| OTHER RESOURCES - Net | 5 | 22,480 | 21,768 |
| TOTAL RESOURCES | | P 1,387,478 | P 1,356,436 |
| **LIABILITIES AND EQUITY** | | | |
| DEPOSIT LIABILITIES | 6 | P 1,062,311 | P 1,025,455 |
| BILLS PAYABLE | 7 | 68,019 | 69,631 |
| BONDS PAYABLE | 8 | 61,716 | 60,322 |
| ACCRUED TAXES, INTEREST AND OTHER EXPENSES | | 11,273 | 12,336 |
| OTHER LIABILITIES | 9 | 34,736 | 37,523 |
| Total Liabilities | | 1,238,055 | 1,205,267 |
| EQUITY | | | |
| Attributable to Parent Company Shareholders: | | | |
| Preferred Stock | 10 | P 3 | P 3 |
| Common Stock | 10 | 24,195 | 24,195 |
| Capital Paid in Excess of Par | | 58,228 | 58,228 |
| Other Comprehensive Income: | | | |
| Net Unrealized Losses on Financial Assets At Fair Value Through Other Comprehensive Income | | ( 3,696 ) | ( 1,160 ) |
| Cumulative Translation Adjustment | | 72 | 71 |
| Retirement plan | | ( 2,639 ) | ( 2,687 ) |
| Other Reserves | | ( 86 ) | ( 86 ) |
| Retained Earnings Appropriated for General Provision | | 7,968 | 6,979 |
| Retained Earnings | | 65,372 | 65,621 |
| | | 149,417 | 151,164 |
| Non-controlling Interest | | 6 | 5 |
| Total Equity | | 149,423 | 151,169 |
| TOTAL LIABILITIES AND CAPITAL FUNDS | | P 1,387,478 | P 1,356,436 |

*See Notes to Interim Condensed Financial Statements.*

## RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES
## STATEMENTS OF INCOME
*(Amounts in Millions of Philippine Pesos, Except Per Share Data)*

| | Note | 1/1/2026 to 3/31/2026 (Unaudited) | 1/1/2025 to 3/31/2025 (Unaudited) |
|---|---|---|---|
| **INTEREST INCOME ON** | | | |
| Loans and receivables | | P 17,803 | P 16,870 |
| Investment securities | | 3,845 | 3,878 |
| Others | | 310 | 260 |
| | | 21,958 | 21,008 |
| **INTEREST EXPENSE ON** | | | |
| Deposit liabilities | | 5,012 | 7,082 |
| Bills payable and other borrowings | | 1,560 | 1,618 |
| | | 6,572 | 8,700 |
| **NET INTEREST INCOME** | | 15,386 | 12,308 |
| **IMPAIRMENT LOSSES - Net** | | 4,695 | 2,898 |
| **NET INTEREST INCOME AFTER IMPAIRMENT LOSSES** | | 10,691 | 9,410 |
| **OTHER OPERATING INCOME** | | | |
| Service fees and commissions | | 2,804 | 2,572 |
| Gain on assets sold - net | | 46 | 506 |
| Trading and securities gains (losses) - net | | ( 80 ) | 223 |
| Foreign exchange losses - net | | ( 1,330 ) | ( 1,193 ) |
| Miscellaneous | 11 | 198 | 244 |
| | | 1,638 | 2,352 |
| **OTHER OPERATING EXPENSES** | | | |
| Employee benefits | | 2,394 | 2,224 |
| Taxes and licenses | | 1,483 | 1,566 |
| Depreciation and amortization | | 839 | 866 |
| Occupancy and equipment-related | | 700 | 648 |
| Insurance | | 593 | 563 |
| Miscellaneous | 11 | 3,229 | 2,745 |
| | | 9,238 | 8,612 |
| **PROFIT BEFORE TAX** | | 3,091 | 3,150 |
| **TAX EXPENSE** | | 382 | 722 |
| **NET PROFIT** | | 2,709 | 2,428 |
| **NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST** | | - | - |
| **NET PROFIT ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS** | | P 2,709 | P 2,428 |
| **Earnings Per Share (Annualized)** | | | |
| Basic | | P 4.54 | P 3.60 |
| Diluted | | P 4.54 | P 3.60 |

*See Notes to Interim Condensed Financial Statements.*

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**
**STATEMENTS OF COMPREHENSIVE INCOME**
***(Amounts in Millions of Philippine Pesos)***

| | 1/1/2026 to 3/31/2026 (Unaudited) | 1/1/2025 to 3/31/2025 (Unaudited) |
|---|---|---|
| **NET PROFIT FOR THE PERIOD** | **P 2,709** | P 2,428 |
| **OTHER COMPREHENSIVE INCOME DURING THE PERIOD:** | | |
| Fair value gains (losses) on Financial assets at Other Comprehensive Income | **( 2,536 )** | 1,248 |
| Actuarial gains (losses) on defined benefit plan | **48** | ( 4 ) |
| Translation adjustments on foreign operations | **2** | - |
| **Other Comprehensive Income for the period** | **( 2,486 )** | 1,244 |
| **TOTAL COMPREHENSIVE INCOME FOR THE PERIOD** | **P 223** | P 3,672 |
| **COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTEREST** | **-** | - |
| **COMPREHENSIVE INCOME ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDERS** | **P 223** | P 3,672 |

***See Notes to Interim Condensed Financial Statements.***

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**
**STATEMENTS OF CHANGES IN EQUITY**
***(Amounts in Millions of Philippine Pesos)***

| | 1/1/2026 to 3/31/2026 (Unaudited) | 1/1/2025 to 3/31/2025 (Unaudited) |
|---|---|---|
| **ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS** | | |
| **PREFERRED STOCK** | | |
| Balance at beginning and end of period | P 3 | P 3 |
| **COMMON STOCK** | | |
| Balance at beginning and end of period | 24,195 | 24,195 |
| **HYBRID PERPETUAL SECURITIES** | | |
| Balance at beginning and end of period | - | 14,463 |
| **CAPITAL PAID IN EXCESS OF PAR** | | |
| Balance at beginning and end of period | 58,228 | 58,228 |
| **NET UNREALIZED LOSSES ON FINANCIAL ASSETS AT OTHER COMPREHENSIVE INCOME** | | |
| Beginning balance | ( 1,160 ) | ( 3,306 ) |
| Fair value gains (losses) during the period | ( 2,536 ) | 1,248 |
| Balance, end | ( 3,696 ) | ( 2,058 ) |
| **CUMULATIVE TRANSLATION ADJUSTMENTS** | | |
| Balance, beginning | 71 | 60 |
| Translation adjustment during the period | 1 | - |
| Balance, end | 72 | 60 |
| **OTHER COMPREHENSIVE LOSS - RETIREMENT PLAN** | | |
| Balance, beginning | ( 2,687 ) | ( 2,552 ) |
| Remeasurement of the defined benefits during the period | 48 | ( 4 ) |
| Balance, end | ( 2,639 ) | ( 2,556 ) |
| **OTHER RESERVES** | | |
| Balance at beginning and end of period | ( 86 ) | ( 86 ) |
| **RETAINED EARNINGS APPROPRIATED FOR GENERAL PROVISION** | | |
| Beginning balance | 6,979 | 5,564 |
| Transfer from retained earnings - free | 989 | 576 |
| Balance, end | 7,968 | 6,140 |
| **RETAINED EARNINGS** | | |
| Beginning balance | 65,621 | 61,916 |
| Net profit | 2,709 | 2,428 |
| Cash dividends on common shares | ( 1,960 ) | ( 1,694 ) |
| Dividends on Hybrid Capital Securities | - | ( 565 ) |
| Transfer of fair value reserves on FVOCI | ( 9 ) | 39 |
| Transfer to retained earnings appropriated for general provision | ( 989 ) | ( 577 ) |
| Balance, end | 65,372 | 61,547 |
| **ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS** | P 149,417 | P 159,936 |
| **NON-CONTROLLING INTEREST** | | |
| Balance at beginning and end of period | 6 | 6 |
| **TOTAL EQUITY** | P 149,423 | P 159,942 |

***See Notes to Interim Condensed Financial Statements.***

**RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES**
**STATEMENTS OF CASH FLOWS**
***(Amounts in Millions of Philippine Pesos)***

| | 1/1/2026 to 3/31/2026 (Unaudited) | 1/1/2025 to 3/31/2025 (Unaudited) |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Profits before tax | P 3,091 | P 3,150 |
| Adjustments for: | | |
| Interest income | (21,958) | (21,008) |
| Interest expense | 6,572 | 8,700 |
| Gain on assets sold | (46) | (506) |
| Impairment losses | 4,695 | 2,898 |
| Depreciation and amortization | 839 | 866 |
| Dividend income | (18) | (11) |
| Share in net earnings of associates | 1 | (16) |
| Operating loss before working capital changes | (6,824) | (5,927) |
| Increase in financial assets at fair value through profit and loss | (6,395) | (2,647) |
| Increase in loans and receivables | (25,762) | (8,436) |
| Increase in investment property | (11) | (19) |
| Increase in other resources | (2,150) | (1,067) |
| Increase (Decrease) in deposit liabilities | 36,857 | (51,001) |
| Decrease in accrued taxes, interest and other expenses | (233) | (635) |
| Increase (Decrease) in other liabilities | (2,399) | 4,370 |
| Cash used in operations | (6,917) | (65,362) |
| Interest received | 23,837 | 22,078 |
| Interest paid | (7,657) | (9,624) |
| Cash paid for taxes | (665) | (641) |
| Net Cash From (Used in) Operating Activities | 8,598 | (53,549) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Increase in Financial Assets at FVOCI | (34,573) | (11,216) |
| Decrease in Investment securities at amortized cost | 441 | 2,640 |
| Acquisitions of bank premises, furniture, fixtures and equipment -net | (348) | (56) |
| Cash dividends received | 18 | 11 |
| Acquisitions of intangibles | (243) | (70) |
| Net Cash Used in Investing Activities | (34,705) | (8,691) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | |
| Net proceeds (payments) of bills payable | (1,612) | 12,401 |
| Dividends paid | - | (565) |
| Net proceeds of bonds payable | - | 19,827 |
| Payment of lease liabilities | (342) | (298) |
| Net Cash From (Used in) Financing Activities | (1,954) | 31,365 |
| **NET DECREASE IN CASH AND CASH EQUIVALENTS** | (28,061) | (30,875) |
| **CASH AND CASH EQUIVALENTS, BEGINNING** | | |
| Cash and other cash items | 23,656 | 23,003 |
| Due from Bangko Sentral ng Pilipinas | 86,955 | 115,230 |
| Due from other banks | 9,050 | 14,569 |
| Interbank Loans and Loans and Receivables under reverse repurchase agreement | 62,176 | 32,567 |
| | 181,837 | 185,369 |
| **CASH AND CASH EQUIVALENTS, END** | | |
| Cash and other cash items | 18,615 | 15,947 |
| Due from Bangko Sentral ng Pilipinas | 63,684 | 56,064 |
| Due from other banks | 7,471 | 4,404 |
| Interbank Loans and Loans and Receivables under reverse repurchase agreement | 64,006 | 78,079 |
| | 153,776 | 154,494 |

***See Notes to Interim Condensed Financial Statements.***

## 1. CORPORATE MATTERS

### *1.1 Incorporation and Operations*

Rizal Commercial Banking Corporation (the Parent Company, the Bank or RCBC), a universal bank engaged in all aspects of banking, was originally incorporated on September 23, 1960. The Bank has been granted with perpetual existence by the Securities and Exchange Commission (SEC) on September 30, 2022. It provides products and services related to traditional loans and deposits, trade finance, domestic and foreign fund transfers or remittance, cash management and treasury. It also enters into forward currency contracts as an accommodation to its clients and as a means of managing its foreign exchange exposures. The Parent Company and its subsidiaries (together hereinafter referred to as the Group) are engaged in all aspects of traditional banking, investment banking, retail financing (credit cards, auto loans, mortgage/housing and microfinance loans), remittance, leasing and stock brokering.

As a banking institution, the Group's operations are regulated and supervised by the Bangko Sentral ng Pilipinas (BSP). As such, the Group is required to comply with banking rules and regulations such as those relating to maintenance of reserve requirements on deposit liabilities and deposit substitutes and those relating to the adoption and use of safe and sound banking practices, among others, as promulgated by the BSP. The Group's activities are subject to the provisions of Republic Act (RA) No. 8791, the *General Banking Law of 2000*, and other related banking laws.

The Parent Company's common shares are listed in the Philippine Stock Exchange (PSE).

RCBC is a 33.92%-owned subsidiary of Pan Malayan Management and Investment Corporation (PMMIC or Ultimate Parent), a company incorporated and domiciled in the Philippines. PMMIC is the holding company of the flagship institutions of the Yuchengco Group of Companies (YGC), with registered business address at 48th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue cor. Sen. Gil Puyat Avenue, Makati City. As of March 31, 2026, Cathay Life Insurance Corporation (Cathay) and Sumitomo Mitsui Banking Corporation (SMBC) also own 18.68% and 24.46% interest in RCBC, respectively.

The condensed consolidated interim financial statements of the Group as of and for the three months ended March 31, 2026 (including the comparatives for the three months ended March 31, 2025) and balances as of the year ended December 31, 2025 were presented to and reviewed by the Bank's Audit and Compliance Committee.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized in the succeeding pages. The policies have been consistently applied to all the periods presented, unless otherwise stated.

### *2.1 Basis of Preparation of Financial Statements*

*(a) Statement of Compliance with Philippine Financial Reporting Standards*

The interim financial statements of the Bank have been prepared in accordance with Philippine Financial Reporting Standards (PFRS).

There were no changes in the accounting policies and methods of computation followed in the interim financial statements as compared with the most recent annual financial statements.

*(b) Presentation of Financial Statements*

The financial statements are presented in accordance with Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements.* The Group presents its statement of financial position broadly in order of liquidity and presents all items of income and expenses in two statements: a "statement of profit or loss" and a "statement of comprehensive income."

*(c) Functional and Presentation Currency*

These financial statements are presented in Philippine pesos, the Group's functional and presentation currency. All amounts are in millions, except per share data or when otherwise indicated.

### *2.2 Basis of Consolidation and Accounting for Investments in Subsidiaries and Associates in the Separate Financial Statements*

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries, after the elimination of material intercompany transactions. All intercompany resources and liabilities, equity, income, expenses and cash flows relating to transactions with subsidiaries are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

### *2.3 Financial Assets*

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria under PAS 32, Financial Instruments: Presentation. All other non-derivative financial instruments are treated as debt instruments.

*(a) Classification, Measurement and Reclassification of Financial Assets*

Under PFRS 9, *Financial Instruments*, the classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described in the succeeding paragraphs.

*(i) Financial Assets at Amortized Cost*

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

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method, less any impairment in value.

*(ii) Financial Assets at Fair Value Through Profit or Loss (FVPL)*

The Group classifies financial assets as FVPL when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking.

Debt instruments that do not meet the amortized cost criteria, or that meet the criteria but the Group has chosen to designate as at FVPL at initial recognition, are measured at FVPL. Equity investments are classified as financial assets at FVPL, unless the Group designates an equity investment that is not held for trading as at *Financial Assets at Fair Value Through Other Comprehensive Income* (FVOCI) at initial recognition. The Group's financial assets at FVPL include government securities, corporate bonds, equity securities, which are held for trading purposes or designated as at FVPL.

Financial assets at FVPL are initially measured at fair value and transaction costs are expensed in profit or loss. Unrealized gains and losses arising from changes (mark-to-market) in the fair value of the financial assets at FVPL category and realized gains or losses arising from disposals of these instruments are included in Trading and Securities Gains under Other Operating Income account in the statement of profit or loss.

*(iii) Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)*

*<u>Debt Instruments at FVOCI</u>*

The Group classifies debt instruments under FVOCI when both of the following conditions are met:

- the asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

FVOCI debt securities are initially measured at fair value plus transaction costs. They are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in Other Comprehensive Income (OCI). Interest Income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost.

On derecognition, cumulative gains or losses previously recognized in OCI are reclassified to profit or loss.

*Equity Instruments at FVOCI*

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

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of Revaluation Reserves account in equity. When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss, but is reclassified directly to Surplus account.

*(b)* *Hedge Accounting*

At the inception of the hedging relationships, the Group formally designates and documents the hedging relationship. This documentation includes the risk management objective and strategy for undertaking the hedge, the identification of the hedging instrument and the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements at inception and on an ongoing basis (including the analysis of sources of hedge ineffectiveness and how the hedge ratio for the hedging relationships is determined).

Under a fair value hedge, the subsequent change in the fair value of the hedging instrument is recognized in the statement of profit or loss. The change in the fair value of the hedged item, attributable to the risk being hedged, is recorded as part of the carrying value of the hedged item and is also recognized in the statement of profit or loss.

Under a cash flow hedge, changes in the fair value of the hedging instrument are initially recognized in other comprehensive income for the effective portion of the hedge while the ineffective portion is recognized in profit or loss. The amount recognized in other comprehensive shall be the lower of (a) cumulative gain or loss on the hedging instrument from inception of hedge, or (b) cumulative change in FV of the expected cash flows on the hedged item.

*(c)* *Impairment of Financial Assets*

The Group's ECL model follows a three-stage impairment approach, which guide in the determination of the loss allowance to be recognized in the financial statements.

*(i)* Stage 1 – comprises of all credit exposures that are considered 'performing' and with no observed SICR since initial recognition. These include those financial instruments with low credit risk. For these financial instruments, the loss allowance is determined based on a 12-month ECL. PFRS 9 provides a rebuttable presumption that credit risk is considered to have significantly increased since initial recognition if the contractual payment is more than 30 days past due. The rebuttal must be in consideration of a reasonable and supportable information that is available without undue cost or effort.

*(ii)* Stage 2 – comprises of all financial instruments assessed to have SICR since initial recognition based on the Group's quantitative and qualitative criteria, though not

yet deemed to be credit-impaired. Using the Group's ICRRS, Stage 2 includes credit exposures that are considered 'under-performing' in which risk ratings were downgraded by at least three notches and/or downgraded to CCC+ to Especially Mentioned. Stage 2 financial instruments may also include those facilities where the credit risk has improved and have been reclassified from Stage 3 subject to the Group's observation period on the creditworthiness of the counterparty. A lifetime ECL is recognized for these financial instruments.

*(iii)* Stage 3 – comprises credit exposures which are assessed as 'credit-impaired', thus considered by the Group as 'non-performing', which is assessed consistently with the Group's definition of default. Generally, this includes accounts classified as Substandard, Doubtful and Loss. The Group recognizes a lifetime ECL for all credit-impaired financial assets.

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

The Group calculates ECL either on an individual or a collective basis. For consumer loans which were carried out on a collective basis, the financial instruments are grouped on the basis of shared credit risk characteristics, such as but not limited to instrument type, credit risk rating, collateral type, product type, historical net charge-offs, industry type, and geographical locations of the borrowers or counterparties. The Group calculates ECL for corporate loans, finance lease receivables, and investment securities at amortized cost on an individual basis.

The Group applies a simplified ECL approach for its accounts receivables and other risk assets wherein the Group uses a provision matrix that considers historical changes in the behavior of the portfolio of credit exposures based on internally collected data to predict conditions over the span of a given observation period. These receivables include claims from various counterparties, which are not originated through the Group's lending activities. For these instruments, the Group measures the loss allowance at an amount equal to lifetime ECL.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to ECL impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account. With respect to investments in debt securities that are measured at FVOCI, the related loss allowance account is recognized in other comprehensive income and accumulated in the Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the statement of financial position.

For loan commitments, the loss allowance is recognized as provisions (presented and included as part of Other Liabilities account in the statement of financial position). Where a financial instrument includes a drawn and undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn commitment; the Group presents a combined allowance for ECL for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as provisions.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

In 2024, the Bank made post model adjustments on the ECL models arising from the use of credit analytics and credit judgments, to consider the effects of the following:

- more granular level of segmentation of credit exposures for auto loans and credit cards based on customer segment, payment behavior, and credit score, among others;
- the respective collection behaviors on auto loan accounts and credit card receivables considering accounts that do not flow to further delinquencies, and accounts previously provided with 100% LGD but had subsequent recoveries; and
- account updates for specific corporate borrowers arising from regular credit monitoring activities

In 2025, the Bank refreshed its ECL segmentation and key model inputs, including PD and LGD, to incorporate the most recent available information and observed credit behavior. As part of the refresh, the Bank updated model inputs and assumptions to ensure that they appropriately reflect current portfolio characteristics, recent performance trends, and the prevailing economic environment.

### *2.4 Financial Liabilities*

Financial liabilities which include deposit liabilities, bills payable, bonds payable, accrued interest and other expenses, and other liabilities (except tax-related payables, post-employment defined benefit obligation and deferred income) are recognized when the Group becomes a party to the contractual terms of the instrument.

Financial liabilities are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method, for those with maturities beyond one year, less settlement payments. All interest-related charges incurred on financial liabilities are recognized as an expense in the statement of profit or loss under the caption Interest Expense.

### *2.5 Provisions and Contingencies*

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events (e.g., legal dispute or onerous contracts).

### *2.6 Revenue and Expense Recognition*

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Group; and the costs incurred or to be incurred can be measured reliably.

## 2.7 *Impairment of Non-financial Assets*

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows [cash-generating units (CGU)]. As a result, some assets are tested for impairment either individually or at the CGU level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each CGU and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each CGU and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets, except for intangible assets with indefinite useful life and goodwill, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds its carrying amount.

## 2.8 *Income Taxes*

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, tax authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in the statement of profit or loss.

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized. Deferred tax assets are reassessed at the end of each reporting period. Previously unrecognized deferred tax assets are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

## 2.9 *Related Party Relationships and Transactions*

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the funded retirement plan of each of the entities under the Group.

### *2.10 Events After the End of the Reporting Period*

Any event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-reporting events that are not adjusting events, if any, are disclosed when material to the financial statements.

## 3. TRADING AND INVESTMENT SECURITIES

This account is composed of the following:

| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Financial assets at FVPL | **P 19,370** | P 12,975 |
| Financial assets at FVOCI | **140,237** | 108,193 |
| Investment securities at amortized cost - net | **253,272** | 253,713 |
| | **P 412,879** | P 374,881 |

### *3.1 Financial Assets at FVPL*

This account is composed of the following:

| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Government securities | **P 12,975** | P 10,594 |
| Derivative financial assets | **5,827** | 1,677 |
| Equity securities | **461** | 600 |
| Corporate debt securities | **107** | 104 |
| | **P 19,370** | P 12,975 |

Derivative instruments used by the Group include foreign currency short-term forwards, cross-currency swaps, debt warrants and options. The Group enters into derivative contracts mainly to cover hedging of currency risk, liquidity management and funding, and arbitrage and market positioning strategies. These instruments offer opportunities for market participants to manage interest rates or currency pricing between markets thereby optimizing the Bank's funding costs and enhancing returns. Foreign currency forwards represent commitments to purchase/sell on a future date at a specific exchange rate. Foreign currency short-term swaps are simultaneous foreign currency spot and forward deals with tenor of one year.

Debt warrants attached to the bonds and other debt securities allows the Group to purchase additional debt securities from the same contracting issuer at the same price and yield as the initial purchased security. Option is a derivative financial instrument that specifies a contract between two parties for a future transaction on an asset at a reference price.

### *3.2 Financial Assets at FVOCI*

This account is composed of the following:

| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Government bonds | **P 123,293** | P 89,115 |
| Corporate debt securities | **12,824** | 14,890 |
| Unquoted equity securities | **2,831** | 2,848 |
| Quoted equity securities | **1,289** | 1,340 |
| | **P 140,237** | P 108,193 |

### *3.3 Investments at Amortized Cost*

This account is composed of the following:

| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Government securities | **P 228,297** | P 223,883 |
| Corporate debt securities | **25,116** | 29,963 |
| | **253,413** | 253,846 |
| Allowance for impairment | **( 141 )** | ( 133 ) |
| | **P 253,272** | P 253,713 |

## 4. LOANS AND RECEIVABLES

This account consists of the following:

| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Receivable from customers: | | |
| Loans and discounts | **P 618,161** | P 597,233 |
| Credit card receivables | **149,943** | 145,797 |
| Customers' liabilities on acceptances, import bills and trust receipts | **15,249** | 14,735 |
| Bills purchased | **4,281** | 1,783 |
| Lease contract receivable | **2,117** | 2,276 |
| Receivables financed | **49** | 49 |
| | **789,800** | 761,873 |
| Unearned discount | **( 595 )** | ( 636 ) |
| | **789,205** | 761,237 |
| Other receivables: | | |
| Interbank loans receivables | **28,942** | 41,535 |
| Accrued interest receivable | **9,277** | 11,156 |
| Accounts receivable | **7,256** | 11,282 |
| Sales contract receivable | **1,080** | 1,099 |
| Unquoted debt securities classified as loans | **161** | 159 |
| | **46,716** | 65,231 |
| | **835,921** | 826,468 |
| Allowance for impairment | **( 24,923 )** | ( 23,056 ) |
| | **P 810,998** | P 803,412 |

## 5. OTHER RESOURCES

This account consists of the following:

| | | March 31, 2026 (Unaudited) | | December 31, 2025 (Audited) |
|---|---|---|---|---|
| Creditable withholding taxes | **P** | **5,762** | P | 5,419 |
| Assets held-for-sale and disposal group | | **5,100** | | 4,553 |
| Net defined benefit asset | | **2,396** | | 2,384 |
| Prepaid expenses | | **2,255** | | 2,183 |
| Software – net | | **1,401** | | 1,282 |
| Deferred charges | | **1,243** | | 1,214 |
| Branch licenses | | **1,000** | | 1,000 |
| Unused stationery and supplies | | **783** | | 733 |
| Refundable and other deposits | | **650** | | 999 |
| Goodwill | | **426** | | 426 |
| Margin deposits | | **256** | | 232 |
| Returned checks and other cash items | | **225** | | 295 |
| Other assets held in trust | | **114** | | 115 |
| Miscellaneous | | **1,109** | | 1,163 |
| | | **22,720** | | 21,998 |
| Allowance for impairment | | **( 240 )** | | ( 230) |
| | **P** | **22,480** | P | 21,768 |

## 6. DEPOSIT LIABILITIES

The following is the breakdown of deposit liabilities:

| | | March 31, 2026 (Unaudited) | | December 31, 2025 (Audited) |
|---|---|---|---|---|
| Demand | **P** | **218,967** | P | 225,512 |
| Savings | | **305,117** | | 312,001 |
| Time | | **538,227** | | 487,942 |
| | **P** | **1,062,311** | P | 1,025,455 |

## 7. BILLS PAYABLE

This account consists of borrowings from:

| | | March 31, 2026 (Unaudited) | | December 31, 2025 (Audited) |
|---|---|---|---|---|
| Foreign banks | **P** | **58,077** | P | 56,999 |
| Local banks | | **9,892** | | 12,582 |
| Others | | **50** | | 50 |
| | **P** | **68,019** | P | 69,631 |

## 8. BONDS PAYABLE

The composition of this account for the Group and the Parent Company follows:

| Issuance Date | Maturity Date | Coupon Interest | | Face Value | Outstanding Balance | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | **March 31, 2026 (Unaudited)** | | December 31, 2025 (Audited) |
| July 17, 2025 | January 17, 2028 | 6.00% | **P** | **12,213** | **P** | **12,213** | P | 12,213 |
| January 28, 2025 | January 29, 2030 | 5.38% | **$** | **350** | | **21,139** | | 20,461 |
| January 17, 2024 | January 18, 2029 | 5.50% | **$** | **400** | | **24,234** | | 23,518 |
| March 31, 2021 | June 30, 2026 | 4.18% | **P** | **4,130** | | **4,130** | | 4,130 |
| | | | | | **P** | **61,716** | P | 60,322 |

On July 17, 2025, the Bank raised P12.2 billion fixed rate peso-denominated Series F ASEAN Sustainability Bonds (the Bonds) due 2028 from its P200 billion Bond and Commercial Paper Programme. The Bonds carry a coupon rate of 6.00% per annum.

On January 22, 2025, the Group issued a USD350 5-year and 1-day Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its USD4,000 Medium Term Note Program. The net proceeds from the issue of the Notes will be applied by the Group to support and finance its loans to customers or its own operating activities in eligible green and social categories as defined in the Group's Sustainable Finance Framework. Out of the USD350 senior notes issued on January 22, 2025, USD115 are designated as liability under fair value hedge accounting.

On January 17, 2024, the Group issued a USD400 5-year Senior Unsecured Fixed Rate Sustainability Bonds via a drawdown under its USD3,000 Medium Term Note Program. Out of the USD400 senior notes issued on January 17, 2024, USD200 are designated as liability under fair value hedge accounting.

As of March 31, 2026, the Group has six outstanding interest rate swaps designated as fair value hedges of the interest rate risk arising from the Group's USD350 and USD400 fixed rate bonds payable.

## 9. OTHER LIABILITIES

Other liabilities consist of the following:

| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
|---|---|---|
| Accounts payable | **P 9,033** | P 13,060 |
| Lease liabilities | **5,229** | 5,430 |
| Bills purchased – contra | **3,888** | 1,342 |
| Derivative financial liabilities | **3,650** | 6,015 |
| Manager's checks | **2,553** | 2,118 |
| Dividends payable | **1,952** | - |
| Rewards liability | **1,704** | 1,561 |
| Withholding taxes payable | **1,156** | 1,182 |
| Unearned income | **1,007** | 899 |
| Other credits | **888** | 737 |
| Unclaimed balances - deposit | **874** | 798 |
| Sundry credits | **656** | 469 |
| Deposits on lease contracts | **428** | 440 |
| Payment orders payable | **230** | 628 |
| ECL provisions on loan commitments | **173** | 464 |
| Outstanding acceptances payable | **160** | 69 |
| Due to local bank | **157** | 1,428 |
| Miscellaneous | **998** | 883 |
| | **P 34,736** | P 37,523 |

## 10. EQUITY

The movements in the outstanding capital stock are as follows:

| | Number of Shares* | |
|---|---|---|
| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
| Preferred stock – voting, non-cumulative non-redeemable, participating convertible into common stock – P10 par value Authorized – 200,000,000 shares | | |
| Balance at beginning of period | **265,328** | 266,194 |
| Conversion of shares | **-** | (866) |
| Balance at the end of the period | **265,328** | 265,328 |

| | Number of Shares* | |
|---|---|---|
| | March 31, 2026 (Unaudited) | December 31, 2025 (Audited) |
| Common stock – P10 par value Authorized – 2,600,000,000 shares | | |
| Balance at beginning of period | **2,419,536,530** | 2,419,536,359 |
| Conversion of shares | **-** | 171 |
| Balance at the end of the period | **2,419,536,530** | 2,419,536,530 |

**Amounts in absolute number of shares*

*10.1 Hybrid Perpetual Securities*

On August 27, 2020, the Parent Company issued US$300 non-cumulative, unsecured, subordinated capital securities which qualify as AT1 capital under Basel III standards.

The capital securities are perpetual in respect of which there is no fixed redemption date. The Parent Company may redeem the capital securities only in certain circumstances as described in the conditions of the securities and with prior written consent of BSP. Distributions are non-cumulative and payable semi-annually in arrear at a rate of 6.5%. Certain conditions provide for circumstances under which the Parent Company will not be obliged to pay any distribution on the applicable payment date.

The proceeds of the hybrid perpetual securities are used to support and finance medium-term to long-term asset growth, loans to customers, other general corporate purposes and to maintain sufficient buffers above the minimum capital thresholds required by BSP.

The BOD, in its regular meeting held on March 31, 2025, approved the redemption of all and not less than all of the Bank's AT1 capital callable beginning August 27, 2025 pursuant to its exercise of the "Redemption at the option of the Issuer". In accordance with the BSP's approval and the terms and conditions of the AT1 capital, the hybrid perpetual securities were fully redeemed on August 27, 2025.

## 11. MISCELLANEOUS INCOME AND EXPENSES

These accounts consist of the following:

*11.1 Miscellaneous Income*

| | For the Three months Ended | | | |
|---|---|---|---|---|
| | **March 31, 2026 (Unaudited)** | | March 31, 2025 (Unaudited) | |
| Recoveries from written off assets | **P** | **114** | P | 129 |
| Rentals | | **29** | | 51 |
| Dividend income | | **18** | | 11 |
| Others | | **37** | | 53 |
| | **P** | **198** | P | 244 |

### *11.2 Miscellaneous Expenses*

| | For the Three months Ended | |
|---|---|---|
| | **March 31, 2026 (Unaudited)** | March 31, 2025 (Unaudited) |
| Service processing fees | **P 777** | P 637 |
| Information technology expenses | **529** | 463 |
| Other credit card related expenses | **486** | 428 |
| Litigation/asset acquired expenses | **262** | 208 |
| Advertising and publicity | **229** | 169 |
| Communication and information | **206** | 195 |
| Management and other professional fees | **120** | 116 |
| Banking fees | **116** | 109 |
| Stationery and office supplies | **74** | 58 |
| Transportation and travel | **72** | 62 |
| Employee activities | **60** | 83 |
| Other outside services | **45** | 52 |
| Donations and charitable contributions | **31** | 31 |
| Others | **222** | 134 |
| | **P 3,229** | P 2,745 |

## 12. COMMITMENTS AND CONTINGENCIES

In the normal course of operations of the Group, there are various outstanding commitments and contingent liabilities such as guarantees, commitments to extend credit, tax assessments, etc., with amounts not reflected in the financial statements. Management does not anticipate losses from these transactions that will adversely affect the Group's operations.

In the opinion of management, the suits and claims arising from the normal course of operations of the Group that remain unsettled, if decided adversely, will not involve sums that would have material effect on the Group's financial position or operating results.

### *12.1 Contingent Accounts, Guarantees and Other Commitments*

The following is a summary of contingencies and commitments arising from off-statement of financial position items at their equivalent peso contractual amounts as of March 31, 2026 and December 31, 2025:

| | **March 31, 2026 (Unaudited)** | December 31, 2025 (Audited) |
|---|---|---|
| Derivative assets | **P 398,646** | P 366,756 |
| Outstanding guarantees issued | **330,577** | 312,022 |
| Derivative liabilities | **181,318** | 139,479 |
| Spot exchange sold | **48,003** | 20,107 |
| Spot exchange bought | **47,994** | 20,109 |
| Unused commercial letters of credit | **29,631** | 20,305 |
| Inward bills for collection | **8,382** | 11,819 |
| Late deposits/payments received | **726** | 847 |
| Outward bills for collection | **90** | 94 |
| Others | **266** | 266 |

## 13. OTHER MATTERS

### *13.1 Issuance of Sustainability Bonds*

In April 2026, the Bank raised P20.5 billion fixed rate peso-denominated Series G ASEAN Sustainability Bonds (the Bonds) due 2029 and are listed on the Philippine Dealing and Exchange Corporation. The Bonds carry a fixed coupon rate of 6.08% per annum.

## ADDITIONAL DISCLOSURES TO ITEM I – FINANCIAL STATEMENTS

**Statement of Compliance with Generally Accepted Accounting Principles.** The interim financial statements of the Bank have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS).

See accompanying Notes to Interim Financial Statements for the detailed discussion of compliance with Generally Accepted Accounting Principles.

**Accounting Policies and Methods of Computation.** See accompanying Notes to Interim Financial Statements for the detailed discussion of the accounting policies and methods of computation (Note 2).

**Seasonality or Cyclicality of Interim Operations.** Seasonal or cyclical events and/or conditions do not materially affect the year-round operations of the Bank.

**Changes in Estimates of Amounts Reported.** There were no changes in estimates of amounts reported in prior interim periods of the current financial year or in estimates of amounts reported in prior financial years.

**Issuances, Repurchases and Repayments of Debt and Equity Securities.** On March 31, 2025, the Board of Directors approved the redemption of all and not less than all of the Bank's USD300.0 million 6.5% Non-Cumulative Subordinated Additional Tier 1 Capital Securities callable beginning August 27, 2025 pursuant to its exercise of the "Redemption at the option of the Issuer". In accordance with the BSP's approval and the terms and conditions of the AT1 capital, the hybrid perpetual securities were fully redeemed on August 27, 2025.

In July 2025, the Bank raised P12.2 billion fixed rate peso-denominated Series F ASEAN Sustainability Bonds due in 2028 from its P200.0 billion Bond and Commercial Paper Programme. The Bonds carry a coupon rate of 6.00% per annum.

In January 2025, the Bank raised USD350.0 million Five-year Senior Unsecured Fixed Rate Sustainability Bonds (the Notes) via a drawdown from its USD4.0 billion Medium Term Note Programme. The Notes carry a coupon rate of 5.375% per annum.

**Dividends Paid for Ordinary or Other Shares.** In its meeting held on March 30, 2026, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.81 per share or a total of P2.0 billion and P214.9 thousand payable to holders of Common Class and Preferred Class shares, respectively, to be paid on April 28, 2026.

In its meeting held on February 23, 2026, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.14236 per share or a total of P37.8 thousand payable to holders of Preferred Class shares and paid on March 27, 2026.

In its meeting held on November 24, 2025, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.15175 per share or a total of P40.3 thousand payable to holders of Preferred Class shares and paid on December 23, 2025.

In its meeting held on August 26, 2025, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.15985 per share or a total of P42.4 thousand payable to holders of Preferred Class shares and paid on September 23, 2025.

In its meeting held on July 28, 2025, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of

6.50% per annum or a total of USD9.8 million or P561.4 million payable to holders of said Securities, which was paid on August 27, 2024.

In its meeting held on May 26, 2025, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.15939 per share or a total of P42.4 thousand payable to holders of Preferred Class shares and paid on June 25, 2025.

In its meeting held on March 31, 2025, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.70 per share or a total of P1.7 billion and P186.3 thousand payable to holders of Common Class and Preferred Class shares, respectively, to be paid on May 5, 2025.

In its meeting held on February 24, 2025, the Board of Directors approved the declaration and payment of cash dividends amounting to P0.1584 per share or a total of P42.2 thousand payable to holders of Preferred Class shares and paid on March 26, 2025.

In its meeting held on January 27, 2025, the Board of Directors approved the declaration and payment of cash dividends on the Bank's USD300.0 million Non-cumulative Hybrid Perpetual Securities at a dividend rate of 6.50% per annum or a total of USD9.8 million or P564.6 million payable to holders of said Securities, which was paid on February 27, 2025.

The details of the cash dividend approvals and distributions from 2025 up to March 31, 2026 are as follows (amounts in Thousand Php except per share figures):

| Date Declared | Dividend | | Date Paid / Payable | Nature of Securities |
|---|---|---|---|---|
| | Per Share | Total Amount | | |
| 27-Jan-25 | - | P 568,230.0 | 27-Feb-25 | Hybrid Perpetual Securities |
| 24-Feb-25 | P 0.1584 | P 42.2 | 26-Mar-25 | Convertible Preferred |
| 31-Mar-25 | P 0.70 | P 1,693,675.5 | 5-May-25 | Common Stock |
| 31-Mar-25 | P 0.70 | P 186.3 | 5-May-25 | Convertible Preferred |
| 26-May-25 | P 0.15939 | P 42.4 | 25-Jun-25 | Convertible Preferred |
| 28-Jul-25 | - | P 561,405.0.0 | 27-Aug-25 | Hybrid Perpetual Securities |
| 26-Aug-25 | P 0.15985 | P 42.4 | 23-Sep-25 | Convertible Preferred |
| 24-Nov-25 | P 0.15175 | P 40.2 | 23-Dec-25 | Convertible Preferred |
| 23-Feb-26 | P 0.14236 | P 37.8 | 27-Mar-26 | Convertible Preferred |
| 30-Mar-26 | P 0.81 | P 1,959,824.6 | 30-Apr-26 | Common Stock |
| 30-Mar-26 | P 0.81 | P 214.9 | 30-Apr-26 | Convertible Preferred |

*Note: In 2015, the BSP, through the monetary board, approved the liberalized rules for banks and quasi-banks on dividend declaration. The policy requires that dividend declaration be immediately recognized as a liability upon the approval of the BOD and that it be disclosed in the statement of changes in equity. Further, prior BSP approval is no longer required except for certain cases.*

**Material Events Subsequent to the End of the Interim Period Not Reflected in the Financial Statements.** In April 2026, the Bank raised P20.5 billion fixed rate peso-denominated Series G ASEAN Sustainability Bonds due 2029 and are listed on the Philippine Dealing and Exchange Corporation. The bonds carry a fixed coupon of 6.08% per annum.

**Changes in Composition of the Issuer During the Interim Period and Material Contingencies and Any Other Events or Transactions.** There were no material changes in composition of the issuer during the interim period and material contingencies and any other events or transactions.

**Changes in Contingent Liabilities or Contingent Assets**. There were no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

**Financial Performance**

| RIZAL COMMERCIAL BANKING CORPORATION AND SUBSIDIARIES | | | | |
|---|---|---|---|---|
| | Consolidated | | Parent | |
| | Unaudited | Audited | Unaudited | Audited |
| | 31-Mar-26 | 31-Dec-25 | 31-Mar-26 | 31-Dec-25 |
| Return on Average Assets (ROA)* 1/ | 0.8% | 0.8% | 0.8% | 0.8% |
| Return on Average Equity (ROE) *2/ | 7.2% | 6.6% | 7.2% | 6.6% |
| Risk-based Capital Adequacy Ratio (CAR) | 13.2% | 14.5% | 12.9% | 14.2% |
| Common Equity Tier 1 Ratio | 12.3% | 13.6% | 12.1% | 13.3% |
| Non-Performing Loans (NPL) Ratio 3/ | 2.8% | 2.8% | 2.7% | 2.6% |
| Non-Performing Assets (NPA) Ratio 4/ | 1.9% | 1.8% | 1.8% | 1.7% |
| Net Interest Margin (NIM)* | 5.2% | 4.8% | 5.2% | 4.8% |
| Cost-to-Income Ratio | 54.3% | 55.4% | 53.9% | 55.0% |
| Loans-to-Deposit Ratio 5/ | 74.3% | 74.1% | 73.8% | 95.4% |
| Current Ratio | 0.9 | 0.7 | 0.9 | 0.7 |
| Acid Test Ratio | 0.4 | 0.5 | 0.4 | 0.4 |
| Debt-to-Equity Ratio | 8.3 | 8.0 | 8.2 | 7.9 |
| Asset-to-Equity Ratio | 9.3 | 9.0 | 9.2 | 8.9 |
| Asset-to-Liability Ratio | 1.1 | 1.1 | 1.1 | 1.1 |
| Interest Rate Coverage Ratio | 1.5 | 1.4 | 1.5 | 1.4 |
| Earnings per share (EPS) 6/ | | | | |
| Basic and Diluted* | PHP 4.54 | PHP 4.06 | PHP 4.54 | PHP 4.06 |
| Year-to-date Basic and Diluted | PHP 1.12 | PHP 4.06 | PHP 1.12 | PHP 4.06 |
| | Unaudited | | | |
| | 31-Mar-26 | 31-Mar-25 | 31-Mar-26 | 31-Mar-25 |
| Quarter-to-date Basic and Diluted | PHP 1.12 | PHP 0.89 | PHP 1.12 | PHP 0.89 |

* *March 31, 2026 ratios/amounts were annualized*

1/ Average assets for the consolidated and parent ratios were computed based on the 3-month average of end of month balances of total assets. Unaudited net income for the 3-month period ended March 31, 2026 in the amount of P2.7 billion represented the consolidated and parent.

2/ Average equity for the consolidated and parent ratios were, likewise, computed based on the 3-month average of end of month balances.

3/ NPL ratio is determined by using the following formula: *(Total NPLs net of total specific provision for losses of NPLs) / (Total gross loan portfolio).*

4/ NPA ratio is determined by using the following formula*: [Net NPLs + Gross Real and Other Properties Acquired (ROPA) + Non-performing Sales Contract Receivable (SCR) + Non-Current Assets Held for Sale (NCAHS) / Gross Total Assets.*

5/ Excluding Interbank Loans.

6/ Total weighted average number of issued and outstanding common shares (diluted) were 2,419,587,139 shares as of March 31, 2026 and 2,419,587,146 as of December 31, 2025. Net income was net of dividends on Hybrid Capital Securities.

## STATEMENT OF CONDITION: 31 March 2026 vs. 31 December 2025

RCBC's **Total Assets** stood at P1.4 trillion as of March 31, 2026. The significant movements are discussed below:

**Cash and Other Cash Items** declined by 21.3% or P5 billion due to lower cash requirements compared to year-end.

**Due from Bangko Sentral ng Pilipinas** decreased by 26.8% or P23.3 billion due to lower demand deposits and short-term placements with the BSP.

**Due from Other Banks** dropped by 17.5% or P1.6 billion due to decrease in foreign bank placements as a result of redeployment of funds.

**Loans Arising from Reverse Repurchase Agreement** increased by 69.9% or P14.4 billion due to higher placements with the BSP.

**Total Investment Securities**, representing 29.8% of Total Resources, increased by 10.1% or P38 billion attributable to the 29.6% or P32.0 billion incline in Financial Assets at Fair Value Other Comprehensive Income (FVOCI); 49.3% or P6.4 billion increase in Financial Assets at Fair Value Through Profit or Loss (FVTPL); net of the P441.7 million decrease in Investment Securities at Amortized Cost.

**Loans and Receivables – net** was recorded at P811.0 billion and represented 58.5% of Total Resources.

**Investment in Associates – net** slightly increased by P2.6 million.

**Bank Premises, Furniture, Fixtures & Equipment – net** declined by 4.1% or P340.7 million.

**Investment Properties – net** increased by 1.4% or P10.8 million.

**Deferred Tax Assets** was up by 8.6% or P541.7 million mainly due to the additional recognition of deferred tax assets during the period.

**Other Resources – net** decreased by 3.3% or P713.2 million.

**Total Liabilities** settled at P1.2 trillion with an increase of P32.8 billion. The significant movements are discussed below:

**Deposit Liabilities**, which accounted for 76.6% of Total Resources, stood at P1.0 trillion and increased by P36.9 billion or 3.6%.

**Bills Payable** decreased by 2.3% or P1.6 billion.

**Bonds Payable** increased by 2.3% or P1.4 billion.

**Accrued Taxes, Interest and Other Expenses** were down by 8.6% or P1.1 billion primarily due to decline in outstanding accruals on interest and insurance.

**Other Liabilities** declined by 7.4% or P2.8 billion largely due to the decrease in trade and other payables during the period.

**Total Capital Funds** stood at P149.4 billion, which is lower by P1.7 billion or 1.2% mainly on account of the P2.0 billion cash dividends declared/paid by the Bank and lower valuation of FVOCI investments by P2.54B, offset by the P2.7 billion net income for the period.

## INCOME STATEMENT: 31 March 2026 vs. 31 March 2025

The Bank recorded a Net Income of P2.7 billion for the three-month ended March 31, 2026, which improved by P281M or 11.6% year on year, driven by the following:

Total **Interest Income** jumped by 4.5% or P949.4 million driven by the growth in volume and better average yields. Interest income on loans and receivables was higher by 5.5% or P932.3 million.

Total **Interest Expense** decreased by 24.5% or P2.1 billion due to lower interest expense on deposit liabilities by 29.2% or P2.1 billion caused by decline in average costs.

As a result, **Net Interest Income** amounted to P15.4 billion from P12.3 billion, higher by 25.0% or P3.1 billion. It represented 90.4% of total operating income.

The Group booked **Impairment Loss Provision** of P4.7 billion, higher by 62.0% or P1.8 billion driven mainly by significantly higher volume year-on-year. It represented 27.6% of total operating income.

**Other Operating Income** of P1.6 billion declined by 30.4% or P714.7 million on account of the following:

- **Trading and securities gains (losses) – net,** down by 135.9% or P303.6 million driven by lower mark to market valuation;
- **Service fees and commissions,** higher by 9.0% or P231.1 million largely from the increase in fee-based income;
- **Foreign exchange losses – net**, higher by P136.8 million or 11.5% on account of higher foreign exchange losses on derivative transactions and foreign currency position revaluation and lower foreign exchange gains on commercial transactions;
- **Gain on assets sold – net,** decreased by 90.9% or P459.8 million due to the lower gain on sale of bank-owned assets this year;
- **Miscellaneous income,** lower by 18.5% or P45.0 million mainly due to lower recoveries from written off assets and rental income year-on-year.

**Other Operating Expenses** amounted to P9.2 billion, higher by 7.3% or P625.3 million on account of the following:

- **Employee benefits,** up by 7.6% or P170.0 million due to increase in headcount and annual salary adjustments;
- **Occupancy and equipment-related costs,** higher by 8.1% or P52.2 million largely due to higher information technology costs and increase in rental expenses;
- **Depreciation and amortization,** down by 3.1% or P26.6 million;
- **Taxes and licenses**, decreased by 5.3% or P83.3 million mainly due to lower gross receipts tax and documentary stamp tax;
- **Insurance,** up by 5.3% or P29.9 million largely from higher Philippine Deposit Insurance Corporation (PDIC) fees;
- **Miscellaneous expenses,** jumped by 17.6% or P483.1 million mainly due to higher credit card-related expenses and service fees, which are both volume-driven.

**Tax Expense** is lower by P339.9 million or 47.1% mainly due to higher deferred income tax benefit recognized during the period.

## Commitments and Contingent Liabilities

See accompanying Notes to FS for the detailed discussion of Commitments and Contingent Liabilities and the summary of contingencies and commitments arising from off-balance sheet items and their equivalent peso contractual amounts (Note 12).

There are also no 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.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

Similarly, there were no significant elements of income or loss that did not arise from the Bank's continuing operations.

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **RIZAL COMMERCIAL BANKING CORPORATION**

Date **May 13, 2026**

**REGINALDO ANTHONY B. CARIASO**
President & CEO

**FLORENTINO M. MADONZA**
FSVP, Head-Controllership Group

**MARIA CHRISTINA P. ALVAREZ**
FSVP, Head-Corporate Planning Group

**RIZAL COMMERCIAL BANKING CORPORATION**
**Aging of Accounts Receivable**
**As of March 31, 2026**
**(Amounts in Millions of Philippine Pesos)**

| | 1 - 90 days | 91 - 180 days | 181 -1 year | Over 1 year | Total | Allowance | Net |
|---|---|---|---|---|---|---|---|
| Accounts Receivable | 6,043.1 | 213.8 | 130.5 | 867.9 | 7,255.4 | 932.2 | 6,508.8 |