



PHILIPPINE SAVINGS BANK
Metrobank Group

May 15, 2026

Philippine Dealing & Exchange Corp.

29F, BDO Equitable Tower
8751 Paseo de Roxas
Makati City 1226

Attention: ATTY. SUZY CLAIRE SELLEZA
Head - Issuer Compliance & Disclosure Department (ICDD)

Subject: Submission of SEC 17-Q - (Quarterly Report) as of March 31, 2026

.....
Dear Atty. Selleza,

Pursuant to the reportorial requirements of Section 17 of the Securities Regulation Code and Sections 25 and 177 of the Revised Corporation Code of the Philippines, we hereby submit a copy of SEC Form 17-Q of Philippine Savings Bank as of March 31, 2026.

We hope that you will find everything in order.

Thank you very much.

Very truly yours,


Leah M. Zamora
SVP / Controller

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. Commission identification number : **15552**
3. BIR tax identification number : **000-663-983-000**
4. Exact name of registrant as specified in its charter : **PHILIPPINE SAVINGS BANK**
5. Province, country or other jurisdiction of incorporation or organization : **City of Manila, Philippines**
6. Industry classification code : (SEC Use Only)
7. Address of registrant's principal office : **PSBank Center, 777 Paseo de Roxas cor. Sedeño St., Makati City 1226**
8. Registrant's telephone number, including area code : **(632) 8885-8208**
9. Former name, former address and former fiscal year, if changed since last report : **Not applicable**
10. Securities registered pursuant to Sections 4 and 8 of the RSA:
- | | | |
|--|---|----------------------|
| Title of each class | : | Common Shares |
| Number of shares of common stock outstanding | : | 426,859,416 |
| Amount of debt outstanding (Unpaid Subscription) | : | None |
11. Are any or all of the securities listed on the Philippine Stock Exchange? : **Yes**
12. Indicate by check mark whether the registrant:
- (a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding 12 months (or for such shorter period the registrant was required to file such reports).
- Yes [] No []
- (b) Has been subject to such filing requirements for the past 90 days.
- Yes [] No []

PART I – FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

Attached are the following:

Unaudited Interim Statements of Condition	Annex 1
Unaudited Interim Statements of Income	Annex 2
Unaudited Interim Statements of Comprehensive Income	Annex 3
Unaudited Interim Statements of Changes in Equity	Annex 4
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Unaudited General Notes to Interim Financial Statements	Annex 6
Unaudited Schedule of Financial Soundness Indicators	Annex 7

ITEM II. MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATION

Aging of Receivables

Annex 8

Annex 9

PART II – OTHER INFORMATION

1. Control of Registrant

The following stockholders own more than 5% of the total outstanding number of shares issued as of March 31, 2026:

Name of Stockholder	Outstanding Number of Shares	Percent to Total No. of Shares
Metropolitan Bank and Trust Co. ¹	377,279,068	88.38%
De Leon, Maria Soledad S.	26,982,249	6.32%

¹ Includes 206,331,982 shares lodged with PCD Nominee Corp.

As of March 31, 2026, there is no person who holds more than 5% of the Bank's securities lodged with PCD Nominee Corporation.

Minimum Public Ownership

As of March 31, 2026, public ownership of the Bank was at 11.61%. Of the total shares issued, 2.41 million shares or 0.57% represents foreign ownership.

2. Legal Proceedings

The Bank in the course of its operations and in running its business has several legal cases that are filed in its behalf and against it. However, these cases will not give any material effect to its financial status nor would have any material impact in continuing its operations. These cases are part of its daily business activities and consequence of its collection efforts and business dealings with the public.

3. Board Resolutions

All material disclosures of the Bank had been made under SEC 17-C.

SIGNATURE

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

PHILIPPINE SAVINGS BANK

By:

LEAH M. ZAMORA
Senior Vice President/ Controller

JOSE VICENTE L. ALDE
President

Date: May 14, 2026

REPUBLIC OF THE PHILIPPINES
CITY OF MAKATI

) S.S.

SUBSCRIBED AND SWORN TO before me this MAY 14 2026 affiant exhibiting to me his identification as follows:

Name	Passport/SSS No.	Date of Issuance	Place of Issuance
Jose Vicente L. Alde		-	-
Leah M. Zamora			

Doc no.
Page no.
Book no.
Series of 2026

459
50
XVII



MYRA S. SAN BUENAVENTURA
Notary Public for Makati until 12.31.2026 (M-28)
Roll No. 51207
PTR 10765430/1.05.26/Makati
IB 56822-16.25 (2026) / Cam. Sur.
Unit 403B, MG Bldg., 150 Amoroso St.
Legaspi Village, 1229 Makati (Tel. 09228365212)
MTC EVID-0001111, Issued 12.31.22 v/n 4 14 25

Philippine Savings Bank

Interim Financial Statements

As of March 31, 2026 (Unaudited) and December 31, 2025 (Audited)
and for the three months ended March 31, 2026 and 2025 (Unaudited)

PHILIPPINE SAVINGS BANK**ITEM I. FINANCIAL STATEMENTS****UNAUDITED INTERIM STATEMENTS OF CONDITION
(With Comparative Audited Figures as at December 31, 2025)**

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Cash and Other Cash Items	P1,662,692,180	P1,686,770,344
Due from Bangko Sentral ng Pilipinas	270,078,966	400,670,316
Due from Other Banks	1,340,577,028	1,538,017,617
Interbank Loans Receivable and Securities Purchased		
Under Resale Agreements	7,482,665,200	5,602,790,000
Fair Value Through Profit or Loss (FVTPL) Investments	486,193,618	40,224
Financial Assets at Fair Value Through Other Comprehensive		
Income (FVOCI)	25,105,220,372	33,118,680,691
Investment Securities at Amortized Cost	31,632,833,021	28,602,390,495
Loans and Receivables	154,072,305,912	154,687,949,618
Investment in a Joint Venture	912,853,464	904,205,415
Property and Equipment	3,009,669,473	3,054,792,516
Investment Properties	3,686,763,746	3,532,606,835
Deferred Tax Assets	1,604,303,825	1,432,778,226
Goodwill and Intangible Assets	411,633,457	435,403,135
Other Assets	2,569,906,035	2,303,270,822
	P234,247,696,297	P237,300,366,254
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities		
Demand	P26,322,728,458	P25,828,500,998
Savings	49,837,002,000	48,722,934,515
Time	101,041,098,682	105,287,540,700
	177,200,829,140	179,838,976,213
Bonds Payable	4,966,620,019	4,961,054,417
Treasurer's, Cashier's and Manager's Checks	742,758,342	815,692,218
Accrued Taxes, Interest and Other Expenses	2,077,744,600	2,318,882,604
Income Tax Payable	14,219,078	864,613
Other Liabilities	3,278,058,376	3,265,002,531
	188,280,229,555	191,200,472,596
Equity		
Common Stock	4,268,594,160	4,268,594,160
Capital Paid in Excess of Par Value	11,418,563,257	11,418,563,257
Surplus Reserves	1,051,658,376	1,051,658,376
Surplus	31,223,205,460	30,599,066,022
Fair Value Reserves on Financial Assets at FVOCI	(935,253,484)	(176,586,764)
Remeasurement Losses on Retirement Plan	(1,073,523,112)	(1,073,523,112)
Equity in Remeasurement Gains on Retirement Plan		
of a Joint Venture	2,347,778	2,347,778
Cumulative Translation Adjustment	11,874,307	9,773,941
	45,967,466,742	46,099,893,658
	P234,247,696,297	P237,300,366,254

Annex 2**PHILIPPINE SAVINGS BANK
UNAUDITED INTERIM STATEMENTS OF INCOME**

	For the Quarters ended March 31	
	2026	2025
INTEREST INCOME		
Loans and receivables	₱3,656,015,524	₱3,575,044,126
Financial assets at FVOCI and investment securities at amortized cost	791,596,205	657,179,151
Interbank loans receivable and securities purchased under resale agreements	63,495,950	65,911,861
FVTPL investments	7,425,712	2,571,371
Due from Bangko Sentral ng Pilipinas	2,560,014	16,819,036
Due from other banks	1,297,182	1,997,685
	4,522,390,587	4,319,523,230
INTEREST EXPENSE		
Deposit liabilities	1,067,234,068	1,024,828,137
Bonds payable	79,003,103	-
Lease liability	18,534,342	18,937,430
Bills payable	151,042	5,634,222
	1,164,922,555	1,049,399,789
NET INTEREST INCOME	3,357,468,032	3,270,123,441
Service fees and commission income	448,040,161	552,043,679
Service fees and commission expense	24,323,344	7,757,028
NET SERVICE FEES AND COMMISSION INCOME	423,716,817	544,286,651
OTHER OPERATING INCOME (CHARGES)		
Gain on foreclosure and sale of investment properties - net	182,451,410	93,806,992
Loss on foreclosure and sale of chattel mortgage properties - net	(88,710,946)	(69,841,348)
Trading and securities gains - net	14,223,808	1,178,612
Foreign exchange gain - net	5,211,171	2,850,343
Gain on sale of property and equipment	792,845	609,955
Miscellaneous	201,128,573	169,911,756
	315,096,861	198,516,310
TOTAL OPERATING INCOME	4,096,281,710	4,012,926,402
OTHER EXPENSES		
Compensation and fringe benefits	1,016,627,253	1,035,088,023
Provision for credit and impairment losses	715,761,198	413,232,451
Taxes and licenses	405,207,798	369,480,250
Depreciation	280,369,507	247,390,598
Security, messengerial and janitorial services	159,786,065	123,693,157
Occupancy and equipment-related costs	100,494,350	86,652,748
Amortization of intangible assets	27,310,208	30,118,901
Miscellaneous	485,636,145	306,716,101
	3,191,192,524	2,612,372,229
INCOME BEFORE SHARE IN NET INCOME OF A JOINT VENTURE AND INCOME TAX	905,089,186	1,400,554,173
SHARE IN NET INCOME OF A JOINT VENTURE	8,648,049	25,277,270
INCOME BEFORE INCOME TAX	913,737,235	1,425,831,443
PROVISION FOR (BENEFIT FROM) INCOME TAX		
Current	140,978,834	155,450,884
Deferred	(171,525,599)	59,614,767
	(30,546,765)	215,065,651
NET INCOME	₱944,284,000	₱1,210,765,792
Basic/Diluted Earnings Per Share	₱2.21	₱2.84

PHILIPPINE SAVINGS BANK**UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME**

	For the Quarters ended March 31	
	2026	2025
NET INCOME	₱944,284,000	₱1,210,765,792
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Items that recycle to profit or loss in subsequent periods:</i>		
Fair value reserves on debt securities at FVOCI	(759,655,495)	132,722,672
Cumulative translation adjustment	2,100,367	(519,581)
	(757,555,128)	132,203,091
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Fair value reserves on equity securities at FVOCI	988,775	5,102,245
	988,775	5,102,245
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	(756,566,353)	137,305,336
TOTAL COMPREHENSIVE INCOME, NET OF TAX	₱187,717,647	₱1,348,071,128

PHILIPPINE SAVINGS BANK

UNAUDITED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Common Stock	Capital Paid in Excess of Par Value	Surplus Reserves	Surplus	Fair Value Reserves on Financial Assets at FVOCI	Remeasurement Losses on Retirement Plan	Equity in Remeasurement Gains on Retirement Plan of a Joint Venture	Cumulative Translation Adjustment	Total
Balance at January 1, 2026	₱4,268,594,160	₱11,418,563,257	₱1,051,658,376	₱30,599,066,022	(₱176,586,764)	(₱1,073,523,112)	₱2,347,778	₱9,773,941	₱46,099,893,658
Total comprehensive income for the period	–	–	–	944,284,000	(758,666,720)	–	–	2,100,366	187,717,646
Cash dividends	–	–	–	(320,144,562)	–	–	–	–	(320,144,562)
Balance at March 31, 2026 (Unaudited)	₱4,268,594,160	₱11,418,563,257	₱1,051,658,376	₱31,223,205,460	(₱935,253,484)	(₱1,073,523,112)	₱2,347,778	₱11,874,307	₱45,967,466,742
Balance at January 1, 2025	₱4,268,594,160	₱11,418,563,257	₱1,049,164,351	₱28,380,653,358	₱16,969,885	(₱1,038,514,167)	₱2,421,056	₱8,076,158	₱44,105,928,058
Total comprehensive income for the period	–	–	–	1,210,765,792	137,824,917	–	–	(519,581)	1,348,071,128
Cash dividends	–	–	–	(320,144,562)	–	–	–	–	(320,144,562)
Balance at March 31, 2025 (Unaudited)	₱4,268,594,160	₱11,418,563,257	₱1,049,164,351	₱29,271,274,588	₱154,794,802	(₱1,038,514,167)	₱2,421,056	₱7,556,577	₱45,133,854,624

PHILIPPINE SAVINGS BANK

UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	Quarters ended March 31	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱913,737,235	₱1,425,831,443
Adjustments to reconcile income before income tax to net cash provided by operations:		
Provision for credit and impairment losses	715,761,198	413,232,451
Depreciation	280,369,507	247,390,598
Amortization of premium (discount) on financial assets at fair value through other comprehensive income and investment securities at amortized cost	(351,622,368)	162,982,482
Gain on foreclosure and sale of:		
Investment properties	(182,451,410)	(93,806,992)
Chattel mortgage properties	88,710,946	69,841,348
Amortization of:		
Intangible assets	27,310,208	30,118,901
Debt Issuance Costs	5,565,602	-
Lease Liabilities	18,534,342	18,937,430
Accretion of modified loans	(59,651,694)	(4,806,305)
Realized loss (gain) on sale of financial assets at (FVOCI)	(31,529,020)	(230,329)
Share in net income of a joint venture	(8,648,049)	(25,277,270)
Fair value loss (gain) on fair value through profit or loss investments	(13,006,878)	3,219,815
Gain on sale of property and equipment	(792,845)	(609,955)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Fair value through profit or loss investments	(473,146,516)	145,507,981
Loans and receivables	(1,734,804,108)	(8,504,572,384)
Other assets	(135,152,801)	(222,719,921)
Increase (decrease) in:		
Deposit liabilities	(2,637,100,945)	5,125,633,347
Treasurer's, cashier's and manager's checks	(72,933,876)	(178,363,252)
Accrued taxes, interest and other expenses	(241,136,510)	(366,469,344)
Other liabilities	42,792,809	473,773
Cash generated from operations	(3,849,195,172)	(1,753,686,183)
Income taxes paid	(127,624,370)	(117,876,478)
Net cash used in operating activities	(3,976,819,542)	(1,871,562,661)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of:		
Financial assets at FVOCI	(4,071,934,690)	(5,015,399,874)
Investment securities at amortized cost	(2,746,515,617)	(484,319,985)
Property and equipment	(56,681,793)	(62,902,463)
Other intangible assets	(3,540,530)	(6,493,784)
Proceeds from sale/maturities of:		
Financial assets at FVOCI	11,426,849,222	12,490,811,652
Investment securities at amortized cost	-	801,530,000
Chattel mortgage properties	1,255,396,096	804,171,160
Investment properties	150,539,080	190,009,453
Property and equipment	6,072,159	10,707,116
Net cash provided (used) in investing activities	₱5,960,183,927	₱8,728,113,275

	For the Quarters ended March 31	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bills payable	₱8,007,468,545	₱-
Settlement of bills payable	(8,007,468,545)	-
Payment of lease liabilities	(135,604,736)	(126,845,565)
Dividends paid	(320,144,562)	(320,144,562)
Net cash used in financing activities	(455,749,298)	(446,990,127)
Effect of exchange rate differences	88,504	(12,653)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,527,703,591	6,409,547,834
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		
Cash and other cash items	1,686,770,344	1,781,441,158
Due from Bangko Sentral ng Pilipinas	400,670,316	1,183,357,292
Due from other banks	1,538,748,135	1,816,578,180
Interbank loans receivable and securities purchased under resale agreements	5,602,790,000	400,000,000
	9,228,978,795	5,181,376,630
CASH AND CASH EQUIVALENTS AT END OF PERIOD		
Cash and other cash items	1,662,692,180	1,730,911,748
Due from Bangko Sentral ng Pilipinas	270,078,966	2,560,504,084
Due from other banks	1,341,246,042	1,299,508,632
Interbank loans receivable and securities purchased under resale agreements	7,482,665,200	6,000,000,000
	₱10,756,682,388	₱11,590,924,464
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest paid	₱1,203,368,919	₱1,123,148,351
Interest received	4,188,106,026	4,802,544,465

PHILIPPINE SAVINGS BANK

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Philippine Savings Bank (the Bank) was incorporated in the Philippines primarily to engage in savings and mortgage banking. The Bank's shares are listed in the Philippine Stock Exchange (PSE). The Bank offers a wide range of products and services such as deposit products, loans, treasury and trust functions that mainly serve the retail and consumer markets. On September 6, 1991, the Bank was authorized to perform trust functions.

As of March 31, 2026 and December 31, 2025, the Bank had 250 branches. The Bank had 270 Automated Teller Machines (ATMs) on-site and 235 off-site, bringing its total number of ATMs to 505 as of March 31, 2026 and 509 as of December 31, 2025.

The Bank's original Certificate of Incorporation was issued by the Securities and Exchange Commission (SEC) on June 30, 1959. On March 28, 2006, the Board of Directors (BOD) of the Bank approved the amendment of Article IV of its Amended Articles of Incorporation to extend the corporate term of the Bank, which expired on June 30, 2009, for another 50 years or up to June 30, 2059. This was subsequently approved by stockholders representing at least two-thirds of the outstanding capital stock of the Bank on April 25, 2006. The Amended Articles of Incorporation was approved by the SEC on September 27, 2006.

On April 27, 2010, by majority vote of the BOD and by stockholders representing two-thirds of the outstanding capital stock, the amendment of Article VI of its Amended Articles of Incorporation reducing the number of directors from a maximum of eleven (11) to a maximum of nine (9) has been approved. This was approved by the SEC on August 26, 2010.

On March 24, 2014, the BOD approved Article III of Articles of Incorporation to specify its principal address from Makati City to PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City 1226. The Amended Articles of Incorporation was approved by the SEC on December 22, 2014.

As of March 31, 2026 and December 31, 2025, Metropolitan Bank & Trust Company (MBTC), the Bank's ultimate parent, owned eighty-eight percent (88.38%) of the Bank.

2. Significant Accounting Policies**Basis of Preparation**

The accompanying unaudited interim condensed financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the interim condensed financial statements do not include all the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Bank's annual audited financial statements as of December 31, 2025.

The condensed financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities at fair value through profit or loss (FVTPL) and fair value through other comprehensive income (FVOCI) that have been measured at fair value. The unaudited interim condensed financial statements are presented in Philippine Peso (₱), and all values are rounded to the nearest Philippine Peso, except as otherwise indicated.

The accompanying interim condensed financial statements of the Bank include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The functional currency of the RBU and FCDU is the Philippine Peso and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts in the RBU are translated into their equivalents in Philippine peso. The financial statements of these units are combined after eliminating inter-unit accounts.

Presentation of Financial Statements

The Bank presents its statements of condition in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within twelve (12) months after the statement of condition date (current) and more than 12 months after the statement of condition date (non-current) is presented in Note 14.

Financial assets and financial liabilities are offset and the net amount is reported in the statements of condition only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. The Bank assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of solvency or bankruptcy of the Bank and all of the counterparties.

Income and expenses are not offset in the statements of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Bank.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of amendments effective as at January 1, 2025. The Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these amendments did not have an impact on the consolidated financial statements of the Bank.

- *Amendments to PAS 21, Lack of Exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent assets and contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets and liabilities affected in future periods. The effects of any change in judgments, estimates and assumptions are reflected in the financial statements as they become reasonably determinable. Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgments and estimates of the Group have been disclosed in the 2025 audited financial statements.

3. Fair Value Measurement

Financial Instruments

The following describes the methodologies and assumptions used to determine the fair values of financial instruments:

Cash and other cash items, due from BSP, due from other banks, interbank call loans receivable and SPURA, accounts receivable, accrued interest receivable, bills purchased, returned checks and other cash items (RCOCI), shortages, petty cash fund, and liquidity requirement for e-money - Carrying amounts approximate fair values due to the relatively short-term maturities of these assets.

Debt investments - Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology, using rates currently available for debt on similar terms, credit risk and remaining maturities.

Equity investments - Fair values are based on quoted prices published in markets.

Receivable from customers, sales contract receivables and security deposits - Fair values are estimated using the discounted cash flow methodology, using the Bank's current lending rates for similar types of loans. The discount rates used range from 3.00% to 36.22% in March 2026 and December 2025.

Demand deposits, savings deposits, treasurer's, cashier's and manager's checks, accrued interest payable, accounts payable, bills purchased-contra, other credits, deposits for keys-SDB, payment orders payable and overages - Carrying amounts approximate fair values due to either the demand nature or the relatively short-term maturities of these liabilities.

Bonds payable and time deposits - Fair values are estimated using the discounted cash flow methodology using the Bank's borrowing rates for similar borrowings with maturities consistent with those remaining for the liability being valued.

The inputs used in the fair value measurement based on Level 2 are as follows:

Government securities - interpolated rates based on market rates of benchmark securities as of statement of condition date.

The inputs used in estimating fair values of financial instruments carried at amortized cost and categorized under Level 3 include risk-free rates and applicable risk premium.

Non-financial Assets

Investment properties - Fair values of the investment properties have been determined based on valuations performed by independent external and in-house appraisers using valuation technique with significant inputs that are not based on observable market data (Level 3). The valuation of investment properties was based on the Sales Comparison Approach and considered recent sales of similar or substitute properties in the same areas where the investment properties are located, taking into account the economic conditions prevailing at the time of the valuation. Other factors considered were the location and shape of the properties, environmental issues, development controls such as the height restriction, building coverage and floor area ratio restrictions among others. Other significant unobservable inputs include shape, location, time element, discount and corner influence. The fair value of investment properties is based on its highest and best use, which is its current use.

The following tables summarize the carrying amount and fair values of the Bank's financial instruments and investment properties, analyzed based on the hierarchy described in Note 2 (in thousands):

	March 31, 2026 (Unaudited)				Total Fair Value
	Carrying Value	Level 1	Level 2	Level 3	
Assets measured at fair value:					
Financial Assets					
FVTPL investments					
HFT - government securities	P486,194	P486,194	P-	P-	P486,194
Financial assets at FVOCI					
Government debt securities	24,721,698	292,333	24,429,365	-	24,721,698
Private debt securities	344,077	248,797	95,280	-	344,077
Equity securities	39,445	39,445	-	-	39,445
	P25,591,414	P1,066,769	P24,524,645	P-	P25,591,414
Assets for which fair values are disclosed:					
Financial Assets					
Investment securities at amortized cost					
Government	P31,622,276	P17,329,926	P13,151,924	P-	P30,481,850
Private	10,557	10,619	-	-	10,619
Loans and receivables					
Receivables from customers					
Consumption loans	94,417,419	-	-	99,509,314	99,509,314
Real estate loans	47,268,450	-	-	49,901,152	49,901,152
Commercial loans	8,561,735	-	-	8,607,589	8,607,589
Personal loans	1,621,080	-	-	1,767,440	1,767,440
Sales contract receivable	3,667	-	-	3,657	3,657

(Forward)

March 31, 2026 (Unaudited)					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Security deposits	304,135	–	–	395,051	395,051
Non-Financial Assets					
Investment properties	3,686,764	–	–	6,633,706	6,633,706
	₱187,496,083	₱17,340,545	₱13,151,924	₱166,817,909	₱197,310,378

Liabilities for which fair values are disclosed:

Deposit liabilities - time	₱101,041,099	₱–	₱–	₱104,047,212	₱104,047,212
Bonds payable	4,966,620	–	–	4,942,600	4,942,600
	₱106,007,719	₱–	₱–	₱108,989,812	₱108,989,812

December 31, 2025 (Audited)					
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
FVTPL investments					
HFT - government securities	₱40	₱40	₱–	₱–	₱40
Financial assets at FVOCI					
Government debt securities	32,737,881	887,445	31,850,436	–	32,737,881
Private debt securities	342,344	247,167	95,177	–	342,344
Equity securities	38,456	38,456	–	–	38,456
	₱33,118,721	₱1,173,108	₱31,945,613	₱–	₱33,118,721

Assets for which fair values are disclosed:

Financial Assets					
Investment securities at amortized cost					
Government	₱28,591,836	₱17,369,322	₱10,792,483	₱–	₱28,161,805
Private	10,554	10,676	–	–	10,676
Loans and receivables					
Receivables from customers					
Consumption loans	94,893,950	–	–	99,830,040	99,830,040
Real estate loans	46,407,729	–	–	49,209,201	49,209,201
Commercial loans	8,425,427	–	–	8,689,570	8,689,570
Personal loans	1,670,020	–	–	1,842,438	1,842,438
Sales contract receivable	3,667	–	–	3,657	3,657
Security Deposits	220,688	–	–	312,499	312,499
Non-Financial Assets					
Investment properties	3,532,607	–	–	6,445,054	6,445,054
	₱183,756,478	₱17,379,998	₱10,792,483	₱166,332,459	₱194,504,940

Liabilities for which fair values are disclosed:

Deposit liabilities - time	₱105,287,541	₱–	₱–	₱107,590,909	₱107,590,909
Bonds payable	4,961,054	–	–	4,961,490	4,961,490
	₱110,248,595	₱–	₱–	₱112,552,399	₱112,552,399

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations, without any adjustments for transaction costs, the instruments are included within Level 1 of the hierarchy.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other revaluation models. Instruments included in Level 3 include those for which there is currently no active market.

As of March 31, 2026 and December 31, 2025, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurement.

As of March 31, 2026 and December 31, 2025, the Bank determined the market value of its warrants to be zero due to the absence of an active market for the Bank's ROP warrants, as evidenced by the unavailability of quoted market prices.

4. Financial Risk Management Policies and Objectives

The Bank has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk

- Liquidity risk

Organization risk management structure continues to be a top-down organization, with the BOD at the helm of all major initiatives.

Discussed below are the relevant sections on roles and responsibilities from the Risk Oversight Committee (ROC) Charter:

Board of Directors (BOD)

The corporate powers of the Bank are vested in and are exercised by the BOD, who conducts its business and controls its property. The BOD approves broad risk management strategies and policies and ensures that risk management initiatives and activities are consistent with the Bank's overall objectives. The BOD appoints the members of the ROC.

Risk Oversight Committee (ROC)

The ROC is composed of at least three members of the Board, the majority of whom are independent directors including its Chairperson. The ROC Chairperson is not the Chairperson of the Board or of any other committee. Members of the ROC possess a range of expertise and adequate knowledge of the Bank's risk exposures to be able to develop appropriate strategies for preventing losses and minimizing the impact of losses when they occur.

The BOD may also appoint non-directors to the ROC as part of the Metrobank Group risk oversight measures. However, only Bank directors shall be considered as voting members of the ROC. Non-voting members are appointed in an advisory capacity.

The ROC oversees the system of limits to discretionary authority that the BOD delegates to the management and ensures that the system remains effective, the limits are observed, and that immediate corrective actions are taken whenever limits are breached.

The ROC meets on a monthly basis and is supported by the Risk Management Office (RMO). In the absence of the ROC Chairman, another Independent Director shall preside. ROC resolutions, which require the concurrence of the majority of its voting members, are presented to the BOD for confirmation.

Risk Management Office (RMO)

The RMO, headed by the Chief Risk and Sustainability Officer, is a function that is independent from executive functions and business line responsibilities, operations and revenue-generating functions. It reports directly to the BOD, through the ROC. The RMO assists the ROC in carrying out its responsibilities by:

- analyzing, communicating, implementing, and maintaining the risk management policies approved by the ROC and the BOD;
- spearheading the regular review of the Bank's risk management policy manual and making or elevating recommendations that enhance the risk management process to the ROC and the BOD, for their approval; and
- ensuring that the risks arising from the Bank's activities are identified, measured, analyzed, reported to and understood by risk takers, management, and the board. The RMO analyzes limit exceptions and recommends enhancements to the limits structure.

The RMO does not assume risk-taking accountability nor does it have approving authority. The RMO's role is to act as liaison and to provide support to the BOD, ROC, the President, management committees, risk takers and other support and control functions on risk-related matters.

The Risk Management Function is responsible for:

- identifying the key risk exposures and assessing and measuring the extent of risk exposures of the Bank and its trust operations;
- monitoring the risk exposures and determining the corresponding capital requirement in accordance with the Basel capital adequacy framework and based on the Bank's internal capital adequacy assessment on an on-going basis;
- monitoring and assessing decisions to accept particular risks whether these are consistent with BOD-approved policies on risk tolerance and the effectiveness of the corresponding risk mitigation measures; and

- reporting on a regular basis to Senior Management and the BOD the results of assessment and monitoring.

President

The President is the Chief Executive Officer of the Bank and has the primary responsibility of carrying out the policies and objectives of the BOD. The President exercises the authorities delegated to him by the BOD and may recommend such policies and objectives he deems necessary for the continuing progress of the Bank.

Risk management

The risk management framework aims to maintain a balance between the nature of the Bank's businesses and the risk appetite of the BOD. Accordingly, policies and procedures are reviewed regularly and revised as the organization grows and as financial markets evolve. New policies or proposed changes in current policies are presented to the ROC and the BOD for approval.

Credit risk and concentration of assets and liabilities and off-balance sheet items

Credit risk is the risk that a counterparty will not settle its obligations in accordance with the agreed terms.

The Bank's lending business follows credit policy guidelines set by the BOD, ROC and RMO. These policies serve as minimum standards for extending credit. The people engaged in the credit process are required to understand and adhere to these policies.

Product manuals are in place for all loans and deposit products that actually or potentially expose the Bank to all types of risks that may result in financial or reputational losses. They define the product and the risks associated with the product plus the corresponding risk-mitigating controls. They embody the business plans and define the business parameters within which the product or activity is to be performed.

The system of checks around extension of credit includes approval by at least two credit approvers through the Credit Committee (CreCom), Executive Committee (ExCom) or BOD. The ROC reviews the business strategies and ensures that revenue-generating activities are consistent with the risk tolerance and standards of the Bank. The Internal Audit Group conducts regular audit across all functional units. The BOD, through the ExCom, CreCom and ROC, ensure that sound credit policies and practices are followed through all the business segments.

Credit Approval

Credit approval is the documented acceptance of credit risk in the credit proposal or application.

The Bank's credit decision-making for consumer loans utilizes the recommendation of the credit scoring and is performed at the CreCom level appropriate to the size and risk of each transaction, in conformity with corporate policies and procedures in regulating credit risk activities. The Bank's ExCom may approve deviations or exceptions, while the BOD approves material exceptions such as large exposures, loans to directors, officers, stockholders and other related interests (DOSRI) and related party transactions, and loan restructuring.

Credit delegation limits are identified, tracked and reviewed at least annually by the Bank's Head of Credit and Collections together with the Credit Risk Manager.

Borrower Eligibility

The Bank's credit processing commences when a customer expresses his intention to borrow through a credit application. The Bank gathers data on the customer; ensures they are accurate, up-to-date and adequate to meet the minimum regulatory requirements and to render credit decision. These data are used for the intended purpose only and are managed in adherence to the customer information secrecy law.

The customer's credit worthiness, repayment ability and cash flow are established before credit is extended. The Bank independently verifies critical data from the customer, ensuring compliance with Know Your Customer requirements under the anti-money laundering laws. The Bank requires that customer income be derived from legitimate sources and supported with government-accepted statements of income, assets and liabilities.

The Bank ascertains whether the customer is legally capable of entering a credit contract and of providing a charge over any asset presented as collateral for a loan. Guarantors or sureties may be accepted, provided they

are a relative, partner, and have financial interest in the transaction, and they pass all credit acceptance criteria applied to the borrower.

Loan Structure

The Bank structures loans for its customers based on the customer's capability to pay, the purpose of the loan, and for a collateralized loan, the collateral's economic life and liquidation value over time.

The Bank establishes debt burden guidelines and minimum income requirements to assess the customer's capacity to pay.

The Bank utilizes credit bureau data, both external and internal, to obtain information on a customer's current commitments and credit history.

The Bank takes into account environmental and social issues when reviewing credit proposals of small businesses and commercial mortgage customers. The Bank ensures that all qualified securities pass through the BOD for approval. Assignments of securities are confirmed and insurance are properly secured.

The Bank uses credit scoring models and decision systems for consumer loans as approved by the BOD. Borrower risk rating model and facility risk rating model, on the other hand, are available for SME loans, and supported with qualitative evaluation. Regular monitoring of all these tools and their performance is carried out to ensure that they remain effective.

Initial loan limits are recommended by the CreCom and ExCom and approved by the BOD. The Bank ensures that secured loans are within ceilings set by local regulators. Succeeding loan availments are based on account performance and customer's credit worthiness.

Credit Management

The Bank maintains credit records and documents on all borrowings and captures transaction details in its loan systems. The credit risk policies and system infrastructure ensure that loans are monitored and managed at all times.

The Bank's Management Information System provides statistics that its business units need to identify opportunities for improving rewards without necessarily sacrificing risk. Statistical data on product, productivity, portfolio, profitability, performance and projection are made available regularly.

The Bank conducts regular loan review through the ROC, with the support of the RMO. The Bank examines its exposures, credit risk ratios, provisions and customer segments. The Bank's unique customer identification and unique group identification methodology enables it to aggregate credit exposures by customer or group of borrowers. Aggregate exposures of at least ₱100.0 million are put on a special monitoring.

The ROC assesses the adequacy of provisions for credit losses regularly. The Bank's automated loan grading system enables the Bank to set up provision per account. The Bank also performs impairment analyses on loans and receivables, whether on an individual or collective basis, in accordance with PFRS 9.

The Bank carries out stress testing analyses using Board-approved statistical models relating the default trends to macroeconomic indicators.

In 2024, the Bank enhanced its credit models for both scoring and provisioning to strengthen risk management and improve decision-making. Pandemic-era overlay models for consumer loans were updated to improve stability and reliability, while Application and Behavioral scoring models were recalibrated to enhance risk assessment. The Bank also refined its Probability of Default (PD) and Loss Given Default (LGD) models to better reflect current economic conditions and optimize capital use. Separately, the Bank continues to enhance its integration of bureau and alternative data sources, further improving borrower evaluation and lending decisions. As part of its ongoing efforts to maintain portfolio quality, the Bank actively manages the credit risk of its incoming portfolio through data analytics. Regular monitoring enables timely adjustments, such as underwriting refinements and stricter credit parameters, when certain segments show elevated risk. These measures ensure that risk-taking activities remain well-controlled and aligned with the Bank's prudent credit risk management framework. These efforts reinforce the Bank's commitment to a forward-looking, data-driven approach to credit risk management.

In 2025, the Bank built on these enhancements by continuing its consumer loan model optimization agenda, further refining key ECL components to keep risk measurement responsive to current portfolio performance. Updates were complemented by sustained portfolio monitoring and disciplined underwriting controls. As risk indicators increased in the Auto Loans portfolio, the Bank implemented targeted actions such as score based adjustments, tighter credit parameters, and closer segment level review to manage incoming risk. These measures helped ensure that provisioning remained timely and appropriately reflected the direction of portfolio risk, while maintaining overall portfolio discipline.

b. Market risk

Market risk management covers the areas of trading and interest rate risks. The Bank utilizes various measurement and monitoring tools to ensure that risk-taking activities are managed within instituted market risk parameters. The Bank revalues its trading portfolios on a daily basis and checks the revenue or loss generated by each portfolio in relation to their level of market risk.

The Bank's risk policies and implementing guidelines are regularly reviewed by the Assets and Liabilities Committee (ALCO), ROC and BOD to ensure that these are up-to-date and in line with changes in the economy, environment and regulations. The ROC and the BOD set the comprehensive market risk limit structure and define the parameters of market activities that the Bank can engage in.

Market risk is the risk to earnings and capital arising from changes in the value of traded portfolios of financial instruments (trading market risk) and from movements in interest rates (interest rate risk). The Bank's market risk originates primarily from holding peso and dollar-denominated debt securities. The Bank utilizes Value-at-Risk (VaR) to measure and manage market risk exposure. VaR estimates the potential decline in the value of a portfolio, under normal market conditions, for a given confidence level over a specified holding period.

Trading activities

The Bank's trading portfolios consist of peso- and dollar-denominated debt securities that are marked-to-market daily. We use BSP-approved Type 3 Derivative License for plain vanilla FX forwards to manage our FX risk against adverse exchange rate movements.

VaR is a statistical measure that calculates the maximum potential loss from a portfolio over a holding period, within a given confidence level. The Bank's current VaR model is based on a historical simulation methodology with a one-day holding period and a 99% confidence level. The Bank establishes limits for trading portfolios and VaR, and comply with regulatory standards. VaR reports are prepared to closely monitor potential losses against approved VaR limit. In addition, actual daily profit and loss levels are monitored against loss triggers. If there is a breach in the VaR limit or loss triggers, Treasury Group is expected to close or reduce their position and bring it down within the limit. Breaches in the limit requires approval of ALCO, President, or ROC/Board, as appropriate.

The Bank performs back testing to validate the VaR model. Results are reported to the ROC and BOD on a monthly basis. Stress testing is also conducted based on historical maximum percentage daily movement and on various ad-hoc rate shock scenarios to estimate potential losses in a crisis situation.

Responsibility for managing the Bank's trading market risk remains with the ROC. With the support of RMO, the ROC recommends to the BOD changes in market risk limits, approving authorities and other activities that need special consideration.

Discussed below are the limitations and assumptions applied by the Bank on its VaR methodology:

- a. VaR is a statistical estimate and thus, does not give the precise amount of loss;
- b. VaR is not designed to give the probability of bank failure, but only attempts to quantify losses that may arise from a bank's exposure to market risk;
- c. Historical simulation does not involve any distributional assumptions, scenarios that are used in computing VaR are limited to those that occurred in the historical sample; and
- d. VaR systems are backward-looking. It attempts to forecast likely future losses using past data. As such, this assumes that past relationships will continue to hold in the future. Major shifts therefore (i.e., an unexpected collapse of the market) are not captured and may inflict losses much bigger than anything the VaR model may have calculated.

The Bank's interest rate VaR follows (in millions):

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Peso	USD	Peso	USD
Year-end	2	-	0	-
Average	1	-	1	-
High	2	-	2	-
Low	-	-	0	-

Non-trading activities

The Bank follows a prudent policy on managing its assets and liabilities to ensure that fluctuations in interest rates are kept within acceptable limits.

One method by which the Bank measures the sensitivity of its assets and liabilities to interest rate fluctuations is by way of "gap" analysis. This analysis provides the Bank with a static view of the maturity and repricing characteristics of the positions in its statement of condition. An interest rate gap report is prepared by classifying all assets and liabilities into various time period categories according to contracted maturities or anticipated repricing dates, whichever is earlier. Items lacking definitive repricing schedule (e.g., current and savings accounts) are assigned to repricing tenor buckets based on analysis of deposit behavioral patterns, past experience and/or expert judgment. The difference in the amount of assets and liabilities maturing or being repriced in any time period category would then give the Bank an indication of the extent to which it is exposed to the risk of potential changes in net interest income.

The interest rate sensitivity gap report measures interest rate risk by identifying gaps between the repricing dates of assets and liabilities. The Bank's sensitivity gap model calculates the effect of possible rate movements on its interest rate profile.

EaR measures the possible decline in the Bank's net interest income as a result of adverse interest rate movements, given the current repricing profile. It is a tool used to evaluate the sensitivity of the accrual portfolio to changes in interest rates in the adverse direction over the next twelve (12) months. The Bank's EaR limits are based on a percentage of the Bank's projected earnings for the year or capital whichever is lower. The Bank also performs stress-testing to measure the impact of various scenarios based on interest rate volatility and shift in the yield curve. The EaR and stress testing reports are prepared on a monthly basis.

The ALCO is responsible for managing the Bank's structural interest rate exposure. The ALCO's goal is to achieve a desired overall interest rate profile while remaining flexible to interest rate movements and changes in economic conditions. The RMO and ROC review and oversee the Bank's interest rate risks.

The table below demonstrates the sensitivity of equity. Equity sensitivity was computed by calculating mark-to-market changes of debt securities at FVOCI, assuming a parallel shift in the yield curve.

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Change in basis points	Sensitivity of equity	Change in basis points	Sensitivity of equity
Currency				
PHP	+10	(P114,789,989)	+10	(P150,160,502)
USD	+10	(34,293)	+10	(110,971)
Currency				
PHP	-10	115,475,935	-10	151,055,705
USD	-10	34,588	-10	111,955

The table below demonstrates the sensitivity of net interest income using the EAR model. Net interest income sensitivity was computed by calculating the changes in the banking book gaps assuming a parallel shift in the yield curve.

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Change in basis points	Sensitivity of NII	Change in basis points	Sensitivity of NII
Currency				
PHP	+10	(P42,228,859)	+10	(P44,444,567)
USD	+10	(8,408,344)	+10	(8,885,634)

(Forward)

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Change in basis points	Sensitivity of NII	Change in basis points	Sensitivity of NII
Currency				
PHP	-10	42,228,859	-10	44,444,567
USD	-10	8,408,344	-10	8,855,634

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

Foreign Currency Risk

Foreign currency risk is the risk of an investment's value changing due to an adverse movement in currency exchange rates. It arises due to a mismatch in the Bank's foreign currency assets and liabilities. The Bank uses BSP-approved Type 3 Derivative License for plain vanilla FX forwards to manage our FX risk against adverse exchange rate movements.

The Bank's policy is to maintain foreign currency exposure within the approved position, stop loss, loss trigger, VaR limits and to remain within existing regulatory guidelines. To compute for VaR, the Bank uses historical simulation model for USD/PHP FX position, with confidence level at 99.00% and a 1 day holding period. The Bank's VaR for its foreign exchange position for trading and non-trading activities are as follows (in thousands):

	March 31, 2026 ¹ (Unaudited)	December 31, 2025 ¹ (Audited)
As of year-end	₱1,376	₱585
Average	1,066	1,084
High	1,669	1,666
Low	598	397

¹Using Historical Simulation VaR

As of March 31, 2026 and December 31, 2025, the Bank is not exposed to significant foreign currency risk.

Liquidity Risk

The Bank's policy on liquidity management emphasizes on three elements of liquidity, namely, cashflow management, ability to borrow in the interbank market, and maintenance of a stock of high-quality liquid assets. These three approaches complement one another with greater weight being given to a particular approach, depending upon the circumstances. The Bank's objective in liquidity management is to ensure that the Bank has sufficient liquidity to meet obligations under normal and adverse circumstances and is able to take advantage of lending and investment opportunities as they arise.

The main tool that the Bank uses for monitoring its liquidity is the Maximum Cumulative Outflow (MCO) reports, which is also called liquidity gap or maturity matching gap reports. The MCO is a useful tool in measuring and analyzing the Bank's cash flow projections and monitoring liquidity risks.

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

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

The Bank's Liquidity Contingency Funding Plan (LCFP) projects the Bank's funding position during stress to help evaluate the Bank's funding needs and strategies under various stress conditions.

The Bank discourages dependence on Large Funds Providers (LFPs) and monitors the deposit funding concentrations so that it will not be vulnerable to a substantial drop in deposit level should there be an outflow of large deposits and there are enough high-quality liquid assets to fund LFP withdrawals. ALCO is responsible for managing the liquidity of the Bank while RMO and ROC review and oversee the Bank's overall liquidity risk management.

To mitigate potential liquidity problems caused by unexpected withdrawals of significant deposits, the Bank takes steps to cultivate good business relationships with clients and financial institutions, maintains high level of high-quality liquid assets, monitors the deposit funding concentrations and regularly updates the Liquidity Contingency Funding Plan. The Bank's Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) are managed on a daily basis to ensure compliance with the required regulatory ratios.

Financial assets

Analysis of equity and debt securities at FVTPL and financial assets at FVOCI into maturity groupings is based on the expected date on which these assets will be realized. For other assets, the analysis into maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date or if earlier, the expected date the assets will be realized.

Financial liabilities

The maturity grouping is based on the remaining period from the end of the reporting period to the contractual maturity date and does not consider the behavioral pattern of the creditors. When the counterparty has a choice of when the amount is paid, the liability is allocated to the earliest period in which the Bank can be required to pay.

5. Segment Information

The Bank's operating segments are organized and managed separately according to the nature of services provided and the different markets served, with each segment representing a strategic business unit that offers different products and serves different markets. The Bank's reportable segments are as follows:

- a. Consumer Banking - principally provides consumer-type loans generated by the Home Office;
- b. Corporate Banking - principally handles loans and other credit facilities for small and medium enterprises, corporate and institutional customers acquired in the Home Office;
- c. Branch Banking - serves as the Bank's main customer touch point which offers consumer and corporate banking products; and
- d. Treasury - principally handles institutional deposit accounts, providing money market, trading and treasury services, as well as managing the Bank's funding operations by use of government securities and placements and acceptances with other banks.

These segments are the bases on which the Bank reports its primary segment information. The Bank evaluates performance on the basis of information about the components of the Bank that senior management uses to make decisions about operating matters. There are no other operating segments than those identified by the Bank as reportable segments. There were no inter-segment revenues and expenses included in the financial information. The Bank has no single customer with revenues from which is 10.00% or more of the Bank's total revenue.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Primary segment information (by business segment) for the quarters ended March 31, 2026 and 2025 and December 31, 2025, as follows (in thousands):

	For the Three Months ended March 31, 2026 (Unaudited)				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	P1,537,290	P67,762	P2,050,963	P866,375	P4,522,390
Service fees and commission	180,679	4,711	262,650	-	448,040
Other operating income	29,077	1,653	264,932	19,435	315,097
Total operating income	1,747,046	74,126	2,578,545	885,810	5,285,527
Non-cash expenses					
Provision for (reversal of) credit and impairment losses	630,483	2,694	82,924	(339)	715,762

(Forward)

For the Three Months ended March 31, 2026 (Unaudited)

	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Depreciation	107,391	799	171,996	183	280,369
Amortization of other intangible assets	21,387	225	4,615	1,082	27,309
Total non-cash expenses	759,261	3,718	259,535	926	1,023,440
Interest expense	–	–	643,657	521,266	1,164,923
Service fees and commission expense	9,809	256	14,259	–	24,324
Subtotal	9,809	256	657,916	521,266	1,189,247
Compensation and fringe benefits	288,843	18,965	700,547	8,273	1,016,628
Taxes and licenses	136,384	2,607	143,685	122,531	405,207
Occupancy and equipment-related costs	34,027	129	66,326	12	100,494
Security, messengerial and janitorial services	63,008	733	95,953	92	159,786
Miscellaneous	181,089	2,872	270,410	31,265	485,636
Subtotal	703,351	25,306	1,276,921	162,173	2,167,751
Income (loss) before share in net income of a joint venture and income tax	274,625	44,846	384,173	201,445	905,089
Share in net income of a joint venture					8,648
Income before income tax					913,737
Provision for income tax					(30,547)
Net income					944,284
Segment assets	₱121,557,426	₱3,380,353	₱50,114,936	₱56,677,824	231,730,540
Investment in a joint venture					912,853
Deferred tax assets					1,604,304
Total assets					₱234,247,696
Segment liabilities	₱1,721,043	₱92,764	₱127,793,643	₱58,672,780	₱188,280,230

December 31, 2025 (Audited)

	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	₱6,151,466	₱268,098	₱8,115,602	₱2,946,764	₱17,481,930
Service fees and commission	689,274	17,875	1,014,532	–	1,721,681
Other operating income	93,462	11,688	563,740	428,904	1,097,794
Total operating income	6,934,202	297,661	9,693,874	3,375,668	20,301,405
Non-cash expenses					
Provision for credit and impairment losses	2,303,219	9,939	55,706	(5,064)	2,363,800
Depreciation	387,878	3,280	681,261	771	1,073,190
Amortization of intangible assets	102,894	1,051	35,283	4,271	143,499
Total non-cash expenses	2,793,991	14,270	772,250	(22)	3,580,489
Interest expense	–	–	2,435,070	1,874,445	4,309,515
Service fees and commission expense	31,239	810	45,980	–	78,029
Subtotal	31,239	810	2,481,050	1,874,445	4,387,544
Compensation and fringe benefits	1,148,709	70,582	2,838,570	30,474	4,088,335
Taxes and licenses	509,810	10,024	514,269	467,522	1,501,625
Occupancy and equipment-related costs	121,207	417	216,220	142	337,986
Security, messengerial and janitorial services	235,388	3,066	357,419	568	596,441
Miscellaneous	664,215	10,975	1,056,772	90,931	1,822,893
Subtotal	2,679,329	95,064	4,983,250	589,637	8,347,280
Income before share in net income of a joint venture and income tax	1,429,643	187,517	1,457,324	911,608	₱3,986,092
Share in net income of a joint venture					50,222
Income before income tax					4,036,314
Provision for income tax					534,829
Net income					₱3,501,485
Segment assets	₱122,385,438	₱3,561,919	₱52,568,340	₱56,447,686	₱234,963,383
Investment in a joint venture					904,205
Deferred tax assets					1,432,778
Total assets					₱237,300,366
Segment liabilities	₱1,761,458	₱142,331	₱130,632,809	₱58,663,875	₱191,200,473

For the Quarter ended March 31, 2025 (Unaudited)

	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	₱1,454,714	₱55,934	₱2,064,396	₱744,479	₱4,319,523
Service fees and commission	215,646	4,898	331,500	–	552,044
Other operating income	48,610	2,032	143,845	4,029	198,516
Total operating income	1,718,970	62,864	2,539,741	748,508	5,070,083

(Forward)

For the Quarter ended March 31, 2025 (Unaudited)					
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Non-cash expenses					
Provision for (reversal of) credit and impairment losses	330,657	3,891	82,924	(4,240)	413,232
Depreciation	85,434	797	160,952	208	247,391
Amortization of other intangible assets	19,800	317	8,943	1,059	30,119
Total non-cash expenses	435,891	5,005	252,819	(2,973)	690,742
Interest expense	–	–	601,654	447,746	1,049,400
Service fees and commission expense	3,030	69	4,658	–	7,757
Subtotal	3,030	69	606,312	447,746	1,057,157
Compensation and fringe benefits	287,004	18,149	722,898	7,037	1,035,088
Taxes and licenses	124,065	2,297	133,273	109,845	369,480
Occupancy and equipment-related costs	23,919	29	62,734	(29)	86,653
Security, messengerial and janitorial services	52,096	435	71,125	37	123,693
Miscellaneous	118,469	1,803	166,163	20,281	306,716
Subtotal	605,553	22,713	1,156,193	137,171	1,921,630
Income (loss) before share in net income of a joint venture and income tax	674,496	35,077	524,417	166,564	1,400,554
Share in net income of a joint venture					25,277
Income before income tax					1,425,831
Provision for income tax					215,066
Net income					1,210,766
Segment assets	₱117,855,303	₱2,974,132	₱49,614,724	₱49,361,730	219,805,889
Investment in a joint venture					917,314
Deferred tax assets					1,258,893
Total assets					₱221,982,096
Segment liabilities	₱1,830,209	₱141,528	₱121,153,447	₱53,723,057	₱176,848,241

6. Investment Securities

Fair Value Through Profit or Loss (FVTPL) Investments

FVTPL investments consist of the following:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Government debt securities	₱486,193,618	₱40,224

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets at FVOCI consist of the following:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Debt securities		
Government	₱24,721,697,973	₱32,737,881,005
Private	344,077,463	342,343,526
Equity securities		
Quoted	39,444,936	38,456,160
	₱25,105,220,372	₱33,118,680,691

As of March 31, 2026 and December 31, 2025, the ECL on debt securities at FVOCI (included in 'Fair value reserves on financial assets at FVOCI') amounted to ₱0.5 million and ₱0.9 million, respectively.

Movements in the fair value reserves on financial assets at FVOCI are as follow:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	(₱176,586,764)	₱16,969,886
Gain from sale of financial assets at FVOCI realized in profit or loss	(31,529,020)	(409,422,012)
Changes in allowance for ECL	(394,566)	194,406
Fair value gain (loss) recognized in OCI	(726,743,134)	215,670,956
Balance at end of year	(₱935,253,484)	(₱176,586,764)

Investment Securities at Amortized Cost

Investment securities at amortized cost consist of the following:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Debt securities		
Government	₱31,629,344,721	₱28,598,538,381
Private	10,580,000	10,580,000
	31,639,924,721	28,609,118,381
Less allowance for credit losses	7,091,700	6,727,886
	₱31,632,833,021	₱28,602,390,495

Interest income on investment securities consists of:

	For the Three Months ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Interest income recognized using EIR		
Financial assets at FVOCI	₱437,852,620	₱307,934,991
Investment securities at amortized cost	353,743,585	₱349,244,160
	791,596,205	657,179,151
Interest income recognized using nominal interest rates		
FVTPL investments	7,425,712	2,571,371
	₱799,021,917	₱659,750,522

Trading and securities gains (losses) - net on investment securities consist of:

	For the Three Months ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Financial assets at FVOCI	₱31,529,020	₱230,329
FVTPL investments	(17,305,212)	948,283
	₱14,223,808	₱1,178,612

7. Loans and Receivables

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Receivables from customers		
Consumption loans	₱97,558,828,845	₱97,860,338,357
Real estate loans	47,508,771,525	46,716,550,004
Commercial loans	8,697,482,914	8,659,919,776
Personal loans	1,878,714,975	1,907,588,421
	155,643,798,259	155,144,396,558
Less unearned discounts	37,161	59,696,079
	155,643,761,098	155,084,700,479
Other receivables		
Accrued interest receivable	2,078,549,063	2,637,264,631
Accounts receivable	694,038,133	1,225,052,199
Bills purchased	99,998,578	247,234
Sales contract receivables	3,813,870	3,813,871
	158,520,160,742	158,951,078,414
Less allowance for credit losses	4,447,854,830	4,263,128,796
	₱154,072,305,912	₱154,687,949,618

Personal loans comprise deposit collateral loans, employee salary and consumer loan products such as money card, multi-purpose loan and flexi-loan.

As of March 31, 2026 and December 31, 2025, 34.39% and 33.93%, %, respectively, of the total receivables from customers are subject to periodic interest repricing with average EIR of 8.29% and 8.34%. Remaining receivables earn average annual fixed interest rates of 17.30% and 17.25%.

Interest income on loans and receivables consists of:

	For the Three Months ended March 31	
	2026	2025
	(Unaudited)	(Unaudited)
Receivables from customers		
Consumption loans	₱2,403,800,197	₱2,370,848,241
Real estate loans	980,161,157	937,261,791
Commercial loans	156,918,915	140,876,282
Personal loans	115,135,255	125,660,977
Other receivables		
Sales contract receivables	–	396,835
	₱3,656,015,524	₱3,575,044,126

8. Property and Equipment

The composition of and movements in this account follow:

	March 31, 2026 (Unaudited)					
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets: Building	Total
Cost						
Balance at beginning of the period	₱976,443,676	₱1,201,910,441	₱3,674,512,035	₱1,163,314,507	₱2,007,926,079	₱9,024,106,738
Acquisitions/Additions	–	260,000	56,313,903	2,442,000	87,339,544	146,355,447
Disposals/Retirement	–	–	(21,668,145)	–	(45,255,008)	(66,923,153)
Balance at end of the period	976,443,676	1,202,170,441	3,709,157,793	1,165,756,507	2,050,010,615	9,103,539,032
Accumulated Depreciation						
Balance at beginning of the period	–	707,597,680	3,116,023,006	1,121,432,991	1,024,260,545	5,969,314,222
Depreciation	–	9,353,956	57,640,742	6,055,739	110,814,628	183,865,065
Disposals/Retirement	–	–	(19,390,370)	–	(45,255,008)	(64,645,378)
Others	–	98,903	5,236,746	–	–	5,335,650
Balance at end of the period	–	717,050,539	3,159,510,124	1,127,488,730	1,089,820,165	6,093,869,559
Net Book Value	₱976,443,676	₱ 485,119,902	₱549,647,669	₱38,267,777	₱960,190,450	₱ 3,009,669,473

	December 31, 2025 (Audited)					
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets: Building	Total
Cost						
Balance at beginning of the period	₱976,443,676	₱1,170,665,641	₱3,629,982,990	₱1,154,075,306	₱1,974,787,786	₱8,905,955,399
Acquisitions/Additions	–	31,244,800	172,684,717	9,239,201	424,872,914	638,041,632
Disposals/Retirement	–	–	(128,155,672)	–	(376,374,814)	(504,530,486)
Others	–	–	–	–	(15,359,807)	(15,359,807)
Balance at end of the period	976,443,676	1,201,910,441	3,674,512,035	1,163,314,507	2,007,926,079	9,024,106,738
Accumulated Depreciation						
Balance at beginning of the period	–	670,430,083	2,984,801,478	1,096,905,753	960,695,297	5,712,832,611
<i>(Forward)</i>						
Depreciation	–	36,778,074	223,347,900	24,527,238	445,157,387	729,810,599
Disposals/Retirement	–	–	(112,070,017)	–	(374,266,756)	(486,336,773)
Others	–	389,523	19,943,645	–	(7,325,383)	13,007,785
Balance at end of the period	–	707,597,680	3,116,023,006	1,121,432,991	1,024,260,545	5,969,314,222
Net Book Value	₱976,443,676	₱494,312,761	₱558,489,029	₱41,881,516	₱983,665,534	₱3,054,792,516

Gain on sale of property and equipment amounted to ₱0.8 million and ₱0.6 million for the three-month period ended March 31, 2026 and 2025, respectively.

The details of depreciation under the statements of income follow:

	For the Three Months ended March 31	
	2026	2025
	(Unaudited)	(Unaudited)
Property and equipment	₱183,865,065	₱172,283,435
Chattel mortgage properties	75,573,232	54,201,763
Investment properties	20,931,210	20,905,400
	₱280,369,507	₱247,390,598

9. Investment Properties

The composition of and movements in this account follow:

	March 31, 2026 (Unaudited)		
	Land	Building Improvements	Total
Cost			
Balance at beginning of year	₱1,243,825,547	₱2,975,786,569	₱4,219,612,116
Additions	105,340,477	192,584,752	297,925,229
Disposals	(20,725,133)	(111,831,026)	(132,556,159)
Balance at end of year	1,328,440,891	3,056,540,295	4,384,981,186
Accumulated Depreciation			
Balance at beginning of year	–	518,116,428	518,116,428
Depreciation	–	20,931,210	20,931,210
Disposals	–	(13,101,965)	(13,101,965)
Balance at end of year	–	525,945,673	525,945,673
Allowance for Impairment Losses			
Balance at beginning of year	51,924,632	116,964,221	168,888,853
Provisions for the year	848,675	5,179,455	6,028,130
Disposals	(221,025)	(2,424,191)	(2,645,216)
Balance at end of year	52,552,282	119,719,485	172,271,767
Net Book Value	₱1,275,888,609	₱2,410,875,137	₱3,686,763,746

	December 31, 2025 (Audited)		
	Land	Building Improvements	Total
Cost			
Balance at beginning of year	₱1,329,617,968	₱3,001,618,060	₱4,331,236,028
Additions	107,646,007	440,696,452	548,342,459
Disposals	(193,438,428)	(466,527,943)	(659,966,371)
Balance at end of year	1,243,825,547	2,975,786,569	4,219,612,116
Accumulated Depreciation			
Balance at beginning of year	–	506,028,887	506,028,887
Depreciation	–	83,395,035	83,395,035
Disposals	–	(71,307,494)	(71,307,494)
Balance at end of year	–	518,116,428	518,116,428
Allowance for Impairment Losses			
Balance at beginning of year	59,761,915	124,628,324	184,390,239
Provisions for the year	(2,313,985)	11,003,668	8,689,683
Disposals	(5,523,298)	(18,667,771)	(24,191,069)
Balance at end of year	51,924,632	116,964,221	168,888,853
Net Book Value	₱1,191,900,915	₱2,340,705,920	₱3,532,606,835

The details of the net book value of investment properties follow:

	March 31, 2026	December 31, 2025
	(Unaudited)	(Audited)
Real estate properties acquired in settlement of loans and receivables	₱3,620,378,825	₱3,465,277,918
Bank premises leased to third parties and held for capital appreciation	66,384,921	67,328,917
	₱3,686,763,746	₱3,532,606,835

Gain on foreclosure of investment properties amounted to ₱148.7 million and ₱50.6 million in March 31, 2026 and 2025, respectively. The Bank realized gain on sale of investment properties amounting to ₱33.7 million and ₱43.2 million in March 31, 2026 and 2025, respectively.

10. Other Assets

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Financial assets		
Security deposits	₱221,616,682	₱220,687,690
Liquidity requirement for electronic money products	120,226,900	141,087,333
RCOCI	26,922,378	22,337,336
Others*	459,020	450,940
	369,224,980	384,563,299
Non-financial assets		
Chattel mortgage properties - net	1,390,230,962	1,258,748,718
Prepayments	426,475,878	299,182,419
Net retirement assets	200,557,974	186,580,171
Stationeries and supplies on hand	39,551,431	39,936,333
Creditable withholding tax	33,114,888	–
Documentary stamps on hand	28,179,930	14,568,120
Others**	82,569,992	119,691,762
	2,200,681,055	1,918,707,523
	₱2,569,906,035	₱2,303,270,822

* Others under financial assets comprise petty cash fund, shortages, and other investments

** Others under non-financial assets comprise inter-office float items, sundry debits, deferred charges, postages stamps

Prepayments represent prepaid insurance, rent, taxes and other prepaid expenses.

Creditable withholding tax (CWT) pertains to the excess credits after applying CWT against income tax payable.

The movements in chattel mortgage properties - net follow:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
Balance at beginning of year	₱1,362,052,381	₱929,114,203
Additions	1,619,563,919	5,206,376,190
Disposals	(1,483,489,612)	(4,773,438,012)
Balance at the end of year	1,498,126,688	1,362,052,381
Accumulated Depreciation		
Balance at beginning of year	100,621,994	73,609,508
Depreciation	75,573,232	259,984,753
Disposals	(69,837,320)	(232,972,267)
Balance at the end of year	106,357,906	100,621,994
Allowance for Impairment Losses		
Balance at beginning of year	2,681,669	₱100,396
Provision	297,929	6,912,105
Disposals	(1,441,778)	(4,330,832)
Balance at end of year	1,537,820	2,681,669
Net Book Value	₱1,390,230,962	₱1,258,748,718

Gain on foreclosure of chattel mortgage properties amounted to ₱68.1 million and ₱55.8 million in March 31, 2026 and 2025, respectively.

The Bank realized gain/(loss) on sale of chattel mortgage properties amounting to (₱156.8) million and to (₱125.6) million in March 31, 2026 and 2025, respectively.

11. Bills Payable

Bills Payable

As of March 31, 2026 and December 31, 2025, Bills payable amounted to nil.

Peso-denominated interbank borrowings of the Bank bear annual interest ranging from 4.31% to 4.59% in 2026 and from 5.84% to 5.94% in 2025. Foreign currency-denominated interbank borrowings bear annual interest ranging from 3.25% to 3.25% in 2026 and from 4.55% to 4.60% in 2025. Annual interest rate on

dollar-denominated dollar denominated securities under resale agreement (SSURA) ranges 4.24% to 4.60% in 2026 and from 5.55% to 5.91% in 2025.

Interest expense on bills payable amounted to ₱0.15 million and ₱5.63 million in March 31, 2026 and March 31, 2025, respectively.

Bonds Payable

On August 18, 2025, the Bank issued fixed rate bonds amounting to ₱5.0 billion with tenor of two (2) years and interest rate of 5.875% per annum, payable quarterly, and due on August 18, 2027. The minimum investment size for the bonds payable is ₱0.1 million with increments of ₱0.1 thousand thereafter. As of March 31, 2026, the carrying amount of the bonds payable is ₱4.97 billion. Debt issuance cost related to the issuance amounted to ₱47.05 million.

Interest expense incurred on bonds payable amounted to ₱79.0 million in 2026 and nil in 2025 and 2024. Amortization of debt issuance costs amounted to ₱5.57 million as of March 2026.

12. Accrued Taxes, Interest and Other Expenses

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Accrued other taxes and licenses payable	₱337,353,984	₱416,414,740
Accrued interest payable	276,319,198	320,331,164
Accrued other expenses payable	1,464,071,418	1,582,136,700
	₱2,077,744,600	₱2,318,882,604

Accrued other expenses payable consist of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Compensation and fringe benefits	₱805,141,455	₱870,045,740
Litigation	263,119,263	268,839,017
Information technology	161,493,444	137,530,396
Insurance	91,937,174	175,421,048
Security, messengerial and janitorial	54,942,452	69,239,458
ATM maintenance	29,832,143	26,440,150
Donations	17,152,956	14,652,956
Advertising	9,214,602	6,084,569
Miscellaneous	31,237,929	13,883,366
	₱1,464,071,418	₱1,582,136,700

Compensation and fringe benefits include salaries and wages, as well as medical, dental and hospitalization benefits.

Miscellaneous include accruals for utilities, repairs and maintenance, rental for ATM offsites, membership fees & dues and other expenses.

13. Other Liabilities

This account consists of:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Financial liabilities		
Accounts payable	₱1,256,696,869	₱1,461,989,916
Lease liabilities	1,115,918,765	1,145,649,615
Other credits	234,824,565	230,901,514
Bills Purchase – contra	99,998,578	247,234
Overages	5,794,953	5,629,700
Deposit for keys – SDB	723,895	724,395
	2,713,957,625	2,845,142,374

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Non-financial liabilities		
Sundry credits	204,740,538	105,059,730
Withholding taxes payable	125,106,601	95,131,032
Due to the Treasurer of the Philippines	98,252,645	98,252,645
Provision on undrawn portion of committed credit lines	26,960,462	29,565,554
SSS, Medicare, ECP and HDMF premium payable	24,845,276	24,913,150
Miscellaneous	84,195,229	66,938,046
	564,100,751	419,860,157
Total	₱3,278,058,376	₱3,265,002,531

Accounts payable includes payable to suppliers and service providers, and loan payments and other charges received from customers in advance. Other credits represent long-outstanding unclaimed cashier's checks.

Sundry credits represent various items or transactions which cannot be classified immediately under any credit account and subsequently classified to proper credit accounts the following month.

14. Maturity Analysis of Assets and Liabilities

The following table shows an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the statement of condition dates (in thousands):

	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Assets						
Cash and other cash items	₱1,662,692	₱–	₱1,662,692	₱1,686,770	₱–	₱1,686,770
Due from BSP - gross	270,079	–	270,079	400,670	–	400,670
Due from other banks - gross	1,341,246	–	1,341,246	1,538,748	–	1,538,748
Interbank call loans receivable and SPURA						
- gross	7,482,665	–	7,482,665	5,602,790	–	5,602,790
FVTPL investments	486,194	–	486,194	40	–	40
Financial assets at FVOCI	410,474	24,694,746	25,105,220	408,256	32,710,425	33,118,681
Investment securities at amortized cost – gross	3,499,887	28,140,038	31,639,925	1,498,577	27,110,541	28,609,118
Loans and receivables - gross	12,672,263	145,847,935	158,520,198	11,972,499	147,038,275	159,010,774
Other assets*	179,391	189,375	368,766	196,061	188,504	384,565
	28,004,891	198,872,094	226,876,985	23,304,411	207,047,745	230,352,156
Nonfinancial Assets						
Investment in a joint venture	–	912,853	912,853	–	904,205	904,205
Property and equipment - gross	–	9,101,205	9,101,205	–	9,024,107	9,024,107
Investment properties - gross	–	4,384,981	4,384,981	–	4,219,612	4,219,612
Deferred tax assets	–	1,604,304	1,604,304	–	1,432,778	1,432,778
Intangible assets and goodwill – gross	–	438,944	438,944	–	578,903	578,903
Other assets - gross**	610,351	1,698,684	2,309,035	1,473,907	548,104	2,022,011
	610,351	18,140,971	18,751,322	1,473,907	16,707,709	18,181,616
Less: Allowance for credit and impairment losses			4,629,425			4,442,158
Accumulated depreciation and amortization			6,751,149			6,731,552
Unearned discounts and capitalized interest			37			59,696
			11,380,611			11,233,406
			₱234,247,696			₱237,300,366

* Other assets under financial assets comprise security deposits, liquidity requirement for electronic money products, RCOCI, petty cash fund, shortages and other investments

** Other assets under nonfinancial assets comprise chattel mortgage properties, net retirement assets, prepayments, documentary stamps on hand, stationeries and supplies on hand, creditable withholding tax, inter-office float items, sundry debits, deferred charges, postages stamps.

	March 31, 2026 (Unaudited)			December 31, 2025 (Audited)		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Liabilities						
Deposit liabilities	₱160,506,929	₱ 16,693,900	₱177,200,829	₱162,672,584	₱17,166,392	₱179,838,976
Bonds payable	–	4,966,620	4,966,620	–	4,961,054	4,961,054
Treasurer's, cashier's and manager's checks	742,758	–	742,758	815,692	–	815,692
Accrued other expenses payable	1,464,071	–	1,464,071	1,582,137	–	1,582,137
Accrued interest payable	276,319	–	276,319	320,331	–	320,331
Other liabilities*	2,109,550	702,662	2,812,212	2,131,403	713,739	2,845,142
	165,099,627	22,363,182	187,462,809	167,522,147	22,841,185	190,363,332
Nonfinancial Liabilities						
Accrued other taxes and licenses payable	337,354	–	337,354	416,415	–	416,415
Other liabilities**	480,067	–	480,067	217,412	203,313	420,725
	817,421	–	817,421	633,827	203,313	837,140
	₱165,917,048	₱22,363,182	₱188,280,230	₱168,155,974	₱23,044,498	₱191,200,472

* Other liabilities under financial liabilities comprise accounts payable, lease liabilities, bills purchased contra, other credits, overages, and deposit for safety deposit box.

** Other liabilities under nonfinancial liabilities comprise provision on undrawn portion of committed credit lines, withholding taxes payable, sundry credits, due to the treasurer of the Philippines, SSS, Medicare, ECP & HDMF premium payable, income tax payable and miscellaneous liabilities.

15. Equity

Issued Capital

The movement in the Bank's capital stock consists of:

	March 31, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Shares	Amount	Shares	Amount
Authorized common stock - P10 par value	600,000,000	P6,000,000,000	600,000,000	P6,000,000,000
Common Stock - Issued and outstanding	426,859,416	P4,268,594,160	426,859,416	P4,268,594,160

The Bank became listed in the Philippine Stock Exchange (PSE) on October 10, 1994. Subsequently, the SEC approved the increase in the capital stock of the Bank. The summarized information on the Bank's registration of securities under the Securities Regulation Code follows:

Date of SEC Approval	Type	Authorized Shares	Par Value
August 16, 1995	Common	300,000,000	P10
October 8, 1997	Common	425,000,000	P10
November 20, 2019	Common	600,000,000	P10

As of March 31, 2026 and December 31, 2025, the total number of stockholders is 1,420 and 1,421 with share price closed at P56.50 and P54.00, respectively.

Dividends Paid and Proposed

Details of the Bank's dividend distributions as approved by the Bank's BOD and the BSP follow:

Cash Dividends				
Date of declaration	Per share	Total amount	Record date	Payment date
January 18, 2024	0.75	320,144,562	February 2, 2024	February 19, 2024
April 25, 2024	0.75	320,144,562	May 13, 2024	May 27, 2024
July 25, 2024	0.75	320,144,562	August 9, 2024	August 27, 2024
October 17, 2024	0.75	320,144,562	November 4, 2024	November 18, 2024
January 16, 2025	0.75	320,144,562	February 3, 2025	February 17, 2025
April 24, 2025	0.75	320,144,562	May 13, 2025	May 26, 2025
July 24, 2025	0.75	320,144,562	August 8, 2025	August 26, 2025
October 23, 2025	0.75	320,144,562	November 10, 2025	November 24, 2025
January 15, 2026	0.75	320,144,562	January 30, 2026	February 16, 2026

Stock Dividends				
Date of declaration	Per share	Total amount	Record date	Payment date
March 12, 2019	11.42%	P-	January 31, 2020	February 21, 2020

The computation of surplus available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the computation following BSP guidelines.

The following table presents information used to calculate basic EPS:

	For the Quarters ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
a. Net income	P944,284,000	P1,210,765,792
b. Weighted average number of common shares for basic EPS	426,859,416	426,859,416
c. Basic/Diluted EPS (a/b)	P2.21	P2.84

As of March 31, 2026 and 2025, there were no potential common shares with dilutive effect on the basic EPS of the Bank.

Effect of Existing or Probable Government Regulations

Regulatory Qualifying Capital

Under existing BSP regulations, the determination of the Bank's compliance with regulatory requirements and ratios is based on the amount of the Bank's unimpaired capital (regulatory capital) as reported to the BSP. This is determined on the basis of regulatory accounting policies which differ from PFRS Accounting Standards in some respects.

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.00% for both solo basis and consolidated basis. Qualifying capital and risk-weighted assets are computed based on BSP regulations.

Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.

On January 15, 2013, the BSP issued Circular No. 781, Basel III Implementing Guidelines on Minimum Capital Requirements which states the implementing guidelines on the revised risk-based capital adequacy framework, particularly on the minimum capital and disclosure requirements for universal banks and commercial banks, as well as their subsidiary banks and quasi-banks, in accordance with the Basel III standards. The Circular took effect on January 1, 2014.

On March 29, 2022, the BSP issued Circular No. 1142, Amendments to the Guidelines on the Computation of Minimum Required Capital and Risk-Based Capital Adequacy Ratio, which provides amended guidelines on the computation of the minimum required capital and the risk-based capital adequacy ratio.

The Bank considered BSP regulations, which set out a minimum CET1 ratio of 6.00% and Tier 1 capital ratio of 7.50%, and require capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and these ratios shall be maintained at all times.

Regulatory qualifying capital consists of Tier 1 (going concern) capital, which comprises capital stock, surplus, surplus reserves, net unrealized gains on FVOCI securities, cumulative foreign currency translation and remeasurements of net defined benefit asset. Certain adjustments are made to PFRS-based results and reserves, as prescribed by the BSP. The other component of regulatory capital is Tier 2 (gone-concern) capital, which is comprised of the Bank's general loan loss provision. Certain items are deducted from the regulatory Gross Qualifying Capital, such as but not limited to, outstanding unsecured credit accommodations, both direct and indirect, to DOSRI, and unsecured loans, other credit accommodations, and guarantees granted to subsidiaries and affiliates (net of specific provisions), deferred tax assets, goodwill, other intangible assets and significant minority investments in a joint venture.

Risk-weighted assets are determined by assigning defined risk weights to amounts of on-balance sheet exposures and to the credit equivalent amounts of off-balance sheet exposures.

On October 29, 2014, the BSP issued Circular No. 856 which covers the implementing guidelines on the framework for dealing with domestic systemically important banks (DSIBs) in accordance with the Basel III standards. Banks identified as DSIBs shall be required to have higher loss absorbency, on top of the minimum CET1 capital and capital conservation buffer. Compliance with this requirement was phased-in starting January 1, 2017, with full compliance on January 1, 2019. On September 27, 2019, the BSP issued Circular No. 1051 which covers the enhancements in the assessment methodology of D-SIBs. The Bank has complied with this requirement.

The issuance of BSP Circular No. 639 covering the Internal Capital Adequacy Assessment Process (ICAAP) in 2009 supplements the BSP's risk-based capital adequacy framework under BSP Circular No. 538. In compliance with this new circular, the Metrobank Group has adopted and developed its ICAAP framework to ensure that appropriate level and quality of capital are maintained by the Group. Under this framework, the assessment of risks extends beyond the Pillar 1 set of credit, market and operational risks and onto other risks deemed material by the Group. The level and structure of capital are assessed and determined in light of the Group's business environment, plans, performance, risks and budget, as well as regulatory directives. The Bank follows the Group's ICAAP framework and submits the result of its assessment to the Parent Company. Per BSP Circular No. 869, effective January 31, 2015, submission of an ICAAP document is required by BSP every March 31 of each year. The Bank has complied with this requirement.

The Bank has taken into consideration the impact of the foregoing requirements to ensure that the appropriate level and quality of capital are maintained on an ongoing basis. As of March 31, 2026 and December 31, 2025, the CAR as reported to the BSP, were at 23.87% and 24.35%, respectively.

BASEL III Leverage Ratio (BLR)

On June 9, 2015, the BSP issued Circular No. 881 covering the implementing guidelines on the Basel III Leverage Ratio Framework which is designed to act as a supplementary measure to the risk-based capital

requirements and shall not be less than 5.0 percent. The monitoring period has been set every quarter starting December 31, 2014 and extended until June 30, 2018 under BSP Circular No. 990 issued on January 22, 2018. Effective July 1, 2018, the monitoring of the leverage ratio was implemented as a Pillar I minimum requirement.

The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The Basel III Leverage Ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as percentage. Capital measure is the Tier 1 capital. Exposure measure is the sum of on-balance sheet exposures, derivative exposures, security financing exposures and off-balance sheet items. The leverage ratio shall not be less than 5.0 percent computed on both solo (head office plus branches) and consolidated bases (including subsidiary financial allied undertakings but excluding insurance companies).

As of March 31, 2026 and December 31, 2025, the Bank maintains these ratios above minimum requirements as shown in the table below (in millions):

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
A. Capital Measure	₱39,780	₱40,452
B. Exposure Measure	229,734	233,520
C. Basel III Leverage Ratio (A/B)	17.32%	17.32%

Summary Comparison of Accounting Assets and Common Disclosure vs. Leverage Ratio Exposures as of March 31, 2026 and December 31, 2025 are shown in the table below (in millions):

Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure	March 31, 2026	December 31, 2025	Common Disclosure vs. Leverage Ratio Exposure	March 31, 2026	December 31, 2025
Total consolidated assets	₱232,589	₱236,039	On-balance sheet exposures	₱223,119	₱233,505
Adjustments for derivative financial instruments	–	–	Derivative exposures	–	–
Adjustments for securities financial transactions	–	–	Securities financing transaction exposures	6,600	–
Adjustments for off-balance sheet items	15	15	Other off-balance sheet exposures	15	15
Other adjustments	(2,869)	(2,534)	Tier 1 capital	39,780	40,452
			Total Leverage Ratio exposures	₱229,734	₱233,520
Leverage Ratio Exposures	₱229,734	₱233,520	Basel III Leverage Ratio	17.32%	17.32%

Liquidity Coverage Ratio

On March 10, 2016 and February 8, 2018, the BSP issued Circular Nos. 905 and 996, respectively, which include guidelines on LCR, and LCR disclosure standards that are consistent with the Basel III framework. The LCR is the ratio of high-quality liquid assets (HQLAs) to total net cash outflows. To promote the short-term resilience of the liquidity risk profile of the Bank, it shall maintain an adequate stock of unencumbered HQLAs that consists of cash or assets that can be converted into cash at little or no loss of value in private markets, to meet its liquidity needs under stressed conditions. The stock of liquid assets should enable the Bank to withstand significant liquidity shocks for at least thirty (30) calendar days, which would give time for corrective actions to be taken by the Bank's management and/or the BSP.

On March 15, 2019, the BSP issued Circular No. 1035 which approved the: (1) extension of the observation period of the minimum Basel III LCR requirement to December 31, 2019 for subsidiary banks and quasi-banks (QBs) of universal and commercial banks (U/KBs), (2) adoption of a seventy percent (70.00%) LCR floor for subsidiary banks and QBs during the observation period, (3) minimum requirement of one hundred (100.00%) starting January 1, 2020. As of March 31, 2026 and December 31, 2025, the LCR in single currency as reported to the BSP, is 204.57% and 161.94%, respectively.

Net Stable Funding Ratio

On June 6, 2018, the BSP issued Circular No. 1007, covering the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - NSFR. The NSFR limits overreliance on short-term

wholesale funding and promotes enhanced assessment of funding risk across all on- and off-balance sheet accounts. The NSFR complements the LCR, which promotes short term resilience of the Bank's liquidity profile. The covered bank shall maintain an NSFR of at least 100.0 percent at all times. Compliance with this requirement was phased-in effective July 1, 2018, with full implementation of the minimum NSFR on January 1, 2019.

On March 15, 2019, the BSP issued Circular No. 1034 which approved the extension of the observation period for the Basel III Framework on Liquidity Standards - NSFR for subsidiary banks/quasi-banks.

The implementation of the minimum NSFR shall be phased in to help ensure that the covered banks/QBs can meet the standard through reasonable measures without disrupting credit extension and financial market activities. In order to facilitate compliance, covered banks/QBs shall undergo an observation period before the NSFR becomes a minimum requirement. Subsidiary banks/QBs of U/KBs shall be subject to an NSFR floor of seventy percent (70.00%) during the observation period. Starting January 1, 2020, the minimum NSFR for subsidiary banks/quasi-banks of universal and commercial banks (UBs/KBs) shall be 100.00%. As of March 31, 2026 and December 31, 2025, the NSFR as reported to the BSP, were at 130.59% and 123.48%, respectively.

Basel III Countercyclical Capital Buffer

On December 6, 2018, the BSP issued Circular No. 1024 covering the Philippine adoption of the Basel III Countercyclical Capital Buffer (CCyB) which imposed the following capital buffers:

- Capital Conservation buffer (CCB) of two and a half percent (2.50%); and
- Countercyclical capital buffer (CCyB) of zero percent (0.00%) subject to upward adjustment to a rate determined by the Monetary Board of the BSP when systemic conditions warrant but not to exceed two and a half percent (2.50%). Any increase in the CCyB rate shall be effective 12 months after its announcements. Decreases shall be effective immediately.

The prescribed ratios shall be maintained at all times.

Applicable Tax Regulations

Under Philippine tax laws, the Bank is subject to percentage and other taxes (presented as 'Taxes and licenses' in the statements of income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax (GRT) and documentary stamp tax (DST). Income taxes include corporate income tax, further discussed below, and final taxes paid at the rate of 20.00%, which is a final withholding tax on gross interest income from government securities and other deposit substitutes.

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% effective July 1, 2020. With the implementation of this Act, the allowable deduction for interest expense was reduced from 33% to 20.00% of the interest income subject to final tax.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Bank's income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020, 2021 and 2022, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

Starting July 1, 2008, the Optional Standard Deduction (OSD) equivalent to 40.00% of gross income may be claimed as an alternative deduction in computing for the RCIT. The Bank elected to claim itemized expense deductions instead of the OSD in computing for the RCIT in 2026 and 2025.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulations, EAR expense allowed as a deductible expense for a service company is limited to the actual EAR paid or incurred but not to exceed 1.00% of net revenue.

Income derived by the FCDU from foreign currency-denominated transactions with non-residents OBUs, local commercial banks, including branches of foreign banks, is tax exempt. However, interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to a 10% income tax. In addition, interest income on deposit placements with other FCDUs and offshore

banking units (OBUs) is taxed at 15%. A uniform 20% final tax on interest income from any currency deposit, regardless of tenor, will apply beginning July 1, 2025 and 2024, respectively. Trading gains from long-term bonds issued on or after July 1 2025, are subject to income tax.

Financial Soundness Indicators

The following ratios measure the financial performance of the Bank:

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Return on average assets	1.60%	1.54%
Return on average equity	8.21%	7.76%
Net interest margin on average earning assets	6.41%	6.51%
Liquidity ratio	17.25%	14.74%
Debt-to-equity ratio	4.10:1	4.15:1
Asset-to-equity ratio	5.10:1	5.15:1
Interest rate coverage ratio	1.78:1	1.94:1

16. Miscellaneous Income

This account consists of:

	For the Quarters ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Recovery of charged-off assets	₱70,186,433	₱109,051,070
Insurance commission income	22,864,846	28,794,697
Rental income	16,166,570	16,300,348
Others	91,910,724	15,765,641
	₱201,128,573	₱169,911,756

Rental income arises from the lease of properties and safety deposit boxes of the Bank.

Other miscellaneous income includes renewal fees, checkbook charges, break funding cost and other miscellaneous income. Accretion of modified loans amounted to ₱59.7 million and ₱4.8 million in March 31, 2026 and 2025, respectively.

17. Interest Expense on Deposit Liabilities and Miscellaneous Expenses

Interest expense on deposit liabilities consists of:

	For the Quarters ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Time	₱1,043,206,089	₱1,001,313,856
Demand	12,528,749	12,266,197
Savings	11,499,230	11,248,084
	₱1,067,234,068	₱1,024,828,137

Miscellaneous expenses account consists of:

	For the Quarters ended March 31	
	2026 (Unaudited)	2025 (Unaudited)
Information technology	₱129,144,303	₱62,046,460
Insurance	124,376,812	90,947,248
Litigation	89,934,886	36,408,638
Communications	34,139,671	27,907,483
Repairs and maintenance	31,750,704	12,062,164
Supervision and examination fees	15,694,329	14,154,126
Transportation and traveling	13,088,996	10,645,150
Advertising	11,043,226	17,732,198

(Forward)

	For the Quarters ended March 31	
	2026	2025
	(Unaudited)	(Unaudited)
Management and professional fees	9,985,901	7,155,708
Stationery and supplies	9,047,287	12,396,134
Banking activities expenses	5,427,454	4,149,487
Training and seminars	3,379,882	2,976,492
Donations and charitable contributions	2,500,000	135,000
Membership fees and dues	1,734,532	1,187,510
Fines, penalties and other charges	1,372,709	1,694,347
Others	3,015,453	5,117,956
	₱485,636,145	₱306,716,101

Insurance expense includes premiums paid to the Philippine Deposit Insurance Corporation (PDIC) amounting to million ₱88.72 million and ₱82.96 million in March 31, 2026 and 2025, respectively.

Other expenses include entertainment, amusement and recreation (EAR), rewards and incentives, meeting allowance, sponsorship expenses, appraisal fees and notarial fees.

18. Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Bank's related parties are as follows:

- Bank's Directors, Officers, Stockholders and their Related Interests (DOSRI) as defined per BSP's existing DOSRI rules and regulations;
- Close Family Members (i.e., 2nd degree relatives) of the Bank's Directors, Officers with rank of SVP and up, and Individual Substantial Stockholders;
- Bank's Subsidiaries and Affiliates as defined per BSP's existing rules and regulations on lending to subsidiaries and affiliates;
- Any party that the Bank exerts direct or indirect control over or that exerts direct or indirect control over the Bank;
- Subsidiaries, Affiliates and Special Purpose Entities (SPEs) of any party that the Bank exerts direct or indirect control over or that exerts direct or indirect control over the Bank;
- Corresponding Persons in Affiliated Companies as defined in the Bank's Related Party Transaction (RPT) Policy; and
- Any natural person or juridical entity whose interest may pose potential conflict with the Bank's interest.

The Bank has several business relationships with related parties. The terms of the transactions with such parties are listed below on substantially the same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties, and are usually settled in cash. These transactions also did not involve more than the nominal risk of collectability or present other unfavorable conditions.

Transactions with the Retirement Plan

On December 20, 2012, the SEC issued Memorandum Circular No. 12 providing for guidelines on the disclosure of transactions with retirement benefit funds. Under said circular, a reporting entity shall disclose information about any transaction with a related party (retirement fund, in this case) and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

Under PFRS, certain post-employment benefit plans are considered as related parties. The Bank has business relationships with its retirement plan pursuant to which it provides trust and management services to the said plan. The retirement plan of the employees of the Bank is being managed and maintained by the Trust Division of the Bank.

The following table shows the amount of outstanding balances of related party transactions of the Bank with the retirement plan of the employees of the Bank as of March 31, 2026 and December 31, 2025:

March 31, 2026 (Unaudited)			
Elements of Transaction			
Related Party	Nature of Transaction	Statement of Condition	Statement of Income
Philippine Savings Bank	Savings Deposit	P30,864,251	P-
	Investment in Money Market Fund*	42,055,763	-
	Income from UITF**	-	231,401
First Metro ETF	Equity investment***	21,954,141	-
*Includes fair value gains of P4.2 million			
**Includes fair value gains of P0.2 million			
***Includes fair value loss of P2.4 million			
December 31, 2025 (Audited)			
Elements of Transaction			
Related Party	Nature of Transaction	Statement of Condition	Statement of Income
Philippine Savings Bank	Savings Deposit	P16,328,854	P-
	Investment in Money Market Fund*	41,824,362	-
	Income from UITF**	-	1,579,277
	Interest income	-	16,103
First Metro ETF	Equity investment***	22,397,659	-
*Includes fair value gains of P4.0 million			
**Includes fair value gains of P1.6 million			
***Includes fair value loss of P1.9 million			

Transactions relating to the Bank's retirement plan are approved by its Retirement Committee. The voting right over the investments in the Bank's capital stocks is exercised by a member of the Retirement Committee as approved by all members of the Retirement Committee, whom are senior officers of the Bank.

Remunerations of Directors and Other Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Bank, directly or indirectly. The Bank considers the members of the Management Committee to constitute key management personnel for purposes of PAS 24, *Related Party Disclosures*.

Total remunerations of key management personnel (covering assistant vice presidents and up) included under 'Compensation and fringe benefits' in the statements of income are as follows:

	March 31, 2026 (Unaudited)	March 31, 2025 (Unaudited)
Short-term employee benefits	P137,353,608	P131,044,977
Post-employment pension benefits	262,433	3,514,646
	P137,616,041	P134,559,623

Short-term employee benefits include salaries and other non-monetary benefits.

Remuneration given to directors, as approved by the Board Remuneration Committee, amounted to P4.0 million in March 31, 2026 and 2025.

The Bank also provides banking services to directors and other key management personnel and persons connected to them.

Other Related Party Transactions

Other related party transactions of the Bank by category of related party are presented below. The following tables show the amount and outstanding balances included in the financial statements (in thousands):

March 31, 2026 (Unaudited)			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Parent Company			
Due from other banks	(P717,242)	P671,536	Short term peso and foreign-currency denominated deposits with fixed rates ranging from 0.05% to 5.00%
Financial assets at amortized cost	-	60,000	Pledged for security of payroll account with MBTC
Interbank call loans receivable	-	-	Peso denominated lending with fixed interest rate ranging from 4.31% to 4.59% maturities ranging from 1 to 4 days, secured -
Placements	307,664,000		Php 0.00
Maturities	(307,079,000)		
Accounts receivable	33	4,466	Outstanding ATM service fees, rental and utility receivables, non interest bearing; no impairment
Prepaid Expenses	(3,638)	37,210	Prepayment on IT related expenses
Miscellaneous assets	-	1,393	Security deposits on lease contracts
Miscellaneous liabilities	-	17,182	Advance payments of security deposits from various tenants
Deposit liabilities	(89,995)	51,764	Short term (peso and foreign) denominated deposits and peso time deposits

(Forward)

March 31, 2026 (Unaudited)

Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Accrued other expense payable	₱1,636	₱24,626	Outstanding information technology expense payable
Interest income	55,232	–	Income on deposits and interbank loans receivables
Rental income	7,404	–	Income from leasing agreements with various lease terms ranging from 1 to 5 years
Miscellaneous Income	8,288	–	Other Income
Rent expense	–	–	Payment of rent
Information technology expense	47,276	–	Payment of information technology transactions
Interest expense	4,542	–	Interest from deposit and bills payable
Miscellaneous Expense	12,416	–	Payment for Loan Service Fees and ATM Fees and charges
Securities transactions			
Outright purchases	200,000	–	Outright purchase of FVOCI investments
Outright sales	3,457,480	–	Outright sale of FVOCI investments
Joint Venture			
Investment in a joint venture	8,648	912,853	Outstanding balance of capital investment in SMFC
Accounts receivable	(231)	616	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	(271,496)	39,576	Demand and short-term peso time deposits with annual fixed rates of 0.25% to 3.63%
Accrued interest payable	(719)	18	Interest payable on deposit liabilities
Miscellaneous liabilities	–	10,540	Advance payment of security deposits
Rental income	4,695	–	Income from leasing agreements
Interest expense	3,023	–	Interest on deposit liabilities
Other Related Parties (DOSRI/Indirect)			
Receivable from customers		1,101,800	Peso denominated lending which earn 5.04% to 6.00% with maturity terms from 1 to 15 years (excluding key personnel); mostly unsecured, with ECL
Placements	6,214	–	
Maturities	–	–	
Accrued Interest Receivable	11,646	17,340	Accrued Interests on Loans
Miscellaneous assets	–	2,773	Security deposits
Accounts receivable	(93)	909	Outstanding ATM service fees, rental and utility receivables, non interest bearing
Prepaid insurance	(892)	4,762	Payment of various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	4,096,454	7,925,893	Demand, savings and short-term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 3.60%
Accrued interest payable	(15,569)	10,159	Interest payable on deposit liabilities
Accounts payable	11	471	Various personal and car insurance payable
Miscellaneous liabilities	–	5,067	Advance payment of security deposits
Rental income	2,139	–	Income from leasing agreements with various lease terms
Interest income	11,646	–	Income on loans receivables
Miscellaneous income	31,826	–	Miscellaneous income from insurance
Prepaid expense	250	250	Advance payment of rent
Insurance expense	20,273	–	Payment of insurance premium
Interest expense	80,319	–	Interest on deposit liabilities
Rent expense	163	–	Payment of rent expense to various lessors
Key Personnel			
Receivables from customers		13,693	Unsecured, no impairment, with annual fixed interest rates of 6.00% and maturities ranging from 1 to 15 years
Availments	3,153	–	
Maturities	4,836	–	
Interest income	307	–	Interest income from loans

December 31, 2025 (Audited)

Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Parent Company			
Due from other banks	₱94,336	₱1,388,778	Short term peso and foreign-currency denominated deposits with fixed rates ranging from 0.05% to 5.00%
Financial assets at amortized cost	–	60,000	Pledged for security of payroll account with MBTC
Interbank call loans receivable			
Placements	533,959,000	–	Peso denominated lending with fixed interest rate ranging from 5.94% to 6.59% maturities ranging from 1 to 5 days, secured
Maturities	(528,415,000)	–	
Accounts receivable	1,454	4,433	Outstanding ATM service fees, rental and utility receivables, non-interest bearing; no impairment
Prepaid expenses	40,849	40,849	
Miscellaneous assets	(320)	1,393	Security deposits on lease contracts
Miscellaneous liabilities	4,929	17,182	Advance payments of security deposits from various tenants
Deposit liabilities	88,061	141,759	Short term peso and foreign-currency denominated deposits
Accrued other expense payable	(18,494)	22,990	Outstanding information technology expense payable
Interest income	127,291	–	Income on deposits and interbank call loans receivables
Rental income	29,615	–	Income from leasing agreements with various lease terms ranging from 1 to 5 years
Information technology expense	181,987	–	Payment of information technology transactions
Interest expense	2,916	–	Interest from bills payable
Securities transactions			
Outright purchases	10,151,800	–	Outright purchase of FVOCI investments
Outright sales	8,400,000	–	Outright sale of FVOCI investments
Joint Venture			
Investment in a joint venture	₱12,169	₱904,205	Outstanding balance of capital investment in SMFC
Dividends from joint venture	37,980	–	Dividends from SMFC

(Forward)

December 31, 2025 (Audited)			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Accounts receivable	(217)	846	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	80,246	311,072	Demand and short-term peso time deposits with annual fixed rates of 0.25% to 5.75%
Accrued interest payable	(80)	737	Interest payable on deposit liabilities
Miscellaneous liabilities	-	10,540	Advance payment of security deposits
Rental income	18,782	-	Income from leasing agreements
Interest expense	15,473	-	Interest on deposit liabilities
Other Related Parties (DOSRI/Indirect)			
Receivable from customers		1,108,014	Peso denominated lending which earn 5.04% to 6.00% with maturity terms from 1 to 15 years (excluding key personnel); mostly
Placements	-	-	unsecured, with ECL
Maturities	12,481	-	
Accrued Interest Receivable	5,694	5,694	Accrued interest on loans
Miscellaneous assets	65	2,773	Security deposits
Accounts receivable	(1,754)	1,002	Outstanding ATM service fees, rental and utility receivables, non interest bearing
Prepaid insurance	762	5,654	Payment of various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	1,835,398	3,829,440	Demand, savings and short-term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 5.88%
Accrued other expense payable	(446)	-	Outstanding group life insurance
Accrued interest payable	20,266	25,728	Interest payable on deposit liabilities
Accounts payable	255	461	Various personal and car insurance payable
Miscellaneous liabilities	(1,811)	5,067	Advance payment of security deposits
Rental income	9,087	-	Income from leasing agreements with various lease terms
Interest income	47,569	-	Income on loans receivables
Miscellaneous income	52,711	-	Miscellaneous income from insurance
Insurance expense	60,451	-	Payment of insurance premium
Interest expense	371,019	-	Interest on deposit liabilities
Rent expense	279	-	Payment of rent expense to various lessors
Key Personnel			
Receivables from customers		15,376	Unsecured, no impairment, with annual
Availments	2,968	-	fixed interest rates of 3.00% to 6.00%
Maturities	1,743	-	and maturities ranging from 1 to 15 years
Interest income	1,251	-	Interest income from loans

19. Commitments and Contingent Liabilities

In the normal course of the Bank's operations, there are various outstanding commitments and contingent liabilities such as guarantees and commitments to extend credit, which are not reflected in the accompanying financial statements. The Bank, however, does not anticipate significant losses as a result of these transactions.

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

	March 31, 2026 (Unaudited)	December 31, 2025 (Audited)
Trust department accounts	₱9,334,621,618	₱9,714,688,709
Spot foreign exchange and contracts sale	60,748,000	88,185,000
Spot foreign exchange and contracts purchased	30,374,000	-
Stand-by credit lines	29,441,474	29,441,474
Items held for safekeeping	256,413	255,700
Others	44,682	255,700

Also, several suits and claims, on behalf of or against the Bank in relation to its banking operations and labor-related cases are pending before the courts and quasi-judicial bodies. The Bank and its legal counsel believe that any losses arising from suits and claims which are not specifically provided for will not have a material adverse effect on the financial statements.

20. Subsequent Event

Cash Dividend Declaration

On April 23, 2026, the BOD of the Bank approved the declaration of a 7.5% regular cash dividend for the first quarter of 2026 for stockholders on record as of May 11, 2026 amounting to ₱320.14 million or ₱0.75 per share, to be paid on May 25, 2026.

21. Other Disclosures

- a) There are no unusual items of asset, liability, equity, net income or cash flow.
- b) No material items of changes were noted in the comparison of actual results with estimated amounts.
- c) No unregistered securities were sold or offered for sale by the Bank as of March 31, 2026.
- d) Segment revenue and result of business segments are found in subsequent tables.
- e) The Bank was not engaged in any business combinations, acquisitions or disposal of subsidiaries and long-term investments.

PHILIPPINE SAVINGS BANK**UNAUDITED SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIOD ENDED MARCH 31, 2026 AND 2025**

	March 31 (Unaudited)	
	2026	2025
PROFITABILITY RATIOS		
Return on Assets		
<u>Net Income</u> *	1.60%	2.21%
Average Total Resources		
Return on Equity		
<u>Net Income</u> *	8.21%	10.85%
Average Stockholders' Equity		
Net Interest Margin		
<u>Net Interest Income</u>	6.41%	6.66%
Average Earning Assets		
Cost to Income Ratio		
Operating Expenses Excluding Provision for Impairment and Credit Losses and Income Taxes	60.66%	54.89%
Net Interest Income + Operating Income		
SOLVENCY RATIOS		
Debt to Equity Ratio		
<u>Total Liabilities</u>	4.10:1	3.92:1
Total Stockholders' Equity		
Asset-to-Equity Ratio		
<u>Total Assets</u>	5.10:1	4.92:1
Total Stockholders' Equity		
Interest Rate Coverage Ratio		
<u>Earnings Before Interest and Taxes</u>	1.78:1	2.32:1
Interest Expense		
LIQUIDITY RATIOS		
Liquidity Ratio		
<u>Current Assets</u>	17.25%	17.66%
Current Liabilities		
Loans to Deposit Ratio		
<u>Gross Loans</u>	87.83%	89.42%
Total Deposits		
Capital Adequacy Ratio		
<u>Total Qualifying Capital</u>	23.87%	23.47%
Total Risk-Weighted Assets		

PHILIPPINE SAVINGS BANK**ITEM II. MANAGEMENT DISCUSSION AND ANALYSIS**

Analysis of Statements of Condition**As of March 31, 2026 (Unaudited) and December 31, 2025 (Audited)**

The Bank recorded Total Assets as of March 31, 2026 at ₱234.25 billion. This was 1.29% lower than the ₱237.30 billion level in December 2025.

As of March 31, 2026, Loans and Receivables, net of allowance and unearned interest and discounts, representing 65.77% of total assets was lower by 0.40%, from ₱154.69 billion in December 31, 2025 to ₱154.07 billion recorded in March 2026. Real Estate and Commercial Loans grew by 1.70% and 0.43%, respectively, while Auto Loans went down by 0.31%.

Interbank Loans Receivable and Securities Purchased under Resale Agreements increased by ₱1.88 billion to ₱7.48 billion in March 2026 from ₱5.60 billion in December 2025. Cash and Other Cash Items went down by 1.43% to ₱1.66 billion in March 2026. Due from Other Banks decreased by ₱0.20 billion to ₱1.34 billion from ₱1.54 billion in December 2025. Meanwhile, Due from Bangko Sentral ng Pilipinas, decreased to ₱0.27 billion from ₱0.40 billion in December 2025.

As of March 31, 2026, Fair Value Through Other Comprehensive Income (FVOCI) went down by 24.20% or ₱8.01 billion to ₱25.11 billion from ₱33.12 billion in December 2025. Investment Securities at Amortized Cost amounted to ₱31.63 billion as of March 2026, while Fair Value through Profit or Loss Investments (FVTPL) increased by ₱486.15 million to ₱486.19 million in March 2026 from ₱0.04 million in December 2025. These investment securities represent 24.43% of the total assets as of March 31, 2026.

Investment Properties increased by ₱154.16 million to ₱3.69 billion as of March 31, 2026. Property and Equipment went down by ₱45.12 million to ₱3.01 billion as of March 31, 2026.

Investments in a joint venture increased by 0.96% to ₱912.85 million in March 31, 2026, due to the recognition of PSBank's share in the net performance of Sumisho Motor Finance Corporation (SMFC), a joint venture between PSBank and Sumitomo Corporation. As of March 31, 2026, the Bank's ownership interest in SMFC is 30.00%.

Deferred Tax Assets increased by 11.97% to ₱1.60 billion versus ₱1.43 billion in December 2025. Goodwill and Other Intangibles decreased by 5.46% or ₱23.77 million to ₱411.63 million in March 2026 from ₱435.40 million in December 2025.

Other Assets as of March 31, 2026 and December 31, 2025 amounted to ₱2.57 billion and ₱2.30 billion, respectively.

The Bank's deposit level, representing 94.12% of total liabilities, reached ₱177.20 billion, 1.47% lower than ₱179.84 billion in December 2025. CASA increased by ₱1.61 billion to ₱76.16 billion and Time deposits decreased by 4.03% to ₱101.04 billion in March 2026.

Treasurer's, Cashier's and Manager's Checks decreased to ₱0.74 billion in March 2026 from ₱0.82 billion in December 2025. Likewise, Accrued Taxes, Interest and Other Expenses decreased by ₱241.14 million to ₱2.08 billion from ₱2.32 billion in December 2025. As of March 31, 2026, Income Tax Payable was recorded at ₱14.22 million.

Other Liabilities increased by ₱13.06 million to ₱3.28 billion in March 2026 from ₱3.27 billion as of year-end 2025.

Total Capital reached ₱45.97 billion, ₱0.13 billion lower than December 31, 2025 level of ₱46.10 billion. Fair Value Reserves on Financial Assets at FVOCI was recorded at (₱935.25) million in March 2026 versus (₱176.59) million in December 2025.

The Bank recorded Remeasurement Losses on Retirement Plan of ₱1.07 billion as of March 31, 2026 and December 31, 2025. Meanwhile, the Bank's share in the Remeasurement losses on retirement plan of a joint venture was posted at ₱2.35 million as of March 31, 2026 and December 31, 2025.

As of March 31, 2026, Cumulative Translation Adjustment amounted to ₱11.87 million.

As of March 31, 2026, Capital Adequacy Ratio (CAR) was at 23.87%. This is above the minimum regulatory requirement of 10%.

Return on Average Equity (ROAE) was registered at 8.21% in March 2026 compared to the 7.76% recorded in December 2025. Return on Average Assets (ROAA) was at 1.60% in March 2026 versus 1.54% in December 2025.

Discussion of Results of Operations

Quarter Ended March 31, 2026 vs Quarter Ended March 31, 2025 (Unaudited)

The Bank reported ₱944.28 million in net income for the first quarter of 2026 or a 22.01% decrease compared to the first quarter of last year. The Bank's earnings reflected a prudent stance in its loan provisioning in response to the current geopolitical climate and economic headwinds.

Total Interest Income for the first quarter of 2026 was recorded at ₱4.52 billion, 4.70% higher than ₱4.32 billion in the same quarter last year. Total Interest Expense increased to ₱1.16 billion from ₱1.05 billion year on year. Net Interest Income increased by 2.67% or ₱87.34 million to ₱3.36 billion versus the ₱3.27 billion posted during the same quarter last year.

Interest income on Loans and Receivables was recorded at ₱3.66 billion, 2.26% higher than ₱3.58 billion recorded on the same quarter last year. Interest income on Financial Assets at FVOCI and Investment Securities at Amortized cost was higher by 20.45% or ₱134.42 million to ₱791.60 million from ₱657.18 million in 2025. Meanwhile, Interest Income on FVTPL Investments increased to ₱7.43 million from ₱2.57 million in 2025. Interest earned from deposits with BSP decreased by 84.78% or ₱14.26 million to ₱2.56 million from ₱16.82 million in 2025. Interest earned from Interbank Loans Receivable and SPURA went down by 3.67% or ₱2.42 million to ₱63.50 million from ₱65.91 million posted in 2025. Interest income from deposits with other banks decreased to ₱1.30 million from ₱2.00 million last year.

Interest Expense on the Bank's deposit liabilities increased by 4.14% or ₱42.41 million to ₱1.07 billion in March 2026. The Bank recorded ₱18.53 million in Interest Expense on lease liabilities and ₱0.15 million Interest Expense on bills payable for the quarter ended March 31, 2026.

Net Service Fees and Commission Income decreased to by 22.15% or ₱120.57 million to ₱423.72 million from ₱544.29 million recorded last year.

Meanwhile, Other Operating Income increased by 58.73% or ₱116.58 million to ₱315.10 million for the first quarter of 2026 from ₱198.52 million previous year.

The Bank posted a net loss on foreclosure and sale of chattel mortgage amounting to (₱88.71) million and (₱69.84) million for the quarter ended March 31, 2026 and March 31, 2025, respectively. Net gain on foreclosure and sale of investment properties amounting to ₱182.45 million in March 2026 from ₱93.81 million in March 2025. Gain on sale of property and equipment increased to ₱0.79 million from ₱0.61 million of the same quarter last year. Miscellaneous Income was higher by 18.37% or ₱31.22 million to ₱201.13 million in March 2026. The Bank reflected a ₱14.22 million trading gains in 2026 versus ₱1.18 million trading gains in 2025.

Meanwhile, Foreign Exchange gain increased by 82.83% or ₱2.36 million to ₱5.21 million in March 31, 2026 from ₱2.85 million for the quarter ended March 31, 2025.

Other Operating Expenses, excluding provision for impairment and credit losses, increased by 12.56% to ₱2.48 billion in March 2026 from ₱2.20 billion in March 2025. Taxes and Licenses grew by 9.67% or ₱35.73 million to ₱405.21 million from ₱369.48 million in 2025. Depreciation and amortization of Bank's properties and leasehold improvements rose to ₱280.37 million, 13.33% higher than ₱247.39 million recorded in March 2025. Meanwhile, amortization of software costs was recorded at ₱27.31 million in March 2026. Compensation and Fringe Benefits amounted to ₱1.02 billion while security, messengerial and janitorial services was recorded at ₱159.79 million.

Occupancy and equipment-related cost amounted to ₱100.49 million in March 2026. Meanwhile, Miscellaneous Expenses was recorded at ₱485.64 million versus ₱306.72 million during the same period last year.

For the quarter ended March 31, 2026, the Bank set aside ₱715.76 million in provision for impairment and credit losses.

The Bank also reported share in net performance from its investment in Sumisho Motor Finance Corporation (SMFC) amounting to ₱8.65 million in March 2026 from ₱25.28 million in March 2025.

Analysis of Key Financial Soundness Indicators

For the Quarter Ended March 31, 2026 vs. March 31, 2025 (Unaudited) Comparative highlights on Key Financial Soundness Indicators

The following ratios measure the financial performance of the Bank:

		March 31, 2026 (Unaudited)	March 31, 2025	December 31, 2025 (Audited)
Return on Average Equity*	ROAE	8.21%	10.85%	7.76%
Return on Average Assets*	ROAA	1.60%	2.21%	1.54%
Net Interest Margin on Average Earning Assets	NIM	6.41%	6.66%	6.51%
Earnings per share	EPS	₱2.21	₱2.84	₱8.20
Capital-to-Risk Assets Ratio	CAR	23.87%	23.47%	24.35%
Liquidity Ratio	LR	17.25%	17.66%	14.74%
Debt-Equity Ratio	DER	4.10:1	3.92:1	4.15:1
Asset-to-Equity Ratio	AER	5.10:1	4.92:1	5.15:1
Interest Rate Coverage Ratio	IRCR	1.78:1	2.32:1	1.94:1

* computed based on annualized/normalized net income

1. Return on Average Equity (ROAE) in March 31, 2026 decreased to 8.21% from 10.85% in the same period last year. ROAE measures how well the Bank is using common shareholders' invested money. It is calculated by dividing the annualized/normalized net income by the average of the outstanding balances of shareholders' equity at the beginning and ending of the period.
2. Return on Average Assets (ROAA) decreased to 1.60% from 2.21% in March 31, 2026 versus the same period last year. ROAA is calculated by dividing the annualized/normalized net income by the average of the outstanding balances of total assets at the beginning and ending of the period.
3. Net Interest Margin on Average Earning Assets (NIM) was posted at 6.41% and 6.66% for the comparative periods of March 31, 2026 and 2025, respectively. NIM is calculated by dividing the net interest income by the average earning assets. Average interest-earning assets is based on outstanding balances at the beginning and ending of the period divided by two. (Earning assets comprised of Due from BSP - Overnight Deposit Account, Due from Other Banks, Interbank Loans Receivable and Securities Purchased Under Resale Agreements, Loans & Discounts (Current), Bills Purchased, Financial Assets at Fair Value Through Profit or Loss (FVTPL), Financial Assets at Fair Value Through Other Comprehensive (FVOCI), Investment at amortized cost and liquidity requirement for E-Money).
4. Earnings per Share (EPS) decreased to ₱2.21 as of March 31, 2026 compared to the ₱2.84 EPS as of March 31, 2025. EPS represents the net profit the Bank has generated per common share. It is computed by dividing the year to date net income by the weighted average number of outstanding common shares.
5. Capital-to-Risk Assets Ratio (CAR) was higher at 23.87% in March 2026 versus 23.47% in March 2025. CAR is the measure of the Bank's capital strength. It is calculated by dividing the qualified capital by risk-weighted assets as defined by the Bangko Sentral ng Pilipinas (BSP).
6. Liquidity Ratio (LR) was lower at 17.25% in March 2026 from 17.66% the same period last year. LR measures the Bank's ability to meet its short-term liabilities. It is derived by dividing the current assets by current liabilities.
7. Debt-to-Equity Ratio (DER) increased to 4.10:1 as of March 31, 2026 from 3.92:1 in March 2025. DER indicates the extent to which the Bank's leveraged, or financed by credit. This is computed by dividing total liabilities by total stockholder's equity.

8. Asset-to-Equity Ratio (AER) increased to at 5.10:1 as of March 31, 2026 from 4.92:1 as of March 31, 2025. AER is computed by dividing the total assets by total shareholder's equity.
9. Interest Rate Coverage Ratio (IRCR) decreased to 1.78:1 this year from 2.32:1 in March 2025. IRCR is a measure of the Bank's ability to meet its interest payments on outstanding debt. It is calculated by dividing the total earnings before interest and taxes over interest expense.

Key Variables and Other Qualitative and Quantitative Factors

Liquidity

PSBank manages its liquidity position to ensure that it has more than adequate funds to meet its obligations at any given time. The Bank monitors its daily liquidity and reserve position by determining inflows and outflows, short-term and long-term obligations, holdings and repayments. Short-term liquidity management identifies obligations and repayments in the next 12-months, aids in the determination of the securities trading strategy, and influences the Bank's pricing mechanism. On the other hand, long-term liquidity management covers maturing obligations and repayments of loans and investments beyond the next 12-months.

The level of liquid assets remained strong, exhibiting healthy growth in both placements with BSP/other banks and investments.

With the Bank's high capitalization, current liquidity position, strong deposit growth trend, continuing development of retail and corporate accounts, and prudent liquidity management, PSBank does not anticipate encountering any cash flow or liquidity problems in the next 12 months. It remains confident of its ability to meet its obligations and is committed to providing the necessary funding to support the projected loan growth, investment activities and expenditures for 2026.

The Bank also performs liquidity stress testing under various stress scenarios to ensure its ability to meet its funding obligations. The Bank has a Liquidity Contingency Funding Plan to anticipate and manage any funding crisis that may occur.

Material Commitments for Capital Expenditures

The Bank's capital expenditure target in 2026 includes projected expenses for IT-related activities on systems and licenses, and upgrade of bank premises including infrastructure, furniture, fixtures and equipment.

Causes for Any Material Changes from Period to Period of Financial Statements

See previous discussion on Analysis of Statement of Condition and Discussion of Results of Operations.

Known Trends, Events or Uncertainties or Seasonal Aspects

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

PHILIPPINE SAVINGS BANK
AGING OF RECEIVABLES

As of March 31, 2026 (Unaudited)

	TOTAL	CURRENT	PAST DUE & ITEMS IN LITIGATION	PAST DUE			ITEMS IN LITIGATION	
				90 Days or Less	91-180 Days	181 Days to 1 Year		More Than 1 Year
Accounts Receivables	₱694,038,133	₱188,815,167	₱505,222,966	₱17,452,866	₱5,989,138	₱8,020,202	₱ 466,855,999	₱6,904,761
Accrued Interest Receivables	2,078,549,063	1,787,249,445	291,299,618	153,266,000	50,226,788	46,494,566	27,314,675	13,997,589
Sales Contract Receivable	3,813,871	-	3,813,871	-	-	-	-	3,813,871
Total Receivables	₱2,776,401,067	₱1,976,064,612	₱800,336,455	₱170,718,866	₱56,215,926	₱54,514,768	₱494,170,674	₱24,716,221