November 19, 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 September 30, 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 September 30, 2026.

We hope that you will find everything in order.

Thank you very much.

Very truly yours,

Leah M. Zamora
SVP / Controller

COVER SHEET

							1	5	5	5	2

SEC Registration Number

| | | | | | | | | | |

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1.	For the quarterly period ended	:	**September 30, 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 **[x]** No [ ]

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

Yes **[x]** 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
Unaudited Interim Statements of Cash Flows	Annex 5
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

	Annex 8
Aging of Receivables	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 September 30, 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 September 30, 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 September 30, 2026, public ownership of the Bank was at 11.61%. Of the total shares issued, 2.35 million shares or 0.55% 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: November 13, 2026

REPUBLIC OF THE PHILIPPINES
CITY OF MAKATI) S.S.

SUBSCRIBED AND SWORN TO before me this NOV 13 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. 434
Page no. 88
Book no. XIV
Series of 2026

Atty. MIGUEL ANGELO B. DIRAIN
Notary Public for Makati City
Until December 31, 2026
Notarial Commission Appt. No. M-103
PTR No 2935639 / Jan 5, 2026 / Bacoor City
Roll No 85469
IBP No. 572186 / Dec. 26, 2025 / Pasig City
MCLE Compliance No. VIII - 0006337/04-14-28
Unit 17-IJ2, Burgundy Corporate Tower,
252 Sen. Gil J. Puyat Ave., Makati City, Metro Manila

Philippine Savings Bank

Interim Financial Statements

As of September 30, 2026 (Unaudited) and December 31, 2025 (Audited)

and for the nine months ended September 30, 2026 and 2025 (Unaudited)

Annex 1

PHILIPPINE SAVINGS BANK

ITEM I. FINANCIAL STATEMENTS

UNAUDITED INTERIM STATEMENTS OF CONDITION
(With Comparative Audited Figures as at December 31, 2025)

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
ASSETS		
Cash and Other Cash Items	**₱1,580,286,984**	₱1,686,770,344
Due from Bangko Sentral ng Pilipinas	**4,373,032,887**	400,670,316
Due from Other Banks	**682,565,861**	1,538,017,617
Interbank Call Loans Receivable and Securities Purchased Under Resale Agreements	**525,280,000**	5,602,790,000
Fair Value Through Profit or Loss (FVTPL) Investments	**482,273,373**	40,224
Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)	**24,897,051,670**	33,118,680,691
Investment Securities at Amortized Cost	**38,643,643,585**	28,602,390,495
Loans and Receivables	**149,084,057,757**	154,687,949,618
Investment in a Joint Venture	**901,465,905**	904,205,415
Property and Equipment	**3,217,302,322**	3,054,792,516
Investment Properties	**3,768,223,901**	3,532,606,835
Deferred Tax Assets	**1,714,163,061**	1,432,778,226
Goodwill and Intangible Assets	**375,865,525**	435,403,135
Other Assets	**2,338,435,670**	2,303,270,822
	₱232,583,648,501	₱237,300,366,254
LIABILITIES AND EQUITY		
Liabilities		
Deposit Liabilities		
Demand	**₱26,985,568,354**	₱25,828,500,998
Savings	**50,029,322,531**	48,722,934,515
Time	**99,079,466,815**	105,287,540,700
	176,094,357,700	179,838,976,213
Bonds Payable	**4,978,404,827**	4,961,054,417
Treasurer's, Cashier's and Manager's Checks	**651,248,810**	815,692,218
Accrued Taxes, Interest and Other Expenses	**2,308,365,966**	2,318,882,604
Income Tax Payable	**18,396,761**	864,613
Other Liabilities	**3,130,343,060**	3,265,002,531
	187,181,117,124	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	**31,247,519,983**	30,599,066,022
Fair Value Reserves on Financial Assets at FVOCI	**(1,527,726,981)**	(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	**15,097,916**	9,773,941
	45,402,531,377	46,099,893,658
	₱232,583,648,501	₱237,300,366,254

Annex 2

PHILIPPINE SAVINGS BANK
UNAUDITED INTERIM STATEMENTS OF INCOME

	For the Quarters Ended September 30 (Unaudited)		For the Nine Months Ended September 30 (Unaudited)	
	2026	2025	**2026**	2025
INTEREST INCOME				
Loans and receivables	**₱3,546,370,901**	₱3,642,983,139	**₱10,792,107,354**	₱10,863,519,173
Financial assets at FVOCI and investment securities at amortized cost	**866,637,492**	661,326,015	**2,437,892,550**	1,926,528,051
Interbank call loans receivable and securities purchased under resale agreements	**59,484,055**	49,974,250	**182,705,391**	161,694,001
FVTPL investments	**6,432,135**	3,581,093	**20,280,260**	8,963,419
Due from Bangko Sentral ng Pilipinas	**686,042**	13,089,597	**4,293,729**	44,635,613
Due from other banks	**213,875**	2,329,367	**2,406,338**	5,477,147
	4,479,824,500	4,373,283,461	**13,439,685,622**	13,010,817,404
INTEREST EXPENSE				
Deposit liabilities	**1,021,307,486**	1,022,466,581	**3,055,549,310**	3,045,820,093
Bonds Payable	**79,312,725**	37,587,625	**237,662,913**	37,587,625
Lease liabilities	**18,480,961**	18,056,422	**55,231,994**	56,981,417
Bills payable	**664,019**	17,529,062	**815,061**	25,395,562
	1,119,765,191	1,095,639,690	**3,349,259,278**	3,165,784,697
NET INTEREST INCOME	**3,360,059,309**	3,277,643,771	**10,090,426,344**	9,845,032,707
Service fees and commission income	**407,662,314**	404,284,750	**1,246,236,712**	1,334,426,500
Service fees and commission expense	**17,790,908**	23,872,400	**63,609,006**	50,921,001
NET SERVICE FEES AND COMMISSION INCOME	**389,871,406**	380,412,350	**1,182,627,706**	1,283,505,499
OTHER OPERATING INCOME (CHARGES)				
Loss on foreclosure and sale of chattel mortgage properties - net	**(95,733,013)**	(73,389,159)	**(341,590,302)**	(263,988,759)
Gain on foreclosure and sale of investment properties - net	**70,299,635**	110,990,699	**319,339,372**	286,469,096
Foreign exchange gain - net	**4,668,407**	5,604,522	**15,183,364**	11,915,624
Trading and securities loss - net	**(1,645,838)**	68,767,748	**10,644,953**	100,548,662
Gain on sale of property and equipment	**452,407**	1,380,157	**1,988,106**	3,038,345
Miscellaneous	**123,463,896**	164,837,175	**433,658,806**	527,393,373
	101,505,494	278,191,142	**439,224,299**	665,376,341
TOTAL OPERATING INCOME	**₱3,851,436,209**	₱3,936,247,263	**₱11,712,278,349**	₱11,793,914,547

(Forward)

	For the Quarters Ended September 30 (Unaudited)		For the Nine Months Ended September 30 (Unaudited)	
	2026	2025	**2026**	2025
OTHER EXPENSES				
Compensation and fringe benefits	**₱1,044,612,772**	₱1,020,852,242	**₱3,124,632,780**	₱3,080,382,377
Provision for credit and impairment losses	**777,822,652**	666,273,769	**2,320,631,030**	1,541,482,114
Taxes and licenses	**388,691,724**	377,854,929	**1,164,620,286**	1,111,783,423
Depreciation	**297,973,113**	273,061,994	**878,111,678**	789,224,952
Security, messengerial and janitorial services	**156,178,862**	149,981,149	**470,276,241**	415,886,389
Occupancy and equipment-related costs	**111,091,370**	102,902,941	**320,600,038**	244,099,391
Amortization of intangible assets	**32,293,211**	42,784,736	**86,655,155**	102,605,474
Miscellaneous	**553,771,901**	509,738,513	**1,523,711,416**	1,274,723,510
	3,362,435,605	3,143,450,273	**9,889,238,624**	8,560,187,630
INCOME BEFORE SHARE IN NET INCOME OF A JOINT VENTURE AND INCOME TAX	**489,000,604**	792,796,990	**1,823,039,725**	3,233,726,917
SHARE IN NET INCOME OF A JOINT VENTURE	**(1,761,136)**	6,503,416	**15,440,481**	44,146,912
INCOME BEFORE INCOME TAX	**487,239,468**	799,300,406	**1,838,480,206**	3,277,873,829
PROVISION FOR (BENEFIT FROM) INCOME TAX				
Current	**201,167,481**	147,041,872	**510,977,394**	431,131,425
Deferred	**(31,486,180)**	(29,172,815)	**(281,384,835)**	927,923
	169,681,301	117,869,057	**229,592,559**	432,059,348
NET INCOME	**₱317,558,167**	₱681,431,349	**₱1,608,887,647**	₱2,845,814,481
Basic/Diluted Earnings Per Share	**₱0.74**	₱1.60	**₱3.77**	₱6.67

Annex 3

PHILIPPINE SAVINGS BANK
UNAUDITED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

	(Unaudited)			
	Quarter Ended September 30		**Nine Months Ended September 30**	
	2026	2025	**2026**	2025
NET INCOME	**₱317,558,167**	₱681,431,349	**₱1,608,887,647**	₱2,845,814,481
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that recycle to profit or loss in subsequent periods:				
Fair value reserves on debt securities at FVOCI	**(502,230,618)**	60,964,262	**(1,349,723,380)**	157,887,855
Cumulative translation adjustment	**2,404,177**	2,737,137	**5,323,975**	1,580,730
	(499,826,441)	63,701,399	**(1,344,399,405)**	159,468,585
Items that do not recycle to profit or loss in subsequent periods:				
Fair value reserves on equity securities at FVOCI	**(408,980)**	(2,010,103)	**(1,416,838)**	3,491,020
	(408,980)	(2,010,103)	**(1,416,838)**	3,491,020
COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD, NET OF TAX	**(500,235,421)**	61,691,296	**(1,345,816,243)**	162,959,605
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**(₱182,677,254)**	₱743,122,645	**₱263,071,404**	₱3,008,774,086

Annex 4

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	**–**	**–**	**–**	**1,608,887,647**	**(1,351,140,217)**	**–**	**–**	**5,323,975**	**263,071,405**
Cash dividends	**–**	**–**	**–**	**(960,433,686)**	**–**	**–**	**–**	**–**	**(960,433,686)**
Balance at September 30, 2026 (Unaudited)	**₱4,268,594,160**	**₱11,418,563,257**	**₱1,051,658,376**	**₱31,247,519,983**	**(₱1,527,726,981)**	**(₱1,073,523,112)**	**₱2,347,778**	**₱15,097,916**	**₱45,402,531,377**
Balance at January 1, 2025	₱4,268,594,160	₱11,418,563,257	₱1,049,164,350	₱28,380,653,358	₱16,969,885	(₱1,038,514,167)	₱2,421,056	₱8,076,158	₱44,105,928,057
Total comprehensive income for the period	–	–	–	2,845,814,480	161,378,875	–	–	1,580,731	3,008,774,086
Cash dividends	–	–	–	(960,433,686)	–	–	–	-	(960,433,686)
Balance at September 30, 2025 (Unaudited)	₱4,268,594,160	₱11,418,563,257	₱1,049,164,350	₱30,266,034,152	₱178,348,760	(₱1,038,514,167)	₱2,421,056	₱9,656,889	₱46,154,268,457

Annex 5

PHILIPPINE SAVINGS BANK
UNAUDITED INTERIM STATEMENTS OF CASH FLOWS

	For the Nine Months Ended September 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱1,838,480,206**	₱3,277,873,829
Adjustments to reconcile income before income tax to net cash provided by operations:		
Provision for credit and impairment losses	**2,320,631,030**	1,541,482,114
Depreciation	**878,111,678**	789,224,952
Amortization of premium (discount) on financial assets at fair value through other comprehensive income and investment securities at amortized cost	**(449,352,651)**	68,178,273
Loss (gain) on foreclosure and sale of:		
Investment properties	**(319,339,372)**	(286,469,096)
Chattel mortgage properties	**341,590,302**	263,988,759
Amortization of:		
Intangible assets	**86,655,155**	102,605,474
Debt issuance costs	**17,350,411**	–
Lease Liabilities	**55,231,994**	56,981,417
Accretion of modified loans	**(59,651,694)**	(11,647,845)
Realized loss (gain) on sale of financial assets at (FVOCI)	**(31,529,020)**	(100,487,646)
Share in net income of a joint venture	**(15,440,481)**	(44,146,912)
Fair value loss (gain) on fair value through profit or loss investments	**(16,776,302)**	1,669,110
Loss (gain) on sale of property and equipment	**(1,988,106)**	(3,038,345)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Fair value through profit or loss investments	**(465,456,847)**	44,362,042
Loans and receivables	**(1,420,407,845)**	(14,940,296,298)
Other assets	**28,834,465**	(370,606,185)
Increase (decrease) in:		
Deposit liabilities	**(3,741,973,992)**	(900,768,899)
Treasurer's, cashier's and manager's checks	**(164,443,408)**	(653,497,107)
Accrued taxes, interest and other expenses	**(10,512,314)**	(144,976,591)
Other liabilities	**(77,821,857)**	(456,415,135)
Cash generated from operations	**(1,207,808,648)**	(11,765,984,089)
Income taxes paid	**(493,445,247)**	(431,131,425)
Dividends received from joint venture investment	**18,179,991**	37,979,981
Net cash provided by operating activities	**(1,683,073,904)**	(12,159,135,533)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of:		
Financial assets at FVOCI	**(4,817,909,856)**	(24,075,989,214)
Investment securities at amortized cost	**(11,140,565,927)**	(484,319,985)
Property and equipment	**(464,118,982)**	(172,743,020)
Other intangible assets	**(27,117,545)**	(103,047,155)
Proceeds from sale/maturities of:		
Financial assets at FVOCI	**11,770,784,358**	27,674,634,506
Investment securities at amortized cost	**1,500,000,000**	3,256,774,000
Chattel mortgage properties	**3,765,474,438**	2,824,094,269
Investment properties	**375,481,119**	600,049,347
Property and equipment	**25,796,176**	40,077,865
Net cash provided (used) in investing activities	**₱987,823,781**	₱9,559,530,613

(Forward)

	For the Nine Months Ended September 30	
	2026	2025
CASH FLOWS FROM FINANCING ACTIVITIES		
Availment of bills payable	**₱5,350,000,000**	₱7,493,491,318
Settlement of bills payable	**(5,350,000,000)**	(6,304,578,668)
Payment of lease liabilities	**(411,865,123)**	(406,606,604)
Dividends paid	**(960,433,686)**	(960,433,686)
Issuance of bonds payable	**-**	4,955,451,582
Net cash used in financing activities	**(1,372,298,809)**	4,777,323,942
Effect of exchange rate differences	**83,854**	60,901
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(2,067,465,076)**	2,177,779,924
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 call 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	**1,580,286,984**	1,720,338,080
Due from Bangko Sentral ng Pilipinas	**4,373,032,887**	557,687,389
Due from other banks	**682,913,849**	1,561,926,405
Interbank call loans receivable and securities purchased under resale agreements	**525,280,000**	3,519,204,680
	₱7,161,513,720	₱7,359,156,554
OPERATIONAL CASH FLOWS FROM INTEREST		
Interest paid	**₱3,405,582,745**	₱3,254,102,834
Interest received	**13,448,865,296**	13,389,791,734

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 September 30, 2026 and December 31, 2025, the Bank had 250 branches. The Bank had 268 Automated Teller Machines (ATMs) on-site and 232 off-site, bringing its total number of ATMs to 500 as of September 30, 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 June30, 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 September 30, 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 in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2025, except for the adoption of the amended standards below which became effective beginning on or after January 1, 2026.

- Amendments to Illustrative Examples on PFRS 7, PFRS 18, PAS 1, PAS 8, PAS 26 and PAS 37, *Disclosures about Uncertainties in the Financial Statements*
- Amendments to PFRS 9 and PFRS 7, *Classification and Measurement of Financial Instruments*
- Amendments to PFRS 9 and PFRS 7, *Contracts Referencing Nature-dependent Electricity*
- Annual Improvements to PFRS Accounting Standards – Volume 11
    - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
    - Amendments to PFRS 7, *Gain or Loss on Derecognition*
    - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities* and *Transaction Price*
    - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
    - Amendments to PAS 7, *Cost Method*

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 September 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):

	September 30, 2026 (Unaudited)				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
FVTPL investments					
HFT - government securities	**₱482,273**	**₱482,273**	**₱–**	**₱–**	**₱482,273**
Financial assets at FVOCI					
Government debt securities	**24,767,005**	**286,455**	**24,480,550**	**–**	**24,767,005**
Private debt securities	**93,008**	**–**	**93,008**	**–**	**93,008**
Equity securities	**37,039**	**37,039**	**–**	**–**	**37,039**
	₱25,379,325	**₱805,767**	**₱24,573,558**	**₱–**	**₱25,379,325**
Assets for which fair values are disclosed:					
Financial Assets					
Investment securities at amortized cost					
Government	**₱38,633,113**	**₱22,343,002**	**₱14,456,316**	**₱–**	**₱36,799,318**
Private	**10,531**	**10,143**	**–**	**–**	**10,143**
Loans and receivables					
Receivables from customers					
Consumption loans	**88,366,894**	**–**	**–**	**93,947,566**	**93,947,566**
Real estate loans	**47,952,651**	**–**	**–**	**50,504,301**	**50,504,301**
Commercial loans	**8,786,116**	**–**	**–**	**8,809,701**	**8,809,701**
Personal loans	**1,559,481**	**–**	**–**	**1,776,667**	**1,776,667**
Sales contract receivable	**3,667**	**–**	**–**	**3,657**	**3,657**

(Forward)

	September 30, 2026 (Unaudited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Security deposits	**₱226,578**	**₱–**	**₱–**	**₱309,986**	**₱309,986**
Non-Financial Assets					
Investment properties	**3,768,224**	**–**	**–**	**6,742,903**	**6,742,903**
	₱189,307,255	**₱22,353,145**	**₱14,456,316**	**₱162,094,781**	**₱198,904,242**
Liabilities for which fair values are disclosed:					
Deposit liabilities - time	**₱99,079,467**	**₱–**	**₱–**	**₱100,821,691**	**₱100,821,691**
Bonds payable	**4,978,405**	**–**	**–**	**4,807,660**	**4,807,660**
	₱104,057,872	**₱–**	**₱–**	**₱105,629,351**	**₱105,629,351**

	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	₱17,369,388	₱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:					
Bonds payable	₱4,961,054,417	₱–	₱–	₱4,961,490,000	₱4,961,490,000
Deposit liabilities - time	105,287,541	–	–	107,590,909	107,590,909
	₱5,066,341,958	₱–	₱–	₱5,069,080,909	₱5,069,080,909

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 September 30, 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 September 30, 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.

a. 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):

	September 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Peso	**USD**	Peso	USD
Year-end	**2**	**–**	0	–
Average	**2**	**–**	1	–
High	**2**	**–**	2	–
Low	**0**	**–**	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.

	September 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Change in basis points	**Sensitivity of equity**	Change in basis points	Sensitivity of equity
Currency				
PHP	**+10**	**(₱104,344,064)**	+10	(₱150,160,502)
USD	**+10**	**(30,807)**	+10	(110,971)
Currency				
PHP	**-10**	**104,918,993**	-10	151,055,705
USD	**-10**	**31,057**	-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.

	September 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Change in basis points	**Sensitivity of NII**	Change in basis points	Sensitivity of NII
Currency				
PHP	**+10**	**(₱45,184,329)**	+10	(₱44,444,567)
USD	**+10**	**(8,251,310)**	+10	(8,885,634)
Currency				
PHP	**-10**	**45,184,329**	-10	44,444,567
USD	**-10**	**8,251,310**	-10	8,885,634

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. ΔEVE 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):

	September 30, 2026[1] (Unaudited)	December 31, 2025[1] (Audited)
As of year-end	**₱2,284**	₱585
Average	**1,745**	1,084
High	**2,962**	1,666
Low	**598**	397

[1] *Using Historical Simulation VaR*

As of September 30, 2026 and December 31, 2025, the Bank is not exposed to significant foreign currency risk.

c. 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) contains the Bank's funding 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 ensure high-quality liquid assets are available 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 September 30, 2026 and 2025 and December 31, 2025, as follows (in thousands):

	For the Nine Months ended September, 2026 (Unaudited)				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	**₱4,436,042**	**₱195,463**	**₱6,160,603**	**₱2,647,578**	**₱13,439,686**
Service fees and commission	**497,699**	**13,643**	**734,895**	**–**	**1,246,237**
Other operating income	**(103,485)**	**5,429**	**511,452**	**25,828**	**439,224**

	For the Nine Months ended September, 2026 (Unaudited)				
	Consumer Banking	**Corporate Banking**	**Branch Banking**	**Treasury**	**Total**
Total operating income	**4,830,256**	**214,535**	**7,406,950**	**2,673,406**	**15,125,147**
(Forward)					
Non-cash expenses					
Provision for (reversal of) credit and impairment losses	**₱2,167,682**	**₱20,178**	**₱132,416**	**₱355**	**₱2,320,631**
Depreciation	**337,603**	**2,628**	**537,339**	**542**	**878,112**
Amortization of other intangible assets	**65,796**	**558**	**17,066**	**3,235**	**86,655**
Total non-cash expenses	**2,571,081**	**23,364**	**686,821**	**4,132**	**3,285,398**
Interest expense	**–**	**–**	**1,792,019**	**1,557,240**	**3,349,259**
Service fees and commission expense	**25,403**	**696**	**37,510**	**–**	**63,609**
Subtotal	**25,403**	**696**	**1,829,529**	**1,557,240**	**3,412,868**
Compensation and fringe benefits	**886,569**	**62,146**	**2,151,497**	**24,421**	**3,124,633**
Taxes and licenses	**400,642**	**8,165**	**405,299**	**350,514**	**1,164,620**
Occupancy and equipment-related costs	**112,012**	**485**	**208,078**	**25**	**320,600**
Security, messengerial and janitorial services	**186,371**	**2,152**	**281,462**	**291**	**470,276**
Miscellaneous	**630,776**	**9,222**	**801,669**	**82,045**	**1,523,712**
Subtotal	**2,216,370**	**82,170**	**3,848,005**	**457,296**	**6,603,841**
Income (loss) before share in net income of a joint venture and income tax	**17,402**	**108,305**	**1,042,595**	**654,738**	**₱1,823,040**
Share in net income of a joint venture					**15,440**
Income before income tax					**1,838,480**
Provision for income tax					**229,592**
Net income					**₱1,608,888**
Segment assets	**₱117,576,655**	**₱3,541,499**	**₱48,388,217**	**₱60,461,649**	**₱229,968,020**
Investment in a joint venture					**901,466**
Deferred tax assets					**1,714,163**
Total assets					**₱232,583,649**
Segment liabilities	**₱1,759,928**	**₱150,553**	**₱126,582,805**	**₱58,687,831**	**₱187,181,117**

	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 Nine Months ended September 30, 2025 (Unaudited)				
	Consumer Banking	Corporate Banking	Branch Banking	Treasury	Total
Operating income					
Interest income	₱4,505,358	₱199,824	₱6,158,337	₱2,147,298	₱13,010,817
Service fees and commission	530,038	13,830	790,559	–	1,334,427
Other operating income	103,002	8,263	441,648	112,464	665,377
Total operating income	5,138,398	221,917	7,390,544	2,259,762	15,010,621
Non-cash expenses					
Provision for (reversal of) credit and impairment losses	1,450,052	8,148	88,552	(5,269)	1,541,483
Depreciation	282,849	2,463	503,327	587	789,226
Amortization of other intangible assets	72,698	931	25,765	3,212	102,606
Total non-cash expenses	1,805,599	11,542	617,644	(1,470)	2,433,315
Interest expense	–	-	1,834,902	1,330,883	3,165,785
Service fees and commission expense	20,226	528	30,167	-	50,921
Subtotal	20,226	528	1,865,069	1,330,883	3,216,706
Compensation and fringe benefits	861,746	53,349	2,143,006	22,281	3,080,382
Taxes and licenses	379,068	7,414	392,679	332,622	1,111,783
Occupancy and equipment-related costs	86,144	280	157,692	(16)	244,100
Security, messengerial and janitorial services	168,070	1,767	245,837	212	415,886
Miscellaneous	457,202	7,339	748,703	61,479	1,274,723
Subtotal	1,952,230	70,149	3,687,917	416,578	6,126,874
Income (loss) before share in net income of a joint venture and income tax	1,360,343	139,698	1,219,914	513,771	₱3,233,726
Share in net income of a joint venture					44,147
Income before income tax					3,277,873
Provision for income tax					432,059
Net income					₱2,845,814
Segment assets	₱120,851,978	₱3,469,891	₱50,778,927	₱44,992,181	₱220,092,977
Investment in a joint venture					898,204
Deferred tax assets					1,317,580
Total assets					₱222,308,761
Segment liabilities	₱1,736,985	₱135,762	₱114,430,156	₱59,851,589	₱176,154,492

6. Investment Securities

Fair Value Through Profit or Loss(FVTPL) Investments
FVTPL investments consist of the following:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Government debt securities	**₱482,273,373**	₱40,224

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)
Financial assets at FVOCI consist of the following:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Debt securities		
Government	**₱24,767,004,768**	₱32,737,881,005
Private	**93,007,580**	342,343,526
Equity securities		
Quoted	**37,039,322**	38,456,160
	₱24,897,051,670	₱33,118,680,691

As of September 30, 2026 and December 31, 2025, the ECL on debt securities at FVOCI (included in 'Fair value reserves on financial assets at FVOCI') amounted to ₱0.6 million and ₱0.9 million, respectively.

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

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Balance at beginning of year	**(₱176,586,764)**	₱16,969,886
Loss (gain) from sale of financial assets at FVOCI realized in profit or loss	**(31,529,020)**	(409,422,012)
Changes in allowance for ECL	**(238,830)**	194,406
Fair value gain (loss) recognized in OCI	**(1,319,372,367)**	215,670,956
Balance at end of year	**(₱1,527,726,981)**	(₱176,586,764)

Investment Securities at Amortized Cost

Investment securities at amortized cost consist of the following:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Debt securities		
Government	**₱38,640,767,426**	₱28,598,538,381
Private	**10,580,000**	10,580,000
	38,651,347,426	28,609,118,381
Less allowance for credit losses	**7,703,841**	6,727,886
	₱38,643,643,585	₱28,602,390,495

Interest income on investment securities consists of:

	For the Nine Months Ended in September 30	
	2026 (Unaudited)	2025 (Unaudited)
Interest income recognized using EIR		
Investment securities at amortized cost	**₱1,246,427,970**	₱1,023,760,144
Financial assets at FVOCI	**1,191,464,580**	902,767,907
	2,437,892,550	1,926,528,051
Interest income recognized using nominal interest rates		
FVTPL investments	**20,280,260**	8,963,419
	₱2,458,172,810	₱1,935,491,470

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

	For the Nine Months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
Financial assets at FVOCI	**₱31,529,020**	₱100,487,646
FVTPL investments	**(20,884,067)**	61,016
	₱10,644,953	₱100,548,662

7. Loans and Receivables

This account consists of:

	September 30, 2026 (Unaudited)	December 31,2025 (Audited)
Receivables from customers		
Consumption loans	**₱92,036,577,791**	₱97,860,338,357
Real estate loans	**48,193,957,866**	46,716,550,004
Commercial loans	**9,029,348,762**	8,659,919,776
Personal loans	**1,874,663,697**	1,907,588,421
	151,134,548,116	155,144,396,558
Less unearned discounts and capitalized interest	**24,860**	59,696,079
	151,134,523,256	155,084,700,479
Other receivables		
Accrued interest receivable	**2,178,377,708**	2,637,264,631
Accounts receivable	**826,649,991**	1,225,052,199

	September 30, 2026 (Unaudited)	December 31,2025 (Audited)
(Forward)		
Sales contract receivables	**₱3,813,871**	₱3,813,871
Bills Purchased	**10,042,139**	247,234
	154,153,406,965	158,951,078,414
Less allowance for credit losses	**5,069,349,208**	4,263,128,796
	₱149,084,057,757	₱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 September 30, 2026 and December 31, 2025, 36.16% and 33.93%, respectively, of the total receivables from customers are subject to periodic interest repricing with average EIR of 8.30% and 8.34%. Remaining receivables earn average annual fixed interest rates of 17.41% and 17.25%.

Interest income on loans and receivables consists of:

	For the Nine Months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
Receivables from customers		
Consumption loans	**₱7,009,439,992**	₱7,205,016,438
Real estate loans	**2,959,179,168**	2,854,528,687
Personal loans	**337,154,130**	370,277,104
Commercial loans	**486,334,064**	433,299,612
Other receivables		
Sales contract receivables	–	397,332
	₱10,792,107,354	₱10,863,519,173

8. Property and Equipment

The composition of and movements in this account follow:

	September 30, 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	–	**17,470,000**	**413,369,321**	**33,279,662**	**299,812,875**	**763,931,858**
Disposals/Retirement	–	–	**(63,774,749)**	–	**(264,842,119)**	**(328,616,868)**
Balance at end of the period	**976,443,676**	**1,219,380,441**	**4,024,106,607**	**1,196,594,169**	**2,042,896,835**	**9,459,421,728**
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	–	**29,149,683**	**189,478,909**	**18,219,648**	**340,765,741**	**577,613,981**
Disposals/Retirement	–	–	**(56,911,850)**	–	**(264,479,337)**	**(321,391,187)**
Others	–	**49,265**	**16,533,125**	–	–	**16,582,390**
Balance at end of the period	–	**736,796,628**	**3,265,123,190**	**1,139,652,639**	**1,100,546,949**	**6,242,119,406**
Net Book Value	**₱976,443,676**	**₱482,583,813**	**₱758,983,417**	**₱56,941,530**	**₱942,349,886**	**₱3,217,302,322**

	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

(Forward)

	December 31, 2025 (Audited)					
	Land	Building	Furniture, Fixtures and Equipment	Leasehold Improvements	Right-of-use Assets: Building	Total
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
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 ₱2.0 million and ₱3.0 million for the nine-month period ended September 30, 2026 and 2025, respectively.

The details of depreciation under the statements of income follow:

	For the Nine Months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
Property and equipment	**₱577,613,981**	₱539,492,081
Chattel mortgage properties	**236,264,870**	187,154,605
Investment properties	**64,232,827**	62,578,266
	₱878,111,678	₱789,224,952

9. Investment Properties

The composition of and movements in this account follow:

	September 30, 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	**178,253,752**	**428,375,454**	**606,629,206**
Disposals	**(76,121,431)**	**(252,037,978)**	**(328,159,409)**
Balance at end of year	**1,345,957,868**	**3,152,124,045**	**4,498,081,913**
Accumulated Depreciation			
Balance at beginning of year	**–**	**518,116,428**	**518,116,428**
Depreciation	**–**	**64,232,827**	**64,232,827**
Disposals	**–**	**(33,880,964)**	**(33,880,964)**
Balance at end of year	**–**	**548,468,291**	**548,468,291**
Allowance for Impairment Losses			
Balance at beginning of year	**51,924,632**	**116,964,221**	**168,888,853**
Provisions for the year	**2,887,080**	**20,242,471**	**23,129,551**
Disposals	**(3,151,341)**	**(7,477,342)**	**(10,628,683)**
Balance at end of year	**51,660,371**	**129,729,352**	**181,389,721**
Net Book Value	**₱1,294,297,497**	**₱2,473,926,404**	**₱3,768,223,901**

	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

(Forward)

	December 31, 2025 (Audited)		
	Land	Building Improvements	Total
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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Real estate properties acquired in settlement of loans and receivables	**₱3,703,758,437**	₱3,465,277,918
Bank premises leased to third parties and held for capital appreciation	**64,465,464**	67,328,917
	₱3,768,223,901	₱3,532,606,835

Gain on foreclosure of investment properties amounted to ₱227.5 million and ₱151.5 million in September 30, 2026 and 2025, respectively. The Bank realized gain on sale of investment properties amounting to ₱91.8 million and ₱135.0 million in September 30, 2026 and 2025, respectively.

10. Other Assets

This account consists of:

	September 30, 2026 (Unaudited)	**December 31, 2025 (Audited)**
Financial assets		
Security deposits	**₱226,578,396**	₱220,687,690
Liquidity requirement for electronic money products	**122,585,077**	141,087,333
RCOCI	**29,392,943**	22,337,336
Others*	**466,827**	450,940
	379,023,243	384,563,299
Non-financial assets		
Chattel mortgage properties - net	**1,322,747,837**	1,258,748,718
Prepayments	**381,700,171**	299,182,419
Net retirement assets	**74,513,579**	186,580,171
Stationeries and supplies on hand	**38,673,160**	39,936,333
Creditable withholding tax	**8,994,672**	–
Documentary stamps on hand	**8,309,369**	14,568,120
Others**	**124,473,639**	119,691,762
	1,959,412,427	1,918,707,523
	₱2,338,435,670	₱2,303,270,822

* Others under financial assets comprise other investments
** Others under non-financial assets comprise sundry debits, 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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Cost		
Balance at beginning of year	**₱1,362,052,381**	₱929,114,203
Additions	**4,645,728,378**	5,206,376,190
Disposals	**(4,580,105,395)**	(4,773,438,012)
Balance at the end of year	**1,427,675,364**	1,362,052,381

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
(Forward)		
Accumulated Depreciation		
Balance at beginning of year	**₱100,621,994**	₱73,609,508
Depreciation	**236,264,870**	259,984,753
Disposals	**(232,990,973)**	(232,972,267)
Balance at the end of year	**103,895,891**	100,621,994
Allowance for Impairment Losses		
Balance at beginning of year	**2,681,669**	100,396
Provision	**1,792,542**	6,912,105
Disposals	**(3,442,575)**	(4,330,832)
Balance at end of year	**1,031,636**	2,681,669
Net Book Value	**₱1,322,747,837**	₱1,258,748,718

Gain on foreclosure of chattel mortgage properties amounted to ₱236.6 million and ₱145.3 million September 30, 2026 and 2025, respectively.

The Bank realized loss on sale of chattel mortgage properties amounting to ₱578.2 million and to ₱409.3 million in September 30, 2026 and 2025, respectively.

11. Bills Payable and Bonds Payable

Bills Payable

As of September 30, 2026 and December 31, 2025, Bills payable amounted to nil.

Peso-denominated interbank borrowings of the Bank bear annual interest of from 4.78% to 5.03% in 2026 and from 5.09% to 5.94% in 2025. Foreign currency-denominated interbank borrowings bear annual interest nil in 2026 and from 4.20% to 4.62% in 2025. Annual interest rate on dollar-denominated dollar denominated securities under resale agreement (SSURA) from 3.25% to 3.72% in 2026 and from 4.40% to 4.63% in 2025.

Interest expense on bills payable amounted to ₱0.82 million and ₱25.40 million in September 30, 2026 and September 30, 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 September 30, 2026, the carrying amount of the bonds payable is ₱4.98 billion. Debt issuance cost related to the issuance amounted to ₱47.05 million.

Interest expense incurred on bonds payable amounted to ₱237.66 million in 2026 and ₱37.59 million in 2025. Amortization of debt issuance costs amounted to ₱25.45 million as of September 2026.

12. Accrued Taxes, Interest and Other Expenses

This account consists of:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Accrued interest payable	**₱246,657,286**	₱320,331,164
Accrued other taxes and licenses payable	**374,716,649**	416,414,740
Accrued other expenses payable	**1,686,992,031**	1,582,136,700
	₱2,308,365,966	₱2,318,882,604

Accrued other expenses payable consist of:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Compensation and fringe benefits	**₱1,041,467,421**	₱870,045,740
Litigation	**261,515,268**	268,839,017
Information technology	**190,991,126**	137,530,396
Insurance	**88,596,018**	175,421,048
Security, messengerial and janitorial	**42,079,846**	69,239,458
ATM maintenance	**35,297,871**	26,440,150
Donations	**12,152,956**	14,652,956
Advertising	**403,725**	6,084,569
Miscellaneous	**14,487,800**	13,883,366
	₱1,686,992,031	₱1,582,136,700

Compensation and fringe benefits include bonuses, 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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Financial liabilities		
Accounts payable	**₱1,269,991,233**	₱1,461,989,916
Lease liabilities	**1,088,829,361**	1,145,649,615
Other credits	**237,908,561**	230,901,514
Bills purchased – contra	**10,042,139**	247,234
Overages	**2,884,653**	5,629,700
Deposit for keys – SDB	**720,395**	724,395
	2,610,376,342	2,845,142,374
Non-financial liabilities		
Sundry credits	**₱188,405,219**	₱105,059,730
Withholding taxes payable	**111,370,259**	95,131,032
Due to the Treasurer of the Philippines	**98,192,729**	98,252,645
Provision on undrawn portion of committed credit lines	**26,654,549**	29,565,554
SSS, Medicare, ECP and HDMF premium payable	**24,438,363**	24,913,150
Miscellaneous	**70,905,599**	66,938,046
	519,966,718	419,860,157
Total	**₱3,130,343,060**	₱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):

	September 30, 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	**₱1,580,287**	**₱ –**	**₱1,580,287**	₱1,686,770	₱ –	₱1,686,770
Due from BSP - gross	**4,373,033**	**–**	**4,373,033**	400,670	–	400,670
Due from other banks - gross	**682,914**	**–**	**682,914**	1,538,748	–	1,538,748

(Forward)

	September 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Interbank call loans receivable and SPURA - gross	₱525,280	₱–	₱525,280	₱5,602,790	₱–	₱5,602,790
FVTPL investments	482,273	–	482,273	40	–	40
Financial assets at FVOCI	158,506	24,738,546	24,897,052	408,256	32,710,425	33,118,681
Investment securities at amortized cost – gross	3,590,460	35,060,888	38,651,348	1,498,577	27,110,541	28,609,118
Loans and receivables - gross	14,100,000	140,053,432	154,153,432	11,972,499	147,038,275	159,010,774
Other assets*	174,262	204,762	379,024	196,061	188,504	384,565
	25,667,015	200,057,628	225,724,643	23,304,411	207,047,745	230,352,156
Nonfinancial Assets						
Investment in a joint venture	–	901,466	901,466	–	904,205	904,205
Property and equipment - gross	–	9,456,827	9,456,827	–	9,024,107	9,024,107
Investment properties - gross	–	4,498,082	4,498,082	–	4,219,612	4,219,612
Deferred tax assets	–	1,714,163	1,714,163	–	1,432,778	1,432,778
Intangible assets and goodwill – gross	–	462,521	462,521	–	578,903	578,903
Other assets - gross**	562,151	1,502,187	2,064,338	1,473,907	548,104	2,022,011
	562,151	18,535,246	19,097,397	1,473,907	16,707,709	18,181,616
Less: Allowance for credit and impairment losses			5,259,822			4,442,158
Accumulated depreciation and amortization			6,978,544			6,731,552
Unearned discounts and capitalized interest			25			59,696
			12,238,391			11,233,406
			₱232,583,649			₱237,300,366

* Other assets under financial assets comprise security deposits, liquidity requirement for electronic money products, RCOCI, 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.

	September 30, 2026 (Unaudited)			December 31, 2025 (Audited)		
	Within One Year	Beyond One Year	Total	Within One Year	Beyond One Year	Total
Financial Liabilities						
Deposit liabilities	₱163,410,505	₱12,683,853	₱176,094,358	₱162,672,584	₱17,166,392	₱179,838,976
Bonds payable	4,978,405	–	4,978,405	–	4,961,054	4,961,054
Treasurer's, cashier's and manager's checks	651,249	–	651,249	815,692	–	815,692
Accrued other expenses payable	1,686,992	–	1,686,992	1,582,137	–	1,582,137
Accrued interest payable	246,657	–	246,657	320,331	–	320,331
Other liabilities*	1,921,046	689,330	2,610,376	2,131,403	713,739	2,845,142
	172,894,854	13,373,183	186,268,037	167,522,147	22,841,185	190,363,332
Nonfinancial Liabilities						
Accrued other taxes and licenses payable	374,717	–	374,717	416,415	–	416,415
Other liabilities**	538,363	–	538,363	217,412	203,313	420,725
	913,080	–	913,080	633,827	203,313	837,140
	₱173,807,934	₱13,373,183	₱187,181,117	₱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:

	September 30, 2026 (Unaudited)		December 31, 2025 (Audited)	
	Shares	Amount	Shares	Amount
Authorized common stock - ₱10 par value	**600,000,000**	**₱6,000,000,000**	600,000,000	₱6,000,000,000
Common Stock - Issued and outstanding	**426,859,416**	**₱4,268,594,160**	426,859,416	₱4,268,594,160

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	₱10
October 8, 1997	Common	425,000,000	₱10
November 20, 2019	Common	600,000,000	₱10

As of September 30, 2026 and December 31, 2025, the total number of stockholders is 1,418 and 1,421 with share price closed at ₱50.00 and ₱54.00, 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
April 23, 2026	0.75	320,144,562	May 11, 2026	May 25, 2026
July 16, 2026	0.75	320,144,562	July 31, 2026	August 17, 2026

Stock Dividends				
Date of declaration	**Per share**	**Total amount**	**Record date**	**Payment date**
March 12, 2019	11.42%	₱–	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 Nine Months ended September 30	
		2026	2025
		(Unaudited)	(Unaudited)
a.	Net income	**₱1,608,887,647**	₱2,845,814,481
b.	Weighted average number of common shares for basic EPS	**426,859,416**	426,859,416
c.	Basic/Diluted EPS (a/b)	**₱3.77**	₱6.67

As of September 30, 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 September 30, 2026 and December 31, 2025, the CAR as reported to the BSP, were at 24.04% 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 September 30, 2026 and December 31, 2025, the Bank maintains these ratios above minimum requirements as shown in the table below (in millions):

		September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
A.	Capital Measure	**₱38,969**	₱40,452
B.	Exposure Measure	**227,679**	233,520
C.	Basel III Leverage Ratio (A/B)	**17.12%**	17.32%

Summary Comparison of Accounting Assets and Common Disclosure vs. Leverage Ratio Exposures as of September 30, 2026 and December 31, 2025 are shown in the table below (in millions):

Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure	September 30, 2026	December 31, 2025	Common Disclosure vs. Leverage Ratio Exposure	September 30, 2026	December 31, 2025
Total consolidated assets	**₱230,715**	₱236,039	On-balance sheet exposures	**₱227,673**	₱233,505
Adjustments for derivative financial instruments	**–**	–	Derivative exposures	**–**	–
Adjustments for securities financial transactions	–	–	Securities financing transaction exposures	–	–
Adjustments for off-balance sheet items	**6**	15	Other off-balance sheet exposures	**6**	15
Other adjustments	**(3,042)**	(2,534)	Tier 1 capital	**38,969**	40,452
			Total Leverage Ratio exposures	**₱227,679**	₱233,520
Leverage Ratio Exposures	**₱227,679**	₱233,520	**Basel III Leverage Ratio**	**17.12%**	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 September 30, 2026 and December 31, 2025, the LCR in single currency as reported to the BSP, is 183.65% 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 September 30, 2026 and December 31, 2025, the NSFR as reported to the BSP, were at 128.69% 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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Return on average assets*	**0.91%**	1.54%
Return on average equity*	**4.69%**	7.76%
Net interest margin on average earning assets	**6.44%**	6.51%
Liquidity ratio	**15.09%**	14.74%
Debt-to-equity ratio	**4.12:1**	4.15:1
Asset-to-equity ratio	**5.12:1**	5.15:1
Interest rate coverage ratio	**1.54:1**	1.94:1

** computed based on annualized net income*

16. Miscellaneous Income

This account consists of:

	For the Nine Months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
Recovery of charged-off assets	**₱173,450,009**	₱325,028,324
Insurance commission income	**88,189,281**	72,133,297
Rental income	**48,404,349**	48,212,777
Others	**123,615,167**	82,018,975
	₱433,658,806	₱527,393,373

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 ₱59.65 million and ₱11.65 million in September 30, 2026 and 2025, respectively.

17. Interest Expense on Deposit Liabilities and Miscellaneous Expenses

Interest expense on deposit liabilities consists of:

	For the Nine Months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
Time	**₱2,981,355,602**	₱2,974,133,911
Demand	**38,959,264**	37,506,278
Savings	**35,234,444**	34,179,904
	₱3,055,549,310	₱3,045,820,093

Miscellaneous expenses account consists of:

	For the Nine Months ended September 30	
	2026 (Unaudited)	2025 (Unaudited)
Information technology	**₱426,140,465**	₱349,446,914
Insurance	**361,640,065**	358,949,735
Litigation	**360,985,413**	191,742,309
Communications	**96,022,982**	86,765,348
Repairs and maintenance	**87,253,209**	65,521,744
Supervision and Examination fees	**47,064,005**	41,194,141
Transportation and traveling	**43,395,706**	40,673,766
Stationery and supplies	**24,208,920**	39,513,126
Management and other professional fees	**21,294,449**	15,398,762
Advertising	**12,877,265**	37,957,776
Banking activities expenses	**8,642,834**	11,680,921
Donations and charitable contributions	**7,500,000**	6,831,667
Training and seminars	**6,552,857**	9,386,214
Membership fees and dues	**4,166,097**	2,930,329
Fines, penalties and other charges	**4,038,443**	4,384,595
Others	**11,928,706**	12,346,163
	₱1,523,711,416	₱1,274,723,510

Insurance expense includes premiums paid to the Philippine Deposit Insurance Corporation (PDIC) amounting to million ₱262.66 million and ₱254.47 million in September 30, 2026 and 2025, respectively.

Other expenses include entertainment, amusement and recreation (EAR), 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 September 30, 2026 and December 31, 2025:

		September 30, 2026 (Unaudited)	
		Elements of Transaction	
Related Party	**Nature of Transaction**	**Statement of Condition**	**Statement of Income**
Philippine Savings Bank	**Savings Deposit**	**₱20,516,656**	**₱–**
	Investment in Money Market Fund*	**42,680,422**	**–**
	Income from UITF**	**–**	**856,061**

*Includes fair value gains of ₱4.9 million
**Includes fair value gains of ₱0.9 million

		December 31, 2025 (Audited)	
		Elements of Transaction	
Related Party	**Nature of Transaction**	Statement of Condition	Statement of Income
Philippine Savings Bank	Savings Deposit	₱16,328,854	₱–
	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 ₱4.0 million
**Includes fair value gains of ₱1.6 million
***Includes fair value loss of (₱1.9 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:

	September 30, 2026 (Unaudited)	September 30, 2025 (Unaudited)
Short-term employee benefits	**₱315,986,670**	₱292,803,920
Post-employment pension benefits	**1,745,274**	4,417,789
	₱317,731,944	₱297,221,709

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

Remuneration given to directors, as approved by the Board Remuneration Committee, amounted to ₱12.04 million and ₱12.01 million in September 30, 2026 and 2025, respectively.

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):

	September 30, 2026 (Unaudited)		
Category	**Amount/ Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
Parent Company			
Due from other banks	**(₱884,229)**	**₱504,549**	Short term peso and foreign-currecy 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
Placements	**879,895,000**		4.28% to 5.03% maturities ranging from 1 to 5 days, secured
Maturities	**(879,895,000)**		- ₱0.00
Accounts receivable	**293**	**4,726**	Outstanding ATM service fees, rental and utility receivables, non-interest bearing; no impairment
Prepaid Expenses	**(13,159)**	**27,690**	Prepayment on IT related expenses
Miscellaneous assets	**(300)**	**1,093**	Security deposits on lease contracts
Miscellaneous liabilities	–	**17,182**	Advance payments of security deposits from various tenants
Deposit liabilities	**(31,339)**	**110,420**	Short term (peso and foreign) denominated deposits and peso time deposits
Accrued other expense payable	**(10,952)**	**12,039**	Outstanding information technology expense payable
Interest income	**164,222**	–	Income on deposits and interbank loans receivables
Rental income	**22,211**	–	Income from leasing agreements with various lease terms ranging from 1 to 5 years
Miscellaneous Income	**25,755**	–	Other Income
Information technology expense	**146,839**	–	Payment of information technology transactions
Interest expense	**498,743**	–	Interest from deposit and bills payable
Miscellaneous Expense	**47,582**	–	Payment for Loan Service Fees and ATM Fees and charges
Securities transactions			
Outright purchases	**573,550**	–	Outright purchase of FVOCI investments
Outright sales	**3,457,480**	–	Outright sale of FVOCI investments
Joint Venture			
Investment in a joint venture	**(2,740)**	**901,466**	Outstanding balance of capital investment in SMFC
Accounts receivable	**(693)**	**154**	Outstanding rental and utility receivables, non-interest bearing
Deposit liabilities	**206,211**	**517,283**	Demand and short-term peso time deposits with annual fixed rates of 0.25% to 4.88%
Accrued interest payable	**54**	**791**	Interest payable on deposit liabilities
Miscellaneous liabilities	–	**10,540**	Advance payment of security deposits
Rental income	**14,093**	–	Income from leasing agreements
Miscellaneous Income	**4,874**	–	Miscellaneous income from information technology
Interest expense	**6,464**	–	Interest on deposit liabilities
Other Related Parties (DOSRI/Indirect)			
Receivable from customers	–	**1,100,673**	Peso denominated lending which earn 5.04% to 6.00% with Maturity terms from 1 to 15 years (excluding key personnel);

(Forward)

	September 30, 2026 (Unaudited)		
Category	**Amount/ Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
Placements	**₱–**	**₱–**	
Maturities	**7,341**	–	Mostly unsecured, with ECL
Accrued Interest Receivable	**11,810**	**17,503**	Accrued Interest on Loans
Miscellaneous assets	**911**	**3,684**	Security deposits
Accounts receivable	**(389)**	**612**	Outstanding ATM service fees, rental and utility receivables, non-interest bearing
Prepaid insurance	**(4,911)**	**744**	Payment of various motor car vehicles, fire, money, security, payroll and robbery insurance
Deposit liabilities	**6,463,989**	**10,293,429**	Demand, savings and short term peso and foreign currency time deposits with fixed rates ranging from 0.00% to 5.75%
Accrued interest payable	**(11,185)**	**14,543**	Interest payable on deposit liabilities
Accounts payable	**(220)**	**240**	Various personal and car insurance payable
Miscellaneous liabilities	–	**5,067**	Advance payment of security deposits
Rental income	**11,952**	–	Income from leasing agreements with various lease terms
Interest income	**35,231**	–	Income on loans receivables
Miscellaneous income	**68,303**	–	Miscellaneous income from insurance and information technology
Prepaid expense	**1,066**	**1,066**	Advance payment of rent
Insurance expense	**55,504**	–	Payment of insurance premium
Interest expense	**346,703**	–	Interest on deposit liabilities
Rent expense	**5,670**	–	Payment of rent expense to various lessors
Key Personnel			
Receivables from customers	–	**13,385**	Unsecured, no impairment, with annual fixed interest rates of 6.00% and maturities ranging from 1 to 15 years
Availments	**3,163**	–	Unsecured, no impairment, with annual fixed interest rates of
Maturities	**5,153**	–	6.00% and maturities ranging from 1 to 15 years
Interest income	**868**	–	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			Peso denominated lending with fixed interest rate ranging from
Placements	533,959,000	–	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
Rent expense	–	–	Payment of rent
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
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
Placements	–	–	maturity terms from 1 to 15 years (excluding key personnel); mostly
Maturities	12,481	–	unsecured, with ECL
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

(Forward)

Category	December 31, 2025 (Audited) Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
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
Securities transactions			
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:

	September 30, 2026 (Unaudited)	December 31, 2025 (Audited)
Trust department accounts	**₱9,665,143,882**	₱9,714,688,709
Stand-by credit lines	**29,441,473**	29,441,474
Items held for safekeeping	**255,378**	255,700
Spot foreign exchange and contracts sale	–	88,185,000
Others	**45,639**	43,885

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 October 22, 2026, the BOD of the Bank approved the declaration of a 7.50% regular cash dividend for the third quarter of 2026 for stockholders on record as of November 09, 2026 amounting to ₱320.14 million or ₱0.75 per share, to be paid on November 23, 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 September 30, 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.

Annex 7

PHILIPPINE SAVINGS BANK

UNAUDITED SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2026 AND 2025

	September 30 (Unaudited)	
	2026	**2025**
PROFITABILITY RATIOS		
Return on Assets		
Net Income * / Average Total Resources	**0.91%**	1.73%
Return on Equity		
Net Income * / Average Stockholders' Equity	**4.69%**	8.41%
Net Interest Margin		
Net Interest Income / Average Earning Assets	**6.44%**	6.69%
Cost to Income Ratio		
Operating Expenses Excluding Provision for Impairment and Credit Losses and Income Taxes / Net Interest Income + Operating Income	**64.81%**	59.69%
SOLVENCY RATIOS		
Debt to Equity Ratio		
Total Liabilities / Total Stockholders' Equity	**4.12:1**	3.82:1
Asset-to-Equity Ratio		
Total Assets / Total Stockholders' Equity	**5.12:1**	4.82:1
Interest Rate Coverage Ratio		
Earnings Before Interest and Taxes / Interest Expense	**1.54:1**	2.04:1
LIQUIDITY RATIOS		
Liquidity Ratio		
Current Assets / Current Liabilities	**15.09%**	12.26%
Loans to Deposit Ratio		
Gross Loans / Total Deposits	**85.83%**	94.39%
Capital Adequacy Ratio		
Total Qualifying Capital / Total Risk-Weighted Assets	**24.04%**	24.64%

**Computed based on annualized net income*

Annex 8

PHILIPPINE SAVINGS BANK
ITEM II. MANAGEMENT DISCUSSION AND ANALYSIS

Analysis of Statements of Condition

As of September 30, 2026 (Unaudited) and December 31, 2025 (Audited)

As of September 30, 2026, the Bank recorded total assets of ₱232.58 billion, representing a 1.99% decrease from December 2025 level of ₱237.30 billion.

Loans and Receivables, net of allowance, unearned interest and discounts, decreased by ₱5.60 billion or 3.62% from ₱154.69 billion as of December 31, 2025, to ₱149.08 billion in September 2026, accounting for 64.10% of total assets. Real estate and commercial loans grew by 3.16% and 4.27% respectively, while auto loans dropped by 5.95%.

Interbank Loans Receivable and Securities Purchased under Resale Agreements decreased by ₱5.08 billion to ₱0.53 billion in September 2026, down from ₱5.60 billion in December 2025. Cash and Other Cash Items decreased by ₱106.48 million or 6.31% to ₱1.58 billion, and Due from Other Banks decreased by ₱855.45 million to ₱682.57 million, whereas Due from BSP rose to ₱4.37 billion in September 2026.

Fair Value through Other Comprehensive Income (FVOCI) dropped by ₱8.22 billion or 24.82% to ₱24.90 billion, compared to ₱33.12 billion in December 2025. As of September 30, 2026, Investment Securities at Amortized Cost stood at ₱38.64 billion, while Fair Value through Profit or Loss (FVTPL) Investments were recorded at ₱482.27 million. Together, these investment securities represent 27.53% of the total assets as of September 30, 2026.

Additionally, Investment Properties increased by ₱235.62 million or 6.67% to ₱3.77 billion, while Property and Equipment went up by ₱162.51 million or 5.32% or to ₱3.22 billion.

Investments in a Joint Venture decreased by ₱2.74 million or 0.30% to ₱901.47 million as of September 30, 2026, due to the decline in PSBank's share in the net performance of Sumisho Motor Finance Corporation (SMFC), a joint venture between PSBank and Sumitomo Corporation. As of September 30, 2026, the Bank's ownership interest in SMFC is 30.00%.

Deferred tax assets increased by ₱281.38 million or 19.64% to ₱1.71 billion in September 2026 from ₱1.43 billion in December 2025. Meanwhile, Goodwill and Intangible Assets decreased by ₱59.54 million or 13.67% to ₱375.87 million from ₱435.40 million in December 2025.

Other Assets as of September 30, 2026 and December 31, 2025 amounted to ₱2.34 billion and ₱2.30 billion, respectively.

Total deposits, which represent 94.08% of total liabilities were recorded at ₱176.09 billion in September 2026. CASA deposits grew by ₱2.46 billion or 3.30% to ₱77.01 billion, while Time deposits stood at ₱99.08 billion. This growth was driven by the Bank's sustained focus on expanding its deposit base across its nationwide branch network and digital channels.

Treasurer's, Cashier's and Manager's Checks decreased by ₱164.44 million or 20.16% to ₱651.25 million in September 2026, down from ₱815.69 million in December 2025. As of September 30, 2026, Accrued Taxes, Interest and Other Expenses decreased by ₱10.52 million to ₱2.31 billion. Income Tax Payable was recorded at ₱18.40 million. Other Liabilities decreased by ₱134.66 million to ₱3.13 billion in September 2026 from ₱3.27 billion as of year-end 2025.

Total Capital stood at ₱45.40 billion as of September 30, 2026. Fair Value Reserves on Financial Assets at FVOCI was recorded at (₱1.53) billion in September 2026, compared to (₱176.59) million in December 2025. Remeasurement Losses on the Retirement Plan remained flat at ₱1.07 billion.

As of September 30, 2026, Capital Adequacy Ratio (CAR) was at 24.04%, remaining well above the minimum regulatory requirement of 10%.

Return on Average Equity (ROAE) dropped to 4.69% in September 2026 from 7.76% in December 2025. Similarly, the Return on Average Assets (ROAA) fell to 0.91% versus 1.54% in December 2025.

Discussion of Results of Operations

For the nine months ended September 30, 2026 (Unaudited) and September 30, 2025 (Unaudited)

The Bank registered a net income of ₱1.61 billion for the nine months ended September 30, 2026, down from the ₱2.85 billion reported during the same period last year. Core revenues remained resilient, with net interest income increasing by 2.49 % year-on-year to ₱10.09 billion.

Total Interest Income for the first nine months of 2026 was recorded at ₱13.44 billion, an increase of 3.30% over the ₱13.01 billion recorded in the same period last year. Total Interest Expense increased by 5.80% or ₱183.47 million to ₱3.35 billion from ₱3.17 billion year-on-year. Consequently, Net Interest Income went up by 2.49% or ₱245.39 million to ₱10.09 billion versus the ₱9.85 billion posted during the same period last year.

Interest income on loans and receivables was recorded at ₱10.79 billion for the nine-month period ended September 30, 2026. Interest income on investment securities increased by 27.01% or ₱522.68 million to ₱2.46 billion from ₱1.94 billion year-on-year. Furthermore, interest earned from interbank loans receivable and SPURA went up to ₱182.71 million, up 12.99% from the ₱161.69 million posted in 2025. For the quarter ended September 30, 2026, Interest earned from deposits with the BSP stood at ₱4.29 million, while Interest earned from deposits with other banks amounted to ₱2.41 million.

Interest expense on the Bank's deposit liabilities increased by ₱9.73 million to ₱3.06 billion. The Bank recorded ₱55.23 million in Interest expense on lease liabilities and ₱815.06 thousand in Interest expense on bills payable for the first three quarters of 2026. The Bank also recognized ₱237.66 million in Interest expense on bonds payable for the period ended September 30, 2026.

For the nine months ended September 30, 2026, Net service fees and commission income amounted to ₱1.18 billion, down by 7.86% or ₱100.88 million year-on-year. Meanwhile, Other Operating Income decreased by 33.99% or ₱226.15 million to ₱439.22 million from ₱665.38 million. The Bank posted a net loss on the foreclosure and sale of chattel mortgages amounting to ₱341.59 million and ₱263.99 million for the periods ending September 30, 2026, and September 30, 2025, respectively. The net gain on the foreclosure and sale of investment properties amounted to ₱319.34 million in September 2026, an increase by 11.47% or ₱32.87 million from ₱286.47 million in 2025. The Gain on the sale of property and equipment and Trading and securities gains - net were recorded at ₱1.99 million and ₱10.64 million, respectively. The Bank also recorded ₱15.18 million in Foreign Exchange Gains and ₱433.66 million in Miscellaneous Income in September 2026.

Other operating expenses, excluding the provision for impairment and credit losses, increased by 7.83% to ₱7.57 billion in September 2026 from ₱7.02 billion in September 2025. Taxes and licenses increased by 4.75% or ₱52.84 million to ₱1.16 billion from ₱1.11 billion in 2025. Depreciation and amortization of the Bank's properties and leasehold improvements was recorded at ₱878.11 million, up by 11.26% or ₱88.89 million from the ₱789.22 million recorded in the previous year. Meanwhile, the Amortization of software costs was recorded at ₱86.66 million in September 2026. Compensation and fringe benefits amounted to ₱3.12 billion, while Security, messengerial, and janitorial services were at ₱470.28 million. Occupancy and equipment-related costs and Miscellaneous Expenses went up by 31.34% and 19.53%, reaching ₱320.60 million and ₱1.52 billion, respectively.

For the period ended September 30, 2026, the Bank set aside ₱2.32 billion in provision for impairment and credit losses.

The Bank also reported a share in net income from its investment in Sumisho Motor Finance Corporation (SMFC) amounting to ₱15.44 million in September 2026.

For the quarter ended September 30, 2026 (Unaudited) vs. September 30, 2025 (Unaudited)

The Bank reported ₱317.56 million in net income for the three-month period ending September 30, 2026. Core revenues remained resilient, as interest income rose by 2.44% or ₱106.54 million to ₱4.48 billion compared to the ₱4.37 billion recorded in the same quarter last year.

Total Interest Expense increased to ₱1.12 billion from ₱1.10 billion year-on-year. Net Interest Income grew by 2.51% or ₱82.42 million to ₱3.36 billion, up from ₱3.28 billion.

For the third quarter of 2026, Interest income on loans and receivables was recorded at ₱3.55 billion. Interest income on financial assets at FVOCI and Investment securities at amortized cost increased by 31.05% or ₱205.31 million to ₱866.64 million from ₱661.33 million in 2025. Meanwhile, Interest income on FVTPL investments increased to ₱6.43 million from ₱3.58 million in 2025. For the quarter ended September 30, 2026, Interest earned from deposits with the BSP stood at ₱686.04 thousand, while Interest income from deposits with other banks amounted to ₱213.88 thousand. Interest earned from interbank loans receivable and SPURA went up by 19.03% or ₱9.51 million to ₱59.48 million from the ₱49.97 million posted in 2025.

Interest expense on the Bank's deposit liabilities remained stable year-on-year, down by a marginal 0.11% or ₱1.16 million to ₱1.02 billion in September 2026. The Bank recorded ₱18.48 million in Interest expense on lease liabilities and ₱79.31 million in Interest expense on bonds payable for the quarter ended September 30, 2026.

Net service fees and commission were up 2.49% to ₱389.87 million for the third quarter of 2026 from ₱380.41 million previous year.

Other Operating Income decreased by 63.51% or ₱176.69 million to ₱101.51 million for the third quarter of 2026 from ₱278.19 million previous year.

The Bank posted a Net loss on the foreclosure and sale of chattel mortgage amounting to ₱95.73 million and ₱73.39 million for the quarters ended September 30, 2026, and September 30, 2025, respectively. Meanwhile, the Net gain on the foreclosure and sale of investment properties amounted to ₱70.30 million for the quarter ended September 30, 2026, down from ₱110.99 million in the same period of 2025. Gain on the sale of property and equipment also decreased to ₱452.41 thousand from ₱1.38 million in the same quarter last year. Miscellaneous income fell by 25.10%, or ₱41.37 million, to ₱123.46 million in September 2026. Finally, the Bank reported a trading loss of ₱1.65 million in 2026, compared to a trading gain of ₱68.77 million in 2025. Foreign exchange gains decreased by 16.70% or ₱0.94 million to ₱4.67 million for the quarter ended September 30, 2026, from ₱5.60 million for the quarter ended September 30, 2025.

Other operating expenses, excluding provision for impairment and credit losses, increased by 4.34% to ₱2.58 billion in September 2026 from ₱2.48 billion in September 2025. Taxes and licenses grew by 2.87% or ₱10.84 million to ₱388.69 million from ₱377.85 million in 2025. Depreciation and amortization of the bank's properties and leasehold improvements rose to ₱297.97 million, 9.12% higher than the ₱273.06 million recorded in September 2025. Meanwhile, amortization of software costs was recorded at ₱32.29 million in September 2026. Compensation and fringe benefits amounted to ₱1.04 billion, while Security, messengerial, and janitorial services were recorded at ₱156.18 million. Occupancy and equipment-related costs amounted to ₱111.09 million in September 2026. Meanwhile, Miscellaneous expenses were recorded at ₱553.77 million versus ₱509.74 million during the same period last year.

For the quarter ended September 30, 2026, the Bank set aside ₱777.82 million in provision for impairment and credit losses.

The Bank also reported Share in net income (loss) from its investment in Sumisho Motor Finance Corporation (SMFC) amounting to (₱1.76) million and ₱6.50 million in September 2026 and 2025, respectively.

Analysis of Key Financial Soundness Indicators

For the Quarter Ended September 30, 2026 vs. September 30, 2025 (Unaudited) Comparative highlights on Key Financial Soundness Indicators

The following ratios measure the financial performance of the Bank:

		September 30, 2026	September 30, 2025	December 31, 2025
		(Unaudited)		(Audited)
Return on Average Equity*	ROAE	**4.69%**	**8.41%**	7.76%
Return on Average Assets*	ROAA	**0.91%**	**1.73%**	1.54%
Net Interest Margin on Average Earning Assets	NIM	**6.44%**	**6.69%**	6.51%
Earnings per share	EPS	**₱3.77**	**₱6.67**	₱8.20

		September 30, 2026	September 30, 2025	December 31, 2025
		(Unaudited)		(Audited)
Capital-to-Risk Assets Ratio	CAR	**24.04%**	**24.64%**	24.35%
Liquidity Ratio	LR	**15.09%**	**12.26%**	14.74%
Debt-Equity Ratio	DER	**4.12:1**	**3.82:1**	4.15:1
Asset-to-Equity Ratio	AER	**5.12:1**	**4.82:1**	5.15:1
Interest Rate Coverage Ratio	IRCR	**1.55:1**	**2.04:1**	1.94:1

** computed based on annualized net income*

1. Return on Average Equity (ROAE) in September 30, 2026 decreased to 4.69% from 8.41% for the same period last year. ROAE measures how effectively the Bank utilizes common shareholders' invested capital. It is calculated by dividing the annualized 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 0.91% from 1.73% for the period ended September 30, 2026, compared to the same period last year. ROAA is calculated by dividing annualized net income by the average of the beginning and ending total asset balances for the period.

3. Net Interest Margin on Average Earning Assets (NIM) was posted at 6.44% and 6.69% for the comparative periods ended September 30, 2026, and 2025, respectively. NIM is calculated by dividing net interest income by average earning assets. Average interest-earning assets are calculated using the average of the beginning and ending outstanding balances of the period. Earning assets comprise Due from Other Banks, Due from BSP, Interbank Call Loans Receivable, Loans & Discounts (Current), Financial Assets at Fair Value Through Profit or Loss (FVTPL), Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI), Investment at Amortized Cost, Bills Purchased and Other Assets – Liquidity Requirement for electronic money products.

4. Earnings per Share (EPS) decreased to ₱3.77 as of September 30, 2026, compared to the ₱6.67 EPS posted last year. 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 lower at 24.04% in September 2026 versus 24.64% in September 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. The Liquidity Ratio (LR) increased to 15.09% in September 2026 from 12.26% during the same period last year. The LR measures the Bank's ability to meet its short-term liabilities and is derived by dividing current assets by current liabilities.

7. The Debt-to-Equity Ratio (DER) increased to 4.12:1 as of September 30, 2026, from 3.82:1 in September 2025. The DER indicates the extent to which the Bank is leveraged or financed by credit. This ratio is computed by dividing total liabilities by total stockholders' equity.

8. The Asset-to-Equity Ratio (AER) increased to 5.12:1 as of September 30, 2026, from 4.82:1 as of September 30, 2025. AER is computed by dividing total assets by total shareholders' equity.

9. The Interest Rate Coverage Ratio (IRCR) decreased to 1.55:1 from 2.04:1 year-on-year. The IRCR measures the Bank's ability to meet interest payments on its outstanding debt. It is calculated by dividing total earnings before interest and taxes by 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).

Annex 9

PHILIPPINE SAVINGS BANK
AGING OF RECEIVABLES

	As of September 30, 2026 (Unaudited)							
			PAST DUE	PAST DUE				
	TOTAL	CURRENT	& ITEMS IN LITIGATION	90 Days or Less	91-180 Days	181 Days to 1 Year	More Than 1 Year	ITEMS IN LITIGATION
Accounts Receivables	**₱826,649,991**	**₱195,726,122**	**₱630,923,869**	**₱141,914,456**	**₱8,714,269**	**₱4,968,682**	**₱468,006,444**	**₱7,320,018**
Accrued Interest Receivables	**2,178,377,708**	**1,881,144,335**	**297,233,373**	**142,192,763**	**45,590,822**	**47,265,151**	**49,165,475**	**13,019,162**
Sales Contract Receivable	**3,813,871**	**-**	**3,813,871**	**-**	**-**	**-**	**-**	**3,813,871**
Total Receivables	**₱3,008,841,570**	**₱2,076,870,457**	**₱931,971,113**	**₱284,107,219**	**₱54,305,091**	**₱52,233,833**	**₱517,171,919**	**₱24,153,051**