



Moving Forward With You

2025 Integrated Report



Moving Forward With You

Every significant milestone—whether it is an entrepreneur expanding into a volatile market, a family investing in their first home amidst shifting interest rates, or a corporation pivoting toward sustainability—represents a decisive move toward the future. We believe that no one should have to navigate that journey alone.

Growing from strength to strength over the last 105 years, Chinabank is formidably positioned in the local market and prepared for any condition. Our commitment to understanding and serving our customers' needs is unwavering, enabling us to build deep-rooted relationships of trust. Our resources, expertise, and digital tools are always within reach, providing a solid foundation of reliability and a bridge of innovation for every Filipino.

At Chinabank, we are not just observers of your journey; we are your dedicated partners, ready to take the next bold step together. As your partner in progress, we are driven and focused on creating enduring value—ensuring that every courageous move leads to lasting prosperity.



About the Report

2-3, 3-1

SCOPE AND REPORTING BOUNDARY

This 2025 Integrated Report highlights the material financial and non-financial activities of the Chinabank Group (Chinabank and our subsidiaries and affiliate) for the period January 1 to December 31, 2025, unless otherwise specified.

REPORTING FRAMEWORKS AND STANDARDS USED

The report has been prepared in line with the framework, standards and/or guidelines provided by the Securities and Exchange Commission, Bangko Sentral ng Pilipinas, ASEAN Corporate Governance Scorecard, Sustainability Accounting Standards Board (SASB), and in reference with the Global Reporting Initiative (GRI) Standards.

In addition, the report partially applies the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards IFRS S1 and IFRS S2 as issued by the International Sustainability Standards Board (ISSB).

We plan to achieve full compliance with IFRS Sustainability Disclosure Standards when sufficient sustainability data becomes available, and after we have further refined our control systems and processes for sustainability disclosure.

APPROVAL AND ASSURANCE

2-5

The Board of Directors is ultimately responsible for Chinabank's sustainability strategy, while Management is responsible for its implementation and for the preparation and fair presentation of this integrated report for the year ended December 31, 2025, in accordance with the sustainability reporting frameworks mentioned above.

The Board of Directors reviewed and approved the sustainability-related statements, and submitted the same to the stockholders.

The contents of this report have been reviewed by an independent auditor and an external assurance company: SyCip Gorres Velayo & Co. for the financial statements and CSRWorks International for limited external assurance based on AccountAbility's Assurance Standard AA1000 AS v3, on the non-financial data within this Report.

FEEDBACK

For questions, comments, or suggestions, contact us through: investor-relations@chinabank.ph

Table of Contents

WHO WE ARE	4	SUSTAINABILITY AND CLIMATE-RELATED RISK MANAGEMENT	58
WHAT WE OFFER	5	SUSTAINABILITY AND CLIMATE-RELATED METRICS AND TARGETS	66
OUR COMPASS	6	Social-Related Data	
Vision		Contribution to the Sustainable Development Goals	
Mission		Environment-Related Data	
Core Values			
LANDMARKS IN OUR HISTORY	7	SUSTAINABILITY AT CHINA BANK SAVINGS	77
MESSAGE FROM OUR LEADERS	8	CORPORATE GOVERNANCE	80
OUR OPERATING ENVIRONMENT	13	The Foundation of Sustainable Growth	
The Global Economy		INTERNAL CONTROLS	97
The Philippine Economy		Compliance: Integrity That Clears the Path	
The Philippine Banking Industry		Risk Management: Resilience for a Dynamic Future	
OUR OBJECTIVES	16	Internal Audit: Assurance That Fuels Innovation	
HOW WE PERFORMED	17	STOCK INFORMATION	102
Financial Highlights		CONGLOMERATE MAP	105
Business Highlights		OUR LEADERS	106
HOW WE CREATE VALUE	28	Board of Directors	
Sustainability Performance		Management Committee	
Direct Economic Value Generated and Distributed		Management Team	
Sustainability Transition Plan		RECENT AWARDS AND DISTINCTIONS	120
SUSTAINABILITY AND CLIMATE-RELATED GOVERNANCE	32	FINANCIAL STATEMENTS	121
Sustainability Oversight Committee		INDEPENDENT LIMITED ASSURANCE REPORT ON SUSTAINABILITY INFORMATION	148
SUSTAINABILITY AND CLIMATE-RELATED STRATEGY	34	SUSTAINABILITY NOTES AND INDICES	152
Stakeholder Engagement		SUBSIDIARIES AND AFFILIATE	153
Materiality Assessment		PRODUCTS AND SERVICES	157
Our Approach		INVESTOR INFORMATION	164
Sustainability Focus Areas			
Sustainable Finance Framework			
Fortifying Trust: Our Commitment to Data Privacy and Cybersecurity			
Digitalization and Innovation: Shaping the Future of Banking			
Championing the Customer: Elevating Service Standards in 2025			
Human Capital: Empowering the Chinabank Workforce			
Corporate Social Responsibility: A Culture of Shared Value			

Who We Are

2-1, 2-2, 2-6, 2-23

China Banking Corporation (Chinabank), founded in 1920, is the fourth largest private universal bank in the Philippines. We are listed on the Philippine Stock Exchange under the ticker symbol “CBC” and a member of the SM Group, one of the country’s biggest conglomerates.

Driven by our brand promise, “Focused on You,” we support individuals, small- and middle-market businesses, and large corporations with a full range of financial solutions. For over a century, we have built a deep connection with our customers and the communities we serve, leveraging the dedication and diversity of our empowered people and the strength of our enduring partnerships to help uplift the lives of Filipinos.



Headquarters
Makati City, Philippines

Branches
653

ATMs
1,139

3.4 million
customers

11,584
employees^a

Moody’s investment-grade
credit rating of
**Baa2 with a
stable outlook**

STOCK INFORMATION

P57.00
stock price^b

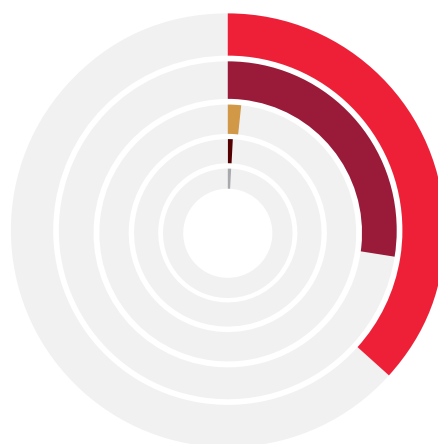
P153.4 billion
market capitalization

4.39%
dividend yield^c

P10.40
earnings per share

SHAREHOLDING STRUCTURE

As of December 31, 2025



57.98%
Publicly-Owned

1.07%
Directors

37.99%
Principal/Substantial
Stockholders

0.98%
Officers

1.98%
Employees

^aPermanent employees

^bAs of December 29, 2025, the last trading day for the year

^cBased on stock price as of December 29, 2025

What We Offer

With our full-service platform, we empower people and businesses to pursue bold ambitions while providing the expert guidance and robust resources they need to succeed in a changing world.



Our Compass

Our Vision, Mission, and Core Values serve as our compass—the foundational principles that navigate our journey and ensure we remain steadfast in our commitment to stakeholders. This framework does more than define who we are; it dictates how we act, how we innovate, and how we take the next leap forward.

VISION

Drawing strength from our rich history, we will be the best, most admired, and innovative financial services institution, partnering with our customers, employees, and shareholders in wealth and value creation.

MISSION

We will be a leading provider of quality services consistently delivered to institutions, entrepreneurs, and individuals here and abroad, to meet their financial needs and exceed their rising expectations.

We will be a primary catalyst in the creation of wealth for our customers, driven by a desire to help them succeed, through a highly engaged team of competent and empowered professionals, guided by in-depth knowledge of their needs and supported by leading-edge technology.

We will maintain the highest ethical standards, sense of responsibility, and fairness with respect to our customers, employees, shareholders, and the communities we serve.

CORE VALUES

RESOURCEFULNESS/ INITIATIVE

EFFICIENCY

We are a bank of great ideas.
And since they can come from anyone, anywhere, we are open and responsive.

INTEGRITY

COMMITMENT TO QUALITY

We take the high road always. Trust is our true currency, and only the highest standards will do.

CUSTOMER SERVICE FOCUS

The customer is one of us.
Someone always on our minds, not someone outside the building.

HIGH PERFORMANCE STANDARDS

Actions speak loudest.
We proactively get things done with speed and direction.

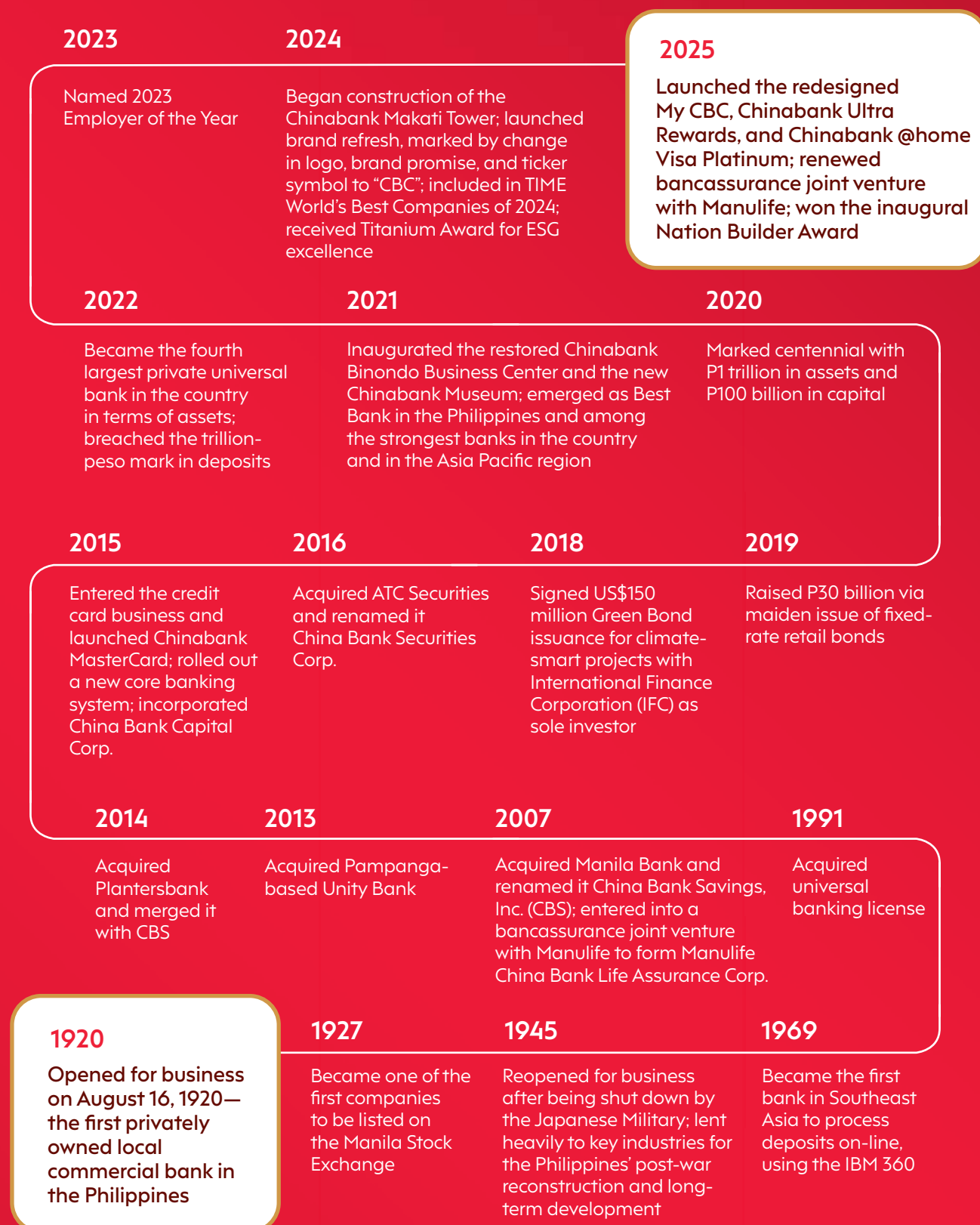
CONCERN FOR PEOPLE

**One team,
One Chinabank.**
Success requires us to create and deliver as one. No silos, only solutions.



Landmarks in Our History

From our early days supporting the pioneers of local commerce to our current position as a modern, digital-first universal bank, every milestone has been driven by our core philosophy: being Focused on You. These milestones serve as the foundation upon which we continue to build, ensuring that the next century of Chinabank is defined by the same integrity and dedication that have guided us since our very first day.



Message from Our Leaders

2-1, 2-2, 2-6, 2-23



From left: Vice Chairman Gilbert U. Dee, Chairman Hans T. Sy, and President & Chief Executive Officer Romeo D. Uyan Jr.

Dear valued stakeholders,

In a year defined by rapid transformation and shifting global tides, we are reminded that Chinabank's true strength is measured not by the scale of our growth, but by the depth of our commitment. 2025 was a year where our more than century-long heritage of stability converged with a bold, future-ready ambition. As we navigated the complexities of a changing economy, we reaffirmed our role as a steadfast partner to our stakeholders and a catalyst for national progress—ensuring that as we reach new heights, we do so by elevating the lives and businesses of the customers we serve.

NAVIGATING GLOBAL HEADWINDS, DRIVING LOCAL RESILIENCE

The global economy in 2025 was characterized by a surge in uncertainty amid evolving trade policies and geopolitical developments. Tariffs dominated headlines as the world sought to understand the potential implications of higher trade barriers on international relations, economic activity, and price stability after years of elevated inflation and aggressive monetary tightening. Geopolitical developments also added another layer of uncertainty to the rapidly-shifting global landscape.

In the Philippines, a confluence of domestic and external factors weighed on growth in 2025. Global policy uncertainties were compounded by domestic shocks, including severe weather disruptions and reduced public spending. The slowdown was further reflected in a cooling services sector, marked by tempered growth in business services and tourism. Current challenges brought about by the recent events in the Middle East are expected to further weigh on the country's economic outlook. Nonetheless, improved fiscal spending and recent liberalization reforms in key sectors—capital markets, telecommunications, and renewable energy—may provide positive momentum for investment and help support overall economic performance.



2025 was marked by strategic product launches and operational enhancements that affirm our commitment to empowering Filipinos in their financial journeys. "

For Chinabank, this landscape underscored the importance of resilience during the slowdown while preparing for the anticipated rebound in domestic demand. We remained focused on delivering meaningful services to our customers and exceptional financial results to our shareholders in 2025. We maintained our trajectory of strong, consistent performance, recording a net income of P28 billion, up 13%, with a return on equity (ROE) of 15.6%—one of the highest in the entire banking industry. This growth was supported by a robust asset base, prudent asset quality management, and efficient operational expenditure:

- Total assets increased 8% to P1.8 trillion, further solidifying our position as the fourth largest private bank in the country
- Non-performing loans ratio kept steady at 1.6%, below the industry average of 3.1%
- Cost-to-income ratio improved from 47% to 45%, despite continued heavy investments in technology and our people

P28.0 billion

Net Income

15.6%

ROE

P1.8 trillion

Assets

P1.1 trillion

Gross Loans

Gross loans grew 13% to P1.1 trillion, reflecting our confidence in the Philippine economy and our customers' confidence in taking bold moves with us toward a more prosperous future. By providing the expert guidance and the financial safety net our borrowers required, Chinabank was not just a lender of record, but a partner in resilience and growth. Our capital adequacy ratio remained solid at 16.1%, providing the foundational strength required to finance strategic client needs and future national development.

A YEAR OF TRANSFORMATION AND FOCUSED INNOVATION

2025 was marked by strategic product launches and operational enhancements that affirm our commitment to empowering Filipinos in their financial journeys.

- We significantly elevated our service delivery with the launch of the redesigned My CBC App, providing a seamless, feature-rich digital banking experience.
- We further simplified the end-to-end digital onboarding process, enabling new customers to open a Chinabank savings account in minutes using only a mobile device and a valid government ID.
- We were among the first few local institutions to offer Google Pay for secure and frictionless tap-to-pay experiences, but was the only major bank to enable the service for our entire suite of credit and debit cards from day one.
- We enhanced customer autonomy and security, offering Green PINs so Chinabank



debit cardholders can simply generate their own paperless PIN directly via Chinabank ATMs nationwide. For credit cardholders, we introduced the Instant Card Lock/Unlock feature via the My CBC App for account protection against unauthorized use with a single tap, providing peace of mind and reducing the need for card replacements.

- We strengthened our AI-driven fraud detection system, deploying an upgraded backend security layer that utilizes machine learning to identify and prevent suspicious transactions in real-time, ensuring a safer digital environment for all users.
- We introduced the innovative Chinabank Ultra Rewards program, a unique offering that rewards clients not only for spending but also for disciplined saving, linking value creation directly to prudent financial behavior.
- Recognizing the importance of the family unit in our economy, we launched the Chinabank @home Visa, a credit card specifically tailored to meet the diverse needs of Filipino households.

A COMMITMENT TO SUSTAINABILITY AND TRANSPARENCY

We believe that true progress is only possible when it is sustainable. Despite the complexities of the current economic landscape, we remain steadfast in ensuring that our value creation activities and lending practices contribute positively to both the environment and society.

- As a strategic move toward a low-carbon future, we affirmed our commitment to prioritizing renewable energy projects. To mitigate climate-related risks, we have established a phased transition to reduce our coal exposure to no more than 5% of our total loan portfolio by 2030, and further down to 3% by 2035.
- We implemented our Environmental and Social Risk Management (ESRM) Framework, providing a robust system to identify, measure, and monitor environmental and social risk exposures across our operations and loan portfolio.

- We advanced our sustainability strategy by conducting our first double materiality assessment. This process ensures that sustainability issues are addressed from two critical viewpoints: the bank's impact on the world and the financial materiality of environmental factors on our performance.
- To enhance transparency, we engaged CSRWorks International to provide our first limited external assurance for the non-financial data in this report. Additionally, we conducted specialized training on the IFRS S1 and S2 global disclosure standards to better inform our stakeholders of our sustainability- and climate-related financial risks and opportunities.

Our ESG integration was recognized with our second Titanium Award at The Asset Corporate Sustainability Leadership Awards. Furthermore, Chinabank was honored with the inaugural Nation Builder Award at the Asia Corporate

Excellence & Sustainability (ACES) Awards, affirming our continuous contributions to responsible banking and people-centered growth.

ALWAYS FOCUSED ON YOU

Guided by our 105-year legacy, we are deeply committed to doing our utmost for our stakeholders and country—strengthening our digital infrastructure and embedding sustainability across our operations and financing activities. As we look toward the future, we are poised for even greater heights. We invite you to continue this journey with us, knowing that whatever the next chapter holds, every strategic move we make remains Focused on You.

Thank you for your continued trust. Together, we are moving toward a more resilient and prosperous tomorrow.

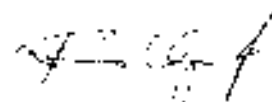
Sincerely,



HANST T. SY
Chairman



GILBERT U. DEE
Vice Chairman



ROMEO D. UYAN JR.
President & Chief Executive Officer



Our Operating Environment

The Global Economy

The global economy had a highly eventful—and many would say tumultuous—2025, as sweeping policy changes looked to shape the global landscape.

US President Trump's second term has been at the center of these developments. In particular, his "Liberation Day" reciprocal tariffs sent shockwaves through the global economy and financial markets, raising questions about their implications for trade flows, inflation, monetary policy, growth prospects, and international relations. Trade tensions naturally escalated as a result, most notably between the US and China before tensions eased with a one-year truce. These policy shifts unfolded against a backdrop of persisting geopolitical conflicts—from the protracted Russia-Ukraine war to renewed tensions in the Middle East—deepening global uncertainty.

With the global economy shrouded in much uncertainty, calls for increased caution grew louder, especially among central banks. The US Federal Reserve, for instance, opted to hold off on interest rate cuts until their September meeting, as policymakers awaited more clarity on the economic impact of tariffs. The Fed's policy outlook had been a key driver of financial markets in 2025 and would likely remain so this year.

Amid the turbulence, there were some that stood out and emerged as bright spots in 2025. Inflation moderated in many economies, including the Philippines, providing room for further policy easing. Investments in artificial intelligence (AI) continued to gain momentum, eventually leading to some concerns of a potential bubble. Additionally, precious metals, particularly gold, enjoyed a historic rally last year, fueled by safe-haven demand amid elevated global uncertainties.

This year, the global economy continues to navigate a highly volatile environment. The recent events in the Middle East presents an immediate risk to global economic stability, adding to an already complex landscape. As in 2025, evolving trade and monetary policies remain key to watch this year. Other developments to keep an eye on include: the US midterm elections in November, heightened geopolitical risks, and advancements in AI, all of which could have the potential to further reshape the global economic landscape.

The Philippine Economy

The Philippine economy was challenged by global and domestic headwinds in 2025, causing growth to slow to 4.4%, its weakest performance since the Covid-19 pandemic.

In percent	Actual 2025	Outlook 2026
GDP Growth	4.4	4.9
Demand Side		
Household Consumption	4.6	4.9
Government Consumption	9.1	4.8
Gross Capital Formation	-2.3	1.9
Of which construction	-1.0	0.1
Exports	8.0	8.9
Imports	4.9	5.7
Supply Side		
Agriculture	3.1	3.0
Industry	1.5	2.9
Of which manufacturing	2.5	3.2
Services	5.9	6.1

Last year saw reduced spending on public infrastructure amid governance concerns, which weighed on business and consumer sentiment. Private consumption—the main driver of economic activity—saw an initial boost from election-related spending ahead of the midterm polls. However, this slowed in the latter half of the year, partly due to adverse weather conditions that constrained consumption activity, weaker consumer confidence, and a softening labor market.

On a positive note, the country's external performance remained relatively resilient despite a challenging global trade backdrop. Merchandise trade benefited from front-loading ahead of anticipated increases in US tariffs, though this boost is expected to wane over time. Exports were further supported by a rebound in semiconductor demand and continued efforts toward market diversification.

Inflation averaged 1.7% in 2025, a nine-year low and below the Bangko Sentral ng Pilipinas' (BSP) 2-4% target range. This subdued inflation environment allowed the BSP to further ease its monetary policy stance by a cumulative 125 bps to 4.50%. This year, global shocks have continued to pose downside risks to the Philippines' economic performance, most notably the conflict in the Middle East. A sustained rise in oil prices could dampen economic growth, push inflation above current projections, and place upward pressure on interest rates. On a more positive note, a recovery in fiscal spending is still expected to support overall economic activity. Softer-than-initially-anticipated US tariff measures could also provide some offsetting support. Taken together, these factors should help sustain the Philippines' position among the stronger performing economies in the region.

PH BANKING INDUSTRY

P29.9 trillion
total assets

P21.9 trillion
total deposits

P16.7 trillion
gross loans

Based on BSP data as of December 31, 2025

The Philippine Banking Industry

The Philippine banking sector remained resilient in the face of a challenging operating environment, mainly supported by an accommodative monetary policy which was aimed at stimulating growth amid softer domestic conditions and heightened external risks. The BSP reduced policy rates from 5.75% in end-2024 to 4.50% in 2025, and trimmed the reserve requirement ratio for universal and commercial banks by 200 basis points to 5%, enhancing the sector's liquidity and capacity for credit expansion.

As a result, major banks recorded strong profitability in 2025, mostly driven by robust net interest income (NII) and steady growth in core fee income. NII benefited from healthy credit growth and generally better margins, as funding costs declined faster than asset yields. Core fees also rose mainly due to higher transaction-related income. These revenue improvements countered the increase in technology and manpower spending, as well as higher credit provisioning amid growing exposure to the consumer sector.

According to BSP data as of December 2025, the asset base of the Philippine banking industry grew 8.87% year-on-year or P2.4 trillion to P29.9 trillion, which was supported by a 7.40% or P1.5 trillion increase in deposits to P21.9 trillion.

Gross loans rose by 11.41% or P1.7 trillion to P16.7 trillion, on the back of sustained business and consumer loans growth. Asset quality was well-managed with gross non-performing loans (NPL) ratio improving to 3.15% from 3.34%, and NPL cover slightly rising to 97% from 96%.

In the near-term, we anticipate a steady overall performance from the Philippine banking sector, in step with sustained domestic economic activity.

Our Objectives

In 2025, we continued to adhere to these foundational focus areas that have guided our growth for several years now. By staying the course with low-cost funding, strategic lending, diversified income, and operational discipline, we are reaffirming our position as a pillar of the Philippine banking industry. In 2026, instead of shifting course, we are intensifying our efforts and refining our execution to meet the evolving demands of a modern financial landscape.

1

Fueling Our Engine: Our Sustained CASA Growth

Our long-term priority remains the sustained expansion of our CASA (Current and Savings Account) base. By continuing to enhance our digital touchpoints and deepening our institutional relationships, we are further solidifying our stable, low-cost funding foundation. This multi-year focus ensures we maintain the liquidity and margin resilience necessary for our long-term stability.

2

Driving the Economy: Our Disciplined Gross Loan Expansion

Building on years of steady portfolio growth, our gross loans strategy continues to target high-impact sectors. We remain dedicated to supporting the country's economic engines—from large-scale corporate infrastructure to the rising consumer and SME segments. In 2026, our focus remains on high-quality credit expansion that balances volume with the keen eye for risk management that Chinabank is known for.

3

Diversifying Value: Our Fee Income Momentum

Continuing our journey toward a more diversified revenue model, we are accelerating our fee income initiatives. By further scaling our fee income from account services, card services, wealth management/investment advisory services, transaction, and loan origination fees, we are building on the momentum of previous years. Our goal is to provide a holistic financial ecosystem for our clients, ensuring our revenue remains robust regardless of interest rate cycles.

4

Precision in Practice: Our Perpetual Cost Optimization

For us, efficiency is not a one-time project but a core value. Our ongoing cost optimization program—underpinned by strategic branch rationalization—continues to leverage automation and process re-engineering to drive down our cost-to-income ratio. This persistent discipline allows us to consistently reinvest in innovation and our people, ensuring that our growth is both profitable and sustainable for the future.

How We Performed

- Financial Highlights
- Business Highlights

Rising to New Heights in Makati

Construction of the Chinabank Makati Tower is progressing steadily, marking a significant milestone in our corporate evolution. Work is currently concentrated on critical substructure phase for the tower's six-level basement. The structure is expected to emerge at ground level by the second quarter of 2026. Interior design for the offices is ongoing, focused on creating modern, agile workspaces that reflect the future of banking and seamlessly integrate our Filipino-Chinese heritage.

Rising 32 storeys adjacent to our current head office along Villar Street, this landmark development is envisioned as a premier hub of innovation and excellence. Designed to meet LEED (Leadership in Energy and Environmental Design) standards, the Chinabank Makati Tower reflects our commitment to sustainability. In addition to its striking glass façade, the building will integrate green design elements such as energy-efficient systems, green roofs, and solar energy.



Financial Highlights

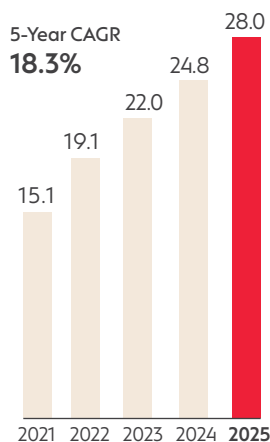
2-6

	CONSOLIDATED		PARENT COMPANY	
	2024	2025	2024	2025
For the Year (In PHP Million)				
Gross Revenues	95,704	108,311	81,769	91,850
Gross Expenses	70,893	80,325	56,966	63,872
Net Interest Income	63,539	72,595	55,141	62,573
Non-Interest Income	1,950	3,105	2,751	4,059
Operating Income	65,489	75,700	57,892	66,632
Provision for Impairment and Credit Losses	3,315	7,034	2,531	6,107
Operating Expenses	30,749	34,416	24,322	26,840
Net Income Attributable to Equity Holders of the Parent Bank	24,803	27,978	24,803	27,978
Net Income	24,811	27,986		
At Year End (In PHP Million)				
Total Resources	1,646,093	1,781,688	1,475,013	1,585,641
Loan Portfolio (Net)	915,230	1,038,027	782,913	887,661
Investment Securities	542,695	562,179	521,342	522,875
Total Deposits	1,331,147	1,444,597	1,165,728	1,254,152
Stockholders' Equity	168,580	191,298	168,495	191,205
Distribution Network and Manpower				
Number of Branches	650	653	480	478
Number of ATMs	1,081	1,139	860	861
Number of Employees	11,350	11,584	7,857	7,927
Key Performance Indicators (in %)				
Profitability				
Return on Average Equity	15.6	15.6	15.6	15.6
Return on Average Assets	1.6	1.6	1.8	1.8
Net Interest Margin	4.5	4.6	4.3	4.5
Cost-to-Income Ratio	47	45	42	40
Liquidity (in %)				
Liquid Assets to Total Assets	41	38	43	39
Loans (net) to Deposit Ratio	69	72	67	71
Asset Quality				
Gross Non-Performing Loans (NPL) Ratio	1.6	1.6	1.4	1.4
NPL Cover*	108	109	118	122
Capitalization				
Common Equity Tier 1 Ratio (CET 1/Tier 1)	15.3	15.2	15.5	15.5
Total Capital Adequacy Ratio (CAR)	16.2	16.1	16.4	16.4
Shareholder Information				
Market Value				
Market Price Per Share (In PHP)	63.50	57.00		
Market Capitalization (In PHP Million)	170,900	153,407		
Valuation				
Earnings Per Share (In PHP)	9.2	10.4		
Book Value Per Share (In PHP)	62.6	71.0		
Price to Book Ratio (X)	1.0	0.8		
Price to Earnings Ratio (X)	6.9	5.5		
Dividends				
Cash Dividends Paid (In PHP Million)	5,921	6,728		
Cash Dividends Per Share (In PHP)	2.20	2.50		
Cash Payout Ratio (In %)	27	27		
Cash Dividend Yield (In %)	5.1	3.6		

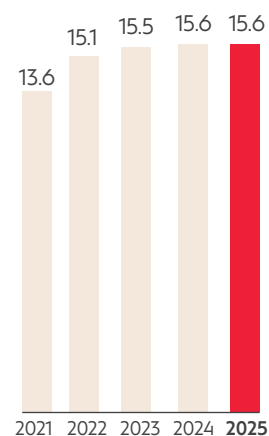
*The allowance for impairment and Credit Losses on Receivables from Customers used in calculating NPL Cover does not include Retained Earnings appropriated for General Loan Loss Provision.

Net Income

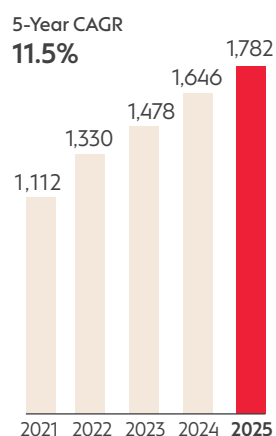
In PHP Bn

**Return on Equity**

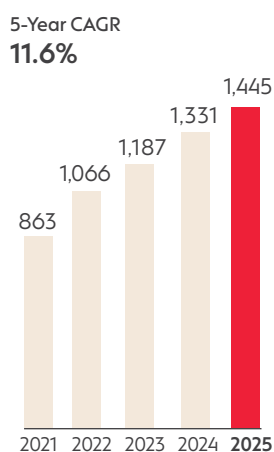
In %

**Total Resources**

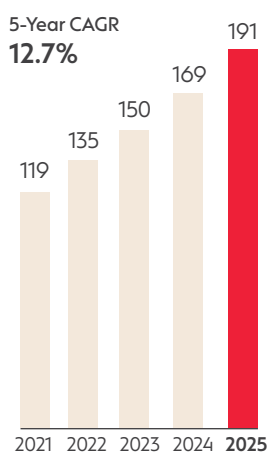
In PHP Bn

**Deposits**

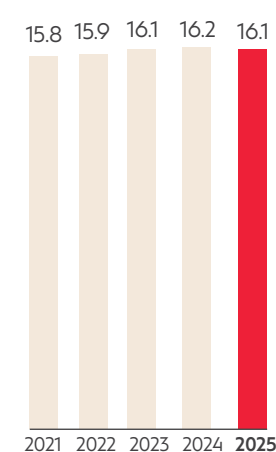
In PHP Bn

**Stockholders' Equity**

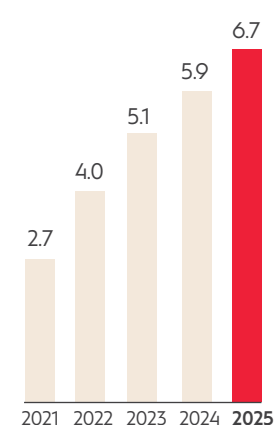
In PHP Bn

**Total CAR**

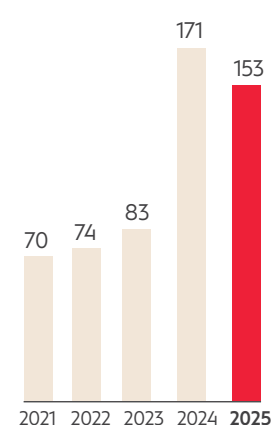
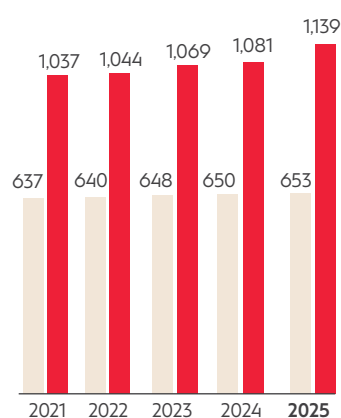
In %

**Cash Dividends Paid**

In PHP Bn

**Market Capitalization**

In PHP Bn

**Distribution Network**Branches  ATMs 

Business Highlights



Retail Banking Business Segment

Oversees Chinabank's branch network nationwide and serves the everyday banking needs of retail, mass affluent, and business customers—small & medium enterprises to middle-market companies.

Key initiatives and results in 2025

- Continued to strengthen and optimize Chinabank's physical presence and accessibility:
 - Opened two new branches
 - Renovated 11 existing branches, eight of which were also relocated to more convenient locations to better serve our growing client base
- Elevated customer journey and branch efficiency with the rollout of an electronic queuing system with a digital pre-processing feature that allows customers to schedule branch visits and submit transaction details in advance, through the bank's website, ensuring a significantly faster and more seamless branch experience upon arrival.
- Strengthened client relationships through a series of CBC Partnership Awards events nationwide. These gatherings served as a platform to express deep gratitude to our longstanding and valued clients, reinforcing the bank's commitment to nurturing multi-generational relationships and recognizing the loyalty of our partners.
- Achieved 18% increase in CASA deposits, driven by the success of retail acquisition strategies and the increasing trust customers place in Chinabank for their primary transactional needs.



Consumer Banking Segment

Focuses on consumer lending, credit cards, cash management solutions, and money movements. Main offerings are real estate loans, vehicle loans, personal loans, contract to sell, credit cards, payments solutions, and remittance services.

Key initiatives and results in 2025

- Rolled out new and innovative offerings for consumers:
 - Google Pay for Chinabank's entire Mastercard and Visa portfolio, empowering clients with secure, tokenized "Tap-to-Pay" capabilities and seamless mobile transactions
 - Ultra Rewards Program, a first-of-its-kind ecosystem that integrates deposit growth with credit card spending to provide centralized rewards for high-value clients
 - Chinabank @home Visa Platinum, a niche credit card tailored for household spending and shared family benefits
- Enhanced and broadened our Cash Management solutions, including My CBC Business (formerly Corporate Online Banking), Smart Cash Safe Solutions, POS Cash on Demand, and Biller Settlement Arrangement.
- Delivered a 24% growth in the consumer loan portfolio, driven by strong marketing, competitive offering, and enhanced digital processes.
- Total remittances processed rose by 85%, driven by strong partnerships in Taiwan, Japan, US, South Korea, Canada, Singapore, Malaysia, and Thailand, including globally operating partnerships.
- Received major awards for:
 - 30-minute Instant Card Issuance Credit Card Program
 - Service Innovation of the Year (Philippines) - Asian Banking & Finance
 - Best Digital Consumer Lending Service - The Asian Banker
 - Philippine's Best Bank for Customer Experience - Euromoney
 - Chinabank Velvet Visa Signature
 - Banking for Women Initiative of the Year (Philippines) - Asian Banking & Finance
 - Best New Product Launch Strategy in the Philippines - The Asian Banker

Business Highlights



Institutional Banking Segment

Provides comprehensive financing solutions to Chinabank clients in diverse industries, ranging from large corporates, middle market accounts to small and medium enterprises.

Key initiatives and results in 2025

- The Institutional Banking portfolio grew by 12%, as we strengthened our position as a trusted partner to institutional clients across key sectors by providing bespoke financing solutions.
- Supported landmark projects to advance Chinabank's sustainability agenda including our participation in the P150 billion Terra Solar project finance facility, the country's largest syndicated loan to-date.
- Recognized for our execution capabilities at the 2025 Asian Banking & Finance Awards by winning Debt Deal of the Year for the US\$400 million Bilateral Term Loan Facility for Tiger Resort Leisure and Entertainment, Inc. and Project Infrastructure Deal of the Year for the P80 billion Syndicated NAIAX Modernization financing facility.



Financial Markets Segment

Operates Chinabank's trading business and serves the investment and foreign exchange requirements of individuals, as well as corporate and institutional clients. Also responsible for key functions that are essential to sustaining the bank's long-term viability, focusing on effective balance sheet management, best-in-class trading, and robust client engagement.

Key initiatives and results in 2025

- Completed system upgrade and the full rollout of Chinabank's new platform for retail FX transactions, boosting operational excellence and efficiency.
- Elevated market research capabilities to achieve industry-leading forecasting accuracy.
- Strengthened client partnerships by delivering bespoke economic briefings and high-impact events that drove deeper engagement and strategic collaboration.
- Continued to demonstrate best-in-class trading and sales capabilities, ranking among the top in various individual and institutional award categories by the Philippine Dealing System, The Asset, and Fund Managers Association of the Philippines.



Trust & Asset Management Group

Serves the trust administration and investment management needs of individuals and businesses—SMEs to large corporations.

Key initiatives and results in 2025

- Implemented the UITF account viewing feature in My CBC for mobile app and web, enabling clients to seamlessly monitor their investments on the upgraded platform.
- Actively participated in a number of sustainability-themed bond issuances, enabling clients to access ESG investment opportunities while driving incremental growth in assets under management.
- Posted 14% increase in gross revenue, reflective of successful client acquisition, higher wallet share from existing clients, and improved yield from managed assets.
- Leveraged superior investment strategies to drive market competitiveness, placing four of Chinabank's 12 UITFs in the industry's top five for annual net returns.
 - Chinabank Short Term Fund, ranked 2nd of 45 funds
 - Chinabank Intermediate Fixed Income Fund, ranked 1st of 7 funds
 - Chinabank Income-Paying Dollar Bond Feeder Fund, ranked 4th of 9 funds
 - Chinabank Balanced Fund, ranked 4th of 18 funds
- Recognized for delivering superior returns to investors, Chinabank Dollar Fixed Income Fund—for the ninth year—and Chinabank Cash Fund were named Best Managed Funds by the CFA Society Philippines.



Wealth Management Group

Offers highly personalized services that address the financial goals of high-net-worth individuals through a needs-based strategy grounded on intimate knowledge of client needs.

Key initiatives and results in 2025

- Began transitioning from Chinabank Wealth Management to CBC Wealth, signifying a strategic pivot toward a more modern, holistic, and globalized approach to asset management. CBC Wealth offers high-net-worth clients a more intuitive and premium experience and enhanced access to international markets to navigate the complexities of contemporary wealth creation.
- Developed the CBC Wealth Portfolio Holdings Statement to be launched in 2026.
- Received Private Banker International's Outstanding Wealth Management Service for the Affluent award for the third consecutive year.
- Recorded 10% growth in assets under management, driven by high client trust and well-positioned investment strategy.

Business Highlights



China Bank Capital Corporation

Serves middle market businesses, large enterprises, and government institutions, enabling them to achieve their fundraising objectives and strategic goals by arranging, managing, and underwriting debt and equity transactions and providing financial advisory services such as deal structuring, company valuation, and execution of mergers, acquisitions, divestitures, securitizations, and other corporate transactions.

Key initiatives and results in 2025

- Structured and arranged various loans and underwrote several capital market issuances to support major financing initiatives in the Philippines, including:
 - P150 billion secured term loan facility for Terra Solar Philippines, Inc. and the P15 billion secured term loan facility for Terra Nueva, Inc. to develop one of the world's largest integrated solar and battery storage facility
 - P63.9 billion secured term loan facility for Olympia Violago Water and Power, Inc. to construct a 600 MW pumped storage hydropower plant
- Remained the country's top bookrunner for primary bond issuances.
 - Bond deals included two sovereign issuances and was the only house to arrange a government bank bond offer in 2025
 - Development Bank of the Philippines' P8.25 billion fixed rate bonds, aimed at sustaining the country's long-term growth and promoting financial inclusion
 - Republic of the Philippines' P507.16 billion Series 31 Retail Treasury Bonds (RTB 31) and P300.00 billion inaugural 10-year benchmark Fixed-Rate Treasury Notes (FXTN 10-73), both of which will support the country's priority projects such as agriculture, infrastructure, education, and healthcare
 - Mandated by seven out of nine corporate issuers, accounting for P160 billion out of the P183 billion raised during the year and cementing leadership in the domestic bond market. These included:
 - SM Prime Holdings Inc.'s P17 billion and P25 billion fixed rate bond issuances, which together was the largest bond fundraising by a single issuer in a calendar year since 2023
 - Metro Pacific Tollways Corporation's P20 billion inaugural fixed rate bond issuance
 - Participated in three sustainability-linked bond issuances totaling P24.01 billion:
 - Ayala Land, Inc.'s P15.00 billion sustainability-linked bonds
 - Cebu Landmasters Inc.'s two sustainability-linked bond issuances totaling P9.01 billion
- Participated in three out of six public offerings of preferred shares, comprising P58.00 billion out of the P85.13 billion raised during the year, including:
 - San Miguel Corporation's P30 billion preferred share issuance, the largest preferred equity offering in 2025

- Filinvest Development Corporation's P8.00 billion inaugural preferred shares issuance, which marked its first equity offering since their initial public offering in 1982
- Received two major house awards: PDS Group's Top 2 Corporate Issue Manager/Arranger (Investment House Category) and, for the tenth straight year, The Asset's Best Bond Advisor (Domestic).
- Deals were also recognized by major institutions:
 - Asian Banking & Finance
 - Debt Deal of the Year - Philippines for Tiger Resort Leisure and Entertainment, Inc.'s US\$400.00 million senior secured term loan facility
 - Project Infrastructure Finance Deal of the Year - Philippines for New NAIA Infra Corp.'s P80.00 billion syndicated term loan facility
 - Sustainability-Linked Bond of the Year - Philippines for Ayala Land, Inc.'s P8.00 billion and P6.00 billion sustainability-linked bonds
 - Alpha Southeast Asia
 - Best Local Currency Bond in the Philippines 2025 for SM Prime Holdings' P17.00 billion and P25.00 billion fixed rate bonds
 - Best Deal of the Year in the Philippines 2025 for SMC Tollways Corporation's P35.00 billion fixed rate bonds
 - Most Innovative Equity Deal of the Year in Asia 2025 for San Miguel Corporation's P30.00 billion preferred share issuance and P18.86 billion inaugural exchange offer
 - Investment House Association of the Philippines (IHAP)
 - Best Fixed Income Deal (Large Cap) for Ayala Land, Inc.'s P6.00 billion sustainability-linked bonds
 - Best Project Finance Deal (Large Cap) and 2025 Deal of the Year (Large Cap) for New NAIA Infra Corp.'s P80.00 billion syndicated term loan facility
 - Deal of the Year (Small Cap) and 2025 Best Equity Deal (Small Cap) for NexGen Energy Corporation's P529.20 million initial public offering
 - The Asset
 - Best ASEAN Sustainability-Linked Bond for Cebu Landmasters, Inc.'s P9.01 billion sustainability-linked bond issuances
 - Best Sustainability-Linked Bond for Ayala Land, Inc.'s P15.00 billion ASEAN sustainability-linked bond issuance
 - Best Sustainability-Linked Loan - Real Estate for Arthaland Corporation's P2.50 billion sustainability-linked loans
 - Best Preferred Shares for Filinvest Development Corporation's P8.00 billion perpetual preferred shares
 - Best New Bond for SM Prime Holdings, Inc.'s US\$350.00 million senior unsecured fixed rate notes
 - Best Liability Management for Petron Corporation's US\$475.00 million step-up perpetual securities and any-and-all exchange offer and tender offer

Business Highlights



China Bank Securities Corporation

Provides stock brokerage and other equity-related services to individual and corporate customers.

Key initiatives and results in 2025

- Upgraded ChinabankSec Online Mobile App version with improved and more sophisticated tools and features (available in 2026).
- Recorded 37% increase in total revenues and 100% growth in transaction volume.
- Improved market share by 67%, moving up two notches in the Philippine Stock Exchange Broker Ranking to No. 23 out of 122 active trading participants.
- Achieved 52% increase in deal volume from actively marketing IPOs and follow-on offerings of preferred shares issued by market leaders such as Ayala Corporation, Filinvest Development Corporation, Megawide Construction Corporation, and San Miguel Corporation.



China Bank Savings, Incorporated

Serves the banking needs of the retail market—individuals and businesses, primarily small and medium enterprises. Also champions the Chinabank Group's education advocacy, partnering with the Department of Education (DepEd) on various projects, as well as providing products and services tailored to the needs of public school teachers and DepEd employees.

Key initiatives and results in 2025

- Continued to expand nationwide network to reach more customers, especially in the countryside:
 - Opened five branches, bringing the CBS retail footprint to 175 branches and 107 branch-lite units and loan centers nationwide
 - Added 57 ATMs, expanding CBS' ATM network to 278 nationwide, the second-largest among Philippine thrift banks
- Launched Casey, CBS' first AI-powered chatbot, enhancing customer experience by providing 24/7 support for routine inquiries and providing a seamless, conversational interface that meets the modern demand for instant, mobile-first banking.
- Automated the ATM card activation process, reducing turnaround time from days to under 15 minutes.
- Ensured Zero ATM linking errors with internally-developed Safety Net tool.
- Strengthened position as a sustainability leader in the Philippine thrift banking sector by enhancing E&S risk assessments of clients, loan portfolios, and CBS operations; measuring and managing the bank's carbon footprint; and conducting financial wellness programs to enhance community resilience.
- Achieved significant growth, reinforcing standing among the country's leading thrift banks:
 - +10% in net income
 - +15% in total assets, ranked 2nd
 - +13% loans, ranked 2nd
 - +15% deposits, ranked 1st



Chinabank Insurance Brokers, Inc.

Serves the non-life insurance needs of individuals and businesses of all sizes, and also provides accident and group life insurance coverage, through its partners of A-rated insurance companies.

Key initiatives and results in 2025

- Strengthened organizational expertise through participation in several major insurance conferences and specialized training programs to stay ahead of evolving regulatory requirements and emerging global insurance trends.
- Accelerated the automation and digitization of internal processes and client-facing forms to enhance operational efficiency and speed of service.
- Recorded strong growth, underpinned by expanded brokerage activities and strategic client acquisitions:
 - +14% total revenues
 - +8% net income
- Maintained position as a top-tier industry player, ranking No. 9 in Commissions Earned and climbing to No. 14 from No. 15 in Premiums Produced based on the latest Insurance Commission (IC) Ranking.
- Earned Code 1 rating (indicating no significant risk factors) for the IC-Statement of Business Operations Results for 2024, the highest possible score from the regulator.



Manulife China Bank Life Assurance Corporation

Provides a wide range of innovative life, health, and wealth solutions for Chinabank customers—from the retail to the affluent market.

Key initiatives and results in 2025

- Renewed the bancassurance partnership agreement for another 15 years, solidifying Manulife and Chinabank's shared commitment to providing holistic life, health, and wealth solutions for the long-term financial security of Filipino families.
- Expanded its innovative product suite, launching MCBL MedicalSecure, a comprehensive health insurance plan designed to provide long-term protection against the high costs of critical illness and hospitalization, and MCBL GoalReady, a variable unit-linked plan designed to bridge the gap between financial aspirations and actual security.
- Reached a total volume of P1.9 billion in weighted first year premium, driven by broad-based gains across retail and affluent segments.
- Recorded an 18% increase in fee income as 10,919 new policies were issued to 8,824 customers, nearly two-thirds of whom were new.
- Corporate Solutions grew by 59% in total premiums.

How We Create Value

Sustainability Performance

INPUTS

We use a range of resources and relationships (or “Capitals”) to create sustainable value. Our value creation process is powered by the strategic management of these six capitals:



Financial

The pool of funds that provides the foundation for our operations and growth. This includes our robust equity base, customer deposits, and retained earnings, which we deploy to fuel economic activity and deliver consistent returns to our shareholders.



Manufactured

Our physical and digital infrastructure that enables seamless service delivery. This encompasses our extensive branch network, ATMs, corporate offices, and the advanced digital platforms that provide 24/7 banking accessibility across the Philippines.



Intellectual

The intangible assets that give us a competitive edge. These includes our institutional knowledge, brand reputation, innovative banking products, and the proprietary systems and risk management frameworks that ensure organizational resilience and agility.



Human

The collective skills, experience, and dedication of our workforce. We invest in the continuous development, well-being, and diversity of our employees, fostering a culture of excellence and integrity that drives our customer-centric mission.



Social and Relationship

The trust and collaborative bonds we share with our stakeholders. This reflects our deep-rooted relationships with customers, our engagement with local communities, our partnerships with regulators, and our commitment to financial inclusion and nation-building.



Natural

The environmental resources affected by our business activities. We are committed to responsible consumption and the mitigation of our ecological footprint through efficient energy use, digital transformation to reduce paper waste, and the promotion of sustainable finance.

HOW WE CREATE VALUE

Aligned with our mission and vision, our operations deliver results that fulfill our purpose and drive sustainable value across the short, medium, and long term.

Our Mission

Our Vision

Business Operations

- Relationship Banking
- Financial Markets
- Savings Bank and Bancassurance

THE VALUE WE CREATED

These are the outcomes of our business operations for the year



Concept: Shared growth

Page 30
Direct Economic Value
Generated and Distributed

Pages 70 to 73
Contribution to the SDGs



Concept: Focused on our clients

Pages 20 to 27
Business Highlights

Pages 44 to 46
Shaping the Future of Banking



Concept: ONE Chinabank

Pages 50 to 55
Empowering the Chinabank
Workforce



Concept: A trusted partner

Pages 42 to 43
Our Commitment to
Cybersecurity and Data Privacy

Pages 47 to 49
Elevating Service
Standards in 2025

Pages 80 to 101
Corporate Governance



Concept: Conscious of nature

Page 74
Environmental Footprint

Direct Economic Value Generated and Distributed

3-3, 201-1

Despite a challenging economic landscape, we successfully sustained value creation for our stakeholders and remained on track to achieve our long-term growth objectives.

Our 2025 operations acted as a catalyst for economic mobility, distributing significant value across our stakeholder network. We directed P52.78 billion (71.29%) of our created wealth back into the economy through salaries, shareholder dividends, and community-focused social investments.

Simultaneously, we retained P21.26 billion (28.71%) to serve as 'capital for future growth.' These funds provide the fuel for continued innovation, digital transformation, and the expansion of our services to reach more Filipinos nationwide.

In PHP Millions	2024	2025
Economic Value Generated	66,145	74,036
Economic Value Distributed	47,255	52,779
Operating Costs	15,028	16,449
Employee Wages and Benefits	9,742	11,354
Payments to Providers of Capital	9,892	12,100
Payments to Governments	12,574	12,851
Community Investments	19	25
Economic Value Retained	18,890	21,258

Beyond Profits, A Nation Builder

Asia Corporate Excellence & Sustainability (ACES) awarded its first Nation Builder Award to Chinabank.

A nod that over the decades, we have consistently demonstrated our ability to bridge the needs of individuals, businesses, and government in creating opportunities for long-term economic growth and social advancement.

From providing capital to small businesses, to supporting national infrastructure, the award affirmed that Chinabank has gone beyond financial success to become a true partner in the country's progress.



Sustainability Transition Plan

In 2025, as regulatory focus shifted toward scaling sustainable finance and adopting the International Sustainability Standards Board (ISSB) framework, we took a proactive lead in aligning our sustainability report with the new global reporting framework. We closely followed the Securities and Exchange Commission's introduction of the Philippine Green Equity guidelines (MC No. 13) and the adoption of PFRS S1 and S2 (MC No. 16), recognizing these as vital steps for market transparency.

To ensure we remain ahead of these requirements, we initiated an early transition plan by partnering with Singapore-based CSRWorks International for a comprehensive gap analysis of our reporting. We also conducted specialized, cross-functional training sessions to embed these new standards into our internal culture.

Other key accomplishments in 2025:

Chinabank

- Strengthened commitment to Sustainable Energy Finance by supporting the development of renewable energy projects that contribute to a cleaner and more resilient energy future.
- Established our Environmental & Social Risk Management Framework to ensure that we are able to identify, measure, control, and monitor the environmental and social risk exposure of our loan portfolio and our operations.
- Conducted a session on Climate and Nature Risks and Sustainable Finance Focus Areas for the Board of Directors, led by SGV & Co.
- Conducted double Materiality Assessment to ensure that we address sustainability-related issues from two viewpoints, i.e. Impact and Financial Materiality.
- Named among the World's Best Companies by TIME and Statista for the second year in a row.
- Won for the second time, the Titanium Award at The Asset Corporate Sustainability Leadership Awards, for Chinabank's management excellence and ESG integration.
- Honored with an inaugural Nation Builder Award at the ACES Awards for Chinabank's deep and sustained contribution to the Philippines' economic progress and national development.

China Bank Savings (CBS)

- Partnered with Deloitte to launch the CBS Environmental and Social (E&S) Resilience Tool, the first of its kind in the Philippines. Designed specifically for SMEs, the tool provides the assessment and guidance necessary for CBS clients to achieve ESG readiness and long-term sustainability.
- Improved the Ecological Data Reporting Form for the Chinabank Group, by increasing its automation, ability to capture supporting documents for ease of verification, and ease of consolidation.
- Initiated discussions on target-setting at its Credit Committee Meeting.
- Updated and enhanced the hazard mapping for CBS branches to provide more accurate data on their physical risks, ensuring better preparedness for the bank's physical locations.
- Completed a comprehensive Environmental and Social Risk Management (ESRM) assessment for the bank's entire portfolio to ensure all accounts are evaluated against E&S risk standards.
- Improved its sustainability reporting procedures and format to be more consistent and aligned with the Parent Bank and SM Investment Corporation's reporting requirements.
- Conducted capacity-building sessions for the SME Lending Group and Cash Management System teams, focusing on the integration of sustainability criteria into lending operations and utilizing the new E&S assessment tools.

Sustainability and Climate-related Governance

Sustainability Oversight Committee

2-14, 2-24

At Chinabank, we integrate sustainability considerations into our organizational structure under the overall oversight of the Board of Directors. The Board of Directors sets the bank's strategic priorities, which includes approaches in managing our sustainability- and climate-related risks and opportunities. Among the discussions and involvement of the Board of Directors are also in the setting of targets related to sustainability- and climate-related risks and opportunities and considered trade-offs associated with those risks and opportunities. Throughout 2025, sustainability- and climate-related topics were formally discussed three times in the Board-level Committee meetings, during which goals, strategic alignment, and the necessary investment decisions and actions were evaluated.

The Board's oversight function is supported by a network of structured committees and various teams across the organization.



The Management Committee is tasked to ensure that the bank's operations and the performance of our personnel are in line with the set objectives on sustainability.

The Sustainability Oversight Committee (SOC), a sub-Committee of the Management Committee, was established to ensure the oversight and management of sustainability- and climate-related risk and opportunities. The SOC is also responsible for identifying, measuring, managing, and monitoring sustainability- and climate-related risks and opportunities and this is reflected in its Charter. Furthermore, the Committee reviews the appropriate parameters to be used in managing environmental and social (E&S) risk and the appropriate climate risk stress test scenarios, which will be used to facilitate the updates/development of the appropriate bank policies accordingly.

The SOC meets on a quarterly basis and is composed of the Chief Sustainability Officer, Chief Finance Officer, Chief Risk Officer, Head of Institutional Banking Segment, and Head of Business Development and Support Division. Among the topics discussed in the meetings include project updates from various initiatives, regulatory updates, and future plans. The minutes of the meetings are circulated to the Management Committee to ensure alignment.

Sustainability Working Teams, composed of the different units of the bank and coordinated by the Environmental, Social, and Governance (ESG) Department, execute specific initiatives such as identifying, measuring, managing, and monitoring sustainability- and climate-related risks and opportunities.

Sustainability practices continue within each unit of the bank, especially when they assess the exposure, positioning, or financial impacts of sustainability- and climate-related risks and opportunities within their unit. To reinforce these capabilities, we have a School of Sustainability since 2024 that aims to raise employees' awareness on sustainability and integrating this concept into both their business practices

and daily lives. As such, while the SOC ensures the consistent implementation of sustainability practices and policies across the Bank, each unit of the bank is capable of assessing sustainability- and climate-related risks and opportunities within each unit in the bank and within their respective risk and governance frameworks.



A Leader in Corporate Sustainability

The Asset recognized Chinabank for the 2nd time with a Titanium Award on Corporate Sustainability Leadership, affirming our unwavering commitment to environmental, social, and governance (ESG) excellence.

By integrating sustainable finance practices into our core operations and maintaining a robust framework for corporate transparency, we have demonstrated that true success is measured not just by financial milestones, but by our contribution to a more resilient and inclusive national future.

Sustainability and Climate-related Strategy

Stakeholder Engagement

2-16, 2-25, 2-26, 2-29

We prioritize meaningful dialogue with our internal and external stakeholders to align our operations with their expectations, develop sustainable solutions, and foster deeper institutional relationships.

HOW WE ENGAGED

THEIR CONCERNS

OUTCOME OF ENGAGEMENTS



CUSTOMERS: The people and businesses we serve

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ▪ Daily customer interactions: face-to-face with personnel at branches; via e-mail, telephone, and social media channels ▪ Customer Satisfaction Survey ▪ Regular client calls ▪ Year-round events: economic briefings, customer appreciation events, etc. | <ul style="list-style-type: none"> ▪ Service quality and efficiency ▪ Convenient and secure access to accounts through digital channels ▪ Easy account opening and loan application requirements and processes ▪ Rewards program ▪ Capable personnel to address concerns | <ul style="list-style-type: none"> ▪ Launched the best iteration of My CBC and a simplified digital onboarding process to make account opening easier for new customers ▪ Enabled Google Pay for Chinabank Debit and Credit cardholders ▪ Launched Chinabank Ultra Rewards, the first and only program in the country that links value creation directly to prudent financial behavior by rewarding both spending and disciplined saving ▪ Implemented an electronic queuing system with a digital pre-processing feature for convenient scheduling of branch visits ▪ Expanded our Customer Satisfaction Survey for full coverage across eight key service areas ▪ Achieved a 97% Net Promoter Score (NPS) which underscores strong customer loyalty and confirms that the bank's service standards continue to resonate deeply with clients in an increasingly digital-first environment ▪ Continuous process improvements and capacity building |
|---|---|---|



EMPLOYEES: Our partners in success and in delivering on our strategy

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ▪ Regular Management Advisory ▪ Internal Customer Satisfaction Survey ▪ Performance Appraisals ▪ Online and face-to-face meetings and events, including Townhall meetings ▪ Retail Banking Business National Convention ▪ Work-life Integration Programs and sportsfests ▪ Internal social media: Viva Engage | <ul style="list-style-type: none"> ▪ Career development ▪ Work-life balance ▪ Additional benefits ▪ Understanding of organizational goals | <ul style="list-style-type: none"> ▪ Switched to AI-powered Human Capital Management platform Darwinbox, internally branded as SynchROne, to optimize HR operations and enhance the employee experience ▪ Launched the One Chinabank Way Program and the On TIME Leadership Brand (Transcends, Inspires, Motivates, and Exemplifies) to reinforce the employer brand ONE Chinabank ▪ Launched the Chinabank Museum Virtual Tour to deepen employee appreciation for Chinabank's heritage and strengthen alignment with the bank's values and cultural roots ▪ Launched the Library of Engagement Activities and Programs (LEAP), a centralized, insight-driven toolkit to support team engagement, collaboration, well-being, volunteerism, and professional growth |
|---|---|---|

HOW WE ENGAGED

THEIR CONCERNS

OUTCOME OF ENGAGEMENTS

**CAPITAL PROVIDERS: The providers of our capital and funding**

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ▪ Annual Stockholders' Meeting ▪ Quarterly analysts' briefing ▪ Group Strategy Update ▪ Participation in the SM Group's quarterly investor briefings | <ul style="list-style-type: none"> ▪ Shareholder returns ▪ Financial performance ▪ Continued growth and appropriate management of risks | <ul style="list-style-type: none"> ▪ Paid P6.7 billion in cash dividends ▪ Continuous fiscal and risk management improvements to enhance profitability and deliver dividends ▪ Timely and transparent updates and disclosures |
|---|--|--|

**COMMUNITIES: Our local neighborhoods, towns, people, and groups who can affect, or who are impacted by our operations**

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> ▪ Membership in industry groups ▪ Community dialogues ▪ Partnerships / sponsorships | <ul style="list-style-type: none"> ▪ Support for projects and initiatives ▪ Collaboration | <ul style="list-style-type: none"> ▪ Participation in and support of worthy causes ▪ Continuous enhancement of community relations |
|---|---|--|

**REGULATORS: Government agencies or authorities whose rules and standards we comply with and uphold**

- | | | |
|--|---|--|
| <ul style="list-style-type: none"> ▪ Regular audits and reports ▪ Regular Bangko Sentral ng Pilipinas (BSP) examination ▪ Regular correspondences through letters and e-mails | <ul style="list-style-type: none"> ▪ Transparency and accountability ▪ Compliance with relevant Philippine laws, rules, and regulations | <ul style="list-style-type: none"> ▪ Prompt response to inquiries and requests for explanation on certain matters ▪ Timely and transparent disclosures and regulatory compliance reports ▪ Annual conduct of internal and external audits |
|--|---|--|

**SUPPLIERS: The partners where we source our goods and services**

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> ▪ Online and face-to-face meetings ▪ E-mail correspondences ▪ Accreditation and bidding process | <ul style="list-style-type: none"> ▪ Procurement policies | <ul style="list-style-type: none"> ▪ Prompt response to inquiries and requests for explanation on certain matters ▪ Timely and transparent disclosures and regulatory compliance reports ▪ Annual conduct of internal and external audits |
|---|--|--|

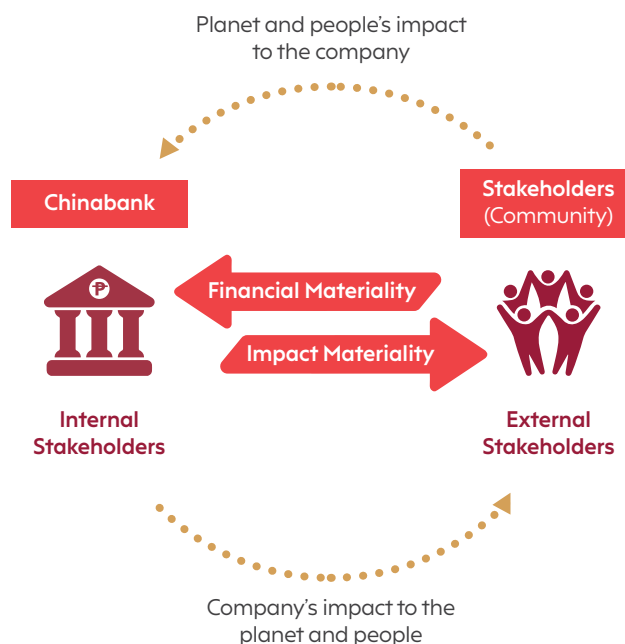
Materiality Assessment

2-29, 3-1, 3-2

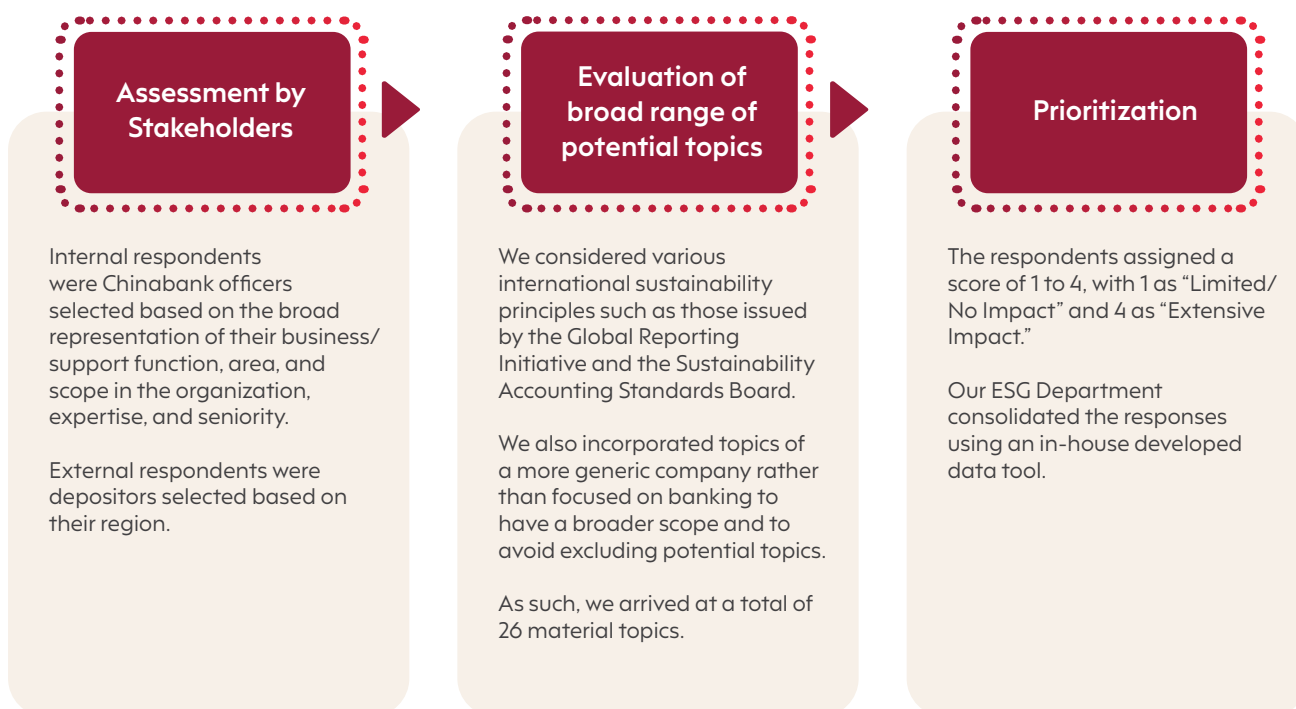
For a holistic view of our environmental and social impact, we conducted an enhanced double materiality assessment. This process allows us to understand how sustainability-related topics influence our financial performance while helping us identify trends, anticipate emerging issues, and optimize our resource allocation.

By utilizing a double materiality approach, we have integrated the diverse perspectives of both our internal and external stakeholders into the assessment/formulation of sustainability-related material topics.

Through this lens, we evaluated our sustainability priorities from two critical perspectives.



This enhanced assessment helps reflect priority issues better as well as the bank's exposure to sustainability- and climate-related risks and opportunities through the eyes of our stakeholders.



Each materiality topic was also evaluated in alignment with the double materiality principles.

For impact materiality

- Scale – How severe is the impact?
- Scope – How widespread is the impact?
- Likelihood – What are the chances the impact could happen?

For financial materiality

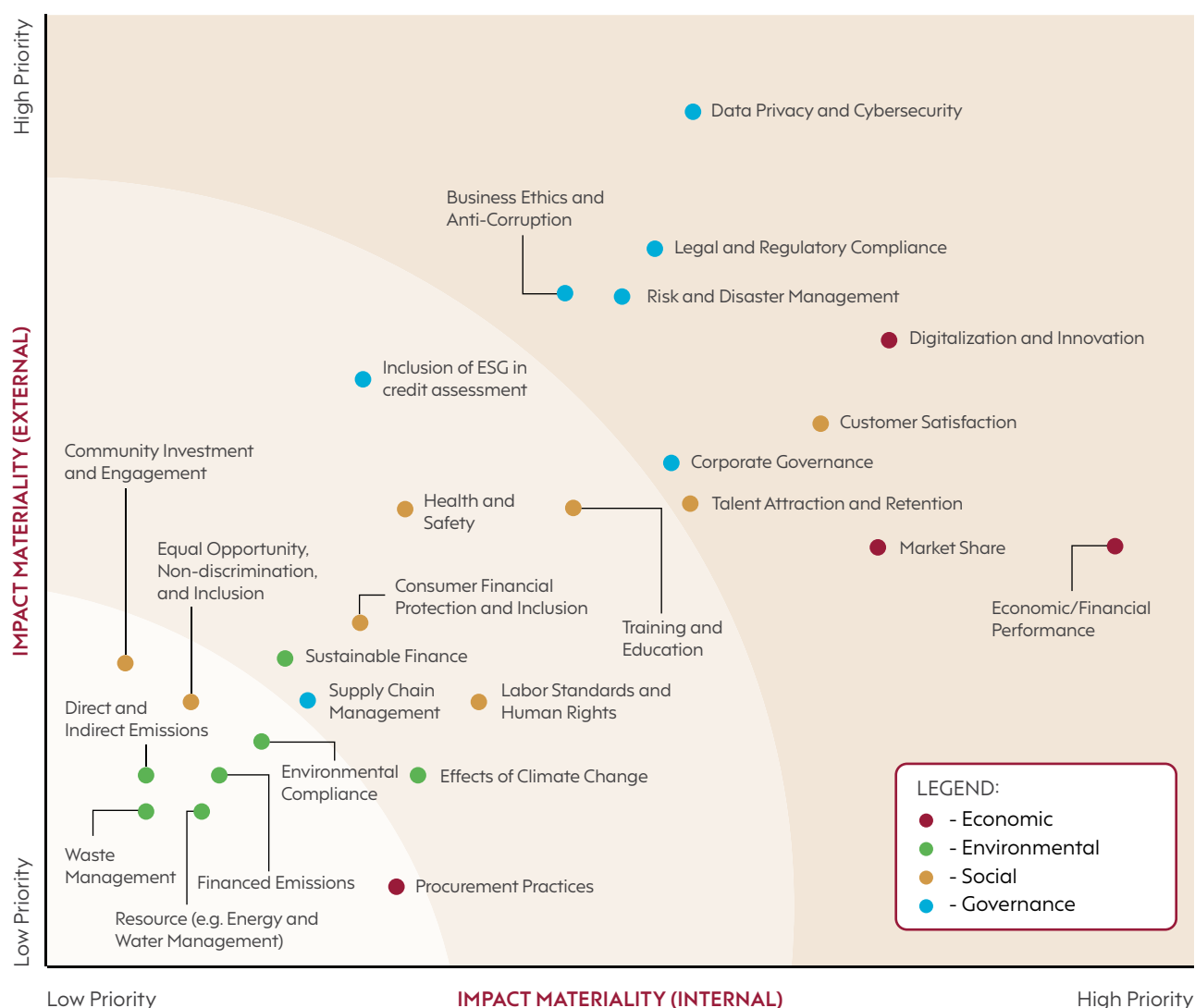
- Magnitude – What is the extent of the impact?
- Likelihood – What are the chances the impact could happen?

Focusing on the topics that matter most:

The following are the top ten material topics:

1. Economic/Financial Performance
2. Data Privacy and Cybersecurity
3. Digitalization and Innovation
4. Legal and Regulatory Compliance
5. Customer Satisfaction
6. Market Share
7. Risk and Disaster Management
8. Business Ethics and Anti-Corruption
9. Corporate Governance
10. Talent Attraction and Retention

This graph shows the prioritization of all the material topics from the perspective of our internal and external stakeholders:



The materiality assessment indicates that economic/financial, ethical, and governance issues are the highest priorities for both internal and external stakeholders. Social topics are categorized as moderate concerns, while environmental-related issues are ranked as the lowest priority.

This is consistent with Chinabank's profile as a financial institution. Our primary impact is driven through our economic influence and role in advancing social progress, whereas our direct environmental footprint—limited largely to the consumption of energy and water in office operations—remains relatively small.

Our Approach

2-22, 2-23

The vastness of the global sustainability agenda requires a focused, localized response. Rather than attempting to address every facet, we focus on material areas where our intervention generates the highest impact. Given the Philippines' exposure to extreme weather events, we acknowledge that climate-related risks have the potential to impact our financial health—specifically through loan exposures in high-risk regions and the operational costs of climate adaptation. Thus, sustainability and climate-related risks and opportunities are factored into our financial planning, ensuring that our growth strategy is sound and calibrated for the environmental realities of our geography.

The table below shows the identified sustainability- and climate-risks and opportunities faced by Chinabank:

RISKS	OPPORTUNITIES
▪ Physical Risks: - Lending & Investment: Increased credit risk due to the potential negative effect of climate or geohazards to the nature and location of the borrowers' businesses (e.g., in agriculture, real estate). - Own Operations: Potential damages to bank's branches, data centers, and other infrastructure due to extreme weather events like floods, heat waves, or droughts. ▪ Transition Risks: - Lending & Investment: Devaluation of borrower's assets or collaterals related to fossil fuels or other environmentally harmful industries as the economy transitions to low-carbon alternatives. - Regulation & Compliance: Failure to comply with new and more stringent climate-related regulations, which can lead to fines and legal issues. - Market & Reputational Risk: Public criticism or stakeholder pressure due to weak sustainability performance that can damage the bank's reputation, thereby reducing customer loyalty, and impact access to capital. - Supply Chain: Potential negative impact associated with the bank's own suppliers or third-party vendors who may not be adhering to environmental and social regulatory standards. ▪ Social Risks: - Human Capital: Potential concerns over the working conditions within the bank's own operations or its financed borrowers/projects.	▪ New Product Offerings & Areas of Market Growth: - Green and Social Finance: Increase exposures to financial products/services that focuses in supporting projects that foster positivity on the environment, social or both. - Financial Inclusion: Expanding or introducing new services to the underserved market segments. - Sustainable Investing: Attract a growing investor base that has demands for sustainable investment. ▪ Enhanced Risk Management & Resilience: - Operational Resilience: Proactively addressing E&S risks to ensure long-term financial stability and profitability. - Lower Default Risk: Enhance assessment by including E&S risks of borrowers to lower individual and portfolio default risk. ▪ Strategic Positioning & Efficiency: - Differentiation: As the general population becomes more conscious on sustainability, banks that embed the principles into their way of business tend to differentiate themselves in increasingly competitive markets, attracting more deposits and loans. - Operational Efficiency: Implementing resource conservation and emission-reduction technologies can lead to operational cost savings.

Our holistic sustainability strategy spans the entire value chain, from internal operations to downstream lending and investments. We recognize that climate transition risks—such as regulatory shifts and the migration toward a low-carbon economy—act as multipliers for credit and operational vulnerabilities by increasing client compliance costs and devaluing carbon-intensive assets. By embedding these factors into our strategic framework, we proactively evolve our business model toward green financing and sustainable infrastructure. This integration transforms systemic risks into opportunities for new revenue streams and enhanced operational resilience, ensuring our long-term financial performance remains robust within the Philippines' changing economic landscape.

To give clarity on how we approach sustainability, our view is as follows:

Chinabank's Sustainability Strategy is to support our vision and mission through responsible **Value Creation** activities that **Contribute** to the environment and society, while being **Resilient**.

In doing so, we shall operate under conditions that are **Viable** to the company and the community. We will ensure that our contributions are **Equitable** to the environment and society, and that risks are **Manageable**.

Our actions and decisions shall be governed by our Corporate Governance and Risk Management framework.

With this direction in place, we have been progressively integrating sustainability principles on three fronts: through value creation, through our contribution, and by being resilient.



VALUE CREATION

We go beyond our Corporate Governance Manual by aligning our operations and policies with sustainable practices. This ensures we create value not only through ethical leadership but through enhanced financial resilience and a stronger competitive position.

We are committed to enhancing operational eco-efficiency by optimizing energy consumption and adopting green building standards to drive cost savings and minimize our direct environmental footprint.

We encourage a culture of sustainability through our training programs and by linking business units' goals to material sustainability issues.

CONTRIBUTION

We established our Sustainable Finance Framework to integrate environmental, social, and governance (ESG) factors into our financial decision-making, aligning our investment strategies with sustainable, inclusive economic growth.

Through this framework, we prioritize "Contributions" that advance environmental sustainability and social equity. By moving beyond conventional financial metrics, we institutionalize the assessment of ESG factors—ranging from climate resilience and labor rights to corporate transparency—as fundamental components of our investment strategy.

RESILIENT

Through our E&S Risk Management Framework, we proactively monitor and mitigate environmental, social, and climate-related risks to ensure the long-term resilience of our assets and operations.

We have made resiliency a cornerstone of our leadership by fully incorporating our E&S Risk Management Framework into our Sustainability Strategy and broader enterprise risk systems.

This integrated approach ensures we remain compliant, responsible, and sustainable for the long term.

Sustainability Focus Areas

We proactively consider the trade-offs between sustainability- and climate-related risks and opportunities, thus we set our risk appetite on the following focus areas and integrate them into our business strategies and activities.

AREA	We have HIGH appetite in increasing our:	We have NO appetite in any:
 Climate Change	Exposures to clean and renewable energy activities.	Exposures that are in violation of the Directives of the Department of Energy.
 Environment	Exposures under the Environment Category of Chinabank's Sustainable Finance Framework.	Exposures that violate environmental laws and regulations.
 Social	Exposures under the Social Category of Chinabank's Sustainable Finance Framework.	Exposures to activities that violate human rights.
 Governance	Exposures to activities that promote good governance practices.	Exposures to companies (or its personalities) with serious adverse information.

Note: "Exposures" mentioned in the table are in terms of loans and investment

Recognizing Chinabank's pivotal role in advancing sustainable development—particularly in a nation among the most vulnerable to climate change—we have established concrete timelines and targets for our strategic operations and portfolio exposures. Detailed disclosures on these commitments are available in the Metrics and Targets section of this report.

Sustainable Finance Framework

203-1, 203-2

To ensure that our financial decision-making and contribution to sustainability are aligned with our financing activities, we established a Sustainable Finance Framework (SFF) that would enable us to use ESG factors in identifying eligible projects in our financing, refinancing, and investment processes.

Our SFF follows the Green, Social, and Sustainability Bond Principles issued by the International Capital Markets Association as well as the ASEAN Capital Markets Forum's Green and Social Bond Standards. In addition, the SFF incorporates various taxonomies as supplementary references for classifying eligible projects. As a result, each project category has specific ESG criteria that will help in identifying investment opportunities eligible for sustainable financing.



ENVIRONMENTAL PROJECT CATEGORIES

- 1 Renewable Energy
- 2 Energy Efficiency
- 3 Pollution prevention and control
- 4 Environmentally sustainable management of living natural resources and land use
- 5 Terrestrial and Aquatic biodiversity
- 6 Low carbon transport
- 7 Sustainable water and wastewater management
- 8 Climate change adaption
- 9 Circular economy adapted products, production technologies and processes
- 10 Green buildings

SOCIAL PROJECT CATEGORIES

- 1 Affordable basic infrastructure
- 2 Affordable housing
- 3 Food security and Sustainable food distribution
- 4 Access to Essential services
- 5 Employment generation and unemployment alleviation
- 6 Socioeconomic advancement and empowerment

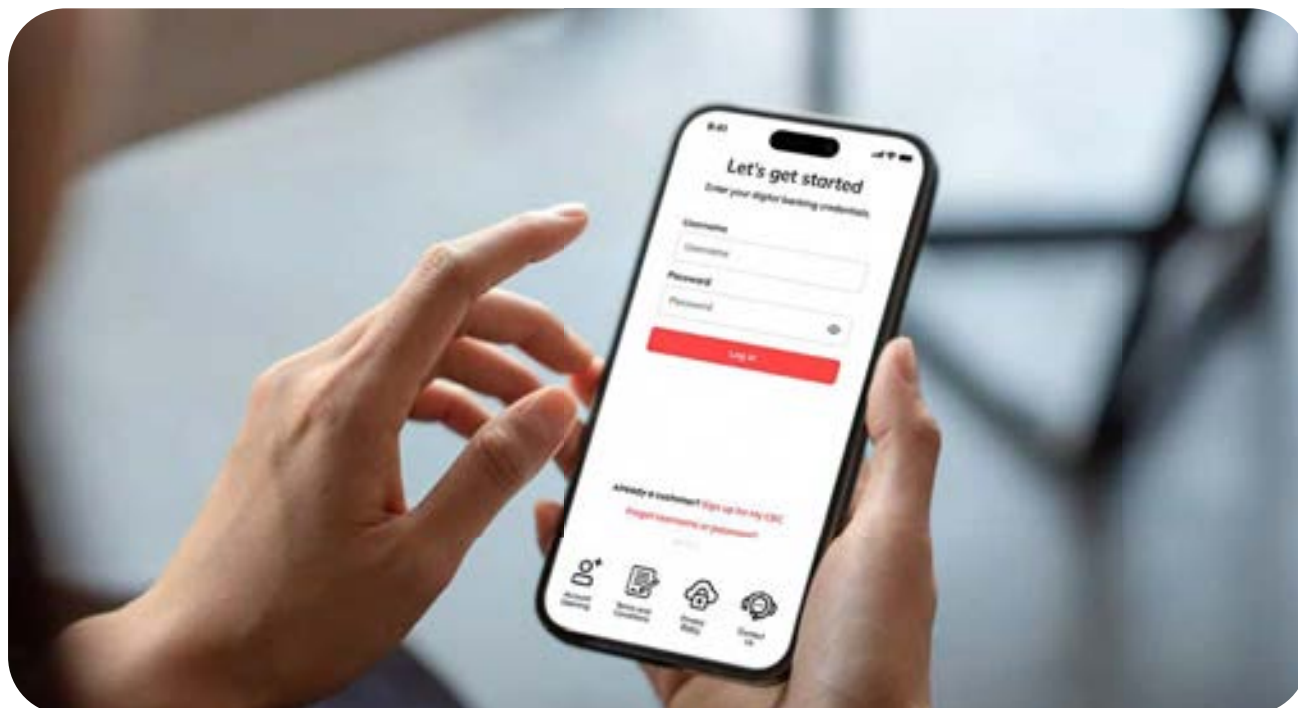
For example, under the SFF, a project category under green buildings may only be considered if the building is certified by a globally-recognized green building certification system that promotes sustainability, energy efficient, and healthy construction. Projects that do not fall under the eligible project categories, or projects that do not satisfy the established ESG criteria within each project category, will not be considered as sustainable finance. The SFF also has an exclusion list that it deemed either destructive, unethical, or have extremely high ESG risks. As a process, eligible projects are reviewed by the ESG Department to confirm that they meet the ESG criteria of the Framework.

Our contributions to United Nations Sustainable Goals are listed on pages 70 to 73 of this report.

Fortifying Trust: Our Commitment to Cybersecurity and Data Privacy

3-3, 410-1, 418-1

Trust is a very valuable currency. As we accelerate our digital transformation and expand our online service capabilities, we remain steadfast in our commitment to safeguarding the personal and financial information of our stakeholders. Our approach to cybersecurity and data privacy is not merely about compliance; it is a foundational pillar of our operational resilience and a key component of our brand promise.



A PROACTIVE DEFENSE STRATEGY

Throughout 2025, we continued to evolve our defense-in-depth strategy to counter increasingly sophisticated cyber threats. We have invested significantly in advanced threat intelligence and AI-driven monitoring systems that provide real-time visibility into our network, allowing us to detect and neutralize potential vulnerabilities before they can be exploited.

Our Information Security and Data Privacy Division (ISDPD) is responsible and accountable for our Cybersecurity Program, which is aligned with government and industry best security practices, and continuously monitors and protects our systems against cybersecurity threats. ISDPD regularly provides our Risk Oversight Committee with reports on information security risk,

the performance of our cybersecurity controls, updates on significant internal and external cybersecurity events, and the existing controls and response efforts to mitigate or contain those events from adversely affecting the bank.

Our IT Team (Chinabank Properties & Computer Center, Inc.), led by the Chief Information Officer, works hand in hand with the ISDPD and the Risk Management Group in managing and implementing the bank's IT security controls effectively. To continuously strengthen our cybersecurity foundation and defense, various security assessments and penetration testing of our IT systems are regularly conducted by both reputable local and international independent security firms, complemented by the specialized testing and validation efforts of our in-house Cybersecurity Team.

SAFEGUARDING INFORMATION

Our commitment to data privacy is woven into the fabric of our operations, ensuring that as we innovate, we remain steadfast in our duty to protect the personal and financial data of our stakeholders. The Office of Data Privacy (ODP), led by the Group Data Privacy Officer (DPO), serves as the architect of Chinabank's robust data protection environment. Entrusted with the mandate to oversee and safeguard the bank's most sensitive information, the ODP balances rigorous oversight with collaborative support.

The ODP continued its track record of excellence in the 2025 Service, Standards, and Quality Survey, driven by a commitment to upholding service level agreements and high-quality consulting. By providing seamless due diligence support across all business units, the ODP has been instrumental in minimizing project delays while ensuring that every institutional initiative meets the highest regulatory standards and industry best practices.

Leading the way for the industry, our DPO collaborated with the Bankers Association of the Philippines to launch the first-ever data privacy program designed exclusively for banking professionals. The curriculum focuses on the distinct nuances of financial data protection, ensuring that participants transition seamlessly from basic concepts to advanced strategies, fostering a deeper, more sustainable level of expertise across the banking community.

CULTIVATING A CULTURE OF VIGILANCE

We believe that the strongest firewall is an informed and vigilant community. We maintain a robust cybersecurity posture focused on three key areas: internal readiness, vendor integrity, and customer empowerment.

All new employees complete comprehensive information security and data privacy training before accessing institutional IT systems, a foundation that is reinforced through mandatory annual e-learning for all staff. To ensure constant vigilance, we supplement these programs with regular security advisories on emerging cyber threats. For our specialized Cybersecurity and IT teams, 2025 focused on advanced upskilling in threat defense, cloud security, and incident response.

Beyond our internal teams, we conduct rigorous third-party due diligence and assessments to ensure our partners uphold the same high standards of data protection. We also extend this protection to our stakeholders, fostering a culture of collective defense. Through our website and social media channels, we lead active cybersecurity campaigns that empower customers with the tools to safeguard their personal information and identify sophisticated digital scams.

By harmonizing cutting-edge technology with a culture of shared responsibility, we ensure that our customers can navigate their financial journeys with total confidence, knowing that their digital assets are protected by a world-class security infrastructure.

Digitalization and Innovation: Shaping the Future of Banking

Our innovation strategy is driven by a singular goal: to blend the speed and convenience of modern technology with the deep-seated reliability our customers have trusted for over a century. By prioritizing agile development and customer-centric design, we are not just keeping pace with the digital revolution—we are defining our place within it.

In 2025, we advanced our digital transformation agenda by deploying innovative, data-driven solutions that enhance customer experience, improve operational efficiency, and strengthen revenue streams through secure, scalable, and integrated digital capabilities:

- **Digital Channels**
Launched My CBC, our omni-channel banking platform. My CBC offers online account opening, self-service onboarding, payee and biller management, and mobile check clearing, complementing our existing mobile and internet banking services.
- **Digital Onboarding**
Introduced digital onboarding for deposit accounts via the My CBC Mobile App. For credit cards, implemented instant approval and issuance within 30 minutes, now available in select SM Supermarkets and Landers stores.
- **Low-Code/No-Code Development**
Adopted low-code/no-code platforms to accelerate application development, enabling rapid prototyping and faster time-to-market while improving stakeholder engagement through early solution validation.
- **API Integration Platform**
Deployed an enterprise-grade API platform for secure integration across internal systems and external partners. Features include online authorization, token validation, subscription key management, built-in analytics, and auto-scale capabilities.



- **Process Automation**
Rolled out Robotic Process Automation (RPA) to streamline key processes, reduce turnaround times, and improve productivity. Initially implemented in Finance, RPA now benefits multiple business units by automating routine tasks and freeing staff for higher-value work.

As technology continues to evolve at an unprecedented pace, we remain committed to leveraging emerging technologies to meet growing digital business demands and deliver superior customer experiences.

EMPOWERING THE MODERN CUSTOMER

The centerpiece of our 2025 digital expansion was the continuous enhancement of our mobile and online platforms, My CBC. Redesigned and upgraded to put a full suite of banking services directly into our clients' hands, My CBC now has:

- Mobile check deposit capability
- Credit card lock and unlock functionality
- Advance branch appointment scheduling
- Quick access to MCBL and CIBL websites
- Streamlined registration process for CASA and credit card clients

And for those without a Chinabank account yet, they can use My CBC's Online Account Application feature to quickly set up their first Chinabank ATM account or Chinabank OKS Peso Savings account with just one valid ID.

These enhancements ensure that My CBC meets our customers' evolving needs and expectations. Consequently, My CBC has earned high ratings and positive feedback across major app stores, a success we sustain through unwavering attention to security without compromising convenience and speed.

From the seamless onboarding of new accounts to the real-time management of investments, we have eliminated friction at every touchpoint. The expansion of our digital payment ecosystem reflects our commitment to providing a lifestyle-integrated banking experience that is as intuitive as it is powerful.



MEASURED SUCCESS AND GROWTH

Our digital-first strategy yielded significant results in 2025. Digital enrollments grew 20% year-on-year, bringing our digital penetration rate to 35% by December. Transactions through the My CBC app and web platforms accounted for 60% of total transactions during the year.

Moving forward, we remain committed to investing in the technology and security necessary to deliver a modern, secure, and outstanding digital banking experience.

INNOVATION BEYOND THE INTERFACE

Our digital transformation extends far beyond customer-facing apps. We have modernized our core infrastructure by integrating Artificial Intelligence (AI) and Machine Learning (ML) to optimize back-end operations. These technologies now power our credit scoring models, automate routine administrative tasks, and provide deep data insights that allow us to offer hyper-personalized financial solutions. By digitizing critical workflows, we have significantly improved operational speed while reducing our environmental footprint.

ESTABLISHING ENTERPRISE AI THROUGH SCALABLE GENAI PLATFORMS AND TRUSTWORTHY INTELLIGENCE

Over the past year, our Innovation and Transformation Segment (ITS) has focused on operationalizing Artificial Intelligence (AI) responsibly and at scale, moving beyond experimentation toward production-grade, governed AI solutions that deliver tangible value to both employees and customers. With strong foundations in data governance, security, and cloud architecture, our AI initiatives emphasize:

- Practical adoption over novelty
- Trust, accuracy, and explainability
- Human-centered design and user experience
- Alignment with regulatory and ethical expectations

These efforts support our long-term objective of becoming a truly customer-focused, insight-driven bank, where AI augments decision-making, improves service quality, and enhances productivity, without compromising trust or accountability.

Our AI strategy is anchored on agile delivery, continuous validation, and measurable outcomes to ensure that innovation translates into real business and operational impact.

A CULTURE OF CONTINUOUS EVOLUTION

Innovation at Chinabank is not just about technology; it is about mindset. We have fostered an internal culture of “innovation-led growth,” encouraging our teams to challenge existing paradigms and explore emerging technologies like blockchain and cloud-native architecture. Through strategic partnerships and investments in fintech ecosystems, we are ensuring that Chinabank remains at the forefront of the industry’s evolution. As we move forward, we continue to bridge the gap between our rich heritage and a digital future, ensuring that every innovation we deploy serves to strengthen the financial well-being of our customers.

KEY AI INITIATIVES

▪ Enterprise GenAI Enablement: CHIB GPT 2.0 (GPT-4 Powered)

CHIB GPT 2.0, now powered by GPT-4, serves as Chinabank’s enterprise GenAI platform. It securely ingests documents from multiple departments, enabling accurate, contextual, and governed access to internal knowledge. The platform supports faster information retrieval, improved decision-making, and higher employee productivity.

▪ Responsible AI Governance & AI Policy

AI team established an AI Policy to provide a governance framework for the responsible, ethical, and secure use of AI. The policy defines standards for risk management, transparency, human oversight, and accountability, ensuring that AI initiatives are aligned with regulatory expectations and the bank’s values.

▪ Established an internal School of Data Science and AI

To institutionalize AI capability building across the organization. Through structured learning programs, hands-on labs, and

applied use cases, the School of DSAI equips employees with foundational to advanced AI skills, ethical AI awareness, and practical understanding of human-in-the-loop decision-making.

▪ Other AI Capabilities (Supporting & Enabling Initiatives)

In addition to core GenAI enablement and governance, the AI team has implemented supporting AI capabilities that enhance trust, quality, and insight generation across use cases:

- **GenAI Quality & Trust Scoring:** A GenAI scoring framework was implemented using Microsoft Copilot Studio to assess AI responses for accuracy, usefulness, user experience, and safety, supporting consistent quality and trusted outputs.
- **Sentiment Analysis & Text Intelligence:** AI-driven sentiment analysis is used to derive insights from unstructured feedback and survey data, enabling trend identification and deeper understanding of customer and employee sentiment.

Building on these foundations, our AI roadmap focuses on:

- Expanding GenAI use cases with stronger domain specialization
- Enhancing explainability, human oversight, and risk controls, enabled by the Chinabank School of Data Science and AI
- Integrating AI more deeply into business workflows and customer journeys
- Continuing alignment of AI governance alignment with BSP and global AI standards

Through disciplined execution and responsible innovation, we continue to advance AI as a strategic capability, driving smarter decisions, better experiences, and sustainable value.

Championing the Customer: Elevating Service Standards in 2025

At Chinabank, customer satisfaction is the ultimate metric of our success. In 2025, we embarked on an ambitious journey to redefine our service delivery, ensuring that every interaction—whether in a physical branch or through our digital platforms—is characterized by efficiency, empathy, and excellence.

CUSTOMER RELATIONSHIP MANAGEMENT

In 2025, we marked a key step in our digital transformation with the launch of the Customer Relationship Management (CRM). This Minimum Viable Product (MVP) release is part of a multiyear effort to modernize our frontline operations, bring customer interaction in one place, and equip Sales, Service, and Marketing teams with smarter tools to improve customer experience.

- **Service**
To enhance operational efficiency, we introduced inbranch digital account opening for frontliners, reducing manual processing and minimizing system toggling. Also, through the CRM platform, we have begun unifying our case management processes, enabling faster and more accurate handling of customer requests through revamped case routing logic.
- **Sales**
The MVP's Sales module introduced streamlined pipeline and opportunity management capabilities, strengthening our ability to engage customers with relevant financial solutions. Laying the foundation to the standardized sales processes. These developments lay the groundwork for advanced advisory capabilities that will scale as additional data sources and automation features are onboarded.
- **Marketing**
The MVP also introduced foundational marketing capabilities that strengthen our ability to deliver meaningful and personalized communications. It established the first layer of omnichannel engagement, supporting email and SMS while setting the groundwork for future custom channel integrations.

LISTENING TO OUR CUSTOMERS

We leverage our year-round Customer Satisfaction Survey to gain actionable insights into our client's needs. In 2025, the survey previously covering branch, credit card, consumer loans, and cash management services—was broadened to cover mobile banking, remittance, and our Customer Contact Center, achieving full coverage across eight key service areas. These findings guide the continuous evolution of our high-touch, high-tech approach, allowing us to enhance service delivery across every touchpoint.

- **Customer Satisfaction Survey General Data**
We gathered a total of 37,752 valid customer satisfaction responses. Branch services achieved a 90% Overall Satisfaction (OSAT) rating, reflecting strong client approval of in-branch experiences, complemented by a 96 Net Promoter Score (NPS) that signals high willingness among branch clients to recommend Chinabank.

Data	Value
Branch (OSAT)	90%
Branch NPS	96

- **Digital Transformation of the In-Branch Survey**
The Branch Customer Feedback Survey's shift to fully online submissions is delivering richer, more actionable data. Online respondents are 1.36x more likely to share suggestions and 2.87x more likely to report complaints compared to their hard copy counterparts, confirming that digital channels capture significantly more candid and detailed feedback. Online feedback submissions grew 17% year-on-year.

Data	Value
Likelihood to share suggestions	1.36x
Likelihood to share complaints	2.87x
Increase in online feedback submissions (Versus 2024)	17%

▪ Client Feedback

Across all feedback sources—surveys, social listening, and relevant Customer Contact Center interactions—Chinabank captured 6,197 non-routine verbatim feedback entries in 2025. The My CBC mobile application was the dominant topic, accounting for 88% of all verbatim feedback (5,483 entries), underscoring how central the app has become to the customer experience.

Data	Value
Total count of verbatim feedback	6,197
Top verbatim feedback category	My CBC
Count of My CBC feedback	5,483
Proportion of My CBC feedback	88%

More importantly, client feedback helped shape product development throughout the year. Notable features delivered in response to customer input include card lock and unlock, Android transaction screenshot functionality, fully self-service mobile account opening for savings and OKS accounts for OFW customers, mobile check deposit, and app performance enhancements. The app also introduced electronic Statements of Account (eSOA) for savings, checking, and credit card accounts—reducing paper-based requests from branches and supporting the bank's sustainability goals.

TRANSFORMING THE CUSTOMER CONTACT CENTER

May 2025 marked a pivotal turning point for our Customer Contact Center (CCC) with a strategic reorganization designed for service specialization. By realigning our teams and implementing a new outsourcing model for inbound channels, we achieved a remarkable recovery in service availability.

Despite the 36% year on year growth in call volume, CCC's Inbound Answer Rate soared from a first-half average of 63% to a resilient 90% in the second half, stabilizing at 88% since the reorganization—a massive leap from the 25% recorded in January. Service level followed this upward trajectory, jumping from 31% to 66%, with a significantly higher percentage of calls being answered in less than a minute.

Furthermore, we strengthened our specialized support channels:

- **Branch Support (BCS Hotline)**
Performance grew tenfold, with handled calls increasing from 250 to 2,600 per month, providing our branches with the back-end support they need to serve clients faster.
- **Non-Voice (NVD) Efficiency**
Even with a 50% increase in email volume, CCC achieved a 99% handled rate and reduced Turnaround Time (TAT) to 1.3 business days, well ahead of the 2-day industry standard.
- **VIP Concierge**
CCC maintained a perfect 100% answer and handled rate, consistently exceeding SLA standards for our most affluent clients.

CONSUMER PROTECTION AND ASSISTANCE

3-3

We make consumer protection the foundation of our service, anchoring every interaction in trust and transparency. By integrating rigorous security with swift redress mechanisms, we strictly uphold Bangko Sentral ng Pilipinas (BSP) standards while championing consumer rights. Through proactive financial education and fraud prevention, we empower our customers to bank with confidence, honoring our commitment to integrity and excellence.

We maintain a robust, centralized system for capturing and addressing customer concerns, ensuring no voice goes unheard. The Board of Directors oversees our Consumer Protection Risk Management System and Consumer Assistance Mechanism, while Management ensures daily operational compliance. The Customer Contact Center (CCC), led by the Chief Consumer Assistance Officer, manages all support channels and reports consolidated complaints to the Risk Oversight Committee via the Risk Management Group. To drive continuous improvement, the Service Standards & Quality Department works with customer-facing units to ensure vital client feedback is captured and communicated directly to product and service owners.

We provide convenient and accessible channels for support, feedback, and reporting:

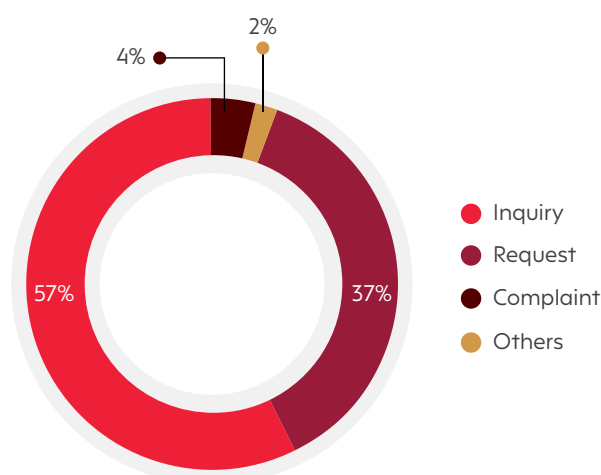
- **Inquiries, Complaints, and Feedback**
Available via the Chinabank Hotline, our website's "Contact Us" page, mail, email, social media, and Viber (see page 172).
- **Fraud and Whistleblowing**
Reports on fraudulent activities or unethical behavior can be made through the Chinabank Hotline or our dedicated whistleblowing channel (page 95).

In 2025, CCC managed almost 970,000 interactions—a 46% increase from the previous year—driven primarily by the Chinabank Hotline and email.

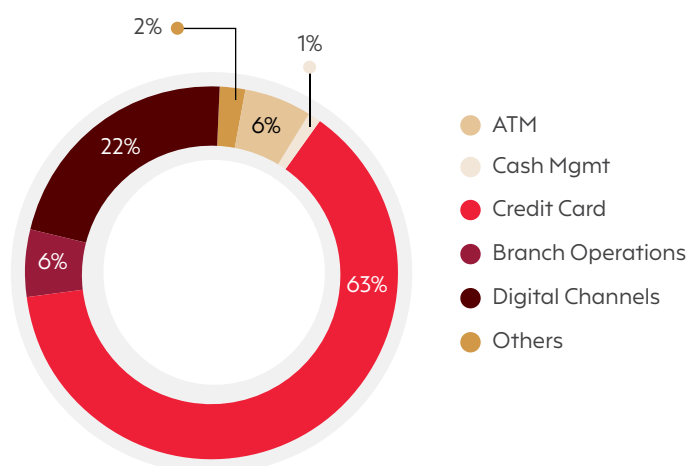
- Inquiries (57%) and service requests (37%) constituted the bulk of these interactions, while complaints remained minimal at just 4%.
- Most concerns centered on mobile banking and credit cards, mirroring the steady growth of our digital user base and credit card portfolio.

We strive for swift and proper resolution that meets both BSP standards and our customers' expectations. Our 2025 results reflect this efficiency, with 96% resolved within target TAT for simple complaints and at 100% for complex ones.

Interactions by Case Type



Interactions per Business Unit



Human Capital: Empowering the Chinabank Workforce

Our people are our most important asset, and our focus extends beyond building a productive and highly skilled workforce. We are committed to empowering our employees to reach their full potential within a safe, inclusive, and respectful work environment. We also promote social responsibility and community stewardship by providing opportunities for employees to participate in and contribute to environmental and social development programs.

Our people initiatives in 2025 were anchored on Chinabank's three People Agenda Pillars: Employee Experience, Leadership & Culture, and Future-Ready Workforce. Across these pillars, we continued to strengthen our established people practices while evolving them to address changing employee needs, shifting business priorities, and the demands of the future of work.

PEOPLE MANAGEMENT

2-7

In 2025, we strengthened our established people management practices by further improving process efficiency, reinforcing its organizational culture, ensuring competitive total rewards, and delivering a more seamless employee experience. These priorities continued to serve as key enablers of workforce resilience, operational excellence, and long-term sustainability—ensuring that Chinabankers remain supported, aligned, and empowered to perform at their best.

■ HR Process Transformation

A major milestone of the year was the launch of SynchROne, Chinabank's integrated, cloud-based Human Capital Management System. This initiative simplified HR processes, created a single source of truth for people data, improved efficiency for employees and leaders, and reduced reliance on paper-based transactions—significantly enhancing the overall employee experience.

■ Culture and Leadership Development

The One Chinabank Way Program reinforced the Bank's shared purpose, values, and consistent ways of working. Complementing this, the On TIME Leadership Brand (Transcends, Inspires, Motivates, and Exemplifies) further embedded ethical leadership, accountability, and behavioral consistency across the organization.

■ Psychological Safety and Well-being

To promote a psychologically safe and inclusive work environment, the MindfulNest Programs provided open dialogue opportunities, safe learning spaces, and holistic well-being support. These efforts enabled Chinabankers to bring their best selves to work and contribute meaningfully to high-performing teams.

■ Onboarding and Connection

Piloted in 2025, the Chinabank BUDdy for Chinabankers (CBC) Program brought to life the One Chinabank commitment of "One Chinabank for Others and One Another." Through pairing new hires with experienced colleagues, the program strengthened early connection, collaboration, and a sense of belonging from Day One of employment.

Collectively, these initiatives enhanced leadership capability, strengthened consistency in people practices, and cultivated a supportive culture where Chinabankers can grow and thrive.

EQUAL OPPORTUNITY

2-8, 3-3, 405-1, 406-1

Anchored on Chinabank's commitment to employee experience and culture, our approach to equal opportunity in 2025 centered on sustaining an inclusive and equitable workplace where respect, fairness, and participation are embedded in everyday people practices. By fostering psychological safety and encouraging diverse perspectives, we continued to cultivate an environment where opportunities are accessible and contributions are valued.

▪ Inclusive Awareness and Celebration

We observed key national and international days of significance—including International Women's Day, Pride Month, International Men's Day, and Employee Appreciation activities—providing spaces for awareness, dialogue, and appreciation of diversity across the organization.

▪ Representation and Participation

Employee representation was strengthened through the increased participation of Chinabankers as talents in both internal and external marketing communication platforms, promoting visibility and inclusivity regardless of role, function, or location. These efforts reinforced a culture of respect, belonging, and equal opportunity across the Bank.

Through these initiatives, we sustained a workplace culture rooted in respect, inclusion, and equal opportunity for all.

OCCUPATIONAL SAFETY AND HEALTH (OSH) MANAGEMENT SYSTEM

3-3, 401-3, 403-1, 403-2, 403-3, 403-6, 403-7, 403-8

Our commitment extends to nurturing the physical, mental, and emotional well-being of our workforce. Our safety, health and wellness initiatives are thoughtfully designed to strengthen both physical vitality and emotional resilience, ensuring every employee feels supported, valued, and empowered.



We have established Safety and Health policy guidelines to provide our employees with a safe and healthy working condition and in compliance with Republic Act No. 11058, Department Order 252-25 or the Revised Implementing Rules and Regulations of Republic Act No. 11058 and other pertinent issuances, rules and regulations. Since 2019, our Corporate Safety and Health Committee (CSHC) ensures the effective planning, development, monitoring, and implementation of safety and health programs, covering all employees.

At the minimum, we ensure that:

- All Safety Officers and First Aiders are trained/certified.
- All Unit Safety and Health Committee members undergo the required training.
- All medical staff are compliant with OSH Standards (i.e. Department of Labor and Employment (DOLE) required trainings)
- Timely submission of Employer's Work Accident Illness Report (WAIR), Annual Work Accident/Illness Exposure Data Report (AEDR), and Annual Medical Report (AMR) to DOLE.
- All Head Office establishments are duly registered with the Regional Office of DOLE, as required by OSH Standards Rule 1020.

- To be able to continually evaluate and improve our guidelines, the CSHC provides oversight and evaluation of our performance across 4 key pillars:
 1. Regulatory excellence by ensuring rigorous compliance with national and international safety mandates.
 2. Holistic health monitoring by conducting environmental hazard assessments and comprehensive medical screenings, to be evaluated by OSH experts in their development of future health programs aimed at addressing physical and mental well-being of our workforce.
 3. Proactive risk mitigation by strengthening the implementation and efficacy of preventive and control measures across all operations.
 4. Capacity Building by sustaining a culture of safety through robust education and specialized training initiatives.

Aside from these initiatives, we expanded our wellness initiatives to reach diverse employee groups across the country in 2025. We organized nationwide sports tournaments—including basketball, badminton, billiards, and bowling—to promote fitness, teamwork, sportsmanship, and camaraderie. Throughout the year, we also conducted in-person workshops and webinars on practical health topics such as lifelong skin care, office ergonomics, lifestyle-related diseases, seasonal illnesses, and more. A series of wellness sessions focusing on emotional health and overall wellbeing further strengthened our commitment to mental wellness.

To keep employees informed and protected, we regularly issued medical bulletins on common illnesses, including cardiometabolic diseases, diabetes, hypertension, dengue, pneumonia, chronic kidney disease, and urinary tract infections. We also provided timely updates on infectious diseases such as influenza, systemic viral illnesses, monkeypox, and hand-foot-and-mouth disease, as well as advisories on everyday health and safety topics like proper handwashing, safe motherhood, and animal bite management.

In March 2025, we partnered with the Makati Central Estate Association, Inc. (MACEA) and the Philippine Red Cross to host a mobile

blood donation drive, reinforcing our shared commitment to community service and public health.

Our employees continue to benefit from free, unlimited, and strictly confidential mental health consultations and psychological counseling through our in-house registered psychologist. Access to flu vaccinations at preferred rates—extended to their family members—remains available, along with year-round annual physical examinations and executive check-ups for all employees.

TALENT ATTRACTION

3-3, 401-1

By leveraging innovative and inclusive sourcing platforms, we continue to draw top-tier professionals, ensuring a resilient talent pipeline that supports Chinabank's future success.

In 2025, we intensified our hiring efforts to build a robust talent pool and further strengthen Chinabank's position as an employer of choice nationwide.

- **LinkedIn**
This past year, our Human Resources Group (HRG) expanded its use of AI messaging to improve recruiter outreach and candidate engagement. With nearly all recruiters (97%) using AI and 62% of InMails sent through it, the team saw a 7% rise in acceptance rates, leading to more effective and scalable talent conversations.

To amplify our employer brand, HRG also launched a LinkedIn challenge inviting new hires to share their onboarding experience using the hashtags #Chinabankcareers and #FocusedOnYou, helping showcase authentic employee stories and strengthen our visibility on the platform.

These initiatives contributed to a significant growth in our online presence, adding nearly 70,000 new followers (69,776 within the year) and bringing our LinkedIn community to 175,000 followers by year-end. As of December 31, 2025, LinkedIn accounted for 166 out of 913 total hires of the parent bank, representing 18% of its total recruitment.

Internal Recruitment Drive

We sustained a strong internal candidate pipeline through the parent Bank's employee referral program, with 48.6% of its hires coming from referrals.

Open Recruitment Program

Our intensified Open Recruitment Program included two major recruitment events in the National Capital Region and 14 onsite recruitment activities held across various Chinabank branches nationwide.

Chinabank once again earned a place in Prosple's Top 100 Employers for Fresh Graduates, maintaining its inclusion since 2023. This recognition highlights our unwavering commitment to developing young talent and reinforces our standing as an employer of choice.

In the 2026 rankings, Chinabank's strategic recruitment efforts and strong employer branding continued to distinguish the organization. Chinabank ranked:

- 15th in Overall Employer Reputation
- 10th in Reputation for HR & Recruitment
- 10th in Reputation for the Finance and Banking Career Pathway

These results affirm Chinabank's commitment to creating meaningful career opportunities for fresh graduates and sustaining a workplace where talent can thrive.

ENGAGEMENT AND RETENTION

2-25, 3-3, 401-1

In 2025, our talent engagement efforts continued to advance in support of a positive employee experience and a strong culture of connection. We focused on deepening engagement, strengthening work-life integration, and enhancing our employee value proposition—promoting commitment, well-being, and long-term retention.

Employee Engagement Enablement

The launch of the Library of Engagement Activities and Programs (LEAP) provided leaders with a centralized, insight-driven toolkit to support team engagement, collaboration, well-being, volunteerism, and professional growth.

Work-Life Integration

LEAP was complemented by Work-Life Integration (WLI) Programs, offering wellness-oriented and engagement activities delivered both onsite and virtually to ensure accessibility and nationwide reach.

Recognition and Belonging

Milestone celebrations, including the Chinabank's 105th Anniversary, honored 811 employees for their loyalty and contributions. Sports events, volunteer initiatives, and community engagement programs further strengthened camaraderie, pride, and a sense of belonging among Chinabankers.

External Recognition and Employer Branding

Chinabank's people initiatives earned external recognition, including the 2025 Silver Anvil Award for Employee Engagement for the One Chinabank Way Program. In the World's Best Companies of 2025 by TIME and Statista—a listing of the top 1,000 firms globally in terms of revenue growth, employee satisfaction, and sustainability—Chinabank ranked 882 (number 7 of 10 Philippine companies in the global list) with an employee satisfaction sub-rank of 639.

TRAINING AND EDUCATION

3-3, 404-1, 404-2

In 2025, Chinabank Academy continued to strengthen our commitment to continuous learning, capability building, and talent mobility. Through a comprehensive suite of strategic development programs, the Academy advanced leadership readiness, enhanced technical and sales competencies, and deepened employee engagement with Chinabank's brand and heritage.

Learning EDGE (Empowered Talents Driving Growth and Excellence)

Learning EDGE, Chinabank Academy's online learning platform developed in partnership with LinkedIn Learning, provides employees with on-demand access to thousands of high-quality courses spanning leadership, digital capabilities, business acumen, and personal effectiveness. The platform supports self-paced and personalized development,

fostering a strong learning culture and equipping Chinabankers with future-ready skills.

- **One Chinabank Way Workshop**

This one-day workshop aligns employees' personal branding with our refreshed brand promise, "Focused on You", and reinforces our employer brand, ONE Chinabank. The program strengthens consistent brand behaviors and highlights each individual's role in delivering an authentic and differentiated Chinabank experience.

- **Sales Training Programs**

A holistic suite of sales development programs that enhances selling capabilities, improve productivity, and sharpen customer service excellence. These trainings reinforce a culture of high performance and ensure that frontline teams are fully equipped to meet business goals. Designed for implementation throughout the branch network nationwide—following sequential training from Region Heads, Area Heads, and Branch Heads in 2024—the whole year of 2025 covered the Branch Cashiers to strengthen cross-sell efforts.

- **Branch Head Training Program**

A specialized development course designed to enhance the leadership, operational, and people management capabilities of Branch Heads. The program prepares Branch Heads to drive branch performance, lead effective teams, and uphold Chinabank's service standards.

- **Chinabank Museum Virtual Tour**

An immersive online experience that showcases the Bank's century-long legacy, historic milestones, and contributions to national progress. The virtual tour deepens employee appreciation for Chinabank's heritage and strengthens alignment with our values and cultural roots. Built to reach all Chinabankers nationwide, the virtual tour delivers an inclusive experience with a fresh, modern feel.



- **Junior Executive Development Program (JEDP)**

A structured leadership development pathway for high-potential middle managers at the Head Office. JEDP integrates advanced technical training with management and leadership development to build a strong pipeline of future leaders.

- **Chinabank-SM Foundation, Inc. Scholarship Program**

Launched in December 2024, this scholarship program supports the college education of deserving children of eligible staff and junior officers. The initiative promotes educational advancement, fosters inclusion, and underscores the Bank's commitment to empowering employees and their families.

CAREER ADVANCEMENT AND SUCCESSION

404-3

In line with our goal of building a future-ready workforce, we continued to strengthen our career development and succession practices in 2025 by expanding career pathways, continuously promoting internal mobility, and reinforcing leadership continuity. These efforts supported employee growth, organizational agility, and the sustained availability of capable leaders to meet future business needs.

- **Career Mobility and Exploration**

Programs such as Talent Mobility Boost, Career Jungle Gym, and the Internal Career Fair enabled employees to explore diverse career paths beyond traditional vertical progression.

▪ Cross-Functional Exposure

The Enterprise Mobility Fellow Program (EMFP) advanced workforce agility by providing short-term cross-unit assignments that expanded employee exposure, enhanced their skill sets, and allowed them to contribute to strategic initiatives.

▪ Performance-Based Advancement

These initiatives contributed to an overall promotion rate of 18.35%, reflecting Chinabank's commitment to recognizing performance, readiness, and potential. Leadership alignment and succession planning were further strengthened through CareerCon, which facilitated meaningful discussions on talent development and future leadership requirements.

ANNUAL PERFORMANCE EVALUATION

404-3

Chinabank operates a Performance Management System where officers and their leaders agree on Key Result Areas (KRAs) at the beginning of the year. Each KRA is defined by clear objectives, deliverables, and measurable indicators linked to performance ratings. Year-end evaluations assess performance against these agreed KRAs, ensuring individual goals align with the Bank's strategic priorities.

RETIREMENT POLICY

201-3, 404-2

We maintain a comprehensive retirement program—compliant with applicable laws, rules, and regulations, and provides benefits that are more than the minimum levels prescribed by law—for employees aged 60 with at least ten years of service. In cases where an employee does not qualify under the CBC Retirement Plan, retirement benefits are granted in accordance with Republic Act No. 7641 (Retirement Pay Law), provided the employee meets the statutory requirements on age and length of service.

REMUNERATION

2-20, 3-3, 401-2

We are committed to recognizing and rewarding our employees in ways that reinforce a culture of high performance while ensuring that our benefits remain responsive to the diverse needs of our workforce. Our remuneration policies are aligned with our strategic and financial objectives and fully comply with applicable regulatory requirements.

Employees are compensated based on the scope and responsibility of their roles, with regular reviews informed by individual performance and prevailing market benchmarks. In addition, compensation for rank-and-file employees adheres to existing labor laws and the provisions of the Chinabank Collective Bargaining Agreement, ensuring fairness, transparency, and consistency across the organization.

COLLECTIVE BARGAINING

2-30

We remain unwavering in our commitment to upholding the highest standards of labor governance. We strictly comply with all Philippine labor laws and regulations and champion fair, ethical, and responsible labor practices across the organization. We recognize that respecting our employees' rights—including freedom of association and collective bargaining—is fundamental to building a workplace anchored on trust, dignity, and shared purpose.

Both Chinabank and our thrift bank subsidiary, CBS (China Bank Savings), maintain active unions supported by established Collective Bargaining Agreements (CBA) that reflect our collaborative approach to employee relations. These agreements reinforce our long-standing commitment to transparency, equity, and meaningful dialogue with our workforce.

In 2025, a total of 6,083 rank-and-file employees—representing 52% of our total workforce—were covered by a CBA. This continued coverage underscores our belief that strong partnerships with our employees are vital in nurturing an engaged, secure, and empowered workforce—one that contributes to the enduring strength and legacy of Chinabank.

Corporate Social Responsibility: A Culture of Shared Value

413-1

We believe that sustainable growth is only possible when the communities we serve thrive alongside us. By leveraging our resources and the passion of our people, we continue to build a legacy that extends beyond banking.

PROMOTING FINANCIAL LITERACY AND INCLUSION

Financial education is the foundation of economic empowerment. Our initiatives target key sectors of the Filipino workforce and the entrepreneurial community:

- **Support for Global Filipinos**
Chinabank continues to provide essential Pre-Departure Orientation Seminars (PDOS) at our dedicated facility in Manila. In partnership with an OWWA- accredited NGO, we equip Filipino workers bound for abroad with the financial knowledge necessary to manage their earnings and secure their families' futures before they embark on their overseas journeys.
- **Empowering Local Entrepreneurs**
Our thrift bank arm CBS actively hosts SME Kapihan Seminars. These sessions provide local entrepreneurs with a vital platform to sharpen their business acumen and strengthen their professional networks within their respective communities.

INVESTING IN THE FUTURE THROUGH EDUCATION

We provide pathways to excellence for the children of CBC Group employees through several dedicated funds:

- **CBC and SM Foundation, Inc. Scholarship Program**
This partnership provides free college education to deserving children of our employees. Scholars pursue four- or five-year degrees in Business, Engineering, Information Technology, or Mathematics at SM-partner schools.
- **Endowment Funds**
Our commitment is further strengthened by the Gilbert U. Dee Scholarship Fund and the Dee C. Chuan Scholarship Fund, both of which provide critical financial support for the educational pursuits of employee dependents.



STRATEGIC PARTNERSHIP WITH THE DEPARTMENT OF EDUCATION (DEPED)

CBS remains a steadfast ally of DepEd, supporting the welfare of Filipino educators and students:

- **National Teachers' Month (NTM)**
In 2025, CBS marked its fourth consecutive year as a major sponsor of the NTM celebration. To honor our educators, CBS provided significant raffle prizes, including a brand-new car, motorcycles, and laptops.
- **School Support and Learning Recovery**
Beyond celebrations, CBS contributed to the Brigada Eskwela and Learning Recovery programs by donating laptops, construction materials, maintenance tools, and office supplies to various DepEd offices and schools nationwide.

CHARITABLE GIVING AND PHILANTHROPY

We maintain our tradition of corporate giving by providing financial assistance to various worthy causes. In 2025, we supported a range of social interventions, from healthcare initiatives to social welfare programs, by donating to established NGOs and charitable organizations.

CULTIVATING A CULTURE OF VOLUNTEERISM

The ONE Chinabank spirit is best exemplified through our hands-on community engagement. We encourage active participation across the CBC Group in various volunteer activities, including:

- **Community Outreach**
During the year CBC Group employees led and joined outreach activities to spread hope and joy at local schools and charitable institutions.
- **Environmental Stewardship**
CBC Group volunteers participated in the 2025 International Coastal Cleanup at Central Park, SM By the Bay, Mall of Asia. This is the third consecutive year that we joined this SM Cares-led annual drive to rid waterways of trash.



Sustainability and Climate-related Risk Management

We integrate sustainability- and climate-related factors into our overall risk management framework to protect Chinabank's financial stability, long-term resilience, and reputation. Through a disciplined process to identify, assess, prioritize, and monitor ESG-related risks, we can anticipate threats and position ourselves in seizing emerging opportunities in a changing market.



IDENTIFY

To maintain a comprehensive risk profile, we identify and assess sustainability and climate-related risks using a structured, multi-dimensional approach.

- **Stakeholder Engagement**
We maintain a continuous dialogue with investors, customers, regulators, and our communities to pinpoint the ESG issues most critical to our shared future.
- **Double Materiality Assessment**
We evaluate both financial materiality (how ESG factors impact our bank) and impact materiality (how our operations affect the world), ensuring a 360-degree view of risk and value creation.
- **Enhanced Credit Due Diligence**
Moving beyond traditional financials, we utilize specialized tools to assess the vulnerabilities of our borrowers and their specific sectors. This allows us to understand credit, market, and operational exposures driven by ESG factors.
- **Global Benchmarking**
We align our disclosures with the SASB Industry Standards for Commercial Banks, IFRS S1 (Sustainability) and S2 (Climate). This ensures we identify risks and opportunities that could reasonably affect our cash flows, access to finance, and cost of capital across short-, medium-, and long-term horizons.



ASSESS

Our assessment involves using a combination of qualitative and quantitative methodologies to measure the potential impacts of ESG-related risks on the bank:

▪ Cause-Effect Mapping (Qualitative)

To better understand our risk exposure, we mapped the causal links between ESG factors and established risk pillars. This activity focused on how environmental and social issues translate into financial impacts, such as climate-related disruptions affecting asset quality. Through this assessment, we determined the following:

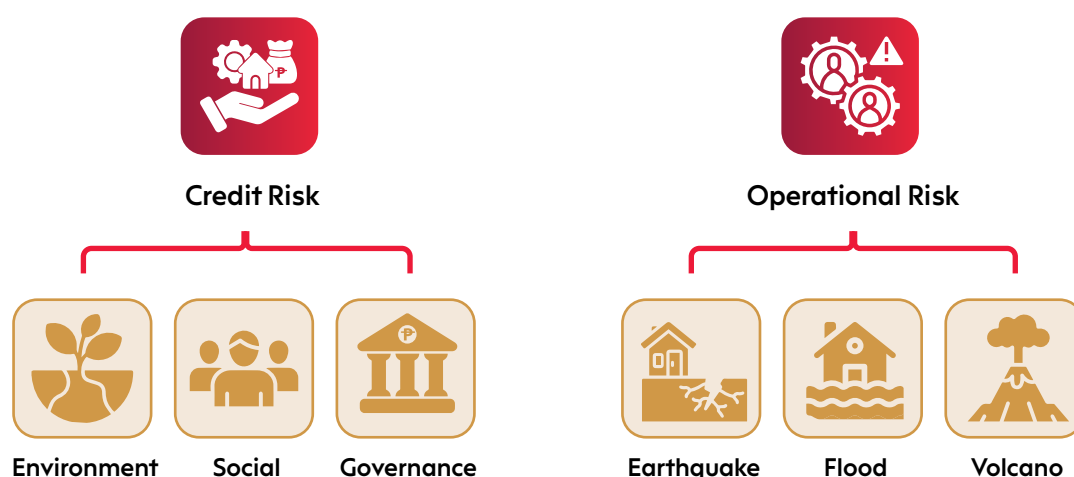
DESCRIPTION	POTENTIAL IMPACT	MANAGEMENT AND MITIGATION	OPPORTUNITIES
Environment & Social (E&S) Risk: - Risk of potential financial, legal, and/or reputational negative effect of environmental and social issues Climate Risk: a. Physical Risk - refers to the potential loss or damage to tangible assets arising from climate change and/or weather-related conditions such as flood, typhoons, droughts, earthquakes, extreme weather variability, and rising sea levels b. Transition Risk- refers to the potential economic adjustment cost resulting from policy, legal, technology, and market changes to meet climate change mitigation and adaptation requirements	1. Increased credit loss resulting from a borrower's diminished repayment capacity due to E&S or climate-related concerns 2. Increased magnitude from extreme weather events or natural disasters that may: a. damage property/ equipment b. halt operations as it poses health and safety risks to employees resulting in service interruptions and/ or in financial losses 3. Damage on reputation due to the negative public perception on the exposure of the Bank to sectors or borrowers with high E&S or climate-related concerns 4. Legal/regulatory implications due to non-compliance with environmental and social-related regulations	1. Include E&S and climate-related factors such as the location of business/ collateral, nature of business in loan assessment 2. Periodic assessment of physical properties, ensuring proper safety measures and protocols are in place to protect employees, and a strong business continuity plan in place 3. Utilize risk transfer contracts such as insurance policies 4. Transparency through disclosures 5. Vigilance and up-to-date information on regulatory news and changes	1. Increase exposure to sustainable finance, where impact and value creation are more integrated 2. Ability to detect potential increase in risk or improve resiliency that would enable the reduction of potential risk and its impact to the bank 3. Improved stakeholder trust and credibility 4. Possibility of availing of regulatory incentives

To guide our prioritization, we assess potential mitigants based on the magnitude and nature of each identified risk. This classification helps us distinguish between financial, reputational, and regulatory exposures.

Timing is central to our response strategy. We categorize impacts as short-term (0–4 years), medium-term (approx. 5 years), or long-term (5+ years). While issues deemed to have high financial impact in the short term require prompt, decisive action, longer-term risks are managed through proactive strategic planning. This phased approach ensures that our capital and resources are allocated to the most pressing sustainability threats and opportunities.

- **Environment & Social Risk Management (ESRM) Framework (Quantitative):**
We established an ESRM Framework to ensure ESG-related risks are systematically integrated into our risk management processes. The framework provides the tools to identify, measure, and monitor these risks across Chinabank’s operations and asset exposures, ensuring they are managed with the same rigor as traditional financial risks.

ENVIRONMENTAL AND SOCIAL RISK MANAGEMENT



As part of Credit Assessment

Our ESRM Framework uses the ESG Rating Methodology from a globally recognized rating agency as a reference, which assigns “baseline” E&S risks on each Sector based on the nature of the client’s business, while leveraging our existing management quality assessment to gauge governance risks. Account officers are tasked with validating these baseline scores during the due diligence process, determining if specific borrower-level factors warrant an adjustment. These E, S, and G components are then aggregated into a final ESG-Credit Impact Score.

In line with prudent credit practices, we also engage with external stakeholders to verify sustainability-related compliance. This includes reviewing Environmental Compliance Certificates (ECC), community clearances, and management structures to ensure the borrower’s operations align with our sustainability standards.



As part of Operational Assessment

We recognize that Chinabank's physical infrastructure is significantly exposed to both geophysical hazards and climate-related risks, given the inherent vulnerabilities of our geographic footprint. To mitigate these, we have integrated the identification, measurement, and monitoring of physical risks into the ESRM Framework, significantly strengthening our operational resilience.

Utilizing science-based and data-driven tools, we conducted hazard mapping for all offices and branches nationwide to identify each facility's exposure to natural and climate-related disasters, particularly on earthquakes, volcanic eruptions, flooding, and sea-level rise.

We used HazardHunter to map the bank's facilities against earthquakes, flooding, and volcanic eruptions, and Climate on Demand to assess sea-level rise. The insights gained from these location-based assessments allow us to evaluate the vulnerability of individual operating sites, with the results directly informing our Business Continuity Planning and disaster preparedness strategies.

HAZARDHUNTERPH

A tool developed by GeoRisk Philippines, a multi-governmental agency initiative led by DOST-PHIVOLCS to generate an indicative hazard assessment such as seismic, volcanic, storm surge, severe wind, and flood- and rain-induced landslides based on the user's specified location.

CLIMATE ON DEMAND

A tool that provides risk scores for floods, heat stress, hurricanes and typhoons, sea level rise, water stress and wildfires across asset classes, including individual corporate facilities and other real assets, infrastructure assets, corporate entities, sub-national entities, and sovereigns. Climate on Demand was developed by Moody's RMS, a world leading catastrophe risk assessor.



PRIORITIZE

Following the identification and assessment of sustainability- and climate-related risks and opportunities, we integrate them into our broader risk hierarchy alongside traditional financial risks. This ensures that all exposures remain strictly aligned with the bank's overall risk appetite. Risks are prioritized based on their nature, likelihood, and the magnitude of potential financial and reputational impacts. Conversely, opportunities are prioritized based on their alignment with our business strategy, profitability, and capacity for long-term value creation.



MONITOR & REPORT

Our ESRM Framework ensures the continuous monitoring of ESG-related risks across the bank's operations and investment activities. By tracking these risks through a systematic identification and control process, we maintain a clear view of our portfolio's sustainability profile. Based on data as of December 31, 2025, the following table illustrates the E&S Risk Scores categorized by industry sector for our non-retail lending portfolio:

SECTION	ENVIRONMENT	SOCIAL
Accommodation and Food Service Activities	●	●
Activities of Extra-Territorial Organizations and Bodies	●	●
Administrative and Support Service Activities	●	●
Agriculture, Forestry and Fishing	●	●
Arts, Entertainment and Recreation	●	●
Construction	●	●
Education	●	●
Electricity, Gas, Steam and Air Conditioning Supply (Generation: Fossil Fuel)	●	●
Electricity, Gas, Steam and Air Conditioning Supply (Distribution)	●	●

SECTION	ENVIRONMENT	SOCIAL
Electricity, Gas, Steam and Air Conditioning Supply (Generation: Renewables)		
Financial and Insurance Activities		
Human Health and Social Work Activities		
Information and Communication		
Manufacturing		
Mining and Quarrying		
Other Service Activities		
Professional, Scientific and Technical Activities		
Public Administration and Defense; Compulsory Social Security		
Real Estate Activities		
Transportation and Storage		
Water Supply; Sewerage, Waste Management and Remediation Activities		
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles		

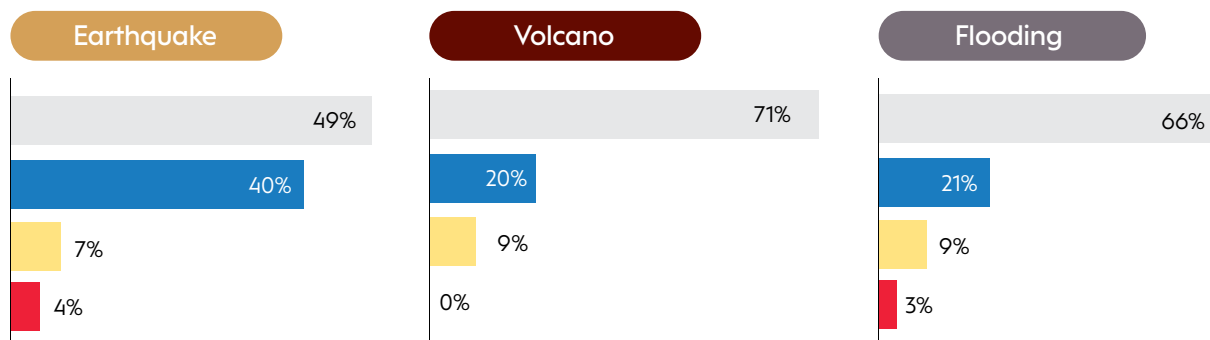
LEGEND:

			
Low Risk	Moderate Risk	High Risk	Very High Risk

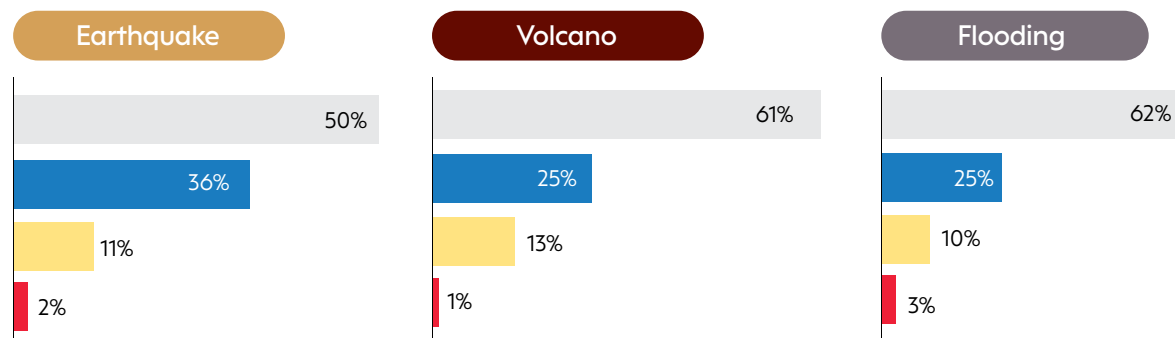
This graph shows the level of extent and exposure of Chinabank and CBS facilities against earthquakes, volcanic eruptions, flooding, and sea level rise (reported in percentages).

HazardHunterPH

Chinabank Branches

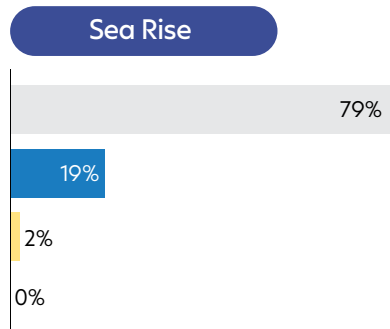


CBS Branches

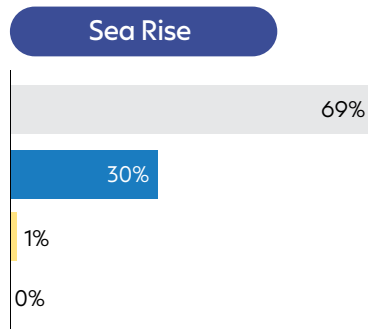


Climate on Demand

Chinabank Branches



CBS Branches



LEGEND:

● Low Risk
 ● Moderate Risk
 ● High Risk
 ● Very High Risk

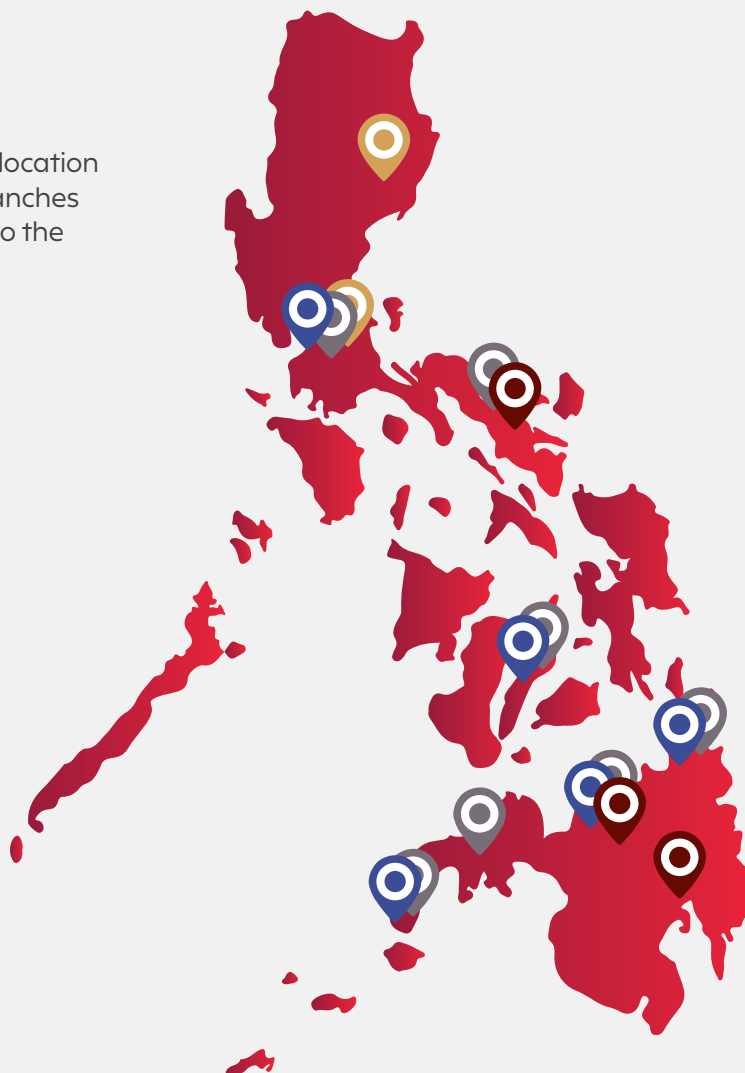
The map on the right shows the location of the Chinabank offices and branches with very high risk of exposures to the identified hazards.

Earthquake

Volcano

Flooding

Sea Rise



Results of the assessment show that the bank's facilities falling under 'very high risk' are less than 4% for seismic and flooding hazards, less than 0.5% for volcanic eruptions, and less than 2% for sea level rise. Thorough inspections and enhanced business continuity plans for the facilities were done following the hazard assessments to prepare facilities during these adverse events and reduce severe interruptions on critical banking services.

Aside from hazard risk mapping, we also use a system of warnings for our operating regional branches on forthcoming typhoons by having an ability to proactively warn them by sharing the Typhoon Track Map, Areas under Wind Signals, Track and Intensity Forecast and Typhoon Satellite Image. Through this process, we reaffirm our belief that the resilience of the business extends beyond recovery, encompassing proactive measures designed to avoid operational disruptions and support the continuous delivery of our business activities.

Sustainability and Climate-related Metrics and Targets

- Sustainability-related Metrics
 - Workforce Profile and Demographics
 - Contribution to the SDGs
- Climate-related Metrics
 - Environment Footprint
 - Financed Emissions
 - Water Consumption
- Targets

Workforce Profile and Demographics

The following tables detail our total headcount and offer a granular demographic breakdown—spanning age groups, gender distribution, and geographic locations—illustrating how our talent strategy aligns with our nationwide operations and our dedication to equitable representation across all levels of the organization.

Employee Demographics

2-7, 2-8

	2024			2025		
	Permanent Employees	Fixed-Term Employees	Total Employees	Permanent Employees	Fixed-Term Employees	Total Employees
Total Headcount	11,350	98	11,448	11,584	102	11,686
By Gender						
Male	3,809	32	3,841	3,922	30	3,952
Female	7,541	66	7,607	7,662	72	7,734
By Level						
Rank-and-File	6,818	96	6,914	6,665	98	6,763
Junior Management	998	1	999	1,104	0	1,104
Middle Management	3,051	0	3,051	3,287	0	3,287
Senior Management	483	1	484	528	4	532
By Age Group						
Below 30 years old	5,169	83	5,252	4,840	82	4,922
Between 30-50 years old	5,004	12	5,016	5,526	16	5,542
Above 50 years old	1,177	3	1,180	1,218	4	1,222
By Region						
NCR	6,700	93	6,793	6,733	96	6,829
Luzon	2,618	1	2,619	2,732	2	2,734
Visayas	1,169	2	1,171	1,222	3	1,225
Mindanao	863	2	865	897	1	898

Permanent & Fixed-Term Employees by Gender and Company

2-7, 2-8

	2024			2025		
	Female	Male	Total	Female	Male	Total
Chinabank	5,547	2,382	7,929	5,587	2,415	8,002
Chinabank Capital	16	13	29	17	12	29
Chinabank Insurance Brokers	104	47	151	107	49	156
CBC Properties and Computer Center	74	143	217	78	150	228
Chinabank Securities	12	13	25	10	12	22
CBS	1,854	1,243	3,097	1,935	1,314	3,249
Total	7,607	3,841	11,448	7,734	3,952	11,686

New Hires

401-1

	2024	2025
Total Number of New Hires	2,316	1,492
By Gender		
Male	795	552
Female	1,521	940
By Age Group		
Below 30 years old	1,653	895
Between 30-50 years old	593	532
Above 50 years old	70	65
By Region		
NCR	1,386	869
Luzon	495	329
Visayas	241	174
Mindanao	194	120

Training and Development

404-1, 404-2

	2024	2025
Total Number of Training Hours	688,930	582,253
By Gender		
Male	226,952	183,414
Female	461,978	398,839
By Level		
Rank-and-File	403,085	342,400
Junior Management	109,022	46,404
Middle Management	157,975	168,525
Senior Management	18,849	24,925

Promotion

404-3

	2024	2025
Total Number of Employees Promoted	2,057	2,126
By Gender		
Male	694	685
Female	1,363	1,441
By Level		
Rank-and-File	926	1,078
Junior Management	193	230
Middle Management	825	715
Senior Management	113	103

Employee Separations

401-1

	2024	2025
Total Number of Separations	1,593	1,248
By Separation Type		
Voluntary	1,467	1,093
Involuntary	126	155
By Gender		
Male	517	436
Female	1,076	812
By Age Group		
Below 30 years old	915	648
Between 30-50 years old	553	453
Above 50 years old	125	147
By Region		
NCR	997	737
Luzon	354	298
Visayas	155	125
Mindanao	87	88

Occupational Health and Safety

	2024	2025
Number of Fatalities	0	0
Number of Lost-Time Injuries	2	6
Total Hours Worked	19,573,796	20,079,485

Collective Bargaining

	2024	2025
Number of Covered Employees	5,873	6,083

Contribution to the SDGs

3-3, 203-1, 203-2

We are committed to consistently creating value by fulfilling our responsibilities to our stakeholders and contributing to the attainment of the United Nations Sustainable Development Goals (SDGs).

UN SDGS	TARGETS	CONTRIBUTION	2024	2025
	Target 1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial	Total MSMEs supported by the bank products and services	2,186	3,576
		Amount of microfinancing loans provided to MSMEs	P17.8 billion	P20.0 billion
	Target 1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters	Kindly refer to the section on "Sustainability and Climate-related Risk Management" on page 58.		
	Target 1.a. Ensure significant mobilization of resources from a variety of sources to implement programmes and policies to end poverty	Amount of government taxes paid	P12.6 billion	P12.9 billion
	Target 2.3. By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment	Amount of agribusiness loans	P16.8 billion	P35.3 billion
	Target 3.4. By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	Kindly refer to the section on Occupational Safety and Health (OSH) Management System on page 51.		
	Target 3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	Amount of loans to the healthcare sector	P3.2 billion	P2.32 billion
		Total lives insured	195,415	221,372
		Amount of life insurance claims paid	P298.0 million	P314.3 million

UN SDGS	TARGETS	CONTRIBUTION	2024	2025
4 QUALITY EDUCATION 	Target 4.4. By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	Number of participants who attended Chinabank's financial literacy programs	19,501	18,595
		Amount of loans to businesses providing educational services	P3.8 billion	P3.5 billion
	Target 4.7. By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development	The Board of Directors and most members of senior management attended a session on Climate and Nature Risks and Sustainable Finance Focus Areas led by SGV & Co.		
5 GENDER EQUALITY 	Target 5.1. End all forms of discrimination against all women and girls everywhere	Percentage of employees who received a regular performance review during the reporting period, by gender	Male - 34% Female - 66%	Male - 34% Female - 66%
		Total number of employees who availed of parental leave, by gender	137 – Male 521 - Female	175 – Male 912 - Female
	Target 5.5. Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	Total number of female board members	2	2
6 CLEAN WATER AND SANITATION 	Target 6.2. By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations	Percentage of water being measured and monitored in company operations	100%	100%
		Kindly refer to the section on "Environment-related data" on page 74.		
	Target 6.4. By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	Amount of loans to businesses providing water and sanitation-related services	P24.5 billion	P23.1 billion

UN SDGS	TARGETS	CONTRIBUTION	2024	2025
7 AFFORDABLE AND CLEAN ENERGY 	Target 7.1. By 2030, ensure universal access to affordable, reliable and modern energy services	Amount of loans disbursed to energy access	P23.9 billion	P27.2 billion
	Target 7.2. By 2030, increase substantially the share of renewable energy in the global energy mix	Amount of loans disbursed to renewable energy projects	P22.8 billion	P38.8 billion
	Target 7.3. By 2030, double the global rate of improvement in energy efficiency	Amount of loans disbursed for energy efficiency	P1.9 billion	P6.2 billion
8 DECENT WORK AND ECONOMIC GROWTH 	Target 8.8. Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	Number of man hours recorded	19.6 million	20.1 million
		Amount of salaries and benefits paid to employees	P9.7 billion	P11.4 billion
		Number of permanent and fixed employees	11,448	11,686
		Percentage of rank-and-file employees to total workforce	60.4%	57.9%
		Kindly refer to the section on “Human Capital: Empowering the Chinabank Workforce,” and “Environmental Footprint” on pages 50 and 74, respectively.		
		Kindly refer to the section on “Environment-related data” on page 74.		
	Target 8.10. Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance, and financial services for all	Number of branch and satellite units	Consolidated 650 branches 107 CBS lending centers and branch lites	Consolidated 653 branches 107 CBS lending centers and branch lites
		Number of ATMs	1,081	1,139
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	Target 9.3. Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets	Amount of corporate, commercial and trade-related lending	P720.6 billion	P809.9 billion

UN SDGS	TARGETS	CONTRIBUTION	2024	2025
	Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	Amount of loans disbursed to green building	P6.7 billion	P8.6 billion
	Target 10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	Amount of teacher's salary loan	P67.4 billion	P80.8 billion
	Target 11.1: By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	Amount of low-cost housing loan	P25.9 billion	P27.1 billion
	Target 12.6: Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle	Kindly refer to the section on "Sustainability and Climate-related Risk Management" and "Environment-related data" on pages 58 and 74, respectively.		
	Target 16.6: Develop effective, accountable and transparent institutions at all levels	Awardee for corporate governance	5 Golden Arrows	4 Golden Arrows
	Target 16.10: Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements	Commitment to transparency is reflected in consistent annual sustainability reporting since 2018, which is refined and strengthened with every edition.		

Environmental Footprint

This section presents our environment-related data, specifically focused on greenhouse gas (GHG) emissions and water consumption across our entire value chain.

Scope 1: Direct Emissions from Owned or Controlled Sources Fuel Consumption

302-1, 305-1

We adopted an “operational control” approach as the basis for reporting greenhouse gas emissions as this approach requires a company to account for 100% of the emissions from the operations over which it or one of its subsidiaries has operational control. We chose this approach as it allows us to better track the performance and emission reductions of our initiatives and it aligns with the activities a company can directly influence.

Our Scope 1 Emissions comprise the following parameters:

- Diesel and petrol consumption of company vehicles, which may include, but not limited to armored vehicles.
- Diesel consumption of generators during testing and power interruptions.

The collected fuel consumption data is then multiplied with the stationary combustion emission factor* for gasoline and diesel.

	2024	2025
Scope 1 (in MT CO ₂ e)	2,768	2,213
Fuel Consumption (in thousands of liter)	954	780

* Using GHG Protocol - Emission Factors from Cross-Sector Tools, March 2024

Scope 2: Indirect Emissions from the Generation of Purchased Electricity Energy Electricity Consumption

302-1, 305-2

We adopted the accounting method of the GHG Protocol Corporate Accounting and Reporting Standard (GHG Reporting Standards) in measuring the indirect emissions from the purchased electricity under our operational control.

We used two methods to calculate our indirect emissions: location-based approach and market-based approach.

We used “location-based” approach for most of our branches or facilities since the physics of energy production and distribution functions the same way in almost all grids, with electricity demand causing the need for energy generation and distribution. For this approach, the latest available Simple Operating Margin Emission Factors from the Department of Energy’s 2019-2021 National Grid Emission Factors for Luzon-Visayas and for Mindanao was used for the conversion of electricity consumption to GHG Emission.

On the other hand, “market-based” approach shows the reduction of our GHG emissions based due to our initiatives to manage our Scope 2 emissions. Our initiatives are as follows:

- Starting 2023, the energy source of branches located in SM Malls are under Retail Competition and Open Access (RCOA) with Aboitiz Power and 50% of the energy used is sourced from renewable energy.
- Starting 2024, the energy source of Chinabank’s Head Office in Makati City and Binondo Business Center are under the Green Energy Option Program (GEOP) with ACEN Renewable Energy Solutions (ACEN RES) and is 100% sourced from renewable energy.

Market-based approach emissions reflect Chinabank’s electricity procurement with the supplier, including the use of supplier-specific emission factors and qualifying contractual instruments, where available. Since a portion of our electricity consumption from selected branches and offices were sourced from renewable energy, our Scope 2 emissions are lower using the market-based approach.

	2024	2025
Scope 2 (in MT CO ₂ e)	17,634	16,307 (Location-based) 13,411 (Market-based)
Electricity Consumption (in MWh)	25,686	23,141

Scope 3: All other indirect emissions that are a result of the activities of an organization, but are not included in scope 2

FINANCED EMISSIONS

Aside from the GHG emissions disclosed under Scope 1 and 2, we recognized the need to account for the GHG emissions of our value chain, including both upstream and downstream emissions under Scope 3.

GHG Reporting Standards recommend that companies should identify which of the 15 distinct reporting categories in Scope 3 are expected to have the most significant GHG emissions, offer the most significant GHG reduction opportunities, and are most relevant to the company's business goals. As a financial services provider, Chinabank recognizes that Category 15 activities - Investments are likely to be the most material among the distinct reporting categories.

A key challenge for reporting financed emissions continues to be the lack of self-disclosed emissions from the borrowers. To address this difficulty, we utilized the calculation methodology as prescribed in Partnership for Carbon Accounting Financials' (PCAF) Global GHG Accounting and Reporting Standard to obtain our financed emissions.

We gathered our borrower's estimated emissions from EXIOBASE, one of PCAF's recommended EEIO databases for obtaining sector-level emission factors, and the US Supply Chain GHG emission factors to help provide a reasonable list of sector-level proxy values to be used in calculating the estimated financed emissions (via economic activity-based emissions).

Through the use of the estimated emission factors, we calculated the financed emissions of our borrowers using GHG Reporting Standards' equity approach and by multiplying the attribution factor (i.e. ratio of the borrower's total loan exposure and their enterprise value) to the borrower's revenue and the sector-level emission factor.

Outstanding Exposure

Value of the Financed Company

X

Estimated Scope 1 of the Financed Company from the ESG Score Predictor

While the process leads to a data quality score of 4 (1 = highest; 5 = lowest), the results still provide an overview of the Bank's estimated financed emission despite the limitations on data availability.

Using the methodology mentioned and data as of the end of December 2025, the level of Chinabank's financed emission in our non-retail loans portfolio on a per Sector level are as follows: Based on the results, exposures from the

Financed GHG Emission	Threshold (tCO ₂ e)	Industry
Significant	>500k	Energy (Generation: Fossil fuel), Manufacturing
Moderate	335k – 500k	None
Low	170k – 335k	Trade
Very Low	< 170k	Energy (Generation: Renewables), Financial and Insurance Activities ¹ , Mining, Real Estate, Accommodation, Food Service, Education, Construction, Transportation, Entertainment, Agriculture, Human Health, Information and Communication, Water Supply and Other Services

¹ For this analysis, some companies under this industry have been transferred to their more appropriate classification due to their actual economic activity.

Electricity, Gas, Steam and Air Conditioning Supply (Generation: Fossil Fuels) and Manufacturing sectors have significant GHG emissions, while loans from the Trade sector was categorized as Moderate GHG emissions. Around 85% of the bank's total non-retail loans were categorized as Low and Very Low in terms of its GHG emissions.

WATER CONSUMPTION

303-5

	2024	2025
Water Consumption (in megaliters)	227	226

TARGETS

Chinabank is committed to a responsible low-carbon transition that supports both the environment and economic prosperity. In 2025, we established our quantitative sustainability targets as part of our ongoing commitment to integrate ESG considerations into our business strategy. We have outlined our progress through the following initiatives and timelines:

	RISKS & OPPORTUNITIES	AS OF END OF 2025	MEDIUM TERM (About 5 years) By 2030	LONG TERM (More than 5 years) Beyond 2030
Our Source of Electricity	Risk: Major source of electricity remain dominated by coal	Head Office (Makati) and Binondo Business Centers – Under GEOP ¹	Additional 150 of our branches (about 30% of network as of 2025) to be enrolled under RAP-RCOA ³ with a renewable energy	Construction of a new LEED-Certified Head Office.
	Opportunities: Government programs that allow companies to choose their own retail electricity supplier	40 Branches – Under RCOA ² with a renewable energy		
Our Coal Exposure	Risk: Transition risk due to exposure to coal	Not more than 7% of our total loan portfolio	Not more than 5% of our total loan portfolio	Not more than 3% of our total loan portfolio
	Opportunities: Development and/or Exposure to Renewable Energy gaining momentum			

¹Green Energy Option Program (GEOP) - a mechanism under the Renewable Energy Act of 2008 (RA 9513) that allows qualified electricity consumers to directly source 100% renewable energy from licensed suppliers.

²Retail Competition and Open Access (RCOA) - a policy under the Philippines' Electric Power Industry Reform Act (EPIRA) of 2001 that allows qualified electricity consumers to choose their own electricity suppliers rather than relying on local distribution utilities.

³Retail Aggregation Program (RAP)-RCOA - a move that enables smaller, medium-sized businesses to aggregate their power demand to meet the threshold of the RCOA.

As this represents the initial year of target-setting, baseline metrics and monitoring mechanisms are currently being institutionalized. We will report progress against these targets in future disclosures.

Sustainability at China Bank Savings (CBS)

SUSTAINABILITY GOVERNANCE

The CBS Board of Directors maintains holistic oversight of the savings bank's sustainability initiatives through the Sustainability Sub-Committee of the Risk Oversight Committee (ROC). The Board defines CBS' strategic E&S objectives by formulating the CBS E&S Risk Appetite Statement and monitoring risks identified through the ESRM Framework, with progress reports reviewed on a semi-annual basis.

Complementing this, a management-level Sustainability Sub-Committee under the Credit, Collections, and Asset Recovery Committee (CRECOM) manages operational integration. This committee sets short-, medium-, and long-term targets for credit operations, ensuring that sustainable finance practices align with Chinabank's Sustainable Finance Framework. Its mandate also includes overseeing sustainability partnerships and reviewing the annual sustainability report. The Sustainability Department serves as the operational hub, managing day-to-day programs and implementing strategies that align with the vision, mission, and core values of CBS. The department also ensures CBS remains agile by disseminating new regulations and global sustainability developments across the organization.

SUSTAINABILITY STRATEGY

CBS aims to embed sustainability across its operations and lending practices, acting as a partner and guide for borrowers in their journey toward ESG readiness and climate resiliency.

For CBS, involving the entire value chain is essential, as the sustainability of clients and partners directly impacts its long-term stability. This community-centric approach is reflected in its commitment to fostering financial readiness in the face of climate change:

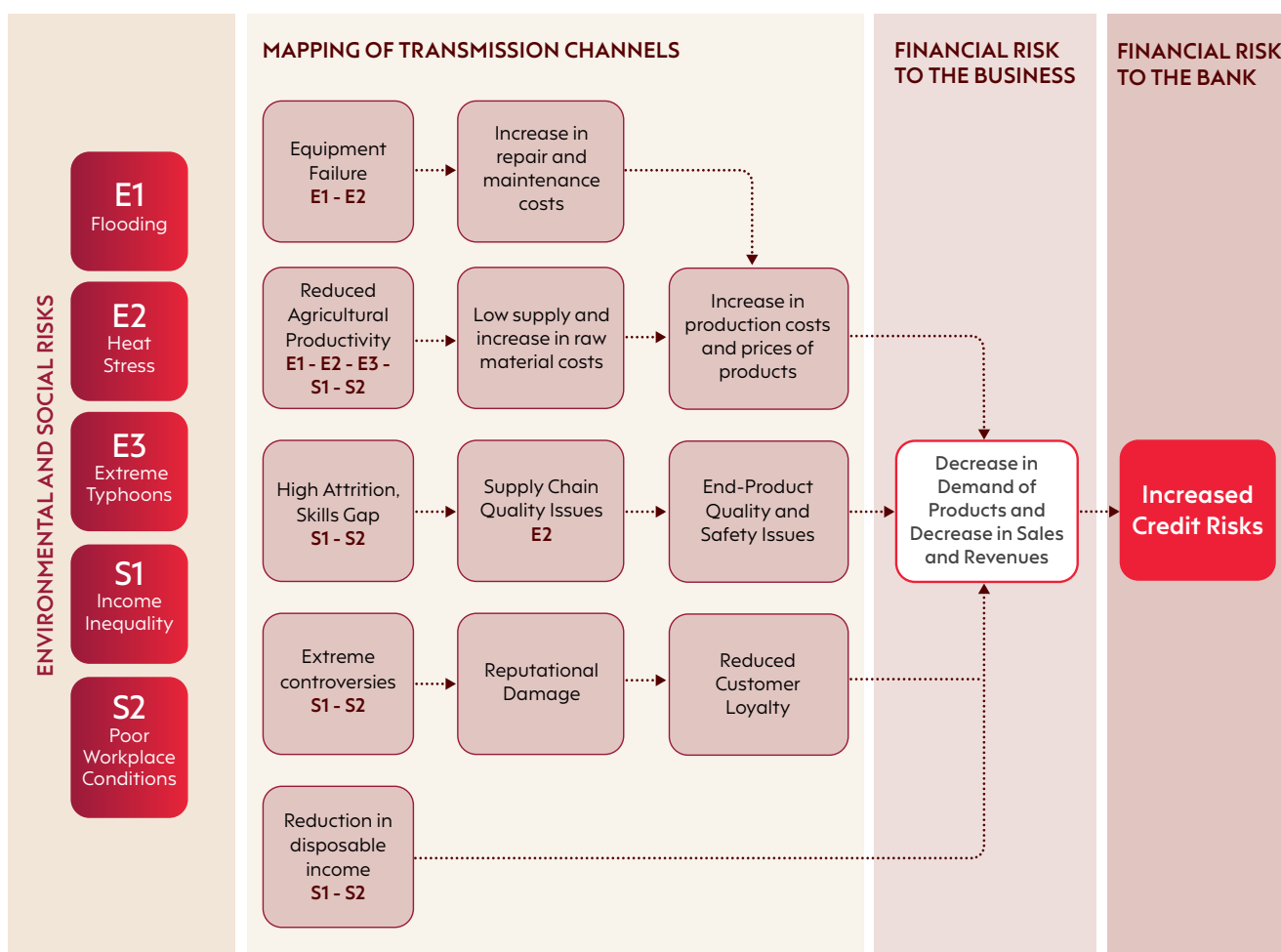
- **Operational & Portfolio Monitoring**
Through its proprietary ESRM Framework, CBS identifies, measures, and monitors E&S risks across its loan exposures and branch network.
- **SME Empowerment**
In partnership with Deloitte, CBS developed the E&S Resilience Tool. This initiative provides SME clients with tailored recommendations to address specific vulnerabilities, helping them transition toward more sustainable business models.

RISK MANAGEMENT

E&S risk management is integrated into the savings bank's core business logic—not merely to mitigate threats, but to unlock opportunities that align with its goal of being the Philippines' leading sustainable thrift bank.

The CBS ESRM Framework was designed to use a sector- and geographic-specific risk approach to identify and characterize direct/indirect E&S risks that can pose financial threats to CBS through its exposures. Direct risks arise mostly through the business activities of CBS, while indirect risks arise when E&S issues impact the creditworthiness of its borrowers/investment.

CBS ESRM FRAMEWORK



As of the end of December 2025, the E&S risk profile of its loans and receivables portfolio is as follows:

INDUSTRY	ENVIRONMENT RISK	SOCIAL RISK	LOANS AND RECEIVABLES (in %)
Consumer			65.98
Real Estate, Renting, and Business Services			23.62
Government	-	-	-
Wholesale and Retail Trade			2.23
Financial Intermediaries			0.02
Agriculture			2.86
Manufacturing			1.10
Electricity, Gas, Steam, and Air-Conditioning Supply			0.80
Transportation and Storage			0.86
Construction			0.67
Health and Social Work			0.61
Hotels and Restaurant			0.36
Education			0.35
Other Community, Social, and Personal Services			0.29
Others			0.25

LEGEND:

Symbol	Risk Level	Description
	Low Risk	Minimal E&S impact; high alignment with sustainability standards.
	Moderate Risk	Manageable E&S risks; subject to regular monitoring and due diligence.
	High Risk	Significant potential for E&S impact; requires enhanced mitigation and board-level oversight.

The assessment shows that the CBS loan portfolio maintained an overall medium-to-low E&S risk profile, reflecting its thoughtful risk selection and diversified industry exposure. Most of the portfolio's exposures fall within manageable risk categories, supporting the savings bank's strategy of balancing growth objectives with responsible risk management.

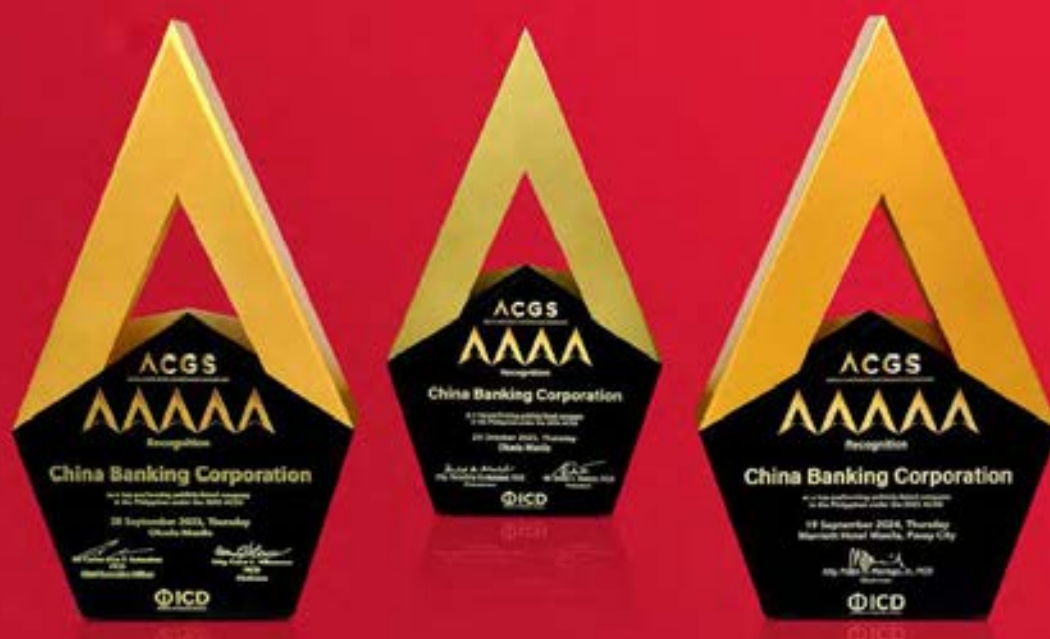
The portfolio assessment also reveals that CBS' E&S risks profile are well distributed, and reinforces its ongoing transition towards sustainable financing. Insights derived from the E&S risk review are used to inform management, strengthen portfolio oversight, and guide the development of sustainable finance initiatives.

Corporate Governance

The Foundation of Sustainable Growth

We believe strong corporate governance is vital to sustaining long-term value. It provides the stability our stakeholders rely on and ensures our strategic growth contributes meaningfully to the nation's economic progress.

Committed to doing business the right way and doing right by our stakeholders, we adopt governance practices that exceed regulatory expectations. We constantly sharpen our oversight to remain responsive, resilient, and aligned with international best practices. Our governance framework is built on fairness, accountability, integrity, and transparency. These values drive our ethical decision-making and prudent risk management, allowing us to pursue progress with discipline and confidence.



These awards from the Institute of Corporate Directors—including multiple 5-Golden Arrow distinctions—reflect Chinabank's consistent ranking among the top-performing publicly listed companies in the ASEAN Corporate Governance Scorecard and our unwavering commitment to the highest standards of corporate governance and stakeholder trust.

OUR APPROACH

2-9, 2-12, 3-3

We anchor our governance in sound business practices and responsible stewardship. These principles are embedded in how we lead and manage Chinabank every day.

Our Board of Directors and Management team provide the active leadership needed to foster a culture of accountability and innovation. Together, we ensure Chinabank stays resilient against market shifts and emerging risks. By consistently reinforcing these standards, we affirm our role as a trusted partner committed to integrity and long-term value.

SIGNIFICANT DEVELOPMENTS IN 2025

We endeavor to consistently improve our governance practices to remain among the best-governed companies in the country and the ASEAN region. In 2025, alongside our regular best practices, we implemented the following measures:

- Conducted a hybrid ASM, allowing stockholders to participate in person or virtually and exercise their voting rights through secure electronic registration and voting facilities.
- Facilitated real-time electronic voting by maintaining an active online voting portal until the adjournment of the ASM.
- Updated the membership of the Audit and Trust Investment Committees to further strengthen oversight and reinforce effective governance.
- Refined the Anti-Bribery and Corruption Policy and the Related Party Transactions (RPT) Framework and Policy Guidelines to bolster Chinabank's integrity standards.
- Updated the Corporate Governance Manual and Board Committee Charters to align with the latest regulations and international best practices.
- Enhanced Board Self-Assessment forms and conducted annual performance evaluations for the Board, Board-level committees, Independent Directors, and the President.
- Facilitated the completion of Conflict of Interest and RPT Disclosure forms by re-elected directors to ensure continued transparency.
- Conducted a hybrid corporate governance training for directors and key officers, facilitated by the Institute of Corporate Directors (ICD).

GOVERNANCE PRINCIPLES



FAIRNESS

We treat our shareholders fairly and equitably - whether minority or majority, local or foreign. We balance our profit motive, ensuring that the investment of all shareholders is protected.



ACCOUNTABILITY

We are accountable and responsible for our actions and performance and commit to uphold the law, behave ethically, and protect the resources entrusted in our care.



INTEGRITY

We adhere to a moral code of honesty and professionalism in our thoughts, words, and actions.



TRANSPARENCY

We are truthful and forthcoming, ensuring the accurate and timely disclosure of and easy access to all material matters, such as the financial situation, performance, ownership, and governance of the corporation.

CODE OF ETHICS

3-3

Our Board of Directors sets the "tone at the top," leading by example to reinforce high ethical standards throughout Chinabank. Our Code of Ethics embodies our core values and provides clear guidance on professional conduct and acceptable practices in all our internal and external dealings. This framework serves as a cornerstone of our professional behavior, reaffirming our commitment to preventing illegal, improper, or unethical acts.

The Code of Ethics applies to all directors, senior management and employees. As part of the New Employees' Orientation Course, its provisions are discussed in detail, and all appointees are required to formally acknowledge understanding of its principles. All directors, officers, and employees are expected to uphold the standards set forth in the Code at all times.

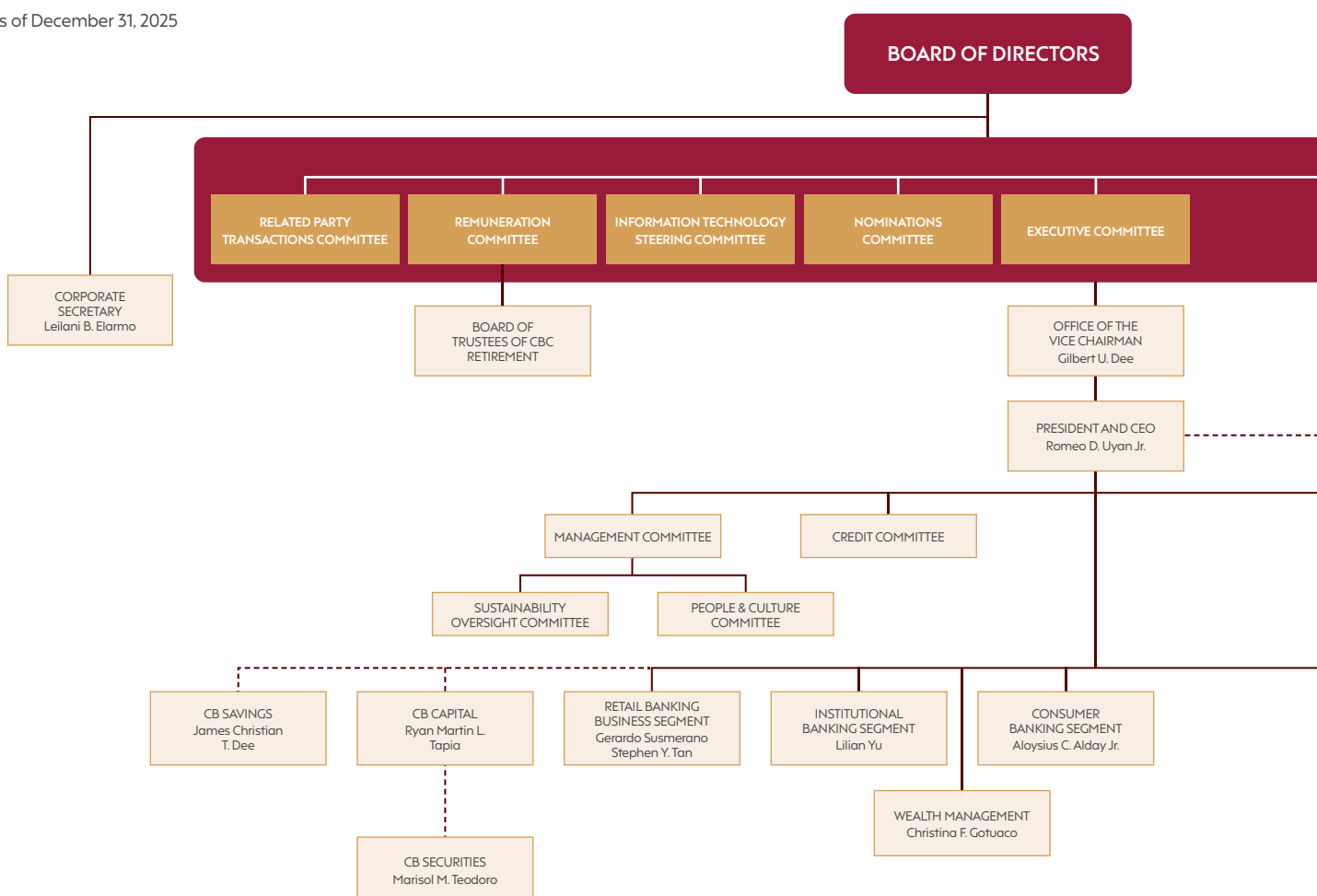
CORPORATE GOVERNANCE MANUAL

3-3

Our Corporate Governance Manual establishes the foundation for our governance standards, reflecting a commitment that extends beyond mere regulatory compliance. It defines our

Organizational Structure

As of December 31, 2025



governance structure and outlines the specific roles and responsibilities of our Board, individual directors, and Board-level committees.

The Manual also encompasses our compliance framework, internal control systems, and our dedication to protecting stakeholder rights. This document is regularly reviewed and updated to ensure we remain aligned with evolving laws, regulations, and global best practices. Our Chief Compliance and Governance Officer oversees our ongoing adherence to the Manual.

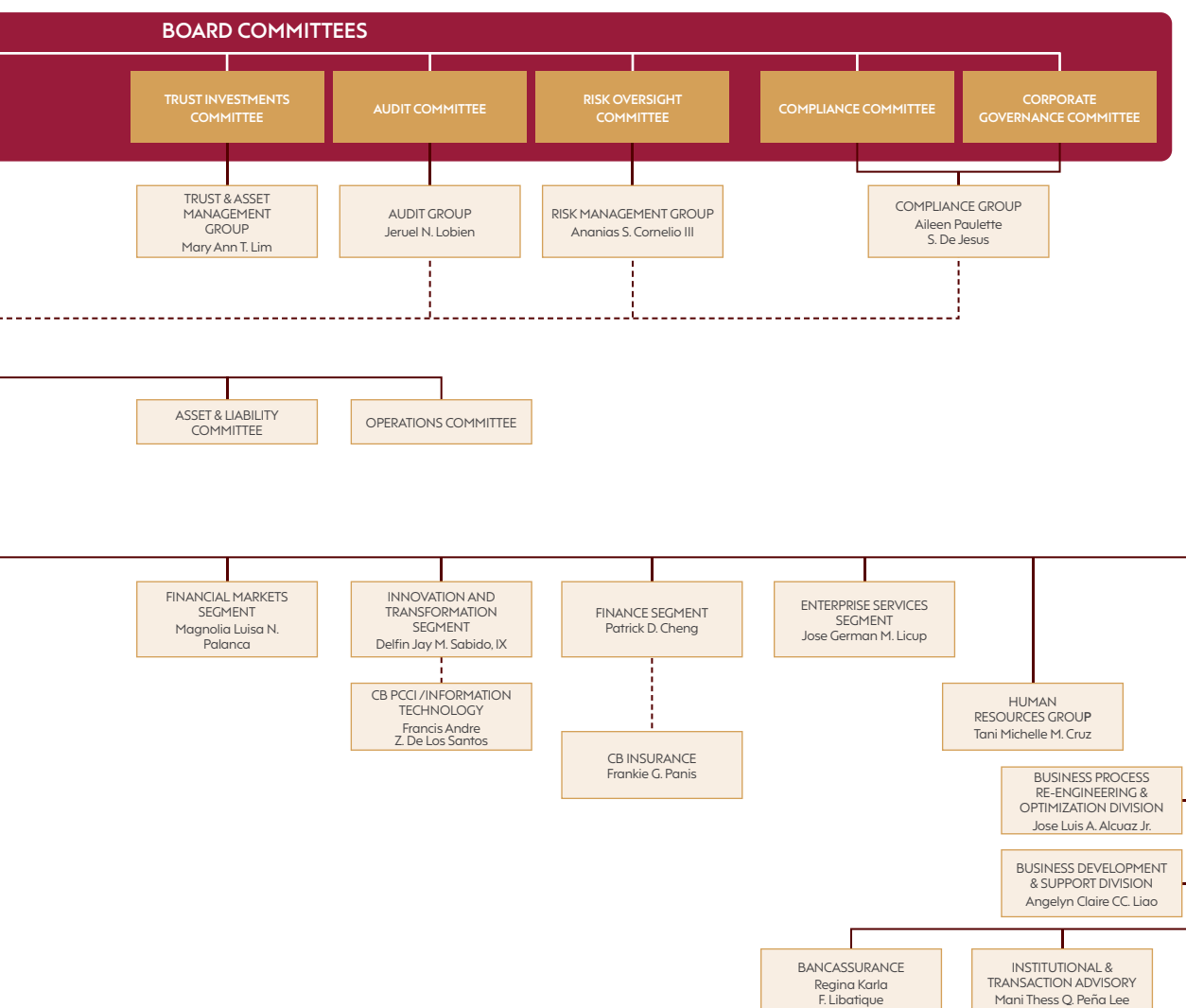
In 2025, we fully complied with all material provisions of our Corporate Governance Manual.

The Bank ensures the practice of good governance principles through its compliance with the Code of Corporate Governance for Publicly Listed Companies. Adherence to the recommended best practices is outlined in detail in the Integrated Annual Corporate Governance Report, which is available on the company website.

GOVERNANCE STRUCTURE

2-9, 2-12

The Board of Directors provides strategic direction and sets the tone for strong corporate governance, with primary responsibility for overseeing strategy and promoting a culture of accountability. Management is responsible for the bank's day-to-day operations and for executing strategies in alignment with the Board-approved objectives.



SEPARATION OF ROLES

The delineation of roles between our Chairman and the President and Chief Executive Officer (CEO) is a key governance safeguard aimed to prevent the concentration of authority and to promote objective decision-making at the Board level. While they work in close coordination, their functions are intentionally segregated and consistently upheld to reinforce accountability and preserve independent oversight. In this structure, the Chairman focuses on leading the Board and facilitating effective deliberations, while the President and CEO directs Management and ensures the disciplined execution of the bank's strategies within the parameters set by the Board.

BOARD OF DIRECTORS

2-12

As Chinabank's principal stewards, the Board of Directors sets the governance framework and defines the strategic priorities that safeguard our long-term interests, vision, and culture. In fulfilling this mandate, the Board is responsible for:

- **Defining Culture & Values:** Shaping the ethical foundation of the organization.
- **Strategy & Oversight:** Approving and monitoring business objectives, intervening as necessary to ensure successful implementation.
- **Leadership Appointment:** Selecting senior management, heads of control units, and overseeing robust succession planning.
- **Policy & Control:** Establishing internal control systems and sound operational policies.
- **Risk & Governance Frameworks:** Directing initiatives across corporate governance, sustainable finance, enterprise risk management, operational resilience, and consumer protection.
- **ESG Integration:** Setting and supervising our environmental, social, and governance commitments.

Types of Directorship / Key Responsibilities

Lead Independent Director	Independent Director	Executive Director	Non-Executive Director
• Has sufficient authority to lead the Board in cases where Management has clear conflict of interest • Serves as an intermediary between the Chairman and the other directors when necessary • Also a non-executive director • Convenes and chairs meeting of the independent directors and/or non-executive directors without the presence of the executive directors	• Holds no interest or relationship with Chinabank, the controlling shareholders, or the Management that would influence his decisions or interfere with his exercise of independent judgment, among others • Also a non-executive director • Provides objective judgment independent of management • Oversees management performance, including prevention of conflict of interest and balance competing demands of the corporation	• Has executive responsibility of day-to-day operations of a part or the whole of the organization	• Has no executive responsibility and does not perform any work related to the operations of the corporation • Provides objective judgment independent of management • Challenges and monitors management's delivery of strategy within the risk and governance structure agreed by the Board • Has oversight responsibility for the Bank's internal control and effectiveness of the risk management system

Our Board consists of twelve directors and two advisors, offering a diverse range of expertise. To ensure rigorous oversight and objective judgment, ten of our twelve directors are non-executive, including four Independent Directors, supported by a Lead Independent Director. These independent members maintain no business or familial ties to the Bank, ensuring impartial decision-making at the highest level. The profile of the members of the Board are on pages 106 to 112.

NOMINATION AND ELECTION

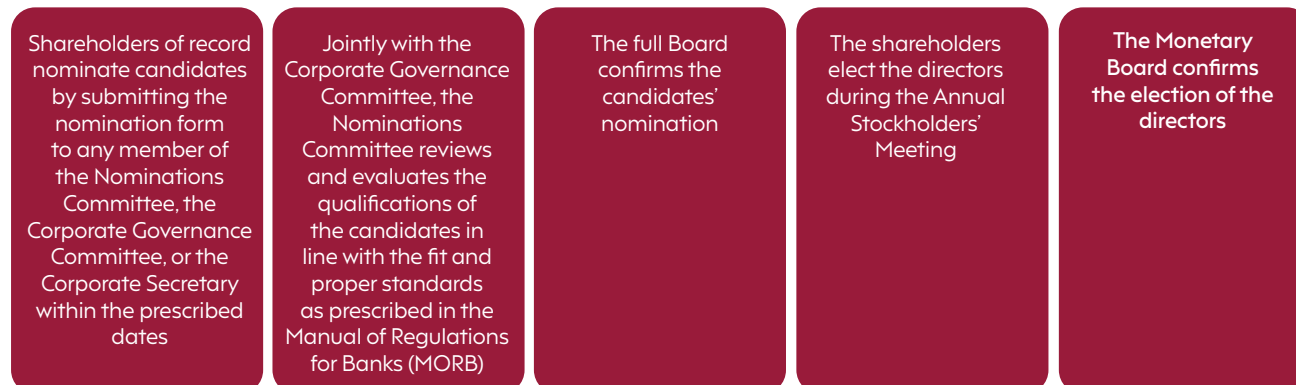
2-10

We maintain a rigorous and transparent process for the nomination and election of our directors, prioritizing a diverse mix of skills, expertise, and experience. We select candidates from a carefully screened pool, evaluating them on their banking and financial knowledge, technical competence, ethical standards, and professional track records.

Our Nominations and Corporate Governance Committees ensure that only individuals who meet these high standards and align with our strategic objectives are considered for appointment.

In the event of a vacancy, we follow the procedures prescribed in our By-Laws and the Revised Corporation Code of the Philippines. To identify qualified leaders, we engage professional search firms and leverage extensive external networks (see Retirement and Succession on page 89). For incumbent directors, our Nominations Committee reviews continuing qualifications based on annual Board self-assessments, specifically measuring attendance, active participation, and the value of their contributions to Board deliberations.

Nomination Process



BOARD DIVERSITY

We believe a diverse Board is fundamental to effective corporate governance. Our Board Diversity Policy defines the criteria for membership, emphasizing a balance of skills, expertise, and perspectives that empowers us to provide sound oversight. To ensure we remain equipped for evolving business challenges, we conduct regular assessments of both individual directors and the Board as a whole.

We value diversity as a catalyst for better decision-making and stronger governance, specifically recognizing the breadth of viewpoints provided by our female representation. Our current composition reflects a range of demographics and deep institutional knowledge: one director and one advisor are under 65 years old, while half of our members have served for more than 20 years. Collectively, our directors and advisors provide a vast reservoir of educational credentials and professional experience that directly supports our strategic objectives.

Name	Designation	Directorship	Age	Year First Elected	No. of Years as Director
Hans T. Sy	Chairman	Non-executive	70	1986	40
Gilbert U. Dee	Vice Chairman	Executive	90	1969	57
Romeo D. Uyan Jr.	Director, President and CEO	Executive	63	2023	3
Peter S. Dee	Director	Non-executive	84	1977	49
Joaquin T. Dee	Director	Non-executive	90	1984	42
Herbert T. Sy	Director	Non-executive	69	1993	33
Harley T. Sy	Director	Non-executive	66	2001	25
Jose T. Sio	Director	Non-executive	86	2007	19
Margarita L. San Juan	Lead Independent Director	Non-executive	72	2017	9
Philip S.L. Tsai	Independent Director	Non-executive	75	2018	8
Claire Ann T. Yap	Independent Director	Non-executive	70	2020	6
Genaro V. Lapez	Independent Director	Non-executive	68	2021	5
Ricardo R. Chua	Senior Board Advisor	N/A	74	N/A	N/A
Howard Conrad T. Sy	Advisor	N/A	37	N/A	N/A

INDUCTION AND CONTINUING EDUCATION

2-17

We are committed to the continuous professional development of our Board, supporting initiatives that broaden expertise and keep directors informed of emerging trends, risks, and best practices.

Newly appointed directors undergo a structured orientation facilitated by an SEC-accredited provider. They receive a comprehensive orientation kit containing essential reference materials, including the Corporate Governance Manual, Board Committee Charters, and a detailed outline of their specific duties and responsibilities. Supported by the Corporate Governance Division (CGD), directors regularly participate in targeted webinars and trainings to maintain effective oversight.

On September 3, 2025, the CGD organized the annual Chinabank Group Corporate Governance Training attended by all directors and key officers.

- The AI Revolution That's Rewriting the Banking's Playbook
- AI in Philippine Banking: Adoption, Governance, and the Road to Responsible Innovation
- Investing in People: Empowering Human Capital in Banking's AI Era
- Corporate Governance Briefing: Climate Risks and its Systemic Cascade to Financial Risk and Opportunity

BOARD REMUNERATION

2-19

Pursuant to our amended By-Laws, directors receive a per diem of up to ₱10,000 for each Board or Committee meeting attended. Additionally, per Article VIII of the By-Laws, a portion of the bank's net earnings is allocated to the Board.

Executive directors, as bank officers, receive performance-related compensation based on their rank, experience, and position under standard employment terms. Subject to investigation, the Bank may withhold, reduce, or claw back company-initiated incentives in cases of misconduct or Code of Ethics violations.

Non-executive directors do not receive performance-related compensation.

In 2025, each member of the Board of Directors received the following amount as compensation:

Hans T. Sy	₱7,315,000
Gilbert U. Dee	₱7,325,000
Romeo D. Uyan Jr.	₱7,405,000
Peter S. Dee	₱7,365,000
Joaquin T. Dee	₱7,390,000
Herbert T. Sy	₱7,210,000
Harley T. Sy	₱7,215,000
Jose T. Sio	₱7,200,000
Margarita L. San Juan	₱7,455,000
Philip S.L. Tsai	₱7,465,000
Claire Ann T. Yap	₱7,480,000
Genaro V. Lapez	₱7,385,000

PERFORMANCE EVALUATION

2-18

The Board of Directors, its committees, individual directors, and the President and CEO conduct annual self-assessments to measure overall effectiveness and identify areas for improvement. This structured process evaluates both individual contributions and collective performance using a five-point scale, ranging from 1 (Poor) to 5 (Excellent). The Corporate Governance Division (CGD) consolidates and analyzes these results, submitting a summary report to the Board via the Corporate Governance Committee.

Rating	Description
1	Poor - Leading practice or principle is not adopted in the company's Manual of Corporate Governance
2	Needs Improvement - Leading practice or principle is adopted in the Manual but compliance has not yet been made
3	Fair - Leading practice or principle is adopted in the Manual and compliance has been made but with major deviation(s) or incompleteness
4	Good - Leading practice or principle is adopted in the Manual and compliance has been made but with minor deviation(s) or incompleteness
5	Excellent - Leading practice or principle is adopted in the Manual and full compliance with the same has been made

The self-assessments focus on the following key aspects:

- A. For the Board as a whole
 - Structure (composition, skills, expertise and competencies)
 - Organization and function (conduct of meetings, quality of reporting and discussions and challenges encountered)
 - Oversight on various matters
 - Dynamics and decision-making capability
- B. For the Board committees
 - Leadership, size and composition
 - Responsibilities and functions
 - Quality of reporting and discussions

C. For the Individual Directors

- Upholding the guiding principles and best practices stipulated in the Corporate Governance Manual, Code of Ethics for Directors and other relevant policies
- Due diligence in carrying out one's duties
- Attendance and active participation in meetings

D. For the President and CEO

- Cooperation and collaboration with the Board
- Leadership and execution of strategies
- Adherence to regulatory requirements and good governance practices

Among others, the 2025 evaluation highlighted the following:

- The Board was assessed to have meaningfully contributed to the formulation and ongoing monitoring of the Bank's strategic priorities.
- A strong culture of professionalism was evident, with constructive discussions and due regard for differing viewpoints.
- The Board and its committees were found to exercise appropriate oversight over key matters within their respective mandates.
- Meetings of the Board and its committees were generally regarded as well-managed and effective.
- Directors, together with the President and CEO, consistently demonstrated accountability and adherence to sound governance practices in carrying out their roles.

INDEPENDENT BOARD EVALUATION

In compliance with the SEC Code of Corporate Governance, we engage a third party evaluator every three years for an independent performance assessment. The 2025 evaluation by the Institute of Corporate Directors (ICD) affirmed the Board's overall effectiveness, highlighting strong leadership, a well-functioning governance framework, and the Chairman's effective facilitation of strategic discussions. The assessment recognized the active engagement of directors and robust oversight of risk, audit, and compliance, underscoring a mature governance culture defined by transparency and disciplined decision-making.

RETIREMENT AND SUCCESSION

At Chinabank, we prioritize competence, fitness, and independence over age, valuing seasoned judgment alongside institutional knowledge. Directors may continue to serve as long as they remain "fit and proper"—maintaining the physical and mental health necessary to fulfill their responsibilities.

Succession and vacancy protocols are governed by our By-Laws. Vacancies may be filled through appointment or election by the remaining directors if a quorum exists; otherwise, stockholders fill the vacancy during a regular or special meeting. For Independent Directors, we strictly adhere to SEC and BSP term limits.

CORPORATE SECRETARY

The Corporate Secretary is a senior-level officer responsible for safeguarding official records and administering Board and Committee activities. Serving as a key governance advisor, the Corporate Secretary ensures adherence to sound board practices and provides the Board with unrestricted support. Additionally, the Corporate Secretary acts as a vital liaison between the Board, Management, and stockholders, facilitating transparent and objective communication across the organization.

BOARD COMMITTEES

2-9, 2-11, 2-12, 2-13

Ten Board-level committees assist the Board in executing its governance, stewardship, and fiduciary responsibilities. Each operates under a formal Charter defining its delegated authority, scope, and responsibilities. These Charters are reviewed annually and are available in the Governance section of the Chinabank website.

- **Executive Committee**

Exercises the powers of the Board in managing corporate affairs when the Board is not in session, to the fullest extent permitted under the By-Laws, applicable laws and the Committee's

Charter. It approves credit applications or transactions exceeding the Credit Committee's authority and decides on other strategic matters.

- **Corporate Governance Committee**

Oversees the implementation and regular review of the corporate governance framework. It ensures compliance with best practices, manages the induction of new directors, oversees continuing education programs, and leads the annual Board assessment.

- **Audit Committee**

Oversees the integrity of financial statements and the adequacy of internal controls. It is responsible for the appointment, re-appointment and removal of the Chief Audit Executive/ Internal Auditor and External Auditor, and ensures both remain independent and have unrestricted access to Bank records and personnel. The Committee has the explicit authority to investigate any matter within its terms of reference, in order to ensure the effectiveness and efficiency of the Bank's internal controls.

- **Compliance Committee**

Monitors adherence to laws and regulations through a responsive compliance risk management system for identifying and mitigating risks that may erode the franchise value of the bank. It reviews the annual compliance program to ensure Management operates according to established policies and best practices.

- **Risk Oversight Committee**

Responsible for Chinabank's enterprise risk management framework. It oversees risk-taking activities and recovery plans, ensuring that the institutional risk management plan remains relevant and that corrective actions are implemented promptly.

ATTENDANCE IN BOARD AND COMMITTEE MEETINGS

Director	Board	Executive Committee	Corporate Governance Committee	Audit Committee	Compliance Committee	Risk Oversight Committee
	15 meetings in 2025, including the organizational meeting	40 meetings in 2025, including 2 joint meetings with the Risk Oversight Committee	26 meetings in 2025, including 11 joint meetings with the Compliance Committee and 15 joint meetings with the Nominations Committee.	13 meetings in 2025	12 meetings in 2025, including 11 joint meetings with the Corporate Governance Committee	14 meetings in 2025, including 2 joint meetings with the Executive Committee
No. of meetings attended						
Hans T. Sy	12/15 (Chair)	38/40 (Chair)				
Gilbert U. Dee	14/15	37/40				
Romeo D. Uyan Jr.	15/15	40/40				
Peter S. Dee	15/15	38/40				
Joaquin T. Dee	15/15	40/40		7/8 ^a		
Herbert T. Sy	15/15					
Harley T. Sy	15/15				12/12	
Jose T. Sio	15/15					
Margarita L. San Juan	15/15		26/26 (Chair)	4/5 ^b	12/12 (Chair)	13/14
Philip S.L. Tsai	15/15		26/26			14/14 (Chair)
Claire Ann T. Yap	15/15		26/26	13/13 (Chair)		13/14
Genaro V. Lapez	15/15			11/13	10/12	

^(a) Member until August 5, 2025; attended 7 out of 8 meetings

^(b) Member from August 6, 2025; attended 4 out of 5 meetings

ATTENDANCE IN BOARD AND COMMITTEE MEETINGS

Director	Nominations Committee	Remuneration Committee	Related Party Transactions Committee	Information Technology Steering Committee	Trust Investment Committee
	15 meetings in 2025, including the 15 joint meetings with the Corporate Governance Committee	2 meetings in 2025	12 meetings in 2025	12 meetings in 2025	11 meetings in 2025
No. of meetings attended					
Hans T. Sy					
Gilbert U. Dee					
Romeo D. Uyan Jr.					11/11
Peter S. Dee					4/4 ^a
Joaquin T. Dee					
Herbert T. Sy					11/11 (Chair)
Harley T. Sy					
Jose T. Sio		2/2			7/7 ^b
Margarita L. San Juan	15/15 (Chair)		12/12		4/4 ^c
Philip S.L. Tsai	15/15	2/2	12/12		7/7 ^d
Claire Ann T. Yap	15/15			12/12	
Genaro V. Lapez		2/2 (Chair)	12/12 (Chair)	11/12 (Chair)	

^(a) Member up to April 23, 2025; attended 4 out of 4 meetings

^(b) Member from January 1 to April 23, 2025, and from August 6, 2025 to present; attended 7 out of 7 meetings

^(c) Member from April 24, 2025 up to August 5, 2025; attended 4 out of 4 meetings

^(d) Member from April 24, 2025; attended 7 out of 7 meetings

- **Nominations Committee**
Facilitates the search for diverse, qualified candidates for the Board. In coordination with the Corporate Governance Committee, it evaluates the qualifications of covered nominees and interlocked or seconded officers to ensure alignment with Chinabank's strategic vision.
- **Remuneration Committee**
Oversees the compensation of directors and key executives, ensuring that remuneration packages are aligned with the Bank's culture, long-term strategy, and stakeholder interests.
- **Related Party Transactions (RPT) Committee**
Composed entirely of Independent Directors, it reviews material RPTs to ensure they are conducted at arm's length. It oversees the RPT Framework to ensure transactions are properly identified, monitored, and reported.
- **Information Technology Steering Committee**
Oversees the bank's IT and digitalization strategy, investments, and implementation. It ensures that the IT execution of subsidiaries and affiliates remains aligned with the Bank's overall strategic goals.
- **Trust Investment Committee**
Provides strategic direction and oversight for the Trust and Asset Management Group. It oversees the trust, investment management and fiduciary activities and ensures that they comply with regulatory requirements and that prudent operating standards and internal controls are strictly maintained.

BOARD AND COMMITTEE MEETINGS

Regular Board meetings are scheduled before the start of each year and are held on the first Wednesday of each month to evaluate financial performance, set strategic direction, and approve key policies. Special meetings are convened as necessary to address critical matters requiring immediate deliberation or decision-making.

Our By-Laws and Committee Charters govern the conduct of these meetings. A quorum consists of a majority of members, and resolutions are passed by a majority vote of those present. Directors are expected to review all meeting materials in advance to ensure informed and diligent participation. When in-person attendance is not possible, directors may participate via videoconferencing or other secure digital platforms that allow for effective remote engagement.

To support objective decision-making, Board materials are provided to directors at least five business days prior to each meeting. Directors also maintain direct access to senior management, the Corporate Secretary, and external advisors to facilitate thorough deliberations.

In 2025, each incumbent director demonstrated a high level of commitment, attending at least 80% of all Board meetings and 80% of their respective Committee meetings.

GOVERNANCE POLICIES

2-6, 2-15, 2-16, 2-19, 2-23, 2-25, 2-26, 3-3, 205-1

We uphold the highest standards of corporate conduct with robust governance policies. These policies are accessible to all employees and stakeholders via the Chinabank intranet and corporate website.

- **Insider Trading**

Directors, officers, and employees are prohibited from trading the Bank's shares while in possession of material non-public information. To ensure transparency, Directors and principal officers must disclose any transactions involving Bank shares within three business days.

- **Conflict of Interest (COI)**

In accordance with the Code of Ethics, the Bank's interests must always prevail in any potential conflict situation. Employees are prohibited from maintaining financial interests that conflict with their duties or engaging in outside employment—particularly with competitors—without prior approval. Directors are mandated to submit COI and Related Party Transaction (RPT) disclosure forms upon election and whenever a potential conflict is identified.

- **Related Party Transactions**

All RPTs must be conducted in the ordinary course of business, at arm's length, and on terms no less favorable than those offered to unrelated parties. The RPT Framework ensures consistent oversight across the Chinabank Group. Material RPTs are vetted by the RPT Committee, approved by the Board, and ratified by stockholders at the Annual Meeting. To maintain objectivity, directors must recuse themselves from deliberations on transactions in which they are a related party.

The following table summarizes material RPTs and outstanding loan balances for 2025. Comprehensive details are disclosed in periodic filings with the BSP and/or SEC.

Related Party	Total Amount ^a	Total Outstanding Balance ^b
CBC Group	₱10.1 billion \$2.5 million	P5.9 million
SM Group	₱440.2 billion \$456 million	P7 billion
Other Related Parties	₱170.7 billion \$77.1 million	P6.2 billion

^a Covers all transactions

^b For loan transactions approved in 2025 (with availments)

- **Anti-Bribery and Anti-Corruption**

Guided by our Code of Ethics, Chinabank maintains a zero-tolerance policy toward bribery and corruption. All directors, officers, and employees are strictly prohibited from offering, promising, or providing any financial or other advantage to any party—including public officials—to induce improper performance or facilitate bank transactions. Conversely, personnel are prohibited from accepting any advantage as a reward for acts prejudicial to the bank or its stakeholders. In 2025, 9,614 employees completed training on the Code of Ethics and related modules, which integrate comprehensive anti-bribery and anti-corruption guidelines.

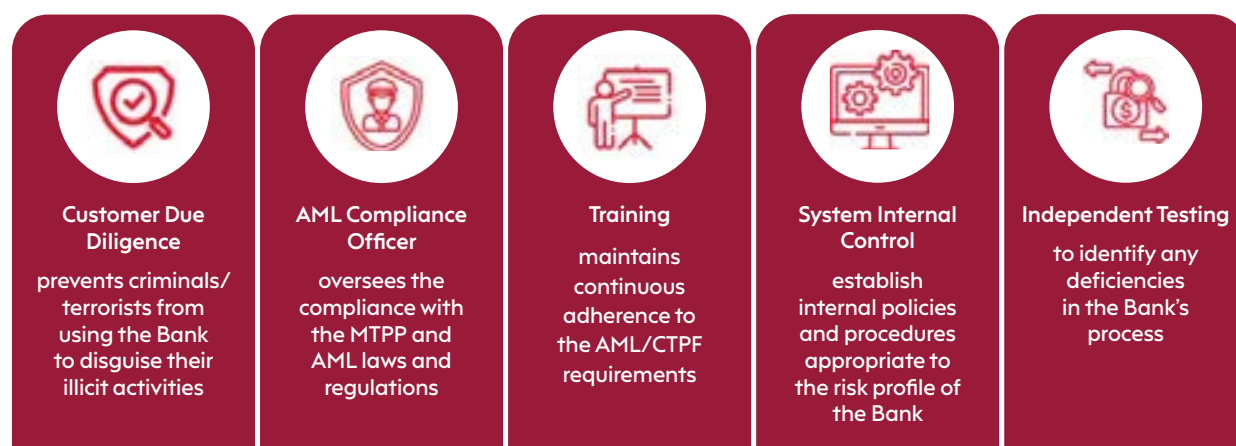
- **Anti-Money Laundering Governance**

To ensure a secure banking environment and maintain full compliance with Anti-Money Laundering and Counter-Terrorism and Proliferation Financing (AML/CTPF) laws, we operate under a Board-approved Money Laundering and Terrorist Financing Prevention Program (MTPP). Tailored to the bank's risk profile and corporate structure, the MTPP is regularly updated to reflect the latest regulatory issuances. This program establishes the framework to prevent Chinabank from being used as a conduit for illicit activities.

The Compliance Group oversees MTPP implementation and manages the AML System to ensure effective transaction monitoring and the timely reporting of covered and suspicious transactions to the Anti-Money Laundering Council (AMLC).

The MTPP is disseminated to all personnel, who are obligated by law and policy to implement its controls. To maintain high levels of awareness, we conduct mandatory AML seminars as well as online training through our digital platform, Learning EDGE. In 2025, 8,398 employees completed the mandatory AML e-learning course.

Anti Money Laundering and Counter-Terrorism and Proliferation Financing



- **Whistleblowing**

We encourage our directors, personnel, clients, and third-party stakeholders to report any illegal activities, unethical behavior, or operational irregularities without fear of retaliation. Our whistleblowing policy protects those who report actual or suspected misconduct committed by Bank personnel, suppliers, or consultants, including:

- **Policy & Ethical Breaches:** Violations of our Operating Policies and Procedures (OPPM) or Code of Ethics.
- **Legal & Regulatory Violations:** Infractions of banking laws, AMLA, the Securities Regulation Code, and other applicable regulations.
- **Financial Malpractice:** Fraudulent transactions, account manipulation, embezzlement, or the misuse of Bank assets.
- **Governance & Conduct Issues:** Unsafe banking practices, acts contrary to public morals, or attempts to conceal violations.
- **Retaliation:** Any form of reprisal against an individual for reporting misconduct in good faith.

We maintain strict confidentiality regarding the whistleblower's identity. All reports undergo a formal evaluation, with preliminary investigations conducted whenever warranted.

To ensure impartiality, our whistleblowing mechanism is overseen by the Audit Committee. This independent body—composed of non-executive directors, the majority of whom are independent including the chair—guarantees that all complaints are subject to independent investigation, appropriate follow-up, and effective resolution.

Whistleblowing disclosures may be reported through the following channels:



WBreporting@chinabank.ph



(02) 8885-5555 loc. 5010



0917-104-5182

A whistleblower disclosure form is also available at www.chinabank.ph.

- **Creditors**

We are committed to honoring all agreements and respecting the rights of our creditors, specifically our depositors and bondholders. This includes strict adherence to post-issuance regulatory requirements, such as continuous disclosures and tax compliance.

- **Suppliers and Contractors**

We advocate for fair market practices and exclusively engage with suppliers and contractors who demonstrate proven integrity and a solid track record. Before awarding any contract, we require partners to pass a rigorous accreditation process where we evaluate their reputation, capability, and reliability. Our selection process is governed by objectivity and equal opportunity; we evaluate bids based on quality, price, and service to ensure maximum value while preventing favoritism or conflicts of interest. All engagements are further governed by our established Outsourcing Framework.

- **Senior Management Appointment and Succession**

We exercise thorough due diligence in selecting our senior leadership. Through our Succession Management Program, we systematically identify and prepare potential successors for key roles. We follow a structured process to ensure all candidates meet "fit and proper" standards—evaluating their experience, integrity, and talent profile. This process involves a collaborative review led by the President and CEO and Senior Management, supported by background checks from the Human Resources Group. Candidates are then evaluated by the Nominations or Corporate Governance Committees before final endorsement to the Executive Committee or the Board of Directors.

- **Executive Compensation**

Our remuneration policy is built on fairness, transparency, and performance. We design our compensation packages to attract and retain top talent while promoting long-term commitment to our strategic objectives. For senior officers, we differentiate remuneration based on rank, function, and individual results. We also conduct regular salary reviews to ensure our total compensation remains competitive within the market.

In 2025, we paid a total of ₱157 million to our five most senior executives*: Vice Chairman Gilbert U. Dee, President and CEO Romeo D. Uyan Jr., Institutional Banking Segment Head Lilian Yu, Consumer Banking Segment Head Aloysius C. Alday Jr., and Chinabank Capital President and CEO Ryan Martin L. Tapia:

Year	Salary	Bonuses and Other Compensation	Total
2025	₱80,441,088	₱76,715,623	₱157,156,711
2024	₱73,626,339	₱76,237,000	₱149,863,339

*Due to the competitiveness and high demand for talent in the banking industry, individually disclosing the remuneration of the top five officers, as per corporate governance practices, would be disadvantageous to Chinabank.

• Dividends

We are committed to providing our shareholders with an equitable share of profits. Cash dividends are declared at a payout ratio of approximately thirty percent (30%) of the net income of the prior year, subject to the conditions and limitations set forth in more detail in the dividend policy statement contained in the Corporate Governance Manual. Dividend payouts, as part of our capital management policy and process, are reviewed and calibrated annually, taking into account the economic and business environment, the bank's risk profile and appetite, and trends in capital markets and regulatory environment to achieve the following objectives:

1. Delivering to stockholders satisfactory returns and enhanced shareholder value
2. Healthy capital adequacy ratios to comply with regulatory capital requirements and maintain strong credit rating
3. Capital buffer to support business growth and pursue business opportunities

Cash Dividend	2021	2022	2023	2024	2025
Regular	10%	10%	10%	12%	15%
Special	-	5%	9%	10%	10%

• Disclosure and Transparency

We are committed to providing our stakeholders with timely, accurate, and meaningful information to ensure a clear understanding of our financial health, operations, and governance. As a publicly listed company, we disclose all material information in strict compliance with regulatory requirements, including real-time filings through the PSE EDGE portal.

Beyond mandated reporting—such as publishing quarterly financial statements in national newspapers and releasing our annual financial and sustainability reports—we prioritize the prompt communication of material developments. We use press releases, social media, and our official website to disclose market-sensitive information, including dividend declarations, acquisitions, and asset dispositions, that may influence investment decisions.

To maintain an open dialogue with the market, our Investor and Corporate Relations Group actively conducts and participates in briefings with analysts, media, and the broader investment community.

Internal Controls

We maintain a robust internal control framework covering finance, operations, IT, compliance, risk management, and audit. This resilient environment is fundamental to our safe and sound operations, protecting our assets, ensuring financial reliability, and driving operational efficiency.

To sustain this environment, we adopt the "three-lines-of-defense" model, assigning clear roles and responsibilities across the organization:

- **First Line of Defense (Business Units)**
Our business units manage day-to-day risk. They operate within our established risk appetite, engage in prudent risk-taking, and swiftly address emerging risks at the operational level.
- **Second Line of Defense (Compliance & Risk Management)**
This layer provides critical oversight. Our Compliance Group manages the compliance risk framework to protect our franchise value, while the Risk Management Group (RMG) provides strategic guidance and independent oversight on all risk governance matters.
- **Third Line of Defense (Audit)**
Our Internal Audit Group independently evaluates the design and efficacy of our entire risk governance framework. Operating with total independence, they ensure that controls are appropriate, enforced, and effective across the bank.

Compliance: Integrity That Clears the Path

We view the management of compliance risk as a core operational priority, embedding it at every level of our organization. The Board sets the policies to identify and mitigate risk, while Management ensures these policies are executed and that critical issues are addressed promptly to safeguard our franchise value.

Our Compliance Group is the architect of our group-wide compliance culture. It designs and oversees our compliance program, supporting the Board in its governance duties and protecting the interests of our stakeholders.

To maintain strict independence from business operations, our compliance function serves as a critical second line of defense. It is led by the Chief Compliance and Governance Officer (CCGO), who reports functionally to the Board's Compliance and Corporate Governance Committees and administratively to the President and CEO. The Compliance Group is structured into seven specialized units to ensure comprehensive coverage: Regulatory Compliance, Anti-Money Laundering (AML), Corporate Governance, Head Office Compliance Testing, IT Compliance, Subsidiaries Oversight, and Associated Person.

We foster a proactive compliance culture through an adaptable program that includes regular risk assessments, independent testing, and the continuous updating of our policies. We prioritize awareness, ensuring our employees stay informed of legal and regulatory shifts through consistent training and advisories. Finally, our Audit Group provides a final layer of validation, independently assessing the effectiveness of our compliance function.

Risk Management: Resilience for a Dynamic Future

We believe that risks are part of doing business, and that effective risk management, rather than outright risk avoidance, is crucial to success. This mindset has enabled us to maintain highly profitable and stable operations while undertaking only well-calculated risks for commensurate returns.

The Board is accountable for risk oversight, but everyone at Chinabank is responsible for risk management. The Board sets the tone for a sound risk culture, Management handles the implementation of the Enterprise Risk Management Framework and day-to-day risk management to ensure alignment with the established risk appetite and limits, and

employees at all levels share the responsibility of managing risks. Through trainings and communication, effective risk management is reinforced as a group-wide discipline.

The Risk Management Group (RMG), headed by the Chief Risk Officer (CRO), performs overall risk management, identifies and evaluates group-wide risks, creates a risk management process, formulates recovery strategies, and sets risk limits in accordance with the Board-approved risk management policies. RMG applies the principles of sound governance to the identification, assessment, monitoring, and mitigation of risks. Risk identification and assessment are embedded in our work processes and critical business systems to ensure that decision-making is based on reliable information. RMG distinguishes the different types of risk and takes an integrated approach, guided by supporting frameworks and policies which are regularly reviewed and enhanced, to effectively manage the bank's financial, nonfinancial, and emerging risks.

CREDIT RISK

In the course of our lending operations, we are inherently exposed to credit risk – the risk of financial loss arising from a customer or counterparty's failure to meet their financial obligations to Chinabank. The policies for managing credit risk are established at the business level, with tailored procedures for different risk environments and business goals. Risk limits and thresholds have been set to monitor and manage credit risk across individual counterparties, group of counterparties, countries, and industry sectors. Additionally, periodic assessments are conducted to review the creditworthiness of our counterparties.

We utilize these risk rating and scoring models to evaluate the level of credit risks associated with various borrower categories:

- **Internal Credit Risk Rating System (ICRRS):** For corporate borrowers with total assets, total facilities, or total credit exposures amounting to at least ₱15 million.
- **Borrower Credit Score (BCS):** For retail small and medium-sized entities and individual non-consumer loan accounts.
- **Transunion (TU) Credit Score:** The primary scorecard for evaluating applications for credit cards, auto loans, housing loans, and CTS without recourse.
- **Internal Housing Loans Scorecard:** A secondary scorecard used to complement the credit assessment for Housing Loans, specifically for applications with no TU footprint.
- **Camelot Risk Rating (CRR) model:** Employed for Philippine universal, commercial, thrift, digital, rural, and cooperative banks. For foreign financial institutions, the external credit rating is mapped to the CRR grade.
- **Sovereign Risk Rating (SRR) Scorecard:** Used to assess the strength of a country, considering factors such as economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events.

The performance of these credit risk rating and scoring models is regularly monitored to ensure their continued effectiveness in the credit evaluation process. We have partnered with third party consultants, such as Moody's Analytics, for model validation, model recalibration, and knowledge transfer projects. Internally, we conduct comprehensive reviews using statistical metrics to verify the reliability and robustness of these tools. Any identified weaknesses are addressed through targeted enhancements or model recalibration as necessary. Furthermore, the models undergo independent validation to ensure the integrity of the process. The latest independent validation conducted in December 2024 confirmed that our ICRRS, BCS, CRR and SRR models are "Appropriate" for their intended use.

MARKET AND LIQUIDITY RISK

Operating in a dynamic and often unpredictable market environment, Chinabank is exposed to various market risks—specifically, the potential adverse impact of movements in foreign exchange rates, interest rates, and equity prices on earnings and capital. The bank also faces liquidity

risk, or the risk of being unable to meet financial obligations as they fall due, as well as interest rate risk in the banking book, which stems from mismatches in the repricing or duration of assets and liabilities that may affect interest income. Our market risk policies are designed to achieve an optimal balance between risk and return, while our liquidity risk policies ensure adequate funds are maintained to support all our financial obligations. These risks are managed through a comprehensive framework of established limits, triggers, and robust monitoring and reporting processes, all of which are regularly reviewed and aligned with the Board-approved risk appetite.

Market risk exposures are measured and monitored using reports from our Market Risk Management System, employing a Historical Simulation Value-at-Risk (VaR) methodology across all treasury-traded instruments, including fixed income securities, foreign exchange swaps and forwards, interest rate swaps, and equity positions. Meanwhile, liquidity and interest rate risk exposures are assessed through Maximum Cumulative Outflow (MCO), Economic Value of Equity (EVE), and Net Interest Income (NII) reports produced by our Asset and Liability Management (ALM) system.

With the implementation of NII, the use of Earnings-at-Risk (EaR) as a short-term interest rate risk metric has been discontinued. Based on the most recent independent validation, our internal risk measurement models for VaR and MCO remain appropriate and adequate. In addition, the independent validation in October 2025 confirmed that our IRRBB models for both NII and EVE are “Appropriate” for their intended use.

OPERATIONAL RISK

Our operational risk governance framework is founded on a structured and disciplined approach to identify, assess, and address risks, reinforced by strong internal controls and clear oversight responsibilities that embed risk awareness into governance and decision-making across all levels of the enterprise.

Operational risk governance is embedded within the Bank’s overall governance framework, with

defined roles and accountabilities across the Board of Directors, its committees, and Senior Management. These bodies collectively ensure that operational risks are managed in line with the Bank’s risk appetite, supported by robust internal controls and a culture of risk awareness across the organization.

Operational risk management begins with a thorough understanding of exposures—defined as inherent vulnerabilities prior to safeguards—which are formally approved by the Board as part of the organization’s risk appetite and considered necessary for achieving long-term objectives. When these exposures materialize as risk events, their probability and severity are constrained by preventive controls. Because controls cannot fully eliminate risk, residual risk is managed through mitigation strategies such as corrective actions, contingency planning, and recovery measures. This residual risk is monitored and reported to ensure transparency and sustained resilience.

BUSINESS OPERATIONS RESILIENCE

Our operations are subject to potential interruptions arising from site incidents, restricted access, and dependencies on critical infrastructure. Our interconnected ecosystems of digital platforms and third-party providers, while efficient, exposes us to cascading risks that can disrupt operations, erode customer trust, and heighten reputational and compliance challenges.

To strengthen resilience, we are implementing regulatory standards and embedding structured processes to identify critical operations, assess their dependencies, and determine recovery priorities. This includes conducting business impact and affinity analyses, developing detailed business continuity plans, and driving recovery strategies to adapt dynamically to volatile, uncertain, complex, and nonlinear environments.

Through these initiatives, we aim to safeguard employee safety, ensure continuity of critical operations, and provide stakeholders with confidence in our ability to deliver consistent service, protect revenues, and maintain long-term operational stability in an increasingly complex business landscape.

INFORMATION TECHNOLOGY (IT) RISK

Our operations and growth strategy rely heavily on information technology, including digitization and a “cloud-first” approach. While these enhance efficiency, customer engagement, and resilience, they also increase exposure to risks such as system outages, third-party and cross-jurisdictional dependencies, and evolving cybersecurity threats.

To mitigate these risks, we maintain strong governance through the Board’s IT Steering Committee and our inhouse IT service provider, Chinabank subsidiary PCCI. Our defense strategy includes real-time monitoring and incident response planning, data privacy controls and dedicated security operations center, periodic testing and cyber liability insurance. We continue to invest in technology, processes, and oversight to protect stakeholders and support sustainable growth in a dynamic risk environment.

TRUST RISK

As financial markets evolve and offer a broader range of financial instruments to investors, we continue to place great importance on the oversight of risks specific to our Trust and Asset Management business. Our commitment to sound risk management is reflected in a structured process of assessing and managing risks, which includes setting appropriate parameters to ensure that prudent practices are strictly observed in our fiduciary activities. These activities are managed in accordance with the Guidelines in Strengthening Corporate Governance and Risk Management Practices on Trust, Other Fiduciary Business, and Investment Management Activities (BSP Circular 766), as well as our internal Trust Risk Management Guidelines.

INTEGRATED STRESS TEST

As a Domestic Systemically Important Bank (DSIB), we employ Integrated Stress Testing (IST) to provide a holistic view of vulnerabilities and resilience under adverse scenarios. The IST framework spans all major risk areas and complements the Pillar 1 Plus Approach, which underpins the Internal Capital Adequacy

Assessment Process (ICAAP) capital charge under normal conditions. This is in addition to silo stress testing, thereby offering a more comprehensive assessment aligned with regulatory expectations and our commitment to robust risk management.

To ensure that Chinabank’s capital and debt structure is compatible with our strategic goals and associated risk appetite, the Board of Directors approved the 2026 ICAAP document submitted to the BSP on March 31, 2026 and the Budget & Strategic Plan on December 17, 2025. Details regarding the ICAAP process can be found under the “Regulatory Qualifying Capital” in the Notes to Financial Statements.

Furthermore, adherence to regulations on high loss absorbency and risk management to mitigate failure is embodied in our Recovery Plan (RP), which complements the ICAAP. The RP reinforces BSP’s supervision of D-SIBs and affirms resilience as a core element of risk management beyond prevention. The latest RP document was approved in the Joint Meeting of the ROC and Executive Committee on June 16, 2025 (confirmed by the Board of Directors on July 2, 2025) and submitted to the BSP on June 30, 2025.

Internal Audit: Assurance That Fuels Innovation

Internal Audit (IA) acts as a guardian of trust, providing the Board and stakeholders with objective assurance that Chinabank is governed with integrity, risks are managed with precision, and the control environment is robust enough to withstand the complexities of the modern financial landscape. IA has evolved from a compliance-focused group into a strategic partner that provides essential assurance, insight, and foresight. It transitions the bank from simple oversight to deep insight, ensuring that our ethical culture and strategic objectives are harmonized across all levels of the organization. By providing the foresight necessary for management to navigate uncertainty, IA validates that the risk management framework is not just present, but effectively protects the institution’s value and reputation. Furthermore, IA ensures that control weaknesses are permanently remediated—strengthening the

bank's defense against fraud, ensuring regulatory compliance, and streamlining processes to support sustainable growth.

Under the leadership of the Chief Audit Executive, our Internal Audit Group (IAG) serves as the bank's third line of defense, providing essential independent assurance on the adequacy and effectiveness of our governance, risk management, and internal control processes. IAG operates with strict independence and objectivity, reporting functionally to the Audit Committee and administratively to the President and CEO. This dual-reporting line, mandated by the Board-approved Internal Audit Charter, ensures that the audit function remains free from management influence, allowing for impartial and evidence-based assessments. Implementing a systematic and risk-based methodology, the IAG prioritizes its audit universe toward high-impact areas, including emerging digital risks and regulatory compliance. This disciplined approach ensures that the resources are focused on the bank's most significant exposures, delivering actionable recommendations that drive operational excellence and safeguard stakeholder value.

In 2025, the IAG fully adopted the Institute of Internal Auditors' Global Internal Audit Standards, transforming the internal audit function into a strategic partner by shifting its focus from basic compliance to proactive value creation. This adoption provides a clearer roadmap for our auditors to align their strategies directly with the bank's goals.

In terms of organizational structure, three key departments—Branch Audit, Head Office Audit, and IT Audit—were elevated to divisions, with their respective units upgraded to department-level status. This restructuring aims to enhance IAG's effectiveness, strategic positioning, and alignment with the bank's overall direction.

Throughout the year, IAG conducted town hall meetings, implemented employee engagement programs, and launched a thought portal. These initiatives collectively promote a culture of transparency, collaboration, and innovation, while fostering a cohesive and connected workforce dedicated to delivering high-quality audit services.

External Audit: Independent Oversight

Our external auditor fulfills a critical function in ensuring that our financial statements are accurate and presented in accordance with the Philippine Financial Reporting Standards. SyCip Gorres Velayo & Co. (SGV & Co.) has been Chinabank's independent auditor for more than 40 years, with the signing partners rotated every seven years in compliance with existing regulations.

In 2025, SGV & Co. confirmed that they did not have any disagreement with the Chinabank management that could be significant to the bank's financial statements or their auditor's report. Further, there are no matters that in their professional judgment may reasonably be thought to bear on their independence or that they gave significant consideration to in reaching the conclusion that independence has not been impaired.

The Board/Executive Committee/Audit Committee discussed and approved SGV & Co.'s fees below:

Fiscal Year	Audit and Audit-Related Fees Audit or review of financial statements, including the combined financial statements of Trust Group	All Other Fees Payments for the independent validation of votes in the 2025 and 2024 annual stockholders' meeting and of Chinabank's internal risk models
2025	₱16,050,600	₱120,000
2024	₱14,580,000	₱120,000

Note: Amounts are exclusive of out-of-pocket expenses and VAT

SGV & Co. is again recommended for appointment at the 2026 annual stockholders' meeting.

STOCK INFORMATION

Chinabank common shares are listed and traded on the Philippine Stock Exchange under the symbol “CBC”. The Bank’s common shares were valued at ₱57.00 per share as of December 29, 2025 (last trading day), and at ₱70.30 per share as of February 27, 2026 (latest practicable trading date). The Bank has an authorized capital stock of ₱33 billion divided into 3.3 billion shares with a par value of ₱10.00 per share.

As of January 31, 2026, there were approximately 1,711 holders of 2,691,343,012 common shares.

Equity Ownership by Nationality

Nationality	Number of Stockholders	Number of Shares	Percentage
Filipino	1,639	1,964,818,996	73.005
Non-Filipino (PCD)	1	721,307,762	26.801
Chinese	44	2,612,639	0.097
American	19	2,403,910	0.089
Australian	1	2,114	0.000
British	2	97,631	0.004
Canadian	1	1,963	0.000
French	1	13,400	0.000
Spanish	1	107	0.000
Taiwanese	2	84,490	0.003
TOTAL	1,711	2,691,343,012	100.00%

Top 20 Holders of Chinabank Common Shares

Name of Stockholder	Number of Shares	Percentage
1. PCD Nominee Corporation (Non-Fil.)	721,307,762	26.801
2. SM Investments Corporation	605,582,089	22.501
3. PCD Nominee Corporation (Filipino)	452,702,942	16.821
4. Sysmart Corporation	414,153,258	15.388
5. JJACCIS Development Corporation	62,320,926	2.316
6. CBC Employees Retirement Plan	53,278,951	1.980
7. GDSK Development Corporation	31,458,583	1.169
8. Suntree Holdings Corporation	28,212,065	1.048
9. Syntrix Holdings, Inc.	23,500,711	0.873
10. Hydee Management & Resource Corp.	14,334,603	0.533
11. James Christian Ty Dee	13,304,701	0.494
12. Christopher Ty Dee	12,866,918	0.478
13. Angela Dee Cruz	6,134,298	0.228
14. Consuelo Dee Ponce	6,000,000	0.223
15. The First Resources Mgt. & Sec. Corp.	5,964,229	0.222
16. Kuan Yan Tan's Charity (Phil.), Inc.	5,941,277	0.221
17. Reliance Commodities, Inc.	5,662,648	0.210
18. Robert Y. Dee Jr.	5,569,499	0.207
19. Stephanie Dee Reyes	4,825,038	0.179
20. Ansaldo, Godinez & Co., Inc.	4,664,350	0.173
TOTAL	2,477,784,848	92.065%

Record and Beneficial Owners Holding 5% or More Voting Securities

Title of Class	Name, Address of Record Owner & Relationship with Issuer	Name of Beneficial Owner & Relationship with Record Owner	Citizenship	No. of Shares Held	Percentage
Common	PCD Nominee Corporation* 29 th Floor BDO Equitable Tower 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders / clients	Non-Filipino	721,307,762	26.80%
Common	SM Investments Corporation 10 th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	PCD Nominee Corporation Stockholders	Filipino	605,582,089	22.50%
Common	PCD Nominee Corporation* 29 th Floor BDO Equitable Tower 8751 Paseo de Roxas, Makati City Stockholder	Various stockholders / clients	Filipino	452,702,942	16.82%
Common	Sysmart Corporation 10 th Floor L.V. Locsin Bldg., 6752 Ayala Avenue, Makati City Stockholder	Sycamore Pacific Corporation Stockholders	Filipino	414,153,258	15.39%

* Based on the list provided by the Philippine Depository & Trust Corporation to the Bank's transfer agent, Stock Transfer Service, Inc., as of December 31, 2025, The Hongkong and Shanghai Banking Corporation Limited, (396,732,386 Non-Filipino shares or 14.74%) holds 5% or more of the Bank's securities under the names of various beneficial owners. The beneficial owners, such as the clients of PCD Nominee Corporation, have the power to decide how their shares are to be voted.

Stockholdings of Bank Directors

Name	Position	Citizenship	Number & Nature of Ownership (Direct (D)/Indirect (I))	Percentage
Hans T. Sy	Chairman of the Board	Filipino	1,545,137 (D)	0.057%
			8,836,445 (I)	0.328%
Gilbert U. Dee	Vice Chairman	Filipino	1 (D)	0.000%
			838,005 (I)	0.031%
Romeo D. Uyan Jr.	Director, President and CEO	Filipino	1 (D)	0.000%
			1,545,499 (I)	0.057%
Peter S. Dee	Director	Filipino	301,305 (D)	0.011%
Joaquin T. Dee	Director	Filipino	46,926 (D)	0.002%
			13,825,508 (I)	0.514%
Herbert T. Sy	Director	Filipino	735,431 (D)	0.027%
Harley T. Sy	Director	Filipino	897,254 (D)	0.033%
Jose T. Sio	Director	Filipino	3,517 (D)	0.000%
Margarita L. San Juan	Lead Independent Director	Filipino	35,657 (D)	0.001%
			59,581 (I)	0.002%
Philip S.L. Tsai	Independent Director	Filipino	2,000 (D)	0.000%
Claire Ann T. Yap	Independent Director	Filipino	1 (D)	0.000%
			9,099 (I)	0.000%
Genaro V. Lapez	Independent Director	Filipino	100 (D)	0.000%
			6,100 (I)	0.000%
TOTAL			28,687,567	1.0660%

Trading in Company Shares by Bank Directors as of December 31, 2025

Director	Shareholdings as of January 1, 2025	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2025
Hans T. Sy	10,381,582	-	-	10,381,582
Gilbert U. Dee	838,006	-	-	838,006
Romeo D. Uyan Jr.	1,545,500	-	-	1,545,500
Peter S. Dee	301,305	-	-	301,305
Joaquin T. Dee	13,872,434	-	-	13,872,434
Herbert T. Sy	735,431	-	-	735,431
Harley T. Sy	897,254	-	-	897,254
Jose T. Sio	3,517	-	-	3,517
Margarita L. San Juan	95,238	-	-	95,238
Philip S. L. Tsai	2,000	-	-	2,000
Claire Ann T. Yap	9,100	-	-	9,100
Genaro V. Lapez	100	-	6,100	6,200

Trading in Company Shares by Bank Principal Officers* as of December 31, 2025

Principal Officer	Shareholdings as of January 1, 2025	Number of Shares Disposed	Number of Shares Acquired	Shareholdings as of December 31, 2025
Patrick D. Cheng	620,256	-	-	620,256
Magnolia Luisa N. Palanca	100	-	-	100
Stephen Y. Tan	4,046	-	-	4,046
Ryan Martin L. Tapia	300	-	-	300
Lilian Yu	400	-	-	400
Ananias S. Cornelio III	10,700	-	-	10,700
James Christian T. Dee ^(a)	13,455,801	-	-	13,455,801
Delia Marquez	26,760	-	-	26,760
Christopher Ma. Carmelo Y. Salazar	100	-	-	100
Cristina P. Arceo	1,200	-	-	1,200
Gerard T. Dee ^(a)	12,279,464	-	-	12,279,464
Antonio Jose S. Dominguez	100	-	-	100
Gerald O. Florentino	10,000	5,000	-	5,000
Madelyn V. Fontanilla	1,400	-	-	1,400
Jerry Ron T. Hao	300	-	-	300
Mary Ann T. Lim	200	-	-	200
Mandrake P. Medina	1,200	-	-	1,200
Belenette C. Tan	7,708	-	-	7,708
Michelle Y. Yap-Bersales	700	-	-	700
Ma. Hildelita P. Alano	7,257	-	-	7,257
Jay Angelo N. Anastacio ^(b)	-	-	900	900
Love Virgilyn T. Baking	1,200	-	1,500	2,700
Francis Vincent S. Berdan	5,000	-	-	5,000
Richard S. Borja	10,300	-	-	10,300
Marie Carolina L. Chua	78,343	-	-	78,343
Domingo P. Dayro, Jr.	500	-	-	500
Aileen Paulette S. De Jesus	200	-	-	200
Gemma B. Deladia	5,430	-	-	5,430
Rhodin Evan O. Escolar	400	-	-	400
Therese G. Escolin	7,692	-	-	7,692
Cristina F. Gotuaco	3,300	-	-	3,300
Emir Francis D. Javillonar	4,000	-	450	4,450
Regina Karla F. Libatique	300	-	-	300
Karyn C. Lim	10,100	10,000	-	100
Ordon P. Maningding	2,600	-	-	2,600
Jocelyn T. Pavon	300	-	-	300
Mani Thess Q. Pena-Lee	200	-	-	200
Francisco Eduardo A. Sarmiento	8,480	-	-	8,480
Irene C. Tanlimco	1,300	-	-	1,300
Marisol M. Teodoro	23,923	-	-	23,923
Esmeralda R. Vicente	2,900	-	-	2,900
Carina L. Yandoc	36,068	16,000	20,000	40,068
Hanz Irvin S. Yoro	1,100	-	-	1,100

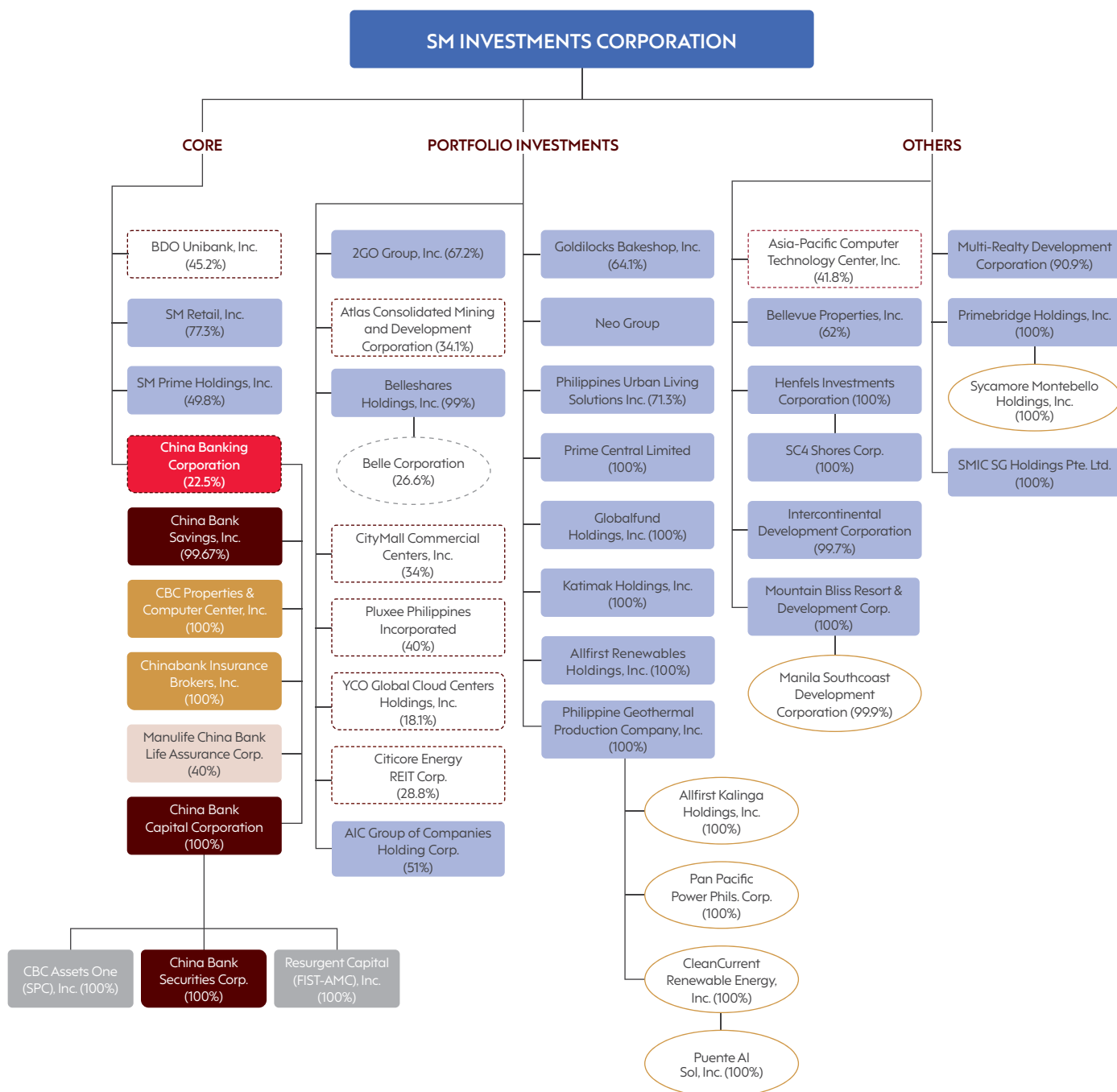
* Incumbent First Vice President and up, in addition to the Vice Chairman and President and CEO

^(a) Shares are under his own name or held jointly with family members

^(b) Officer promoted to First Vice President in 2025

Conglomerate Map

As of December 31, 2025



Legend:

% Refers to the Effective Ownership Interest, except for the CBC group (subsidiaries and affiliates), where % refers to the direct shareholding of the parent company.



● Financial Allied Subsidiary ● Non-Financial Allied Subsidiary ● Financial Allied Affiliate ● Special Purpose Corporation

Board of Directors



HANS T. SY

Chairman, Director (Non-Executive)

Age and Nationality:
70, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
1986 / 40 years

Present Directorships:

- Director, SM Prime Holdings, Inc. (SMPH)*
- Adviser to the Board, SM Investments Corporation (SMIC)*
- Chairman, National University, Inc. (NUI)

Relevant Working Experience:

- Former Vice Chairman, Chinabank
- Former President, SMPH*
- Held other key positions in several companies under the SM Group

Academic Qualification:

- BS Mechanical Engineering, De La Salle University



GILBERT U. DEE

Vice Chairman, Director (Executive)

Age and Nationality:
90, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
1969 / 57 years

Present Directorships:

- Chairman, Union Motor Corporation
- Chairman, CBC Properties and Computer Center, Inc. (CBC-PCCI)

Relevant Working Experience:

- Former Chairman, Chinabank
- Former Director, Philippine Pacific Capital Corporation
- Former Director, Philex Mining Corporation
- Former Director, CBC Finance Corporation

Academic Qualification:

- MBA - Finance, University of Southern California
- BS Banking, De La Salle University

* Listed on the Philippine Stock Exchange



ROMEO D. UYAN JR.

Director (Executive), President & Chief Executive Officer

Age and Nationality:
63, Filipino

Year First Elected / No. of Years on the Chinabank Board:
2023 / 3 years

Present Directorships:

- Vice Chairman, China Bank Capital Corporation (CBCC)
- Director, China Bank Savings, Inc. (CBSI)
- Director, Chinabank Securities Corporation (CBSC)

Relevant Working Experience:

- Former Chief Operating Officer (COO), Chinabank
- Former President, CBCC
- Former Managing Director & Co-Head of Asia Special Situations and Leveraged Capital Markets, UBS AG - Singapore Branch
- Former Managing Director & Head of Asia Credit Products, Barclays Capital

Academic Qualification:

- MBA, Johnson Graduate School of Management, Cornell University
- BS Management Engineering, Ateneo de Manila University

* Listed on the Philippine Stock Exchange



PETER S. DEE

Director (Non-Executive)

Age and Nationality:
84, Filipino

Year First Elected / No. of Years on the Chinabank Board:
1977 / 49 years

Present Directorships:

- Independent Director, City & Land Developers, Inc.*
- Independent Director, Cityland Development Corporation*
- Director & President, CBC-PCCI
- Director, Commonwealth Foods, Inc.
- Director, GDSK Development Corporation
- Director, Makati Curbs Holdings Corporation
- Director, Great Expectation Holdings, Inc.
- Director, The Big D Holdings Corporation

Relevant Working Experience:

- Former President & Chief Executive Officer (CEO), Chinabank
- Former Director, Sinclair (Phils.) Inc.
- Former Director, Can Lacquer, Inc.
- Former Director, CBC Forex Corporation
- Former Director, Chinabank Insurance Brokers, Inc. (CIBI)

Academic Qualification:

- BS Commerce, De La Salle University/ University of the East

Board of Directors



JOAQUIN T. DEE

Director (Non-Executive)

Age and Nationality:
90, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
1984 / 42 years

Present Directorships:

- Director, JJACCIS Development Corporation
- Director, Enterprise Realty Corporation
- Director, Suntree Holdings Corporation

Relevant Working Experience:

- Former Vice President, Wellington Flour Mills

Academic Qualification:

- BS Commerce, Letran College



HERBERT T. SY

Director (Non-Executive)

Age and Nationality:
69, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
1993 / 33 years

Present Directorships:

- Director, SMPH*
- Director, NUI
- Chairman, Sanford Marketing Corp.
- Chairman, Supervalu, Inc.
- Chairman, Super Shopping Market, Inc.

Relevant Working Experience:

- Involved in companies engaged in food retailing, mall operations, real estate development, and investments

Academic Qualification:

- BS Management, De La Salle University

* Listed on the Philippine Stock Exchange

**HARLEY T. SY**

Director (Non-Executive)

Age and Nationality:

66, Filipino

Year First Elected / No. of Years on the Chinabank Board:

2001 / 25 years

Present Directorships:

- Executive Director, SMIC*
- Trustee & Treasurer, SM Foundation, Inc. (SMFI)

Relevant Working Experience:

- Involved in companies engaged in food retailing and mall operations

Academic Qualification:

- BS Commerce - Finance, De La Salle University

**JOSE T. SIO**

Director (Non-Executive)

Age and Nationality:

86, Filipino

Year First Elected / No. of Years on the Chinabank Board:

2007 / 19 years

Present Directorships:

- Chairman Emeritus, SMIC*
- Director, Atlas Consolidated Mining and Development Corporation*
- Independent Trustee, Far Eastern University, Inc.*
- Advisor, BDO Unibank, Inc.*
- Director, NLEX Corporation
- Director, Ortigas Land Corporation
- Director, First Asia Realty Development Corporation
- Chairman, President & Trustee, SMFI

Relevant Working Experience:

- Former Senior Partner, SyCip Gorres Velayo & Co. (SGV & Co.)

Academic Qualification:

- Certified Public Accountant
- MBA, New York University
- BS Commerce - Accounting, University of San Agustin

* Listed on the Philippine Stock Exchange

Board of Directors



MARGARITA L. SAN JUAN

Lead Independent Director (Non-Executive)

Age and Nationality:
72, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
2017 / 9 years

Present Directorships:

- Independent Director, CBCC
- Independent Director, CIBI

Relevant Working Experience:

- Former Independent Director, CBSI
- Former Independent Director, Resurgent Capital (FISTC-AMC) Inc. (RCI)
- Former SVP & Account Management Group Head, Chinabank

Academic Qualification:

- Advanced Bank Management Program, Asian Institute of Management
- BS Business Administration - Financial Management, University of the Philippines



PHILIP S.L. TSAI

Independent Director (Non-Executive)

Age and Nationality:
75, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
2018 / 8 years

Present Directorships:

- Independent Director, CBSI
- Independent Director, CBCC
- Independent Director, CIBI

Relevant Working Experience:

- Former FVP & Metro Manila South Region Head, Chinabank
- Held executive positions at First CBC Capital (Asia) Limited (Hong Kong), Midwest Medical Management (Chicago, Illinois), Fortune Travel International Inc., Chemical Bank New York, and Plastic Container Packaging / Consolidated Can Corp.

Academic Qualification:

- MBA, Roosevelt University - Chicago, Illinois
- BS Business Administration, University of the Philippines



CLAIRE ANN T. YAP

Independent Director (Non-Executive)

Age and Nationality:
70, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
2020 / 6 years

Present Directorships:

- Independent Director, CBSI
- Independent Director, CBCC
- Independent Director, CBSC
- Non-Executive Independent Director, Manulife China Bank Life Assurance Corporation (MCBL)

Relevant Working Experience:

- Former SVP & Global Service Centre Head, Global Payment Process Centre
- Former President, Metrobank Card Corporation
- Former SVP of Personal Financial Services & Cards Head, Hongkong Shanghai Banking Corp.
- Former Chairperson & President, Credit Card Association of the Philippines

Academic Qualification:

- Certified Public Accountant
- BS Accountancy, De La Salle University



GENARO V. LAPEZ

Independent Director (Non-Executive)

Age and Nationality:
68, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
2021 / 5 years

Present Directorships:

- Independent Director, CBSI
- Independent Director, CBSC

Relevant Working Experience:

- Former EVP & Strategic Partnerships & Consumer Finance Center Head, Union Bank of the Philippines

Academic Qualification:

- BS Management Engineering, Ateneo de Manila University

Board of Directors



RICARDO R. CHUA

Senior Advisor to the Board

Age and Nationality:
74, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
2017 / 9 years

Present Directorships:

- Chairman, CBSI
- Chairman, CBCC
- Director, CBC-PCCI

Relevant Working Experience:

- Former President & CEO, Chinabank
- Former COO, Chinabank

Academic Qualification:

- Certified Public Accountant
- MBM, Asian Institute of Management
- BS Business Administration - Accounting, University of the East



HOWARD CONRAD T. SY

Advisor to the Board

Age and Nationality:
37, Filipino

Year First Elected / No. of Years on the
Chinabank Board:
2024 / 2 years

Present Directorships:

- Director, CBCC
- Director, 2Go Group, Inc.

Relevant Working Experience:

- Former Private Equity Associate & Private Equity Analyst, Macquarie Group
- Founder & President, Storagemart Corporation

Academic Qualification:

- Bachelor of Commerce, University of Melbourne

Management Committee



ROMEO D. UYAN JR.

President & Chief Executive Officer

Age and Nationality:

63, Filipino

Interlocking Directorship/Officership Positions

- Vice Chairman, CBCC
- Director, CBSI
- Director, CBSC

Relevant Working Experience:

- Former COO, Chinabank
- Former President, CBCC
- Former Managing Director & Co-Head of Asia Special Situations and Leveraged Capital Markets, UBS AG - Singapore Branch
- Former Managing Director & Head of Asia Credit Products, Barclays Capital

Academic Qualification:

- MBA, Johnson Graduate School of Management, Cornell University
- BS Management Engineering, Ateneo de Manila University



PATRICK D. CHENG

Chief Finance Officer

Age and Nationality:

63, Filipino

Interlocking Directorship/Officership Positions

- Chairman, CIBI
- Director, CBSI
- Director, MCBL

Relevant Working Experience:

- Former President & CEO, HSBC Savings Bank - Philippines
- Former President, Chamber of Thrift Banks
- Held key positions at Philippine Bank of Communications, HSBC (Philippines), Citibank N.A. (Philippines), and Citicenter Condominium Corp.

Academic Qualification:

- Certified Public Accountant
- Master's in Management, Hult International Business School
- BS Business Administration and Accountancy, University of the Philippines

Management Committee



ALOYSIUS C. ALDAY JR.
Consumer Banking Segment Head

Age and Nationality:
56, Filipino

Interlocking Directorship/Officership Positions

- Director, CBSI
- Director, CIBI

Relevant Working Experience:

- Held key positions at HSBC, Metrobank Card Corporation, and Metropolitan Bank and Trust Company (Metrobank)

Academic Qualification:

- BS Business Administration, University of the Philippines



JOSE GERMAN M. LICUP
Enterprise Services Segment Head

Age and Nationality:
60, Filipino

Relevant Working Experience:

- Former Enterprise Services Sector Head, Philippine National Bank
- Former Country General Counsel & Chief Compliance Officer HSBC (Philippines)

Academic Qualification:

- Juris Doctor, University of the Philippines
- BA Philippine Studies, University of the Philippines



MAGNOLIA LUISA N. PALANCA

Financial Markets Segment Head

Age and Nationality:

56, Filipino

Interlocking Directorship/Officership Positions

- Director, CBCC

Relevant Working Experience:

- Held key positions at J.P. Morgan (S.E.A. Ltd.), J.P. Morgan Chase Bank, N.A., Standard Chartered Bank, ING Bank NV, Solidbank, and Metrobank

Academic Qualification:

- BS Business Economics, University of the Philippines



GERARDO SUSMERANO

Retail Banking Business Co-Segment Head (National Capital Region and Luzon)

Age and Nationality:

61, Filipino

Relevant Working Experience:

- Former SEVP & Retail Banking and Operations Cluster Head, East West Bank
- Former SVP & Center Head, International Exchange Bank

Academic Qualification:

- Certified Public Accountant
- MBM, Asian Institute of Management
- BS Accountancy, University of Santo Tomas

Management Committee



STEPHEN Y. TAN

Retail Banking Business Co-Segment Head (Visayas and Mindanao)

Age and Nationality:
59, Filipino

Relevant Working Experience:

- Former Visayas Region Head, Chinabank
- Held key positions at Far East Bank and Trust Company, Equitable PCI Bank, and International Exchange Bank

Academic Qualification:

- Certified Public Accountant
- BS Commerce - Accounting, University of San Carlos



LILIAN YU

Institutional Banking Segment Head

Age and Nationality:
60, Filipino

Interlocking Directorship/Officership Positions

- Director, CBCC

Relevant Working Experience:

- Former International Consultant, Asian Development Bank
- Held key positions at Barclays Capital, ABN AMRO Bank, Deutsche Bank, and International Finance Corporation

Academic Qualification:

- Certified Public Accountant
- MBA, Wharton School of the University of Pennsylvania
- BS Business Administration and Accountancy, University of the Philippines



DELIA MARQUEZ

Centralized Operations Group Head

Age and Nationality:

64, Filipino

Relevant Working Experience:

- Former Auditor, SGV & Co.
- Former Auditor, Transunion Corporation

Academic Qualification:

- Certified Public Accountant
- BS Commerce - Accounting, University of Santo Tomas



DELFIN JAY M. SABIDO IX

Chief Innovation and Transformation Officer & Innovation and Transformation Segment Head

Age and Nationality:

58, Filipino

Interlocking Directorship/Officership Positions

- Director & Treasurer, CBC-PCCI

Relevant Working Experience:

- Former Chief Transformation and Technology Officer, AXA Philippines
- Held key positions at Stratpoint, Ionics EMS, Inc., IBM Philippines, and Wave Optics, Inc. (USA)

Academic Qualification:

- Doctor of Philosophy (PhD) in Electrical Engineering, Stanford University
- Master's in Science in Electrical Engineering, Stanford University
- BS Electrical Engineering, University of the Philippines



CHRISTOPHER MA. CARMELO Y. SALAZAR

Treasurer & Treasury Group Head

Age and Nationality:

52, Filipino

Relevant Working Experience:

- Held key positions at First Metro Investment Corporation, ING Bank-Manila, Standard Chartered Bank (Manila, Thailand, and U.A.E.), and Landbank of the Philippines

Academic Qualification:

- BS Management Engineering, Ateneo de Manila University

Management Team

as of March 01, 2026

Vice Chairman

Gilbert U. Dee

President & Chief Executive Officer

Romeo D. Uyan Jr.

Executive Vice Presidents

Aloysius C. Alday Jr.
Patrick D. Cheng
Jose German M. Licup
Magnolia Luisa N. Palanca
Gerardo Susmerano
Stephen Y. Tan
Ryan Martin L. Tapia
Lilian Yu

Senior Vice Presidents

Ananias S. Cornelio III
James Christian T. Dee
Jeruel N. Lobien
Delia Marquez
Delfin Jay M. Sabido IX
Christopher Ma. Carmelo Y. Salazar
Manuel C. Tagaza

First Vice Presidents

Eugenio Cesar III U. Abella
Ma. Hidelita P. Alano
Jose Luis A. Alcuaz Jr.
Jay Angelo N. Anastacio
Cristina P. Arceo
Love Virgilynn T. Baking
Francis Vincent S. Berdan
Richard S. Borja
Grace C. Buenavista
Marie Carolina L. Chua
Tani Michelle M. Cruz
Domingo P. Dayro Jr.
Aileen Paulette S. De Jesus
Francis Andre Z. De Los Santos
Mary Grace R. De Ocampo
Gerard Majella T. Dee
Gemma B. Deladia
Hazel D. de la Cruz
Antonio Jose S. Dominguez
Rhodin Evan O. Escalar
Therese G. Escolin
Gerald O. Florentino
Madelyn V. Fontanilla
Cesare' Edwin M. Garcia
Margaret C. Golangco
Cristina F. Gotuaco
Jerry Ron T. Hao
Emir Francis D. Javillonar
Angelyn Claire C. C. Liao
Regina Karla F. Libatique
Karyn C. Lim

Mary Ann T. Lim
Ordon P. Maningding
Mandrake P. Medina
Jocelyn T. Pavon
Mani Thess Q. Pena-Lee
Marilou P. Que
Rena M. Rico-Pamfilo
Francisco Eduardo A. Sarmiento
Belenette C. Tan
Irene C. Tanlimco
Marisol M. Teodoro
Bernhard Aloysius G. Tsai
Harvey L. Ty
Ma. Gingili A. Valenzuela
Domini S.D. Velasquez
Esmeralda R. Vicente
Carina L. Yandoc
Michelle Y. Yap-Bersales
Hanz Irvin S. Yoro

Vice Presidents

Agnes O. Adviento
Rommel M. Agacita
Baldwin A. Aguilar
Juan Emmanuel B. Andaya
Ma. Cristina G. Antonio
Luis R. Apostol
Maria Marissa A. Auditor
Faye Theresa S. Babasa
Jose Julian E. Baduria Jr.
Ma. Lourdes Genevieve A. Baldon
Aerol Paul B. Banal
Raye Claudine Q. Baron
Roberto P. Basilio
Pamela T. Benito
Yasmin I. Biticon
Betty L. Biunas
Marie Christine R. Blancaflor
Agnes C. Calimbahin
Jonathan C. Camarillo
Jeannette H. Chan
Ian Albert L. Chua
Alexander K. Cristobal
Ma. Jeanette D. Cuyco
Aimee-Cel A. De Leon
Marc Patrick A. Dela Paz
Rodolfo S. Deuna Jr.
Leilani B. Elarmo
Eleanor Q. Faigao
Marlon F. Galang
Rafael B. Gamad Jr.
Marissa G. Garcia
Dennis S. Go II
Virginia G. Go
Irene A. Go See It
Pamela Ann B. Gogna
Allan Javison T. Guzman

Marlon B. Hernandez
Josefina Anna T. Justiniano
Maria Margaret U. Kua
Macla D. Laqueo
Ma. Arlene Mae G. Lazaro
Shirley C. Lee
Elizabeth Anne C. Libutan
Christine Marie D. Lim
B. Franco C. Loyola
Zahra D. Lumbris
Jennifer Y. Macariola
Katherine N. Manguiat
Ronald R. Marcaida
Jose G. Maravilla III
Sheila Jane F. Medrero
Reginald M. Mendoza
Romulo C. Monasterio III
Tadeos R. Natividad
Gil P. Navelgas
Edgar S. Neri Jr.
Cranston Hans S. Ng
Herman D.L. Nonato
Paul Albert P. Olivas
Sheilah B. Paglinawan
Jason R. Pangilinan
Joseph Vincent L. Pangilinan
Josephine D. Paredes
Mary Y. Pe
Alvin A. Perez
Ma. Cristina T. Perez
George Michael F. Punzalan
William Wayne T. Quesang
Alvin A. Quintanilla
Rhoel T. Reyes
Nina May Q. Reynoso
Louie Mark P. Rono
Karla H. Rufino
Rizza A. Salvino
Julie Ann P. Santiago
Alejandro F. Santos
Charmaine V. Santos
Edgardo M. Santos
Maria Graciela C. Santos
Ernanie V. Silvino
Chona C. Solano
Jennifer O. Soriano
Andrea A. Tan
Joanne Christie U. Tan
Arnel Ferdinand R. Tiglao
Gianni Franco D. Tirado
Ma. Edita Lynn Z. Trinidad
Karen W. Tua
Rachelamine I. Tuplano
Valerie Mariflor G. Valera
Aileen Marie A. Vallesteros
Clarissa Maria A. Villalon
Jhona Jane G. Vital

Charon B. Wambangco
Catherine D. Yabes
Maria Carolina U. Yonzon
Mary Joy L. Yu

Senior Assistant Vice Presidents

Genie N. Ang
Maria Salome P. Angala
Ronaldo D. Angco
Michelle T. Arriola
Maria Teresa Alexandra A. Bambico
Michelle M. Baroro
Katherine Y. Barra
Cherie Germaine T. Bautista
Eric Von D. Baviera
Ma. Christina L. Billedo
Benedict P. Blaza
Ma. Victoria T. Bondoc
Maria Charmina B. Bonifacio
Alalyn J. Buragay
Noel D. Cachero
Sherry Anne F. Canillas
Teodoro Castillo
Norman Roque V. Causing
Eleanor S. Cervantes
Edith T. Cheng
Jacqueline A. Chiong Maya
Christine Genevieve G. Chua
Yvette O. Chua
Charlotte Andrea L. Co
Dianne Camille C. Condez
Carmela Ysabelle J. Cordero
Jenneth P. Cortez
Dennis R. Dayan
Anna Therese T. Dela Cruz
Anna Liza D. Dela Pena
Juan L. Delgado Jr.
Ricardo J. De Guzman III
Katherine Jean S. Diamante
Bernardita M. Ducusin
Warren D. Elbo
Michelle A. Farcon
Eileen M. Felipe
James Royce C. Galang
Nerisa U. Garcia
Amy A. Go
Desiree Jade T. Go
John Melvin D.C. Gomez
Desu Calvin A. Gonzales
Juni H. Gotamco
George D. Gutierrez
Hector B. Holgado
Christine Erika S. Isada
Gladys Antonette Marcel P. Isidro
Marvin Ray M. Isleta
Bernard I. Juliano
Jericho D. Lagustan

Michelle Lorraine G. Lee
 Kerwin G. Lim
 Jesse R. Linsangan
 Pamela Junno B. Lising
 Maria Karenina R. Lopez
 Glenn B. Lotho
 Chris Jurald C. Mancelita
 Godofredo L. Martinez
 Peter Leo G. Mendiola
 Gene Razing B. Modequillo
 Marie Charlienne N. Morelos
 Wendy G. Ngo
 Maynard G. Obispo
 Rosalie F. Ocampo
 Remedios Emilia R. Olivar
 Eleanor C. Ona
 Carmela S. Ongsiapco
 Lilian B. Orlina
 Maricor B. Paez
 Marco Antonio V. Panajon
 Jeffrey D. Pangilinan
 Christine G. Penafiel
 Ma. Lourdes T. Pineda
 Hazel Marie A. Puerto
 Victor M. Quismundo
 Gina K. Reyes
 Rosauero M. Ricardo
 Eleanor D. Rosales
 Marie Christine S. Sagrado-Cabato
 Zyra Mae B. Salvador
 Joseph Lloyd A. San Andres
 Darylle Shiene S. Santos
 Joanne A. Serrano
 John Albert P. Sia
 Maria Theresa C. Sibug
 Hilarion Z. Silayan III
 Maria Teresa P. Silva
 Anna Lorraine O. Sumulong
 Leny C. Sy
 Jason T. Tamayo
 Jaydee C. Tan
 Joyce Y. Tan
 Susan Y. Tang
 Michaela L. Teng
 Cristina C. Ty
 Jeff Michael T. Ty
 John Paul F. Udarbe
 Arlene T. Uy
 David Andrew P. Valdellon
 Jonathan T. Valeros
 Hermarie Liza U. Villegas
 Eleanore B. Villacruis
 April Marie O. Yago
 German Laurie O. Yap
 Maria Soccoro Perpetua L. Yapson
 Marie Claire B. Young
 Yerkes S. Yu

Assistant Vice Presidents

Ken Anthony V. Abelita
 Judy Kristine N. Achacoso
 Juan Niccolo S. Aganon
 Mari Gene S. Aldaba
 Glenn A. Altea, Jr.
 Chester Timothy M. Alvarez
 Edelwina F. Amansec
 Mary Grace T. Ang
 Richard F. Aradillos
 Arlyn G. Arana
 Juan Carlos R. Arcilla Jr.
 Daryl King R. Arroyo
 Manuel S. Aurora Jr.
 Gay A. Biscocho
 Kamyll Angeli J. Blanco
 Brendon Rey O. Buencamino
 Felisa A. Buitizon
 Jolu B. Bunda
 Regina Caroline P. Calibo
 Wilson M. Calderon
 Maria Primitiva Carmela D. Canceran
 Hermenegildo G. Carino
 Karyon P. Carreon
 Donnabella D. Castillo
 Jovita M. Castillo
 Nadine Frances K. Castillo
 Maritess U. Catalan
 Kelly T. Chan
 April Jean P. Chiong
 Rolando V. Cinco
 Carina Primitiva S. Cirujano
 Daisy C. Co
 Marc Victor Y. Co
 Klarisse Precious W. Cruz
 Marlene Precious W. Cu
 Meliza O. De Leon
 Roderick R. De Leon
 Brian Bert B. De Sagun
 Ria Marie P. Del Mundo
 Elizel S. Del Remedio
 Minnie Jill L. Dela Cruz
 Johann Dale J. Diaz
 May F. Ducado
 Edsel A. Duque
 Lirio B. Espena
 Eufemia M. Estrella
 Julius D. Estrella
 Mariflor D. Felizardo
 Helen Grace L. Fernandez
 Ronaldo H. Francisco
 Angeliza D. Gacutan
 Jodette P. Garcia
 Mary Ann S. Gaspar
 Gilbert M. Geronimo

Alvin C. Go
 Jeremy G. Go
 Aileen F. Gomez
 Ramoncito M. Gomez
 Pamela Joyce E. Gonzalez
 Ruth D. Holmes
 Maria Rowena B. Idencio
 Ma. Sheila Ann M. Jacinto
 Vivian T. Jasmin
 Sheelah A. Kho
 Alvin M. Lacanlalay
 Lorelie Y. Lacson
 Ma. Rosario N. Lagula
 Ma. Cristina A. Larroza
 Francis Rene B. Larlar
 Mildred Antonette S. Laygo
 Teresa A. Li
 Ma. Giselle A. Licalalde
 Anna Lissa S. Lim - Rasing
 Denise Fe C. Lirio
 Ma. Gladys C. Liwag
 Trisha Marie A. Llanos Dee
 Zaldy P. Lobendino
 Marissa S. Macaraig
 Mary Grace D. Macaraig
 Gerard Paolo I. Magabo
 Lea L. Malinit
 Maria Chona G. Mandac
 Fe Angeles T. Marcaida
 Annabel C. Marin
 Pamela Melba A. Martin
 Juliet C. Martires
 Rhea D. Matela
 Guillermo Guillermo F. Medina Jr.
 Maricar M. Medina
 Christopher Justine A. Mendoza
 Maria Luisa Rosario D. Mendoza
 Nancy T. Mensalvas
 Rastine Mackie D. Mercado
 Rossana V. Miralles
 Chrisrey D. Muyco
 Roel A. Nagano
 Ricardo N. Natividad
 Dianna Lalaine E. Navea
 Januario Divino Muriel P. Nazareno
 Eilaine R. Nepomuceno
 Lexter C. Ngo
 Roy M. Obregon
 Edgar T. Ocampo
 Griselle Marie D. Oliveros
 Joselito G. Ong
 Carmina C. Pamilar
 Melissa L. Pascual
 Nenet G. Pauig
 Genno P. Pe
 Vivienne Christine C. Perez
 Mary Ann A. Punsalan

Maria Teresa P. Quimpo
 Claire L. Ramirez
 Francis Emmanuel A. Ramos
 Pauline Gay S. Redoloso
 Maria-Catleya C. Reyes
 Sammyrley E. Reyes
 Pamela D. Rillon
 Fenalyn G. Rimando
 Aimee B. Robis
 Arlene A. Romo
 Jouzl Marie C. Rona
 Marita P. Roxas
 Charlston Joseph C. Sagarán
 Jan Kristian Riel V. Salazar
 Christian B. Salita
 Jesse Carlo T. Salvador
 Sherald M. Santillan
 Elvira P. Silan
 Anita O. Soriano
 Angelica O. Sy
 Glenn Bernabe M. Tabora
 Marlon Gary T. Tan
 Ross Ariel T. Tan
 Grace C. Tan Chua
 Marilyn K. Te
 Rosewynn F. Teng
 Allan A. Untalan
 Desiree D. Uy
 Hyna Y. Uy
 Jocelyn Marie C. Uson
 Ramiro Mateo D. Valdivia
 Alfredo C. Villafuerte
 Jet Joseph T. Villaroman
 Katrina P. Walit
 Rosa Linda R. Yuseco
 Joaquin Miguel O. Zavala

Recent Awards and Distinctions

Nation Builder Award

ACES Awards 2025 - Asia Corporate Excellence & Sustainability

Titanium Award

Corporate Sustainability Leadership Awards 2025 - The Asset

ASEAN Asset Class

ASEAN Corporate Governance Conference and Awards 2025 - ASEAN Capital Markets Forum

4-Golden Arrow Award

ASEAN Corporate Governance Scorecard Golden Arrow Recognition 2025 - Institute of Corporate Directors

Outstanding Wealth Management Service for the Affluent

35th Annual Global Wealth Awards 2025 - Private Banker International

Philippines' Best Bank for Customer Experience - 30-Minute Instant Issuance Credit Card Program

Euromoney Asia-Pacific Awards for Excellence 2025 - Euromoney

Best Digital Consumer Lending Service - 30-Minute Instant Issuance Credit Card Program

TAB Philippines Excellence in Retail and Financial Technology Awards 2025 - The Asian Banker

Best New Product Launch Strategy - CBC Velvet Visa Signature Credit Card

TAB Philippines Excellence in Retail and Financial Technology Awards 2025 - The Asian Banker

Service Innovation of the Year Philippines - 30-Minute Instant Credit Card Issuance Program

ABF Retail Banking Awards 2025 - Asian Banking & Finance

Banking for Women Initiative of the Year Philippines - CBC Velvet Visa Signature

ABF Retail Banking Awards 2025 - Asian Banking & Finance

Top Brokering Participant – Retail Transaction

2025 PDS Annual Awards – Philippine Dealing System

Among the Top 500 Companies in Asia-Pacific

Asia-Pacific's Best Companies of 2025 - TIME & Statista

Among the Top 1,000 Companies in the World

World's Best Companies of 2025 - TIME & Statista

Among the Top 500 Companies in Southeast Asia

2025 Fortune Southeast Asia 500 - Fortune

Best Investor Relations Program (Philippines)

2025 Asia (ex-Japan) Executive Team Rankings - Extel

Top 2 - Best Company Board (Philippines)

2025 Asia (ex-Japan) Executive Team Rankings - Extel

Top 2 - Best Company CFO (Philippines)

2025 Asia (ex-Japan) Executive Team Rankings - Extel

Top 2 Fixed-Income Brokering Participant

2025 PDS Annual Awards – Philippine Dealing System

Top 2 Corporate Securities Market Maker

2025 PDS Annual Awards – Philippine Dealing System

Top 2 Fixed-Income Dealing Participant

2025 PDS Annual Awards – Philippine Dealing System

Best Managed Fund of the Year for Dollar Long-Term Bond (FVPL) category - Chinabank Dollar Fixed Income Fund

Best Managed Funds 2025 - CFA Society Philippines

Best Managed Fund of the Year for Peso Money Market Fund (FVPL) category - Chinabank Cash Fund

Best Managed Funds 2025 - CFA Society Philippines

Best Program in Digital Marketing - "My CBC: An App Fit for Beauty Queens"

6th Bank Marketing Awards - Bank Marketing Association of the Philippines

Award of Merit for Change Communication - Chinabank Brand Refresh Program

21st Philippine Quill Awards - International Association of Business Communicators-Philippines

Award of Merit for Brand Communication - "Focused on You" Campaign

21st Philippine Quill Awards - International Association of Business Communicators-Philippines

Silver Anvil (Corporate Identity/Corporate Branding) - Chinabank Brand Refresh

60th Anvil Awards – Public Relations Society of the Philippines

Silver Anvil (Employee Engagement) - ONE Chinabank

60th Anvil Awards – Public Relations Society of the Philippines

Financial Statements

122	Disclosure on Capital Structure and Capital Adequacy
132	Report of the Audit Committee
134	Statement of Management's Responsibility for Financial Statements
135	Independent Auditor's Report
138	Management's Discussion on Result of Operations and Financial Condition
139	Balance Sheets
140	Statements of Income
141	Statements of Comprehensive Income
142	Statements of Changes in Equity
146	Statements of Cash Flows

Disclosure on Capital Structure and Capital Adequacy

CAPITAL FUNDAMENTALS

We believe that Chinabank can only achieve sustainable growth by maintaining strong capital fundamentals. Major business initiatives are undertaken with the appropriate capital planning which also takes into consideration constraints and changes in the regulatory environment. This is necessary to ensure that the Bank's commercial objectives are equally aligned with its ability to maintain a capital position at par with the industry. The Board and Senior Management recognize that a balance should be achieved with respect to Chinabank's earnings outlook vis-à-vis capital fundamentals that can take advantage of growth opportunities while maintaining sufficient capacity to absorb shocks.

Risk-based capital components, including deductions, on a parent and consolidated basis (in PhP million):

Qualifying Capital (Basel III)	Consolidated	Parent Company
	2025	
Common Equity Tier 1 Capital		
Paid-up common stock	26,913.43	26,913.43
Additional paid-in capital	17,201.65	17,201.65
Retained Earnings*	131,694.02	128,919.32
Other Comprehensive Income	1,568.70	1,568.70
Minority Interest	43.77	-
<i>Less: Retained Earnings Appropriated for General Loan Loss Provision</i>		
<i>Less: Unsecured DOSRI</i>	(339.77)	(339.03)
<i>Less: Deferred Tax Assets</i>	(5,235.11)	(3,881.40)
<i>Less: Goodwill</i>	(563.47)	(222.84)
<i>Less: Other Intangible Assets</i>	(4,716.22)	(2,010.81)
<i>Less: Defined Benefit Pension Fund Assets/Liabilities</i>	(1,372.50)	(1,329.33)
<i>Less: Investment in Subsidiary</i>	(548.04)	(22,744.62)
<i>Less: Significant Minority Investment</i>	(3,222.75)	(3,770.79)
<i>Less: Other Equity Investment</i>	(63.47)	(61.28)
Total CET 1 Capital	161,360.25	140,243.01
Additional Tier 1 Capital	-	-
Total Tier 1 Capital	161,360.25	140,243.01
Tier 2 Capital		
General Loan Loss Provision	9,394.77	7,981.19
Total Tier 2 Capital	9,394.77	7,981.19
Total Qualifying Capital	170,755.02	148,224.20

*For 2025, net of appropriated amount for general loan loss

Consolidated	Parent Company	Consolidated	Parent Company
2024		2023	
26,913.43	26,913.43	26,913.40	26,913.40
17,201.65	17,201.65	17,201.51	17,201.51
121,727.18	118,946.99	103,297.89	100,523.48
(426.88)	(426.88)	101.53	101.53
46.63	-	39.16	-
(3,514.16)	(3,514.16)	(2,865.42)	(2,865.42)
(93.15)	(89.80)	(271.21)	(269.50)
(5,500.65)	(4,305.62)	(6,705.79)	(5,698.23)
(563.47)	(222.84)	(563.47)	(222.84)
(4,031.08)	(1,354.90)	(3,399.13)	(726.32)
(1,872.09)	(1,836.06)	(680.98)	(665.59)
(529.52)	(21,948.53)	(462.89)	(19,301.49)
(1,978.89)	(1,978.89)	(1,329.48)	(1,329.48)
(56.84)	(54.65)	(76.72)	(74.52)
147,322.15	127,329.74	131,198.42	113,586.54
-	-	-	-
147,322.15	127,329.74	131,198.42	113,586.54
8,504.05	7,256.49	7,631.42	6,587.90
8,504.05	7,256.49	7,631.42	6,587.90
155,826.20	134,586.22	138,829.84	120,174.44

Disclosure on Capital Structure and Capital Adequacy

Risk-based capital ratios (in PhP million):

Basel III	Consolidated	Parent Company
	2025	
CET 1 capital	177,421.57	174,603.11
Less regulatory adjustments	(16,061.32)	(34,360.10)
Total CET 1 capital	161,360.25	140,243.01
Additional Tier 1 capital	-	-
Total Tier 1 capital	161,360.25	140,243.01
Tier 2 capital	9,394.77	7,981.19
Total qualifying capital	170,755.02	148,224.20
Risk weighted assets	1,063,057.11	903,883.01
CET 1 capital ratio	15.18%	15.52%
Tier 1 capital ratio	15.18%	15.52%
Total capital ratio	16.06%	16.40%

Basel III	Consolidated	Parent Company
	2024	
CET 1 capital	165,462.00	162,635.18
Less regulatory adjustments	(18,139.85)	(35,305.45)
Total CET 1 capital	147,322.15	127,329.74
Additional Tier 1 capital	-	-
Total Tier 1 capital	147,322.15	127,329.74
Tier 2 capital	8,504.05	7,256.49
Total qualifying capital	155,826.20	134,586.22
Risk weighted assets	962,181.99	822,860.36
CET 1 capital ratio	15.31%	15.47%
Tier 1 capital ratio	15.31%	15.47%
Total capital ratio	16.20%	16.36%

Basel III	Consolidated	Parent Company
	2023	
CET 1 capital	147,553.49	144,739.92
Less regulatory adjustments	(16,355.08)	(31,153.38)
Total CET 1 capital	131,198.42	113,586.54
Additional Tier 1 capital	-	-
Total Tier 1 capital	131,198.42	113,586.54
Tier 2 capital	7,631.42	6,587.90
Total qualifying capital	138,829.84	120,174.44
Risk weighted assets	860,219.70	742,637.06
CET 1 capital ratio	15.25%	15.30%
Tier 1 capital ratio	15.25%	15.30%
Total capital ratio	16.14%	16.18%

The regulatory Basel III qualifying capital of the Group consists of Common Equity Tier 1 capital (going concern capital), which comprises paid-up common stock, additional paid-in capital, surplus including current year profit, other comprehensive income and minority interest less required deductions such as unsecured credit accommodations to DOSRI, deferred income tax, other intangible assets, goodwill, defined benefit pension fund assets/liabilities, and investment in subsidiaries. The other component of regulatory capital is Tier 2 capital (gone-concern capital), which includes general loan loss provision. A capital conservation buffer of 2.5% comprised of CET 1 capital is likewise imposed in the Basel III capital ratios.

Full reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements (in PhP million):

	Consolidated					
	2025			2024		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	26,913	-	26,913	26,913	-	26,913
Additional paid-in capital	17,202	-	17,202	17,202	-	17,202
Retained earnings	131,694	(14,360)	146,054	118,213	(6,574)	124,787
Other comprehensive income	1,569	533	1,036	(427)	(20)	(407)
Non-controlling interest	43	(50)	93	47	(37)	84
Deductions	(16,061)	(16,061)	-	(14,626)	(14,626)	-
Tier 1 (CET1) capital/Total equity	161,360	(29,938)	191,298	147,322	(21,257)	168,579
Tier 2 capital	9,395	9,395	-	8,504	8,504	-
Total qualifying capital/Total equity	170,755	(20,543)	191,298	155,826	(12,753)	168,579

	Parent Company					
	2025			2024		
	Qualifying Capital	Reconciling Items	Audited Financial Statements	Qualifying Capital	Reconciling Items	Audited Financial Statements
Common stock	26,913	-	26,913	26,913	-	26,913
Additional paid-in capital	17,202	-	17,202	17,202	-	17,201
Retained earnings	128,919	(17,135)	146,054	118,213	(9,354)	124,787
Other comprehensive income	1,569	533	1,036	(427)	(20)	(407)
Deductions	(34,360)	(34,360)	-	(31,791)	(31,791)	-
Tier 1 (CET1) capital/Total equity	140,243	(50,962)	191,205	147,127,330	(41,165)	168,495
Tier 2 capital	7,981	7,981	-	7,256	7,256	-
Total qualifying capital/Total equity	148,224	(42,981)	191,205	134,587	(33,908)	168,495

Disclosure on Capital Structure and Capital Adequacy

Capital requirements for Credit, Market and Operational Risks (in PhP million):

Capital Requirement	Consolidated		Parent Company	
	2025	2024	2025	2024
Credit Risk	93,842.46	85,036.51	79,616.26	72,486.58
Market Risk	2,239.83	1,864.52	2,172.27	1,910.20
Operational Risk	10,223.42	9,317.17	8,599.77	7,889.26
Total Capital Requirements	106,305.71	96,218.20	90,388.30	82,286.04

Credit Risk

On-balance sheet exposures, net of specific provisions and not covered by CRM (in PhP million):

December 2025

On-Balance Sheet Assets	Consolidated		Parent Company	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	21,735.49	21,735.49	17,354.04	17,354.04
Checks and Other Cash Items	41.08	41.08	34.93	34.93
Due from BSP	61,929.29	61,929.29	55,825.97	55,825.97
Due from Other Banks	11,502.58	11,502.58	9,362.38	9,362.38
Financial Assets at FVPL	11.48	-	11.48	-
Financial Assets at FVOCI	170,092.22	170,092.22	140,434.18	140,434.18
Investment Securities at Amortized Cost	385,510.99	384,362.88	376,408.69	375,260.58
Loans and Receivables	1,059,690.23	1,001,161.79	907,170.42	864,511.54
Loans and Receivables arising from Repurchase Agreements	5,601.79	5,601.79	-	-
Sales Contract Receivables	1,173.99	1,173.99	150.09	150.09
Real and Other Properties Acquired	12,230.33	12,230.33	9,954.82	9,954.82
Other Assets	29,148.41	29,148.41	24,266.36	24,266.36
Total On-Balance Sheet Assets	1,758,667.87	1,698,979.84	1,540,973.36	1,497,154.89

December 2024

On-Balance Sheet Assets	Consolidated		Parent Company	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	18,152.55	18,152.55	13,195.61	13,195.61
Checks and Other Cash Items	50.68	50.68	46.02	46.02
Due from BSP	82,375.39	82,375.39	60,983.74	60,983.74
Due from Other Banks	11,793.37	11,793.37	10,465.43	10,465.43
Financial Assets at FVPL	11.30	-	11.30	-
Financial Assets at FVOCI	135,374.89	135,374.89	122,786.76	122,786.76
Investment Securities at Amortized Cost	398,746.29	397,616.64	391,015.35	389,885.69
Loans and Receivables	948,514.23	897,734.88	813,607.07	776,788.58
Loans and Receivables arising from Repurchase Agreements	-	-	-	-
Sales Contract Receivables	1,260.09	1,260.09	232.42	232.42
Real and Other Properties Acquired	5,161.40	5,161.40	3,110.80	3,110.80
Other Assets	23,273.00	23,273.00	18,109.32	18,109.32
Total On-Balance Sheet Assets	1,624,713.20	1,572,792.90	1,433,563.82	1,395,604.37

December 2023

On-Balance Sheet Assets	Consolidated		Parent Company	
	Exposures, net of Specific Provisions	Exposures not Covered by CRM	Exposures, net of Specific Provisions	Exposures not Covered by CRM
Cash on Hand	17,585.99	17,585.99	12,981.97	12,981.97
Checks and Other Cash Items	82.11	82.11	79.33	79.33
Due from BSP	84,267.77	84,267.77	72,967.45	72,967.45
Due from Other Banks	18,218.24	18,218.24	17,000.05	17,000.05
Financial Assets at FVPL	10.81	-	10.81	-
Financial Assets at FVOCI	107,785.17	107,785.17	95,008.70	95,008.70
Investment Securities at Amortized Cost	383,707.89	382,626.57	376,933.53	375,852.21
Loans and Receivables	808,538.74	781,582.50	697,166.61	680,225.08
Loans and Receivables arising from Repurchase Agreements	12,635.37	12,635.37	8,989.23	8,989.23
Sales Contract Receivables	1,285.29	1,285.29	203.82	203.82
Real and Other Properties Acquired	2,596.14	2,596.14	829.96	829.96
Other Assets	19,368.20	19,368.20	14,633.56	14,633.56
Total On-Balance Sheet Assets	1,456,081.72	1,428,033.35	1,296,805.02	1,278,771.35

Credit equivalent amount for off-balance sheet items, broken down by type of exposures (in PhP million):

Off-balance Sheet Assets In PhP Million	2025				2024				2023			
	Consolidated		Parent Company		Consolidated		Parent Company		Consolidated		Parent Company	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Direct Credit Substitutes	-	-	-	-	-	-	-	-	-	-	-	-
Transaction-related contingencies	43,396.07	21,698.04	43,343.25	21,671.62	22,883.42	11,441.71	22,829.74	11,414.87	25,205.62	12,602.81	25,122.94	12,561.47
Trade-related contingencies arising from movement of goods	4,352.45	870.49	4,341.44	868.29	3,738.80	747.76	3,730.95	746.19	5,202.29	1,040.46	5,193.62	1,038.72
Other commitments (which can be unconditionally cancelled at any time by the bank without prior notice)	402,139.76	-	399,633.38	-	379,726.75	-	377,449.78	-	322,277.46	-	320,658.32	-
Total Notional Principal and Credit Equivalent Amount	449,888.28	22,568.53	447,318.07	22,539.91	406,348.97	12,189.47	404,010.47	12,161.06	352,685.38	13,643.27	350,974.89	13,600.19

Credit equivalent amount for counterparty credit risk in the trading book, broken down by type of exposures (in PhP million):

December 2025

Standardized Approach	Consolidated		Parent Company	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	12,560.92	53.64	12,560.92	53.64
Exchange Rate Contracts	488,840.16	11,140.65	488,840.16	11,140.65
Equity Contracts	-	-	-	-
Credit Derivatives	-	-	-	-
Total Notional Principal and Credit Equivalent Amount	501,401.08	11,194.28	501,401.08	11,194.28

Disclosure on Capital Structure and Capital Adequacy

December 2024

Standardized Approach	Consolidated		Parent Company	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	-	-	-	-
Exchange Rate Contracts	479,462.88	7,161.59	479,462.88	7,161.59
Equity Contracts	-	-	-	-
Credit Derivatives	-	-	-	-
Total Notional Principal and Credit Equivalent Amount	479,462.88	7,161.59	479,462.88	7,161.59

December 2023

Standardized Approach	Consolidated		Parent Company	
	Notional Principal	Credit Equivalent	Notional Principal	Credit Equivalent
Interest Rate Contracts	500.00	0.11	500.00	0.11
Exchange Rate Contracts	301,566.20	3,377.23	301,566.20	3,377.23
Equity Contracts	-	-	-	-
Credit Derivatives	-	-	-	-
Total Notional Principal and Credit Equivalent Amount	302,066.20	3,377.34	302,066.20	3,377.34

Net Exposures after CRM for counterparty credit risk in the banking book, broken down by type of exposures (in PHP million):

December 2025

Standardized Approach	Consolidated		Parent Company	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	-	-	-	-
Repo-Style Transactions	126,281.84	23,733.58	126,281.84	23,733.58
Total Fair Value/Carrying Amount and Net Exposures after CRM	126,281.84	23,733.58	126,281.84	23,733.58

December 2024

Standardized Approach	Consolidated		Parent Company	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	-	-	-	-
Repo-Style Transactions	99,517.63	21,996.31	99,517.63	21,996.31
Total Fair Value/Carrying Amount and Net Exposures after CRM	99,517.63	21,996.31	99,517.63	21,996.31

December 2023

Standardized Approach	Consolidated		Parent Company	
	Fair Value/ Carrying Amount	Net Exposures after CRM	Fair Value/ Carrying Amount	Net Exposures after CRM
Derivative Transactions	-	-	-	-
Repo-Style Transactions	97,877.37	22,659.44	97,877.37	22,659.44
Total Fair Value/Carrying Amount and Net Exposures after CRM	97,877.37	22,659.44	97,877.37	22,659.44

The following credit risk mitigants are used in the December 2025 CAR Report:

- ROP warrants
- ROP guarantee
- HGC guarantee
- Holdout vs. Peso deposit
- Holdout vs. FCDU deposit
- Assignment / Pledge of Government Securities

Total credit exposure after risk mitigation, broken down by type of exposures, risk buckets, as well as those that are deducted from capital (in Php million):

Weight Band	2025							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	979,157.54	1,952.27	26,893.84	1,008,003.66	903,528.87	1,952.27	26,893.84	932,374.99
100% and Above	719,822.30	20,616.26	8,034.01	748,472.57	593,626.01	20,587.64	8,034.01	622,247.67
Total	1,698,979.84	22,568.53	34,927.86	1,756,476.23	1,497,154.89	22,539.91	34,927.86	1,554,622.66

Weight Band	2024							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	922,080.74	-	24,895.92	946,976.66	855,124.52	-	24,895.92	880,020.44
100% and Above	650,712.16	12,189.47	4,261.99	667,163.62	540,479.85	12,161.06	4,261.99	556,902.91
Total	1,572,792.90	12,189.47	29,157.91	1,614,140.28	1,395,604.37	12,161.06	29,157.91	1,436,923.34

Weight Band	2023							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	843,255.66	680.39	23,702.28	867,638.33	784,139.22	680.39	23,702.28	808,521.89
100% and Above	584,777.69	12,962.88	2,334.50	600,075.06	494,632.12	12,919.80	2,334.50	509,886.42
Total	1,428,033.35	13,643.27	26,036.77	1,467,713.39	1,278,771.35	13,600.19	26,036.77	1,318,408.31

Total credit risk-weighted assets, broken down by type of exposures (in Php million):

Weight Band	2025							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	172,733.66	390.45	8,850.16	181,974.27	160,083.14	390.45	8,850.16	169,323.75
100% and Above	728,694.60	20,616.26	8,034.01	757,344.87	600,015.77	20,587.64	8,034.01	628,637.43
Covered by CRM	157.79	-	-	157.79	157.79	-	-	157.79
Excess GLLP				1,052.29				1,956.34
Total	901,586.05	21,006.71	16,884.17	938,424.64	760,256.70	20,978.10	16,884.17	796,162.63

Weight Band	2024							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	167,324.99	-	8,260.27	175,585.26	155,124.40	-	8,260.27	163,384.66
100% and Above	657,228.81	12,189.47	4,261.99	673,680.27	544,701.63	12,161.06	4,261.99	561,124.68
Covered by CRM	1,139.26	-	-	1,139.26	1,139.26	-	-	1,139.26
Excess GLLP				39.66				782.85
Total	825,693.06	12,189.47	12,522.26	850,365.12	700,965.29	12,161.06	12,522.26	724,865.75

Disclosure on Capital Structure and Capital Adequacy

Weight Band	2023							
	Consolidated				Parent Company			
	On-balance sheet	Off-balance sheet	Counterparty	Total	On-balance sheet	Off-balance sheet	Counterparty	Total
Below 100%	146,103.73	136.08	9,591.58	155,831.39	134,048.64	136.08	9,591.58	143,776.30
100% and Above	591,850.95	12,962.88	2,334.50	607,148.33	499,597.16	12,919.80	2,334.50	514,851.46
Covered by CRM	162.25	-	-	162.25	162.25	-	-	162.25
Excess GLLP				-				2,306.97
Total	738,116.94	13,098.96	11,926.08	763,141.97	633,808.06	13,055.88	11,926.08	656,483.05

The credit ratings given by the following rating agencies were used to determine the credit risk weight of On-balance sheet, Off-balance sheet, and Counterparty exposures:

For all rated credit exposures regardless of currency

Standard & Poor (S&P)

Moody's

Fitch

For PhP-denominated debts of rated domestic entities

Philratings

Market Risk-Weighted Assets

The Standardized Approach is used in Chinabank's market risk-weighted assets. The total market risk-weighted asset of the Bank as of December 2025 is ₱22,398.26 million on a consolidated basis and ₱ 21,722.65 million for the parent company. This is composed of Interest Rate exposures amounting to ₱18,642.91 million and Foreign Exposures amounting to ₱3,755.35 million on a consolidated basis, and Interest Rate exposures amounting to ₱18,663.55 million and Foreign Exposures amounting to ₱3,059.10 million for the parent company.

Interest Rate Exposures (in PhP Mn)	Consolidated	Parent Company	Consolidated	Parent Company
	2025		2024	
Specific Risk	45.60	45.60	14.14	14.14
General Market Risk	592.17	593.82	725.18	728.44
PhP	853.67	853.67	569.17	569.17
FCY	1,491.43	1,493.08	1,308.49	1,311.75
Total Capital Charge	1,864.29	1,866.36	1,635.61	1,639.69
Adjusted Capital Charge				
Equivalent Market Risk-Weighted Assets	18,642.91	18,663.55	16,356.08	16,396.88

Equity Exposures	Consolidated	Parent Company	Consolidated	Parent Company
	2025		2024	
Total Capital Charge	-	-	-	-
Adjusted Capital Charge				
Equivalent Market Risk-Weighted Assets	-	-	-	-

Foreign Exchange Exposures (In PhP Mn)	Consolidated	Parent Company	Consolidated	Parent Company
	2025		2024	
Total Capital Charge	251.63	195.93	136.36	169.65
Adjusted Capital Charge	314.53	244.91	170.46	212.06
Equivalent Market Risk-Weighted Assets	3,755.35	3,059.10	2,289.11	2,705.16
Total Market Risk-Weighted Assets	22,398.26	21,722.65	18,645.18	19,102.04

Operational, Legal, and Other Risks

The enterprise-wide risk management framework of Chinabank covers measurement of operational risks to facilitate management and the setting up of capital cover. We monitor our operational risk exposures through using tools that include Key Risk Indicators, Risk Assessments and Control Self Assessments as well as scenario analyses. The capital allocated for Operational Risk amounted to ₱10,223.42 million of which ₱8,599.77 million was allocated to the operation of the Parent Bank. Both figures assessed as adequate to cover the computed overall operational risk exposure for the Group and for the parent respectively. In addition, our Legal & Collection Group identified and assessed potential losses attributed to Legal Risk and the amount is not material to significantly affect our capital position.

Operational Risk-Weighted Assets

We risk weight our assets for purposes of operational risk using the Basic Indicators Approach. Banks using this method recognize a risk weighted asset that is 1.25 times fifteen percent of the average operating income reported by the bank over the last three reporting periods. Total Operational Risk Weighted Assets reported were as follows:

In PhP millions	2025	2024
Parent Company	85,997.73	78,892.57
Consolidated	102,234.22	93,171.69

Interest Rate Risk In The Banking Book

The Bank's interest rate risk in the banking book (IRRBB) arises when assets and liabilities mature or reprice at different times. This mismatch between assets and liabilities capitalize on interest rate movements but can negatively affect the expected net interest income. Therefore, it is crucial to identify, measure, and monitor interest rate risk in the balance sheet.

The Parent Bank has transitioned to the Net Interest Income (NII) earnings metric for IRRBB in 2025.

NII is a measure of the potential impact of shifts in interest rates to the earnings in the banking book given its current position. It is a forward-looking discipline that warns the management of the potential risk to budgeted earnings. The measurement of NII covers a 1-year horizon.

The impact of a 150bps change across the yield curve is:

Net Interest Income (NII)	Parent Company	
(in PhP Million)	2025	2024
Parallel Up	(3,247)	(4,539)
Parallel Down	3,311	4,538

IRRBB results are discussed in the weekly Asset and Liability (ALCO) meetings. The Bank also performs stress testing for adverse changes in interest rates during stress events and results are reported to the Risk Oversight Committee (ROC) every month.

Report of the Audit Committee

Chinabank has embedded integrity, commitment to quality, and high-performance standards as part of its core values. In the pursuit of its mission to become leading provider of quality services consistently delivered to institutions, entrepreneurs, and stakeholders, the Board of Directors has mandated the Audit Committee to provide a structured, systematic oversight over the Bank's governance and internal control processes.

In accordance with its Charter, the Audit Committee oversees all matters pertaining to the Bank's internal audit function and performance. The Committee is crucial in solidifying and strengthening internal audit activity throughout the Chinabank Group. It also provides quality and significant assurance and consulting services that add value to the Bank.

Audit Committee likewise assists the Board of Directors and Management by providing independent, objective advice on the adequacy of the Bank's initiatives in terms of values and ethics, organizational governance, risk management, fraud, internal control, oversight of external auditors and other assurance providers, integrity of the Bank's financial statements and accounting processes, and compliance system.

The Committee also possesses extensive authority to carry out its duties as established by the Board. It has explicit authority to investigate any matter within its terms of reference, full access to and cooperation by management, unrestricted access to records, data and reports, as well as access to independent experts or seek professional guidance from independent counsel, accountants, and others to advise and assist the Committee in the performance of its duties.

Independent Director Claire Ann T. Yap, a Certified Public Accountant, heads the Committee as its Chairperson, supported by Lead Independent Director Margarita L. San Juan and Independent Director Genaro V. Lapez as members. All the members have the relevant background, knowledge, skills and experience in the areas of accounting, auditing and financial management commensurate with the size, complexity of operations and risk profile of the Bank.

For the year ended 31 December 2025, the Committee held twelve (12) regular meetings and one (1) special meeting. The Committee members participated in the meetings either in person or via remote communication, in accordance with the Board-approved Guidelines for Participation in Board and Committee Meetings through Remote Communication.

OVERSIGHT OF INTERNAL CONTROL AND COMPLIANCE FUNCTION

The Committee oversees the Bank's senior management in establishing and maintaining an adequate, effective, and efficient internal control system, particularly the Bank's information technology security and control. It ensures that systems and processes are designed to provide assurance in reporting, monitoring compliance with laws, regulations, and internal policies, efficiency and effectiveness of operations, and safeguarding of assets, considering the Bank's risk profile and strategic direction.

The Committee also tackles internal control issues noted during regular, limited, remote, or special audits, their common audit observations, together with management's responses to

determine what appropriate and timely actions have been taken to address significant deficiencies and weaknesses. It also takes note of audit engagement progress monitoring by the Audit Group to ensure timely reporting of audit results and address causes of delays, as well as updates on outstanding audit issues.

In 2025, the Committee discussed the audit reports covering IT systems, IT general controls, pre-implementation review of incoming systems, project updates, system downtimes and their root causes, and testing exercises, among others.

The Committee has the power to review effectiveness of the Bank's compliance system for monitoring compliance with laws and regulations, results of management's investigation and follow-up of any instances of non-compliance. It proactively invites resource persons to report on matters of compliance. It likewise issues certifications, as may be necessary, for assurance purposes. In 2025, it had approved the revised framework in handling fraud investigation to enlarge the scope of Negative Media Reports for fraud and financial crimes, as well as the implementation of a Thematic Audit of the Anti-Money Laundering (AML) process to ensure proper oversight on the overall AML process of the Bank.

The Committee coordinates with the Bank's Human Resources Group to tackle the management and disposition of disciplinary cases and instances of non-compliance with Bank policies and rules involving erring employees.

The Committee is also tasked to establish and maintain a whistleblowing mechanism in matters of improprieties or malpractices. Officers and staff may, in confidence, raise concerns about possible irregularities in terms of financial reporting, internal control, auditing, or code of conduct. It ensures that arrangements are in place for independent investigation, follow-through action, and resolution of complaints.

OVERSIGHT OF FINANCIAL REPORTING

Following its Charter, the Committee oversees the financial reporting process, practices and controls and ensures that the reporting framework enables generation and preparation of accurate and comprehensive information and reports.

In 2025, the Committee met with management and the Bank's external auditors to tackle the audited financial statements prior their presentation to the Board, particularly on any change/s in accounting policies and practices, standards and interpretations and their related impact, major judgmental areas including reasonableness of estimates and assumptions used in the preparation of financial statements, significant adjustments resulting from the audit, error, or fraud in financial reporting, going concern assumptions, compliance with accounting and auditing standards, and compliance with tax and legal regulatory requirements.

The Committee comprehensively discussed the audited financial statements for the previous year, scrutinizing the results and observations of the external auditor, particularly, on IT audit, key audit matters and other areas of audit emphasis, tax observations and updates. It also tackled the audit of the audited financial statements of the Bank's subsidiary, China Bank Savings, Inc. The Committee, together with the external auditors and management, also tackled issues that were

addressed and/or remedied and areas for improvement for the next audit cycle.

EXTERNAL ASSURANCE PROCESSES AND PROVIDERS

The Committee is tasked to ensure independence of external auditors and that they are given unrestricted access to all records, properties, and personnel to enable them to perform their audit function.

As part of its duties to obtain reasonable assurance providers, the Committee selects and appoints external auditors subject to stockholder ratification. It also recommends for approval of the Board audit fees and fees for non-audit services, if any, including the review and determination of non-audit work.

For 2025, the Committee once again engaged SyCip Gorres Velayo & Co. (SGV) as the Bank's external auditors, after careful examination of their qualifications, performance, competence, integrity, and independence. It then endorsed the re-engagement of SGV for Board approval and stockholder ratification thereafter.

The Committee also recommended for approval by the Board the professional fees in connection with the audit of the Bank's financial statements, independent validation of votes for the stockholders' meeting, and other non-audit work. It also reviewed and discussed the annual audited financial statements, management letters, disposition of recommendations, regulatory and accounting issues and developments and their effect on the financial statements. Without the presence of management, and together with the internal audit, risk management and/or compliance teams, the Committee discussed other matters relating to the processes and controls of the Bank.

INTERNAL AUDIT FUNCTION

The Charter also mandates the Audit Committee to oversee the effectiveness of the Bank's internal audit function – including in-house and outsourced audit services.

In terms of Internal Audit Strategy and Plan, the Committee reviewed and approved the risk-based internal audit plan, scope, frequency of work and budget, including the resources necessary to achieve the plan, updates thereto, and make recommendations concerning internal audit projects.

It regularly receives communications from the Chief Audit Executive (CAE) on the Internal Audit's (IA) progress, findings, and performance relative to its plan and other matters, especially for outstanding audit issues. Through the results the periodic self-assessment of the internal audit activity, it also assesses the Bank's conformance with the Institute of Internal Auditors' (IIA) International Standards for the Professional Practices of Internal Auditing (Standards) and the Code of Ethics.

The Committee also regularly monitors the timely reporting of audit engagements from the various Audit Group units. This is to ensure that causes of delay, if any, are adequately addressed and the relevance of these reports is maintained.

In 2025, the Committee exhaustively evaluated the activities versus plans of the key units of the Audit Group, namely, Branch Audit Division, Head Office Audit Division, Audit Quality Assurance Department, IT Audit Division, Non-Head Office Audit Division and its sub-units Other Subsidiaries Audit Department and CBS Audit Department.

The Committee authorized the engagement of SGV as independent third-party consultant to perform an independent review of its wholesale behavioral models and earnings-adjusted economic value. It also tapped SGV as the Bank's provider for the Board and Senior Management's Annual Corporate Governance Training for 2025.

The Committee also authorized the outsourcing of audit engagements to third-party service providers to further augment the IA function's manpower resources and technical capabilities, after deliberating on the selection criteria versus the internal standards of the Bank and external regulatory requirements. It tapped external Reyes Tacandong & Co. (RTCo.), PricewaterhouseCoopers (PWC), and KPMG (R.G. Manabat & Co.) to handle a variety of audit engagements.

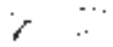
Moreover, the Audit Committee regularly provides guidance to IA in accomplishing its planned audits, reviews its manpower requirements and other needed resources, approves any updates to the plans and audit manuals.

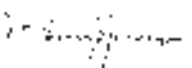
It also approves the changes to the Branch Audit, IT Audit, Head Office Audit, and Other Subsidiaries Audit Manuals to define audit guidelines, procedures, and methodologies, align with the Audit Group's thrust to rationalize the units' risk assessment process and methodologies and update the relevant provision/sections of the Manuals with current practices.

In 2025, the Committee tackled the organizational independence of IA and its activities, and the adherence of the CAE to the IIA's Standard 7.1 on organizational independence and Implementation Guide 2130 on Control and Standard 1100 on Independence and Objectivity. It evaluated the performance of the CAE and ensured that his performance of the internal audit function is independent from interference of outside parties.

Based on the foregoing, the Committee posits that the Bank's internal control, risk management, governance, compliance system, and financial reporting framework are in place, adequate, effective and functioning as intended, and that the financial statements present fairly the Bank's financial position and performance in all material respects in accordance with the relevant auditing and accounting standards.

Makati City, 18 March 2026.


CLAIRE ANN T. YAP
Chairperson


MARGARITA L. SAN JUAN
Member


GENARO V. LAPEZ
Member

Statement of Management's Responsibility for Financial Statements

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

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

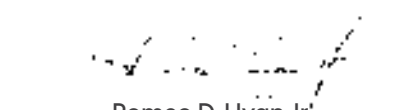
The Board of Directors is responsible for overseeing the Bank's financial reporting process.

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

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



Hans T. Sy
Chairman of the Board



Romeo D. Uyqn Jr.
President and Chief Executive Officer



Patrick D. Cheng
Chief Finance Officer

Notarized in Makati City on February 26, 2026 by Regine C. Yu, notary public for Makati City.

Doc. No.: 450
Page No.: 91
Book No.: 31
Series of: 2026

Independent Auditor's Report

The Board of Directors and Stockholders
China Banking Corporation
8745 Paseo de Roxas cor. Villar St.
Makati City

Report on the Consolidated and Parent Company Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matter

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

For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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

Adequacy of allowance for credit losses on loans and receivables

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

Allowance for credit losses for loans and receivables as of December 31, 2025 for the Group and the Parent Company amounted to ₱18.84 billion and ₱15.92 billion, respectively. Provision for credit losses on loans and receivables of the Group and the Parent Company in 2025 amounted to ₱6.18 billion and ₱5.25 billion, respectively.

Refer to Notes 3 and 16 of the financial statements for the disclosure on the details of the allowance for credit losses using the ECL model.

Audit Response

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

We (a) assessed the Group's and the Parent Company's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk

Independent Auditor's Report

management policies and practices in place; (c) tested the Group's and the Parent Company's application of internal credit risk rating system by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in the Group's and the Parent Company's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) evaluated the forward-looking information used for overlay through corroboration of publicly available information and our understanding of the Group's and the Parent Company's lending portfolios and broader industry knowledge; and (h) tested the effective interest rate used in discounting the expected loss.

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

We involved our internal specialist in the performance of the above procedures. We recalculated impairment provisions on a sample basis.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 201S (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2025, but does not include the consolidated and parent company financial statements and our auditor's report thereon. The SEC Form 201S (Definitive Information Statement), SEC Form 17A and Annual Report for the year ended December 31, 2025 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

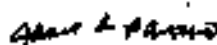
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and parent company financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's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

Report on the Supplementary Information Required Under Section 174 of the Manual of Regulations for Banks (MORB) and Revenue Regulations 152010

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Section 174 of the Manual of Regulations for Banks (MORB) in Note 37 and Revenue Regulations 152010 in Note 38 to the financial statements is presented for purposes of filing with the Bangko Sentral ng Pilipinas and Bureau of Internal Revenue, respectively, and is not a required part of the basic financial statements. Such information is the responsibility of the management of China Banking Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The engagement partner on the audit resulting in this independent auditor's report is Janet A. Paraiso.

SYCIP GORRES VELAYO & CO.


Janet A. Paraiso

Partner

CPA Certificate No. 92305

Tax Identification No. 193-975-241

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

SEC Partner Accreditation No. 92305-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements

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

Valid to cover audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001998-062-2023, October 23, 2023, valid until October 22, 2026

PTR No. 10765004, January 2, 2026, Makati City

February 25, 2026

Management's Discussion on Result of Operations and Financial Condition

RESULT OF OPERATIONS

Chinabank delivered a banner performance in 2025, reporting a record net income of ₱28.0 billion, up 12.8% from the previous year. This robust bottom-line growth was driven by the bank's core businesses, translating to a return on equity of 15.6% and a return on assets of 1.6%.

Net interest income increased by 14.3% to ₱72.6 billion, supported by robust growth in top-line revenues. The bank's core lending business served as a primary engine for growth, with interest income climbing 12.2% to ₱105.2 billion, fueled by strong demand across various loan segments. Meanwhile, sustained deposits growth and a more favorable deposit mix helped temper the increase in interest expense. This allowed the bank to maintain a healthy net interest margin of 4.6%.

Provisions for impairment and credit losses increased to ₱7.0 billion from ₱3.3 billion in the same period last year, further strengthening its balance sheet.

Non-interest income also improved, partly attributed to the sustained growth in transactional fees, trust fees, and bancassurance commissions. Service charges, fees and commissions increased by 8.9% to ₱3.8 billion from higher transaction fees. Trading and securities gain - net declined by 56.8% to ₱479.5 million while foreign exchange loss - net posted ₱14.7 billion, arising from treasury-related activities. Meanwhile, trust fee income rose by 13.5% to ₱784.2 million, driven by year-on-year volume growth. Miscellaneous income decreased 58.2% to ₱3.7 billion, due to one-off gains booked in 2024. As a result, total operating income jumped 15.6% to ₱75.7 billion.

As the Bank continued to pursue its growth strategies, total operating expenses (excluding provision for impairment and credit losses) increased by 11.9% to ₱34.4 billion, which resulted in a cost-to-income ratio of 45%. The material components of which include compensation and fringe benefits which accounted for 33.0% of total expenses, taxes & licenses at 20.1%, miscellaneous expenses at 12.7% and insurance at 9.8%.

For 2025, Chinabank paid a cash dividend of ₱2.50 per share or a total of ₱6.7 billion, which represents a total payout of 27% of prior year's net income.

FINANCIAL CONDITION

Chinabank's total assets rose 8.2% to hit ₱1.8 trillion, further solidifying the Bank's position as the country's fourth largest private universal bank.

The Bank's investment securities portfolio amounted to ₱562.2 billion, up 3.6%. Financial assets at fair value through profit or loss (FVPL) declined to ₱8.2 billion, primarily due to a reduction in fixed income holdings. Derivative contracts designated as hedges amounting to ₱3.6 billion was higher mainly from the mark-to-market movements of the derivatives used as a hedging instrument. Financial assets at fair value through other comprehensive income (FVOCI) posted an increase of 25.8% or ₱34.6 billion to ₱168.7 billion due to higher securities volume. The Bank's total securities portfolio accounted for 31.6% of consolidated resources.

The Bank continued to meet sustained credit demand from both corporate and retail clients, driving strong portfolio growth. Gross loans breached the trillion milestone, reaching ₱1.1 trillion, up by ₱125.8 billion during the period. Meanwhile, net loans expanded by 13.4% or ₱122.8 billion to ₱1.0 trillion, reflecting continued lending momentum. Gross Non-Performing Loans (NPL) ratio remained steady at 1.6%. NPL coverage reached 109%, with the Parent Bank providing an even stronger buffer of 122%.

On the funding side, total deposits was recorded at ₱1.4 trillion, up 8.5%. Against December 2024, the combined demand and savings deposits stood at ₱692.6 billion, up by 16.7% while time deposits was up by 2.0% or ₱14.5 billion to ₱752.0 billion. Bills payable increased by 5.9% to ₱118.8 billion from higher volume of securities sold under repurchase agreement.

The Bank remained well-capitalized, posting a Common Equity Tier 1 (CET 1/Tier 1) ratio of 15.2% and a total CAR of 16.1%, both comfortably above the required regulatory minimum requirements.

China Banking Corporation and Subsidiaries

Balance Sheets

(Amounts in Thousands)

	CONSOLIDATED		PARENT COMPANY	
	December 31			
	2025	2024	2025	2024
ASSETS				
Cash and Other Cash Items	₱21,768,445	₱18,260,927	₱17,965,862	₱13,230,415
Due from Bangko Sentral ng Pilipinas (Notes 7 and 17)	62,122,674	82,639,923	55,880,687	61,109,605
Due from Other Banks (Note 7)	12,481,324	12,540,230	10,030,718	11,365,807
Interbank Loans Receivable and Securities Purchased under Resale Agreements (Note 8)	12,964,006	20,326,149	7,364,006	20,326,149
Financial Assets at Fair Value through Profit or Loss (Note 9)	8,192,102	11,302,754	7,558,427	10,251,971
Derivative Contracts Designated as Hedges (Note 26)	3,590,656	2,766,372	3,590,656	2,766,372
Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	168,657,545	134,105,832	139,153,770	121,634,407
Investment Securities at Amortized Cost (Note 9)	381,738,294	394,519,620	372,572,485	386,688,846
Loans and Receivables (Notes 10 and 30)	1,038,027,468	915,229,756	887,660,943	782,913,377
Accrued Interest Receivable (Note 16)	13,301,431	13,444,829	12,023,893	12,218,823
Investment in Subsidiaries (Note 11)	–	–	27,220,873	25,374,573
Investment in Associates (Note 11)	3,222,756	1,978,893	3,222,756	1,978,893
Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets (Note 12)	11,726,469	9,795,106	9,742,224	7,702,137
Investment Properties (Note 13)	20,915,284	6,962,434	18,707,554	4,833,466
Deferred Tax Assets (Note 28)	4,751,542	5,509,764	2,796,103	3,720,959
Intangible Assets (Note 14)	5,067,312	4,406,522	2,010,806	1,354,898
Goodwill (Note 14)	839,748	839,748	222,841	222,841
Other Assets (Note 15)	12,320,684	11,464,553	7,916,371	7,319,039
	₱1,781,687,740	₱1,646,093,412	₱1,585,640,975	₱1,475,012,578
LIABILITIES AND EQUITY				
Liabilities				
Deposit Liabilities (Notes 17 and 30)				
Demand	₱321,081,214	₱298,229,464	₱292,678,432	₱271,622,434
Savings	371,498,427	295,398,963	348,982,328	273,676,084
Time	752,017,078	737,518,251	612,491,424	620,429,470
	1,444,596,719	1,331,146,678	1,254,152,184	1,165,727,988
Bills Payable (Note 19)	118,784,445	112,133,138	118,784,445	112,133,138
Manager's Checks	1,521,506	1,688,304	1,297,691	1,484,625
Income Tax Payable	146,607	218,806	118,482	207,544
Accrued Interest and Other Expenses (Note 20)	7,576,776	9,173,143	6,227,250	7,873,828
Derivative Liabilities (Note 26)	1,066,556	1,406,274	1,066,556	1,406,274
Derivative Contracts Designated as Hedges (Note 26)	255,117	6,241,405	255,117	6,241,405
Deferred Tax Liabilities (Note 28)	791,376	791,376	–	–
Other Liabilities (Note 21)	15,650,865	14,714,648	12,533,945	11,442,433
	1,590,389,967	1,477,513,772	1,394,435,670	1,306,517,235
Equity				
Equity Attributable to Equity Holders of the Parent Company				
Capital stock (Note 24)	26,913,430	26,913,430	26,913,430	26,913,430
Capital paid in excess of par value (Note 24)	17,201,647	17,201,647	17,201,647	17,201,647
Surplus reserves (Notes 24 and 29)	7,765,578	7,700,681	7,765,578	7,700,681
Surplus (Notes 24 and 29)	138,288,201	117,085,762	138,288,201	117,085,762
Net unrealized loss on financial assets at fair value through other comprehensive income (Note 9)	(732,710)	(2,052,529)	(732,710)	(2,052,529)
Remeasurement gain on defined benefit asset (Note 25)	851,723	1,128,315	851,723	1,128,315
Cumulative translation adjustment	155,351	74,256	155,351	74,256
Remeasurement gain on life insurance reserves	78,725	78,506	78,725	78,506
Hedge-related reserves (Note 26)	683,360	365,275	683,360	365,275
	191,205,305	168,495,343	191,205,305	168,495,343
Non-controlling Interest (Note 11)	92,468	84,297	–	–
	191,297,773	168,579,640	191,205,305	168,495,343
	₱1,781,687,740	₱1,646,093,412	₱1,585,640,975	₱1,475,012,578

See accompanying Notes to Financial Statements.

China Banking Corporation and Subsidiaries

Statements of Income

(Amounts in Thousands, Except Earnings Per Share)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
INTEREST INCOME						
Loans and receivables (Notes 10 and 30)	₱71,649,386	₱61,146,386	₱51,690,659	₱56,889,541	₱48,729,458	₱41,485,837
Investment securities at amortized cost and at fair value through other comprehensive income (Note 9)	29,023,521	28,432,831	23,236,340	27,422,617	27,086,749	22,730,827
Due from Bangko Sentral ng Pilipinas and other banks, interbank loans receivable, and securities purchased under resale agreements (Notes 7 and 8)	3,092,289	2,841,623	3,700,672	2,041,028	1,872,720	2,534,718
Financial assets at fair value through profit or loss	1,441,214	1,333,218	740,362	1,438,037	1,329,526	738,999
	105,206,410	93,754,058	79,368,033	87,791,223	79,018,453	67,490,381
INTEREST EXPENSE						
Deposit liabilities (Notes 17 and 30)	27,019,723	25,994,513	21,740,569	19,678,064	19,718,814	17,151,871
Bonds payable, bills payable and other borrowings (Notes 18 and 19)	5,371,276	3,971,193	3,852,869	5,371,246	3,971,061	3,852,827
Lease payable (Note 27)	220,644	249,750	246,790	168,977	187,662	193,355
	32,611,643	30,215,456	25,840,228	25,218,287	23,877,537	21,198,053
NET INTEREST INCOME	72,594,767	63,538,602	53,527,805	62,572,936	55,140,916	46,292,328
Trading and securities gain - net (Notes 9 and 22)	479,495	1,108,796	1,129,032	442,807	1,108,770	1,038,063
Service charges, fees and commissions (Note 22)	3,765,685	3,457,856	3,300,169	2,529,081	2,145,075	1,921,936
Gain (loss) on redemption of investment securities at amortized cost (Note 9)	89,584	(469)	78	89,584	(469)	78
Trust fee income (Note 29)	784,178	690,807	585,915	784,178	690,807	585,915
Foreign exchange loss- net (Note 26)	(14,653,405)	(14,011,260)	(7,354,800)	(14,659,563)	(14,015,971)	(7,362,476)
Gain on sale of investment properties	289,048	436,903	602,836	123,672	230,875	212,126
Share in net income of an associate (Note 11)	1,500,741	757,363	435,075	1,500,741	757,363	435,075
Gain on asset foreclosure and dacion transactions (Note 13)	7,124,314	589,866	419,748	6,979,537	497,650	373,936
Share in net income of subsidiaries (Note 11)	-	-	-	2,925,062	2,762,351	2,541,697
Miscellaneous (Notes 22 and 30)	3,725,258	8,920,381	1,445,597	3,343,823	8,574,289	1,176,462
TOTAL OPERATING INCOME	75,699,665	65,488,845	54,091,455	66,631,858	57,891,656	47,215,140
Compensation and fringe benefits (Notes 25 and 30)	11,368,208	9,754,206	8,969,408	8,625,442	7,487,511	7,033,384
Provision for impairment and credit losses (Note 16)	7,034,453	3,314,707	1,246,003	6,107,105	2,531,461	208,011
Taxes and licenses	6,911,662	6,437,457	5,628,497	5,139,985	4,951,698	4,405,025
Insurance	3,380,277	3,122,206	2,744,739	2,870,120	2,667,151	2,391,242
Depreciation and amortization (Notes 12, 13 and 14)	2,656,013	2,288,054	2,006,146	2,068,223	1,731,314	1,527,440
Occupancy cost (Notes 27 and 30)	2,467,242	2,393,821	2,230,649	1,659,836	1,729,790	1,696,216
Professional fees, marketing and other related services	1,236,031	1,081,319	848,561	1,092,502	969,083	704,971
Transportation and traveling	685,293	796,430	699,430	447,995	573,199	524,270
Entertainment, amusement and recreation	719,404	602,327	519,953	603,165	496,869	411,443
Stationery, supplies and postage	318,214	276,370	237,994	237,283	188,921	166,250
Repairs and maintenance	306,653	284,660	228,331	224,576	231,336	180,287
Miscellaneous (Notes 22 and 30)	4,367,320	3,712,287	2,923,617	3,870,822	3,295,500	2,657,273
TOTAL OPERATING EXPENSES	41,450,770	34,063,844	28,283,328	32,947,054	26,853,833	21,905,812
INCOME BEFORE INCOME TAX	34,248,895	31,425,001	25,808,127	33,684,804	31,037,823	25,309,328
PROVISION FOR INCOME TAX (Note 28)	6,262,918	6,613,822	3,789,903	5,706,853	6,234,549	3,298,538
NET INCOME	₱27,985,977	₱24,811,179	₱22,018,224	₱27,977,951	₱24,803,274	₱22,010,790
Attributable to:	-					
Equity holders of the Parent Company (Note 33)	₱27,977,951	₱24,803,274	₱22,010,790			
Non-controlling interest	8,026	7,905	7,434			
	27,985,977	24,811,179	22,018,224			
Basic/Diluted Earnings Per Share (Note 33)	10.40	9.22	8.18			

See accompanying Notes to Financial Statements.

China Banking Corporation and Subsidiaries

Statements of Comprehensive Income

(Amounts in Thousands)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
NET INCOME	₱27,985,977	24,811,179	22,018,224	₱27,977,951	24,803,274	22,010,790
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that recycle to profit or loss in subsequent periods:						
Changes in fair value of debt financial assets at fair value through other comprehensive income (FVOCI):						
Fair value gain (loss) for the year, net of tax	1,861,059	386,413	2,068,782	1,752,595	480,259	2,102,503
Gain taken to profit or loss (Note 22)	(384,616)	(908,639)	(326,063)	(383,902)	(909,820)	(326,063)
Changes in cumulative translation adjustment						
Translation gain (loss) for the year	39,433	(148,352)	68,446	13,706	(178,749)	(12,931)
Loss taken to profit or loss	41,725	32,228	94,425	41,725	32,228	94,425
Changes in hedge-related reserves						
Fair value gain (loss) for the year, net of tax	(14,911,218)	(14,585,803)	(9,230,004)	(14,911,218)	(14,585,803)	(9,230,004)
Loss (gain) taken to profit or loss (Note 26)	15,229,303	13,704,884	4,994,206	15,229,303	13,704,884	4,994,206
Share in changes in fair value of financial assets at FVOCI of an associate (Note 11)	(16,707)	(3,375)	140,244	(16,707)	(3,375)	140,244
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11):						
Net unrealized loss on debt financial assets at FVOCI	-	-	-	107,382	(92,648)	(34,263)
Cumulative translation adjustment	-	-	-	25,665	30,306	81,508
Items that do not recycle to profit or loss in subsequent periods:						
Changes in fair value of equity financial assets at FVOCI:						
Fair value gain (loss) for the year, net of tax	(121,818)	(113,041)	997,698	(119,017)	(208,891)	907,229
Remeasurement gain on defined benefit asset, net of tax (Note 25)	(276,476)	1,031,580	14,615	(177,183)	1,019,766	66,050
Share in changes in other comprehensive income (loss) of subsidiaries (Note 11):						
Net unrealized gain (loss) on equity financial assets at FVOCI	-	-	-	(2,789)	95,812	90,434
Remeasurement gain (loss) on defined benefit plan	-	-	-	(99,020)	11,786	(51,269)
Share in changes in other comprehensive income of an associate (Note 11)						
Remeasurement gain (loss) on life insurance reserves	219	(13,596)	(4,284)	219	(13,596)	(4,284)
Remeasurement gain (loss) on defined benefit plan	(390)	8,549	(4,326)	(390)	8,549	(4,326)
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE YEAR, NET OF TAX	1,460,514	(609,152)	(1,186,261)	1,460,369	(609,292)	(1,186,541)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱29,446,491	₱24,202,027	₱20,831,963	₱29,438,320	₱24,193,982	₱20,824,249
Total comprehensive income attributable to:						
Equity holders of the Parent Company	29,438,320	24,193,982	20,824,249			
Non-controlling interest	8,171	8,045	7,714			
	₱29,446,491	₱24,202,027	₱20,831,963			

See accompanying Notes to Financial Statements.

China Banking Corporation and Subsidiaries

Statements of Changes in Equity

(Amounts in Thousands)

	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Surplus Reserves (Notes 24 and 29)	Surplus (Notes 24 and 29)	Net Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income (Note 9)
Balance at January 1, 2025	¥26,913,430	¥17,201,647	¥7,700,681	¥117,085,762	(¥2,052,529)
Total comprehensive income (loss) for the year	–	–	–	27,977,951	1,337,562
Transfer of cumulative gain upon sale of equity financial assets at FVOCI	–	–	–	17,743	(17,743)
Transfer from surplus to surplus reserves (Note 24)	–	–	78,418	(78,418)	–
Appropriation of retained earnings (Notes 16 and 24)	–	–	(13,521)	13,521	–
Cash dividends - ¥2.50 per share	–	–	–	(6,728,358)	–
Balance at December 31, 2025	¥26,913,430	¥17,201,647	¥7,765,578	¥138,288,201	(¥732,710)
Balance at January 1, 2024	¥26,913,403	¥17,201,513	¥5,003,653	¥100,900,465	(¥1,413,868)
Total comprehensive income (loss) for the year	–	–	–	24,803,274	(638,661)
Stock Grants	27	134	–	–	–
Transfer from surplus to surplus reserves (Note 24)	–	–	1,731,300	(1,731,300)	–
Appropriation of retained earnings (Notes 16 and 24)	–	–	965,728	(965,728)	–
Cash dividends - ¥2.20 per share	–	–	–	(5,920,949)	–
Balance at December 31, 2024	26,913,430	17,201,647	7,700,681	117,085,762	(2,052,529)
Balance at January 1, 2023	26,912,882	17,200,758	4,923,115	84,083,661	(4,293,952)
Total comprehensive income (loss) for the year	–	–	–	22,010,790	2,880,084
Stock Grants	521	755	–	–	–
Transfer from surplus to surplus reserves (Note 24)	–	–	58,592	(58,592)	–
Appropriation of retained earnings (Notes 16 and 24)	–	–	21,946	(21,946)	–
Cash dividends - ¥1.90 per share	–	–	–	(5,113,448)	–
Balance at December 31, 2023	¥26,913,403	¥17,201,513	¥5,003,653	¥100,900,465	(¥1,413,868)

See accompanying Notes to Financial Statements.

CONSOLIDATED

Equity Attributable to Equity Holders of the Parent Company

Remeasurement Gain (Loss) on Defined Benefit Asset or Liability (Note 25)	Cumulative Translation Adjustment	Remeasurement Gain (Loss) on Life Insurance Reserves	Hedge-related Reserves	Total Equity	Non- Controlling Interest (Note 11)	Total Equity
P1,128,315	P74,256	P78,506	P365,275	P168,495,343	P84,297	P168,579,640
(276,592)	81,095	219	318,085	29,438,320	8,171	29,446,491
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(6,728,358)	-	(6,728,358)
P851,723	P155,351	P78,725	P683,360	P191,205,305	P92,468	P191,297,773
P88,215	P190,471	P92,103	P1,246,194	P150,222,149	P76,252	P150,298,401
1,040,100	(116,215)	(13,597)	(880,919)	24,193,982	8,045	24,202,027
-	-	-	-	161	-	161
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(5,920,949)	-	(5,920,949)
1,128,315	74,256	P78,506	P365,275	P168,495,343	P84,297	P168,579,640
P77,760	P27,469	P96,387	P5,481,992	P134,510,072	P68,538	P134,578,610
10,455	163,002	(4,284)	(4,235,798)	20,824,249	7,714	20,831,963
-	-	-	-	1,276	-	1,276
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(5,113,448)	-	(5,113,448)
P88,215	P190,471	P92,103	P1,246,194	P150,222,149	P76,252	P150,298,401

China Banking Corporation and Subsidiaries

Statements of Changes in Equity

(Amounts in Thousands)

	Capital Stock (Note 24)	Capital Paid in Excess of Par Value (Note 24)	Surplus Reserves (Notes 24 and 29)	Surplus (Notes 24 and 29)
Balance at January 1, 2025	P26,913,430	P17,201,647	P7,700,681	P117,085,762
Total comprehensive income (loss) for the year	-	-	-	27,977,951
Transfer of cumulative gain upon sale of equity financial assets at FVOCI	-	-	-	17,743
Transfer from surplus to surplus reserves (Note 24)	-	-	78,418	(78,418)
Appropriation of retained earnings (Notes 16 and 24)	-	-	(13,521)	13,521
Cash dividends - P2.50 per share	-	-	-	(6,728,358)
Balance at December 31, 2025	P26,913,430	P17,201,647	P7,765,578	P138,288,201
Balance at January 1, 2024	P26,913,403	P17,201,513	P5,003,653	P100,900,465
Total comprehensive income (loss) for the year	-	-	-	24,803,274
Stock grants	27	134	-	-
Transfer from surplus to surplus reserves (Note 24)	-	-	1,731,300	(1,731,300)
Appropriation of retained earnings (Notes 16 and 24)	-	-	965,728	(965,728)
Cash dividends - P2.20 per share	-	-	-	(5,920,949)
Balance at December 31, 2024	P26,913,430	P17,201,647	P7,700,681	P117,085,762
Balance at January 1, 2023	P26,912,882	P17,200,758	P4,923,115	P84,083,661
Total comprehensive income (loss) for the year	-	-	-	22,010,790
Stock grants	521	755	-	-
Transfer from surplus to surplus reserves (Note 24)	-	-	58,592	(58,592)
Appropriation of retained earnings (Notes 16 and 24)	-	-	21,946	(21,946)
Cash dividends - P1.90 per share	-	-	-	(5,113,448)
Balance at December 31, 2023	P26,913,403	P17,201,513	P5,003,653	P100,900,465

See accompanying Notes to Financial Statements.

PARENT COMPANY					
Net Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income (Note 9)	Remeasurement Gain (Loss) on Defined Benefit Asset or Liability (Note 25)	Cumulative Translation Adjustment	Remeasurement Gain (Loss) on Life Insurance Reserves	Hedge-related Reserves	Total Equity
(P2,052,529)	P1,128,315	P74,256	P78,506	P365,275	P168,495,343
1,337,562	(276,592)	81,095	219	318,085	29,438,320
(17,743)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(6,728,358)
(P732,710)	P851,723	P155,351	P78,725	683,360	P191,205,305
(P1,413,868)	P88,215	P190,471	P92,103	P1,246,194	P150,222,149
(638,661)	1,040,100	(116,215)	(13,597)	(880,919)	24,193,982
-	-	-	-	-	161
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(5,920,949)
(P2,052,529)	P1,128,315	P74,256	P78,506	P365,275	P168,495,343
(P4,293,952)	P77,760	P27,469	P96,387	P5,481,992	134,510,072
2,880,084	10,455	163,002	(4,284)	(4,235,798)	20,824,249
-	-	-	-	-	1,276
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	(5,113,448)
(P1,413,868)	P88,215	P190,471	P92,103	P1,246,194	P150,222,149

China Banking Corporation and Subsidiaries

Statements of Cash Flows

(Amounts in Thousands)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES						
Income before income tax	₱34,248,895	₱31,425,001	₱25,808,127	₱33,684,804	₱31,037,823	₱25,309,328
Adjustments for:						
Depreciation and amortization (Notes 12, 13 and 14)	2,656,013	2,288,054	2,006,146	2,068,223	1,731,314	1,527,440
Provision for impairment and credit losses (Note 16)	7,034,453	3,314,707	1,246,003	6,107,105	2,531,461	208,011
Amortization of transaction costs and other non-cash movements on bonds payable (Note 18)	–	10,693	39,687	–	10,693	39,687
Securities gain on sale of financial assets at fair value through other comprehensive income and redemption of investment securities at amortized cost (Note 22)	(474,200)	(908,170)	(326,141)	(473,486)	(909,351)	(326,141)
Gain on sale of investment properties	(289,048)	(436,903)	(602,836)	(123,672)	(230,875)	(212,126)
Gain on asset foreclosure and dacion transactions (Note 13)	(7,124,314)	(589,866)	(419,748)	(6,979,537)	(497,650)	(373,936)
Share in net loss (income) of an associate (Notes 2 and 11)	(1,500,741)	(757,363)	(435,075)	(1,500,741)	(757,363)	(435,075)
Share in net income of subsidiaries (Notes 2 and 11)	–	–	–	(2,925,062)	(2,762,351)	(2,541,697)
Changes in operating assets and liabilities:						
Decrease (increase) in the amounts of:						
Financial assets at fair value through profit or loss	3,110,652	2,328,533	(8,903,707)	2,693,544	2,390,092	(9,127,487)
Loans and receivables	(136,502,307)	(149,771,954)	(74,905,013)	(117,255,888)	(125,159,512)	(50,916,599)
Other assets	(1,514,572)	(3,037,582)	231,340	(1,847,984)	(1,336,108)	783,343
Increase (decrease) in the amounts of:						
Deposit liabilities	113,450,041	144,423,123	120,808,878	88,424,196	115,153,234	91,156,185
Manager's checks	(166,798)	(421,159)	558,794	(186,933)	64,861	123,655
Accrued interest and other expenses	(1,596,367)	583,933	2,473,321	(1,646,578)	374,401	2,099,802
Other liabilities and derivative liabilities	(4,045,297)	294,361	(3,864,451)	(3,198,330)	(1,319,531)	(3,282,393)
Net cash generated from operations	7,286,410	28,745,408	63,715,325	(3,160,339)	20,321,138	54,031,997
Income taxes paid	(6,100,481)	(5,532,996)	(5,276,289)	(5,402,060)	(4,834,970)	(4,723,460)
Net cash provided by operating activities	1,185,929	23,212,412	58,439,036	(8,562,399)	15,486,168	49,308,537
CASH FLOWS FROM INVESTING ACTIVITIES						
Acquisitions of/Additions to:						
Bank premises, furniture, fixtures and equipment and capitalized software (Note 12)	(4,212,685)	(1,921,148)	(1,565,674)	(3,899,175)	(1,475,654)	(1,144,703)
Investment securities at amortized cost	(11,367,282)	(60,180,455)	(85,060,985)	(6,967,664)	(58,815,348)	(83,791,451)
Financial assets at fair value through other comprehensive income	(143,885,238)	(147,579,803)	(65,309,075)	(75,953,544)	(67,045,495)	(54,353,741)
Proceeds from sale of:						
Financial assets at fair value through other comprehensive income	111,139,938	120,322,054	5,138,625	60,135,289	39,540,570	4,676,504
Investment properties	673,000	1,100,170	1,581,052	201,824	484,941	428,651
Bank premises, furniture, fixtures and equipment	323,917	445,043	537,764	253,034	274,919	277,589
Proceeds from maturity and redemption of investment securities at amortized cost	23,835,961	46,216,969	62,580,442	20,763,913	45,794,969	62,021,783
Cash dividends received from subsidiaries and associate (Note 11)	240,000	160,000	160,000	2,350,000	210,000	235,000
Capital infusion in a subsidiary	–	–	–	(1,000,000)	–	(1,000,000)
Net cash used in investing activities	(23,252,389)	(41,437,170)	(81,937,851)	(4,116,323)	(41,031,098)	(72,650,368)

(Forward)

	CONSOLIDATED			PARENT COMPANY		
	Years Ended December 31					
	2025	2024	2023	2025	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from bills payable	₱694,879,185	₱568,797,606	₱563,532,304	₱694,879,185	₱568,797,606	₱563,532,304
Settlement of bills payable	(689,993,430)	(545,158,967)	(548,623,126)	(689,993,430)	(545,158,967)	(548,623,126)
Payments of cash dividends (Note 24)	(6,728,358)	(5,920,949)	(5,113,448)	(6,728,358)	(5,920,949)	(5,113,448)
Settlement of bonds payable (Note 18)	–	(20,000,000)	(8,322,167)	–	(20,000,000)	(8,322,167)
Payments of principal portion of lease liabilities (Note 27)	(521,717)	(1,004,435)	(665,311)	(269,378)	(767,394)	(444,547)
Net cash provided by (used in) financing activities	(2,364,320)	(3,286,745)	808,252	(2,111,981)	(3,049,704)	1,029,016
NET DECREASE IN CASH AND CASH EQUIVALENTS	(24,430,780)	(21,511,503)	(22,690,563)	(14,790,703)	(28,594,634)	(22,312,815)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR						
Cash and other cash items	18,260,927	15,998,094	13,689,421	13,230,415	13,041,135	10,073,767
Due from Bangko Sentral ng Pilipinas (Note 7)	82,639,923	84,595,973	107,100,295	61,109,605	73,156,991	92,920,540
Due from other banks (Note 7)	12,540,230	19,964,415	13,614,609	11,365,807	17,352,830	12,347,169
Interbank Loans Receivable and SPURA (Note 8)	20,326,149	34,720,250	43,564,970	20,326,149	31,075,654	41,597,949
	133,767,229	155,278,732	177,969,295	106,031,976	134,626,610	156,939,425
CASH AND CASH EQUIVALENTS AT END OF YEAR						
Cash and other cash items	21,768,445	18,260,927	15,998,094	17,965,862	13,230,415	13,041,135
Due from Bangko Sentral ng Pilipinas (Note 7)	62,122,674	82,639,923	84,595,973	55,880,687	61,109,605	73,156,991
Due from other banks (Note 7)	12,481,324	12,540,230	19,964,415	10,030,718	11,365,807	17,352,830
Interbank Loans Receivable and SPURA (Note 8)	12,964,006	20,326,149	34,720,250	7,364,006	20,326,149	31,075,654
	₱109,336,449	₱133,767,229	₱155,278,732	₱91,241,273	₱106,031,976	₱134,626,610

OPERATING CASH FLOWS FROM INTEREST

	Consolidated			Parent Company		
	For Years Ended December 31					
	2025	2024	2023	2025	2024	2023
Interest received	P105,349,808	P91,774,161	P77,684,904	P87,986,153	P77,182,218	P65,838,503
Interest paid	33,957,495	29,666,247	23,792,369	26,553,202	23,626,974	19,502,833

See accompanying Notes to Financial Statements.

Independent Limited Assurance Report on Sustainability Information

CSRWorks International (“CSRWorks”) has been engaged by the Management of China Banking Corporation (“Chinabank Group”, “the Company” or “Chinabank” with SEC Registration Number: 443) to carry out an independent assurance engagement for its 2025 Integrated Report in its printed version, including references to its website (“the Report”).

The Report has been prepared by the Company referencing the Global Reporting Initiative (“GRI”) Standards 2021, as well as partial application of the International Financial Reporting Standards (IFRS) Sustainability Disclosures Standards, IFRS S1 and IFRS S2. The Report covers Chinabank’s sustainability performance of its operations in the Philippines from 1st January 2025 to 31st December 2025 (“the reporting period”).

Our assurance was conducted based on a Type 2 Moderate level of engagement as per AccountAbility’s AA1000 Assurance Standard (“AA1000 AS v3”) using CSRWorks’ Framework for Assurance and Verification (“CSRWorks Framework”), a customised verification procedure¹, and as mutually agreed with the client. This statement presents our opinion as an independent assurance provider to the Management of Chinabank (“the Management”), based on the assurance engagement planned and conducted by us during December 2025 – March 2026.

RESPONSIBILITIES OF THE MANAGEMENT AND THE ASSURANCE PROVIDER

The Management of Chinabank bears the sole responsibility for preparation of the Report as well as collecting, collating, analysing and presenting the information and data in the Report. Chinabank is also responsible for maintaining the integrity of its website as well as any referenced disclosures on its sustainability performance.

The Management of Chinabank is the sole intended user of this Statement. CSRWorks’ responsibility in presenting the outcomes of our independent assurance engagement is to the Management and is based on the scope of work and terms of reference agreed upon with the Company. We expressly disclaim any liability for any decision, investment or otherwise, that a person or entity may make based on this Statement. Our assurance engagement is based on the assumption that the information and data presented to us as part of our work has been provided in good faith and is free from material misstatements.

ASSURANCE SCOPE, CRITERIA AND LIMITATIONS

The reporting scope, subject matter and boundary covers Chinabank Group’s sustainability performance, that is, economic, environmental, social and governance issues during the reporting period, for the operations of Chinabank, its subsidiaries and affiliates in the Philippines, as brought out in the Report under the section “About the Report”.

Our assurance engagement has been planned and performed based on the requirements set out in AA1000 AS v3 towards providing a Type 2, Moderate level of assurance opinion of the Report’s adherence to AA1000 AccountAbility Principles (2018). As part of our engagement, we have also evaluated the Report’s adherence to the GRI Standards chosen for reporting by Chinabank as referenced in the Report.

During the engagement, we did not come across any limitations to the agreed terms of reference. Our assurance takes into account an uncertainty level of $\pm 5\%$ for any errors in measurement or estimation and omission. Selection of samples of sustainability data, information and evidences are based on our professional judgement and perceived risks within the effort and time allocated and hence, related

¹ based on global assurance and verification frameworks and best practices such as AA1000 AS v3, ISAE 3000 (Revised) – (Assurance Engagements Other than Audits or Reviews of Historical Financial Information) and ISO 14064-3:2019.

limitations will persist. Any reported data on financial performance are based on audited financial statements, and is not within the terms of reference of our engagement.

Our engagement also excludes any evaluation of the adequacy or effectiveness of Chinabank's strategies and management approaches for sustainability issues, including performance versus goals and targets. This Statement does not provide any assurance on internal controls within the Company. Any forward-looking statements and expressions of opinion and belief provided within the Report have been excluded from the terms of reference for our work of assurance. We have not reviewed the accuracy and reliability of information and data outside the reporting period within the Report, such as historical performance information presented for the purposes of comparability. The evaluation of the level of adherence to global reporting frameworks beyond the GRI Standards chosen by Chinabank for reporting is also not part of this engagement.

ASSURANCE METHODOLOGY

As part of our assurance process towards arriving at our assurance opinion and conclusions, and based on the terms of reference agreed upon with Chinabank, we carried out the following activities:

- Desk review of the draft version of the Report and development of an assurance engagement plan.
- Interactions with management personnel at Chinabank Group who have been tasked with driving the Company's sustainability strategies related to its identified material topics. During this assurance process, we interacted with personnel in the Philippines managing the following areas:
 - o Corporate Governance, Board-related matters, Environmental performance including Greenhouse Gas (GHG) Emissions and Water, Workplace Planning & Analytics, Performance Management, Learning & Capability
- Review of Chinabank's approaches towards materiality determination and stakeholder engagement, and its outcomes as presented in the Report.
- Review of Chinabank's adherence to the AA1000 Accountability Principles (2018) of Materiality, Inclusivity, Responsiveness and Impact.
- Review of policies, practices, principles, governance mechanisms, and performance as presented in the Report, and an assessment of underlying management and reporting processes.
- Assessment of specified performance information and disclosed information related to identified material topics towards evaluating the reliability and quality of data and information presented including:
 - o Verification of data through sample evidence gathering and an evaluation of the accuracy, reliability, traceability and completeness of data capture systems and processes used for collating and validating reported information, including methodologies and assumptions considered.
 - o Interactions with senior managers and data owners responsible for collecting, collating, reporting and validating sustainability performance data.
- Assessment of the Report's adherence to the requirements of the following GRI Topic Standards related to identified material topics selected for reporting by Chinabank, and referenced in the Report:
 - o GRI 201: Economic Performance 2016: 201-1, 201-3; GRI 203: Indirect Economic Impacts 2016: 203-1, 203-2;
 - o GRI 302: Energy 2016: 302-1; GRI 303: Water 2018: 303-5; GRI 305: Emissions 2016: 305-1, 305-2;
 - o GRI 401: Employment 2016: 401-1, 401-2, 401-3; GRI 403: Occupational Health and Safety 2018: 403-1, 403-2, 403-3, 403-6, 403-7, 403-8; GRI 404: Training and Education 2016: 404-1, 404-2, 404-3; GRI 405: Diversity and Equal Opportunity 2016: 405-1; GRI 406: Non-discrimination 2016: 406-1; GRI 410: Security Practices 2016: 410-1; GRI 413: Local Communities 2016: 413-1; GRI 418: Customer Privacy 2016: 418-1.
- Review of overall balance and neutrality in reporting, and verification of supporting evidences for claims, initiatives and case studies presented in the Report on a sample basis.

Independent Limited Assurance Report on Sustainability Information

CSRWorks was free to choose interviewees, and obtain evidences and samples of data sets as planned and required for performing our assurance engagement towards arriving at our assurance opinion. We carried out our interviews and interactions remotely through video-teleconferencing and collaboration platforms. We did not interact with any external stakeholders as part of this engagement.

CONCLUSIONS AND OPINIONS

Based on the assurance engagement undertaken, nothing has come to our attention to suggest that Chinabank's 2025 Integrated Report does not provide a fair, faithful and reliable account of the Company's material issues, sustainability strategies, management approach and performance information. Further, nothing causes us to believe that the Report does not adequately adhere to the requirements of the GRI Standards chosen by the Company and referenced within its GRI Content Index.

Our opinion on the Report's adherence to the AA1000 AccountAbility Principles (2018) is as follows:

Inclusivity

"People should have a say in the decisions that impact them".

Chinabank considers customers, employees, capital providers, communities, regulators and suppliers to be the Company's identified stakeholder groups. The formal and informal modes of engagement that the Company has devised to engage with these identified stakeholder groups, towards identifying their key concerns and expectations, are brought out within the Report, along with the outcomes of these engagements.

Materiality

"Decision makers should identify and be clear about the sustainability topics that matter."

The Report explains the process of materiality determination carried out by Chinabank, which evaluated sustainability-related topics across impact materiality and financial materiality. This process included assessment by internal and external stakeholders, and evaluation of global sustainability standards, towards arriving at a prioritised list of ten material topics.

Responsiveness

"Organisations should act transparently on material sustainability topics and their related impacts."

The Report brings out Chinabank's responses to key stakeholder groups as well as outcomes of engagement processes, which helps align the Company's operations with stakeholder expectations and guide its overall sustainability strategy. The Report explains Chinabank's sustainability-related and climate-related risks, opportunities and impacts, as well as approach to sustainability through descriptions of its strategies, policies, performance and targets related to identified material topics.

Impact

"Organisations should monitor, measure, and be accountable for how their actions affect their broader ecosystems."

The Report describes out the mechanisms and frameworks that Chinabank has set in place towards monitoring, measuring and evaluating impacts related to identified material topics and ESG risks within the Company and in its value chain. The Company has chosen selected GRI Standards that it deems relevant to bring out its sustainability performance within the Report through disclosures on its policies and procedures, management approach, performance metrics, and assessment and evaluation processes.

Nothing has come to our attention to suggest that Chinabank has not adequately applied the Principles of Inclusivity, Materiality, Responsiveness nor Impact in the preparation of this Report.

Reliability and Quality of Specified Sustainability Performance Information

Chinabank's methodologies and processes for collecting, collating, analysing and reporting data and information related to the Company's sustainability performance were found to be generally acceptable. Data owners and managers were able to demonstrate the traceability of the majority of the qualitative and quantitative data brought out within the Report and which was sampled by us as part of the assurance process, and no systemic errors were identified.

On the basis of a Type 2 moderate level of assurance engagement, nothing has come to our attention to suggest that the information presented by Chinabank to us was inconsistent, inaccurate and unreliable.

CSRWorks has presented a detailed Management Report with detailed conclusions and recommendations which is meant towards further strengthening the process of sustainability reporting at Chinabank in future reporting periods. The content of this Management Report is however, generally consistent with the Management's objectives and have not influenced the opinions and conclusions presented within this Statement.

INDEPENDENCE AND COMPETENCE OF THE ASSURANCE PROVIDER

CSRWorks is a leading provider of sustainability services focused on advisory, training and thought leadership, and a licenced provider of AA1000 Assurance Services with detailed processes for ensuring quality and competency. It has over 20 years of track record in sustainability reporting, integrated reporting, external assurance, ESG assessment and ratings, climate change disclosures and sustainable procurement.

We maintain our independence and adherence to relevant ethical requirements as detailed within the CSRWorks Framework, the AA1000 AS v3 Code of Practice and the International Ethics Standards Board for Accountants' International Ethics Standards for Sustainability Assurance (including International Independent Standards), as well as our internal codes for responsible conduct. This engagement has been planned and performed by an independent multi-disciplinary team of sustainability and assurance professionals with requisite skills, experience and competencies – no member of the assurance team has a business relationship with Chinabank, its Directors or Managers beyond this engagement. We conducted this verification independently and to our knowledge there has been no conflict of interest.

CSRWorks was not involved in the development of the Report except for this Assurance Statement. This Assurance Statement represents the independent opinion of CSRWorks.

For CSRWorks and on behalf of the Assurance team



Rajesh Chhabara
Managing Director
CSRWorks International Pte Ltd

27th March 2026, Singapore





This Assurance Statement shall only be valid when published within or referenced to the Report to which it refers. It may only be reproduced in its entirety.

Sustainability Notes and Indices

This report is prepared in alignment with the reporting frameworks and standards listed below, ensuring that our disclosures meet the diverse information needs of our stakeholders.

The complete Topic Boundary and Content Index can be accessed by scanning the QR code or typing this URL on your browser:

www.chinabank.ph/library/index-of-2025-afsr



Global reporting frameworks and standards used in this report:



Topic Boundary of the Integrated Report



Sustainability Accounting Standards Board (SASB)



Global Reporting Initiative (GRI) Standards



International Financial Reporting Standards (IFRS)
- S1 General Requirements for Disclosure of Sustainability-related Financial Information
- S2 Climate-related Disclosures

Subsidiaries and Affiliate



CBS Building, 314 Sen. Gil Puyat Avenue, Makati City
Tel. No.: (632) 8988-9555
www.cbs.com.ph

China Bank Savings, Inc. (CBS) began operations on September 8, 2008 following the acquisition of Manila Bank by Chinabank in 2007. Subsequent mergers with Unity Bank and Planters Development Bank bolstered CBS as a leading thrift bank in the industry. With a nationwide retail banking network and strong platform for auto, housing, teachers and enterprise finance, CBS is dedicated to servicing the needs of entry-level customers, the broad consumer market and small business owners. CBS is committed to promoting financial inclusiveness and uplifting the quality of life of consumers and entrepreneurs, in line with its Easy Banking for You brand of service.

BOARD OF DIRECTORS

Chairman

Ricardo R. Chua

Vice Chairman

Nancy D. Yang

Directors

James Christian T. Dee
Romeo D. Uyan Jr.
Herbert T. Sy Jr.
Aloysius Alday Jr.
Patrick D. Cheng

Independent Directors

Antonio S. Espedido, Jr.
Philip S. L. Tsai
Claire Ann T. Yap
Genaro V. Lapez

Corporate Secretary

Atty. Arturo Jose M. Constantino, III

MANAGEMENT TEAM

President

James Christian T. Dee

Retail Banking Group Head

Jan Nikolai M. Lim

Controllership Group Head

Luis Bernardo A. Pahuwan

SME Lending Group Head

Brenda S. Santiago

APD Lending Group Head

Niel C. Jumawan

Asset Recovery Group Head

Mary Grace F. Guzman

Consumer Lending Group Head

Kristine Michele C. Broadhurst

Treasury Group Head

Charmaine S. Hao

Human Resources Division Head

Atty. Josephine F. Fernandez

Human Resources Division

Deputy Head

Rudcen Mark M. Iglesia

WITH INTERLOCKING POSITION IN CHINABANK

Chief Security Officer

Nestor Jayson V. Camba

Information Security Officer

Hanz Irvin S. Yoro

Chief Technology Officer

Francis Andre Z. De Los Santos



28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 8885-5798
cbcapi@chinabank.ph

Chinabank Capital Corporation (Chinabank Capital) is the wholly owned investment banking subsidiary of China Banking Corporation. It was registered and licensed as an investment house in 2015 as a result of the spin-off of Chinabank's Investment Banking Group. The firm offers a full suite of investment banking solutions that enable clients to achieve their fundraising objectives and strategic goals. The company's services include arranging, managing, and underwriting debt and equity transactions, such as bond offerings, corporate notes issuances, initial public offerings and follow-on offerings of common and preferred shares, private placement of securities, structured loans, project finance, real estate investment trusts, and asset securitizations. Chinabank Capital also provides financial advisory services, such as deal structuring, valuation, and execution of mergers, acquisitions, divestitures, joint ventures, and other corporate transactions.

BOARD OF DIRECTORS

Chairman

Ricardo R. Chua

Vice Chairman

Romeo D. Uyan Jr.

Directors

Ryan Martin L. Tapia
Howard Conrad T. Sy
Lilian Yu
Magnolia Luisa N. Palanca

Independent Directors

Margarita L. San Juan
Philip S. L. Tsai
Claire Ann T. Yap

Corporate Secretary

Atty. Wilfred Francis B. Martinez

Assistant Corporate Secretary

Atty. Christine Joy J. Estropia

MANAGEMENT TEAM

President

Ryan Martin L. Tapia

Managing Director, Treasurer, and Head of Execution

Atty. Juan Paolo E. Colet

Managing Director and Head of Origination and Client Coverage

Jose Nicolas E. Co

Head of Distribution

Ma. Martha S. Javelosa

Head of Compliance & Risk Management

Mary Grace M. Velasco

Business Manager

Roberto A. Cabusay

Subsidiaries and Affiliate



28F Mega Tower
EDSA corner Julia Vargas Avenue, Brgy. Wack-wack,
Greenhills, Mandaluyong City
Tel. No.: (632) 8230 6660 to 64

China Bank Securities Corporation (Chinabank Securities) is the wholly-owned stock brokerage subsidiary of Chinabank Capital Corporation. Chinabank Securities complements Chinabank Capital's equity underwriting activities covering the distribution of issues under initial and/or follow-on offerings and providing research and equity-related services.

Chinabank Securities operates as a stock brokerage licensed by the SEC to engage in dealing, for its own and for its customers' accounts, securities listed in the Philippine Stock Exchange. The company is eligible to trade dollar-denominated securities or DDS, real estate investment trusts or REITs and also offers an online stock trading platform. It also offers other equity-related services such as stabilization agency, tender offer agency and share custodianship, among others.

BOARD OF DIRECTORS

Chairman

Ryan Martin L. Tapia

Vice Chairman

Atty. Juan Paolo E. Colet

Independent Directors

Genaro V. Lapez
Claire Ann T. Yap

Directors

Romeo D. Uyan Jr.
Gerald O. Florentino
Marisol M. Teodoro

Corporate Secretary

Atty. Leilani B. Elarmo

Assistant Corporate Secretary

Ariane Grace F. Tolentino

MANAGEMENT TEAM

President and CEO

Marisol M. Teodoro

Business Operations Unit Director and Treasurer

Annabelle G. Celso

Sales & Trading Unit Director

Maria Angelica M. Varela

Associated Person and Risk and Compliance Unit Director

Minnie I. Formales



2F VGP Center, 6772 Ayala Avenue
Makati City
Tel. No.: (632) 8885-5555

Chinabank Insurance Brokers, Inc. (CIBI) was incorporated on November 3, 1998 as a full-service insurance broker, providing insurance advice and solutions for retail and corporate customers, with a wide and comprehensive range of products for non-life and life insurance requirements. CIBI offers Property, Motor, Marine, Bonds/Surety, Construction All Risk / Engineering Lines, Liability, Financial Lines such as Directors & Officers Liability, Professional Indemnity, Trade Credit, Cyber Liability, Travel and Group Personal Accident for Bank clients including non-mortgaged accounts. CIBI is 100% owned by the Bank.

BOARD OF DIRECTORS

Chairman

Patrick D. Cheng

Directors

Aloysius C. Alday Jr.
Frankie G. Panis

Independent Directors

Philip S. L. Tsai
Margarita L. San Juan

Corporate Secretary

Atty. Iris Katrine M. Exchaure

MANAGEMENT TEAM

President

Frankie G. Panis

Collections to Accounting & Collections Head and Acting Corporate Treasurer

Maria Victoria A. Dagupon

Technical and Compliance Officer

Edgardo C. Rosal

Risk and Technical Officer

Pamela M. Alcoba

Account Management Head (AMD Team 1)

Roberto D. Consul

Account Management Head (AMD Team 2)

Hercel Iony D. Santos

Account Management Head (AMD Team 3)

Deofel F. Jover

Claims Head

Marvin A. Almachar

CIBI Branches Head/Central and North Luzon Branch Head

Herschel Fitzgerald G. Tumibay

South Luzon Branch Head

Herbie Ivans D. Villapando

Visayas Branch Head

Ma. Carolina B. Ylanan

Mindanao Branch Head

Richelle R. Aguilon



28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 8885-5798

CBC Assets One (SPC) Inc. was incorporated in the Philippines on June 15, 2016 as a special purpose corporation engaged primarily in the securitization of assets which shall include, but is not limited to receivables, mortgage loans and other debt instruments. The company is a wholly-owned subsidiary of Chinabank Capital.

BOARD OF DIRECTORS

Chairman

Ryan Martin L. Tapia

Directors

Atty. Juan Paolo E. Colet
Roberto A. Cabusay

Independent Directors

Atty. Ma. Cecilia A. Gironella
Ariel A. Soner

Corporate Secretary

Atty. Rikki Daniele Louis A. Dela Paz

Assistant Corporate Secretary

Atty. Wilfred Francis B. Martinez

MANAGEMENT TEAM

President and Chief Executive Officer

Atty. Juan Paolo E. Colet

Treasurer

Roberto A. Cabusay

Compliance Officer

Mary Grace M. Velasco



4F and 15F Chinabank Building,
8745 Paseo de Roxas cor. Villar St., Makati City
Tel. No.: (632) 8885-5555

CBC Properties and Computer Center, Inc. (CBC-PCCI) was created on April 14, 1982. It provides computer-related services solely to the Chinabank group. It manages the Bank's electronic banking and e-commerce requirements, including sourcing, developing and maintaining software and hardware, financial systems, access devices and networks to foster the safety and soundness of Chinabank's technology infrastructure and keep its processing capabilities in top shape.

BOARD OF DIRECTORS

Chairman

Gilbert U. Dee

Directors

Peter S. Dee
Ricardo R. Chua
Delfin Jay M. Sabido IX
Francis Andre Z. De Los Santos

Corporate Secretary

Atty. Rikki Daniele Louis A. Dela Paz

MANAGEMENT TEAM

President

Peter S. Dee

Treasurer

Delfin Jay M. Sabido IX

General Manager and Chief Information Officer

Francis Andre Z. De Los Santos

Subsidiaries and Affiliate

Resurgent Capital

28F BDO Equitable Tower
8751 Paseo de Roxas, Makati City
Tel. No.: (632) 8885-5798

Resurgent Capital (FISTC-AMC) Inc. (RCI) is a special purpose subsidiary of Chinabank Capital. It was incorporated on September 6, 2021, with the primary purpose of investing in or acquiring non-performing assets of financial institutions as contemplated under Republic Act No. 11523 or the Financial Institutions Strategic Transfer (FIST) Act and its implementing rules and regulations.

BOARD OF DIRECTORS

Chairman
Ryan Martin L. Tapia

Directors
Atty. Juan Paolo E. Colet
Roberto A. Cabusay

Independent Directors

Atty. Ma. Cecilia A. Gironella
Ariel A. Soner

Corporate Secretary

Atty. Rikki Daniele Louis A. Dela Paz

Assistant Corporate Secretary

Atty. Wilfred Francis B. Martinez

MANAGEMENT TEAM

President and CEO
Atty. Juan Paolo E. Colet

Treasurer
Roberto A. Cabusay

Compliance Officer
Mary Grace M. Velasco

Associate Compliance Officer
Juancho Jeff J. Uy



10F NEX Tower
6786 Ayala Avenue, Makati City
Customer Care: (632) 8884-7000
Domestic Toll-free: 1-800-1-888-6268
Email: phcustomercare@manulife.com
www.manulife-chinabank.com.ph

Manulife China Bank Life Assurance Corporation (MCBL) is a strategic alliance between Manulife Philippines and Chinabank. MCBL provides a wide range of innovative insurance products and services to Chinabank and CBS customers. MCBL aims to ensure that every client receives the best possible solution to meet his or her individual financial and insurance needs. In 2014, Chinabank raised its equity stake to 40% in MCBL.

In 2025, the partnership was renewed for another 15 years, solidifying the two organizations' shared commitment to providing holistic life, health and wealth solutions for the long-term financial security of Filipino families.

BOARD OF DIRECTORS

Chairperson
Bonnie Qiu

Director/President and CEO Manulife
Rahul Hora

Director/President and CEO MCBL
Ana Amelia Gochuico

Directors
Patrick D. Cheng
James Christian T. Dee
Rahul Hora
Ana Amelia Gochuico
Wing Tao Wilton Kee

Independent Directors

Maria Theresa Quirino
Conrado Favorito
Claire Ann Yap

Corporate Secretary
Atty. Abbiegail D. Sac

Assistant Corporate Secretary
Atty. Prospero Banzuela III

Treasurer
Jean Israel

Controller
Edith Cheng

General Counsel

Atty. Fritzie P. Tangkia-Fabricante

Chief Compliance Officer/MLRO
Imelda Legaspi-Fortugaleza

AMLRO

Ann Jelly Valencia

MANAGEMENT TEAM

MCBL President and CEO
Ana Amelia Gochuico

Head of Bancassurance Partnership and Channel Enablement
Rowena Chiang

RBB Channel Heads
Jannette Pasion-Domingo
Romar Allego

Head of Operation Standards and Distribution Risk
Jennifer Sanchez

Head of Recruitment and Development
Ronette Austria

Head of Business Planning, Analytics and Performance
Mary Ann Maglanoc

Data Privacy Officer
Atty. Anna Elizza Bustos-De Leon

Products and Services

PESO DEPOSITS

CBC Check Plus

An affordable interest-bearing checking account that comes with an ATM card.

Passbook Savings

A savings account that comes with a passbook for easy monitoring of transactions.

ATM Savings

A savings account that comes with an ATM card.

MoneyPlus Savings

An account that gives you flexibility and liquidity. Build your account balance and be rewarded.

Young Savers

An interest-earning savings account for children 17 years old and below.

Premium Savings Account

A savings account with a passbook, designed for customers who maintain a higher balance and want to earn tiered interest.

Regular Time Deposit

Earns higher interest compared to regular savings accounts, with flexible tenor options.

Diamond Savings Account

A high-yield fixed-term deposit account for clients seeking enhanced returns while maintaining passbook-based access.

FOREIGN CURRENCY DEPOSITS

Foreign Currency Savings Account

A Passbook-based, low initial deposit and maintaining balance savings account offered in US Dollar, Euro, Chinese Yuan, and Japanese Yen.

Premium Savings Account

A Passbook-based savings account offered in US Dollar. It optimizes your funds for better earnings and gives you monthly crediting of interest.

Foreign Currency Time Deposit Account

A time deposit account offered in US Dollar, Euro, and Chinese Yuan which comes with a certificate of deposit and renewal options.

Special US Dollar Time Deposit

A time deposit that earns interest at prevailing rates with a minimum placement requirement.

DEPOSIT-RELATED SERVICES

Payroll Account

A savings account designed for employers to conveniently credit employee salaries, wages, and other compensation through automated payroll processing.

SSS Pensioner's Account

A savings account designed for Social Security System (SSS) pensioners for the convenient and secure crediting of pension and other SSS benefits.

Safety Deposit Box

A secure facility for the safekeeping of valuable items and important documents within the Bank's vault premises.

Night Depository Services

A facility that allows business clients to deposit cash or checks beyond regular banking hours through secure drop boxes located at designated branches.

Cash Delivery and Deposit Pick-Up Services

A cash management service that enables businesses to arrange secure delivery of cash or scheduled pick-up of deposits through armored transport and dedicated processing.

PAYMENT OR BANKING SERVICES

Cash Card

A peso denominated reloadable prepaid card with no maintaining balance. Offers the convenience of an ATM card without the need to open a deposit account.

Gift Check

A thoughtful gift for weddings, birthdays, graduations, and other special occasions.

Manager's Check

This is another way for clients to make payments where checks are issued by the Bank in exchange for their cash or debit from current/savings account – these checks are also considered "good as cash".

Demand Draft

A check issued by the Bank against its own account with our correspondent banks for use of clients to transfer funds.

ONLINE KABABAYAN SERVICES

International Remittance

Safe and affordable remittance service to the Philippines through Chinabank's remittance partners abroad. The remittances may be credited to a Chinabank account or any other bank account, picked-up in cash from Chinabank/CBS branches and pay-out partners.

Domestic Remittance

Safe, fast, and convenient way for Chinabank depositors to send cash to their beneficiaries via cash pick-up from any Chinabank/CBS branch, any M. Lhuillier, Cebuana Lhuillier or LBC branch through the Send Money service in the My CBC App.

OKS Peso Savings Account

A no-initial deposit, and no maintaining balance account for Overseas Filipinos and their beneficiaries, offering a safe, secure and convenient way to save and send/receive remittances.

OKS US Dollar Savings Account

A low initial deposit, no maintaining balance US Dollar account for Overseas Filipinos and their beneficiaries to make saving and sending/receiving remittances easier, secure, and convenient.

Products and Services

BUSINESS LOANS AND CREDIT FACILITIES

Loan Line

Facilities provide flexible revolving credit arrangements that allow borrowers to draw, repay, and redraw funds at any time within the approved credit limit. Designed to support ongoing liquidity and funding requirements. Offers convenient access to short-term financing.

Project Finance

Provides long-term funding for a wide range of capital-intensive projects, including but not limited to infrastructure, energy, and industrial developments. Loan repayment is primarily based on the project's expected cash flows rather than the balance sheet of the sponsors, enabling clients to undertake complex and large-scale initiatives while appropriately allocating risks among project stakeholders.

Term Loan

Provides medium- to long-term financing to support business expansion and capital investment. These loans are commonly utilized for the construction of plants or factories, acquisition for upgrading of equipment, strategic acquisitions, and funding a portion of permanent working capital requirements, with repayment structured over a defined period.

Trade Finance

Solutions facilitate domestic and international trade by providing secure and efficient funding mechanisms. The opening of Letters of Credit offers suppliers payment assurance, strengthening commercial relationships and enabling clients to source goods globally. Complementary financing options help bridge timing gaps between collections and payment obligations, supporting uninterrupted trade operations.

Consumer Loans:

Chinabank HomePlus

For the purchase, construction, and renovation of residential units, refinancing of housing loans with on-time payments, and reimbursement within a year of purchase.

Chinabank AutoPlus

For the purchase of brand new, pre-owned vehicles, and fleet requirements of companies and reimbursement of purchase cost of brand new vehicles within 90 days from purchase date.

Contract-to-Sell Facility

A Purchase of Receivables facility that is granted to eligible real estate developers for the purpose of liquefying their receivables arising from their installment sales covered by Contracts to Sell (CTS).

Chinabank Salary Loan

A short- to medium-term unsecured loan offered to Chinabank payroll clients, providing quick access to funds for personal needs with fixed monthly repayments conveniently deducted through auto-debit facility.

Credit Cards:

Chinabank @home Visa Platinum

Enjoy greater control, flexibility, and rewards that make everyday spending more meaningful for you and your family.

Chinabank Velvet Visa Signature

With every purchase, enjoy cash back and rewards points that unlock exclusive beauty and wellness deals, making your shopping even more rewarding.

Chinabank Destinations World Mastercard

Unparalleled rewards, personalized privileges, and unmatched access and convenience converge in this card to redefine your travels.

Chinabank Destinations World Dollar Mastercard

Provides the flexibility to transact seamlessly across countries and currencies, opening doors to priceless experiences, exclusive perks, and priority access.

Chinabank Destinations Platinum Mastercard

Tailors with a generous miles program and extensive hotel, dining, and lifestyle deals to elevate your adventures without spending more.

Chinabank World Mastercard

Experience the best benefits and enjoy world-class privileges, exclusive premium dining deals, essential fuel rebates and a wide spectrum of worldwide perks.

Chinabank Cash Rewards Mastercard

6% Cash Rebate on your qualified spending, raising rewards to a whole new level.

Chinabank Platinum Mastercard

The benefits-laden card for your lifestyle and growing needs.

Chinabank Freedom Mastercard

Enjoy perpetual waiver on annual membership fees with access to rewards and delightful deals.

Chinabank Prime Mastercard

Make your day-to-day lifestyle more exciting and rewarding by sharing your experiences with your loved ones. Manage your finances with ease and add more value to your spending.

INTERNATIONAL BANKING

Letter of Credit

An irrevocable written undertaking by the Issuing Bank on behalf of the Applicant to pay the Beneficiary against presentation of complying documents as stipulated in the credit.

Standby Letter of Credit

An irrevocable written undertaking by the Issuing Bank on behalf of the Applicant to pay the Beneficiary in case the Applicant defaults on performance of the agreement.

Shipping Guarantee/Shipside Bond

A document issued by a bank at the request of Applicant, addressed to the shipping line, requesting to release stated merchandise to the importer in lieu of submission of the original bill of lading upon arrival of goods.

Documents against Payment

A bank-to-bank transaction in which the exporter sends documents to the Exporter's bank with accompanying instruction to release documents to the importer once payment was received by the Importer's bank.

Documents against Acceptance

A bank-to-bank transaction in which the exporter sends documents to the Exporter's bank with accompanying instructions to release documents to the importer only upon submission of signed bill of exchange payable at a future date.

Advance Payment

Payments made in advance by the importer/buyer to the exporter/supplier prior to receiving the goods or services.

Open Account

An arrangement wherein the exporter directly sends the documents to the importer and ships the merchandise for payment at a future date (minimum of 30 days from shipment date).

Direct Remittance

A supplier-buyer arrangement where payment is made within 29 calendar days from bill of lading/airway bill date.

Trust Receipt Loans

A document executed by an importer in favor of a bank to finance an import transaction.

Export Bills Purchase

The Bank advances the receivables to the exporter at a discount.

Export Collections

An arrangement wherein the Presenting Banks sends the documents to the Collecting Bank on collection basis. Payment to the Exporter is made upon receipt of proceeds from the Importer.

Customs and Duties Tax Payments

Collection and remittance of taxes, duties, and other levies to the Bureau of Customs.

Advising of Letters of Credit and Standby Letters of Credit

Letters of Credit and/or Standby Letters of Credit received from the Issuing Bank which are checked by the Advising Bank for its authenticity and workability for further advise to the Beneficiary.

Purchase and Sale of Foreign Exchange

Buy and/or sell of foreign exchange to service trade and non-trade requirements.

Inward and Outward Remittance Service – Domestic and International

Send and receive money within the Philippines or to and from other countries.

Foreign Currency Loans

Working capital loans to help strengthen cash flow or help fund day-to-day operations.

TRUST**Unit Investment Trust Fund (UITF) – Peso:****Chinabank Money Market Fund**

A UITF classified as a money market fund, invested in a diversified portfolio of marketable fixed-income securities comprised of deposits, tradable money market instruments, government securities, and corporate bonds and notes. For investors with moderate risk appetite.

Chinabank Cash Fund

A UITF classified as a money market fund, invested primarily in special savings deposits. For conservative investors.

Chinabank Short-Term Fund

A UITF classified as a money market fund, invested primarily in a diversified portfolio of marketable financial instruments including deposits, money market instruments, government securities, and corporate bonds/notes and preferred shares of stock (classified as debt). For moderate investors.

Chinabank Intermediate Fixed-Income Fund

A UITF classified as an intermediate bond fund, invested primarily in a diversified portfolio of high-grade marketable fixed-income securities comprised of deposits, tradable money market instruments, government securities, corporate bonds and notes and preferred shares of stock (classified as debt). For investors with moderate risk appetite.

Chinabank Fixed Income Fund

A UITF classified as a long-term bond fund, invested primarily in a diversified portfolio of high-grade marketable fixed-income securities such as government securities, tradable corporate bonds and notes of varying tenors, as well as bank deposits and money market placements. For investors with moderate risk appetite.

Chinabank Balanced Fund

A UITF classified as a balanced fund, invested in a diversified portfolio of high-grade tradable fixed-income securities issued by the Philippine government and local corporations, and choice equity issues listed in the Philippine Stock Exchange (PSE). The equity component of the Fund shall not exceed 60% of the portfolio at any given time with an average duration of not more than ten years for the fixed-income investments. For aggressive investors.

Chinabank Equity Fund

A UITF classified as an equity fund, invested in a diversified portfolio of choice equity issues listed in the PSE of up to 100% of the portfolio at any given time. The Fund caters to aggressive investors.

Chinabank High Dividend Equity Fund

A UITF classified as an equity fund, invested in a diversified portfolio of choice common and preferred equity issues listed in the PSE, with up to 100% of the portfolio at any given time. The Fund focuses on companies with regular dividend payment policy and/or dividend payment track record and is designed to cater to aggressive investors.

Products and Services

Chinabank Philippine Equity Index Tracker Fund

A UITF classified as an equity index tracker fund, invested in a diversified portfolio of stocks representative of the Philippine Stock Exchange Index (PSEi) composition and its corresponding weights. This UITF caters to aggressive investors and aims to mirror the returns of its benchmark, the PSEi.

Unit Investment Trust Fund (UITF) - US Dollar:

Chinabank Dollar Fixed Income Fund

A US Dollar-denominated UITF classified as a long-term bond fund, invested in a diversified portfolio of high-grade marketable securities comprised mainly of Philippine sovereign bonds and US treasury bonds of varying tenors. For investors with moderate risk appetite.

Chinabank Dollar Cash Fund

A US Dollar-denominated UITF classified as a money market fund, invested in fixed-income securities, mostly time deposits, special savings accounts and government securities. For conservative investors.

Chinabank Income-Paying Dollar Bond Feeder Fund

A US Dollar-denominated UITF classified as a long-term fixed income fund, invested in a Target Fund that seeks to track the performance of a broad, market-weighted, investment-grade US bond market. This UITF aims to provide monthly dividend payouts to its holders and is catered to investors with a moderate risk appetite.

Investment Management Arrangement

China Banking Corporation Trust and Asset Management Group (CBC-TAMG) administers and invests funds and assets for both individual and corporate clients, with the goal of meeting client objectives. Investment arrangements may be under a discretionary mandate where CBC-TAMG exercises full authority in line with pre-agreed guidelines, or under a directional mandate, where decisions are executed only with prior client consent.

Personal Management Trust

A living trust arrangement where CBC-TAMG acts as a trustee in managing a client's wealth or estate, primarily to preserve assets and properties for the future benefit of designated beneficiaries, while also addressing their current needs.

Escrow Services Arrangement

An arrangement wherein CBC-TAMG acts as an independent third party or an escrow agent to safeguard the interest of the parties to a transaction involving assets, documents or funds while the terms and conditions of the contract are being fulfilled.

Employee Benefit Fund Management

A cost-effective corporate arrangement where CBC-TAMG helps the company set up and manage its retirement fund to benefit its employees, avoid unnecessary cash flow disruptions brought about by payments of retirement benefits, and avail of possible tax savings.

Facility Agency Arrangement

CBC-TAMG acts as a liaison between a corporate borrower and a group of lenders to primarily ensure compliance by the parties with all the terms and conditions in syndicated loan facilities. The arrangement may also cover receipt from and disbursement of loan payments to the parties, dissemination of notices and information to all concerned, and coordination of creditors' meetings, among others.

Security Trusteeship Arrangement

CBC-TAMG acts as a trustee over the properties or assets offered as collateral or are the subject of mortgage in favor of a syndicate of creditors. The arrangement may include the monitoring of required collateral value, custodianship of security documents such as agreements, titles to properties, and insurance policies.

Collecting and Paying Agency Arrangement

CBC-TAMG facilitates the collection of payment and prompt disbursement of amounts due to a syndicate of lenders.

TREASURY

Treasury Certificate of Deposit (TCD)

Short term deposits (overnight to one year) evidenced by a certificate of deposit; available in Philippine Peso, US Dollar or Euro.

Government Securities

Investments backed by the Philippine National Government: Treasury Bills, Retail Treasury Bonds, Fixed-Rate Treasury Notes, and Republic of the Philippines Bonds.

Corporate Bonds

Peso- or US Dollar-denominated investments issues by corporations to raise capital.

Foreign Exchange

Foreign exchange services with access to different currencies at competitive rates.

Derivatives

Products to minimize exposure to market risk and hedge against rate fluctuations: FX Spot, FX Forward, FX Swap, Interest Rate Swap, Cross Currency Swap.

ELECTRONIC BANKING CHANNELS

Chinabank Automated Teller Machine (ATM)

Self-service terminal that provides 24/7 banking services like cash withdrawal (including cardless-fulfillment of transactions staged in the Chinabank Mobile App), balance inquiry, bills payment, funds transfer, and more.

Chinabank Bills In and Bills Out Machine (BIBO)

Cash acceptance machines that process card-less deposit transactions and real-time crediting of deposits to a Chinabank account, as well as ATM capabilities including cash withdrawals, funds transfer, bills payment, among others.

My CBC

A free mobile banking app and web platform designed for secure and convenient banking on the go. New features include biometrics login, mobile check deposits, online account application, card lock/unlock, scheduled payments, and recurring transfers.

My CBC Online

An internet-based banking channel that provides customers direct access to their accounts via their personal computer, laptop, tablet, or mobile phone to do various banking transactions.

Point-Of-Sale (POS)

A local PIN-based payments solution using a POS terminal that allows ATM cardholders to use their cards as payment for goods or services in select stores.

CASH MANAGEMENT**Chinabank Online Corporate**

An internet-based banking channel for the business banking needs of corporate customers.

Liquidity Management via Chinabank Online Corporate:**Sure Sweep**

Enables faster and more efficient consolidation or distribution of funds for easier disbursement and better yields.

Corporate Inter-Bank Fund Transfer

Transfer funds online and real-time from your Chinabank account to accounts in other banks.

Multi-Bank SOA Concentration

Access account balances, transaction reports, and a account statements of your Chinabank accounts and other bank accounts.

Receivables Management:**Automatic Debit Arrangement (ADA)**

Electronically initiate collections from customers' or subscribers enrolled deposit accounts.

Check Depot

Enjoy the convenience of automatic crediting of post-dated checks (PDCs) as they fall due.

Bills Pay Plus

Provide your customers with convenient payment options through Chinabank's vast network of branches nationwide and 24/7 electronic banking channels.

Referenced Deposit Solution

Provide your customers with convenient payment options while making use of a deposit reference number, through Chinabank's vast network of branches nationwide.

Smart Cash Safe Solution

Deposit cash 24/7 via a cash accepting machine installed in your premises.

Payables Management:**Direct Debit Arrangement**

Manage your recurring payments to select utility companies via direct debit from your Chinabank account.

Auto Credit Arrangement (ACA)

Electronically remit same day or future dated payment instructions to the Chinabank accounts of your payees.

Check Writing Services:**Check Write plus Software**

A stand-alone solution that automates the preparation of checks, vouchers, and reports.

Check Write Plus Outsourcing

Outsource the printing and releasing of your corporate checks or Chinabank manager's checks.

Check Write Plus Self-Service

A web-based solution that automates the preparation of checks, vouchers, and reports.

Payroll Services:**Payroll Crediting**

A web-based alone solution that automates the preparation of checks, vouchers, and reports.

Payroll Processing

Outsource your entire payroll activity, from the calculation of gross salary based on attendance report up to generation of net pay, pay slips, internal and statutory reports.

China Pay Software

A stand-alone payroll & time keeping program that automates salary computation and payslip and report generation.

Payroll 2.0

A fully digital and cloud-based payroll processing solution accessible via web or mobile app.

POS Solutions:**Debit POS**

Equip your business with the flexibility to accept ATM and debit card payments.

POS Cash Out

Provide your customers with the convenience of cash withdrawals via a POS device, and at the same time, have an additional income channel.

Trade and Settlement Solutions:**SCCP Broker's Solution**

Settle stock transactions with the Securities Clearing Corporation of the Philippines via an electronic platform. This solution facilitates net settlement of daily stock trade among stock brokerage firms of the PSE.

Electronic Invoicing & Payment Solution

Reduce the time and cost of processing invoices. This solution automates and streamlines the presentation, reconciliation, and settlement of electronic invoices/receivables.

Government Payments and Collections:**Easy Tax Filing and Payment Solutions**

Electronically file and pay real property taxes.

Tax Payment Solution

File and pay Bureau of Internal Revenue (BIR) taxes.

Products and Services

EGov Payments

File and pay monthly contributions and loan payments to Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and Pag-IBIG.

SSS Sickness, Maternity, and Employee Compensation (SSS SMEC)

Receive the SSS sickness, maternity, and compensation benefit reimbursements of your employees via direct credit to your company's Chinabank account.

INVESTMENT BANKING (CHINABANK CAPITAL)

Equity Capital Markets

Originates structures, executes, and distributes equity and equity-linked solutions for corporate clients, including initial public offerings, follow on offerings, stock right offerings, preferred shares, and convertibles.

Debt Capital Markets

Assists corporate clients, financial institutions, and the government access various sources of capital through debt financing products, including corporate notes, retail bonds, commercial papers and promissory notes.

Loans, Project Finance, and Structure Finance

Advises and works with clients with complex financing solutions to support a diverse range of purposes, projects, and transaction.

Advisory

Advises clients on mergers and acquisitions, divestitures, joint ventures, valuation, securitizations, tender offers, share buybacks, and other corporate transactions.

STOCK BROKERAGE (CHINABANK SECURITIES)

Trading Account

Trader-assisted trading of stocks listed at the Philippine Stock Exchange (PSE), covering peso and dollar-denominated securities.

ChinaBankSec Online

Take the lead when buying and selling PSE-listed stocks with ChinaBank Sec Online. Easily open an online trading account online, access your account using multiple devices, and get access to top-notch trading tools and services.

ChinaBankSec Alpha

For the active and more sophisticated stock investor, gain access to more advanced trading tools and information, feel the market, pick the right stocks and do conditional trades.

Research Services

Coverage of listed companies, industry sectors, market outlook, daily/weekly market updates, strategy reports, among others.

Other Equity-related Services

Distribution of Initial Public/Follow-on Offerings (IPOs/FOOs), stabilization agent, among others.

INSURANCE (CIBI and MCBL)

Personal Assets:

Residential Fire Insurance

Protection against fire and lightning, natural disasters, riot, strike, malicious damage; provides extended cover such as smoke, falling aircraft, vehicle impact, and explosion.

Motor Insurance

Protection against own damage and theft, acts of nature (earthquake fire & shock, typhoon, and flood), third part bodily injury and property damage.

Personal Accident Insurance

Protection in case of accidental death, disablement, and dismemberment; provides reimbursement for medical expenses due to accident, special cover for sickness related cases.

Travel Insurance

Protection for a passenger hours before the flight and for the whole duration of trip (domestic or international travel) for accidental death and disablement; provides cashless medical cover, and protection against travel inconveniences such as baggage loss, trip cancellation, trip termination, etc.

Medical Insurance

Health coverage for individuals to protect against financial exposure due to medical expenses as a result of accident or illness.

Business Assets:

Commercial and Industrial Property Insurance

Provides comprehensive protection against fire and lightning; natural disasters (earthquake fire & shock, typhoon and flood); riot, strike, and malicious damage.

Motor Fleet Insurance

Protects the owner against loss or damage of vehicle and trucks due to own damage and theft, acts of nature (earthquake fire & shock, typhoon and flood).

Group Personal Accident Insurance

Provides coverage protection for company employees and key personnel and their beneficiaries in case of accidental death, disablement and dismemberment.

Travel Insurance

Protection for a passenger hours before the flight and for the whole duration of trip (domestic or international travel) for accidental death and disablement.

Medical Insurance

Offers health coverage for employees of the company against financial exposure due to medical expenses or illness.

Comprehensive General Liability Insurance

Covers payment for accidental property damage or bodily injury to a third party including legal fees, if necessary, that happens in the course of business operations.

Electronic Equipment Insurance

Provides accidental insurance on an “all risks” basis, covering sudden and unforeseen loss or damage to the insured equipment.

Money, Securities and Payroll Insurance

Protection against loss of money used for business operations as a result of robbery, burglary or brigandage.

Fidelity Guarantee Insurance

Protection against financial loss due to dishonest or fraudulent acts of employee.

Property Floater

Covers loss or damage to mobile equipment or moveable properties such as construction equipment or machines, portable electronic equipment or even paintings or other personal items among others against all risk.

Contractors All Risk Insurance (CARI)

Comprehensive Insurance protection against physical loss or damage for construction works, contract works, civil engineering works, construction plant and equipment; liability to third party bodily injury or property damage.

Erection All Risks Insurance (EARI)

Protection for contract works involving electro-mechanical works, installation of machinery and equipment, and the like. Aside from contract works, EARI may also cover testing and commissioning once erection or installation is successfully completed.

Marine Cargo

Covers various hazards related to the movement of goods or cargo via air, land or sea. The insurance can cover all stages of delivery—from the time the goods leave the warehouse, throughout the course of transit, until its delivery to the consignee’s final warehouse.

Marine Hull

Provides coverage for marine vessels and their machinery against Loss or Damage. Coverage can range from comprehensive “All Risks” to limited “Total Loss” only.

Surety Bonds

To guarantee the principal’s responsibility towards the obligee as required by law or contract.

Cyber Insurance

Covers the insured for liability to third party from losses caused by a security breach in the insured’s system plus other direct losses the insured may incur as a result of the breach.

Professional Indemnity Insurance

Provides coverage to professionals as a group for loss or damage to third party as a result of negligence, misrepresentation or wrongful advice.

Sabotage and Terrorism Insurance

Provides cover against financial losses directly resulting from politically motivated violence or terrorism and sabotage events.

Kidnap and Ransom Insurance

Protection against financial loss due to ransom and extortion expenses; covers response consultant fees, legal liability, personal accident Insurance.

Directors and Officers Liability Insurance

Covers individual directors and officers of the company from claims made against them while performing their duties as officer or director. The policy covers negligent acts or omission causing damage or loss to third party individual or corporation.

Risk Consultancy Services

Professional services that helps to identify, assess, and reduce risks—especially those that could cause financial loss, accidents, or operational disruption.

Health, Wealth, and Protection:**MCBL Healthflex**

A flexible and customizable health plan that lets you choose and pay only for the health coverage you need. Feel more secure with protection from up to 112 critical illnesses and add-on benefits.

MCBL GoalReady

A flexible goal-based savings plan that empowers you to save for your dreams at your own pace and on your own terms with potential upside through available investment funds.

MCBL Legacy Secure

A whole life insurance plan that gives you lifetime protection, steady cash benefits, guaranteed payout at maturity and the option to boost your coverage with added health and protection riders.

MCBL Base Protect/Base Protect Plus

An affordable life protection plan that gives you the protection you need at any stage in life.

MCBL Future Boost Retirement

A plan that can help you save for your retirement so you can make the most of the next stage of your life’s journey.

MCBL Assure Max

A plan that offers you guaranteed protection and cash benefits for your future needs like your child’s education, pursuing your passions, or living a comfortable retirement.

MCBL WealthOne

A single-pay variable life insurance product that provides you guaranteed start-up bonus depending on the plan level chosen.

MCBL Group Life Insurance

Provide your employee’s families monetary support in case of the demise of the employee. Employees can enjoy the benefits as long as they are with the company.

MCBL Group Health Insurance

Provide extra health coverage and financial benefits for your employees.

MCBL Group Credit Life

Protect your company from financial losses from unpaid loans. This plan ensures that loans are settled, whatever happens.

MCBL Group Personal Accident Insurance

Secures employees from out-of-pocket expense in case of accidents.

Investor Information

ANNUAL STOCKHOLDERS' MEETING

Date: April 16, 2026
Time: 4:00 p.m.
Place: Penthouse, Chinabank Building,
8745 Paseo de Roxas corner Villar St., Makati City
and virtually via Zoom after registration
at <https://www.chinabank.ph/asm2026>

SHAREHOLDER SERVICES

For inquiries or concerns regarding dividend payments, account status, change of address or lost or damaged stock certificates, please get in touch with:

Stocks & External Relations Department

Office of the Corporate Secretary
China Banking Corporation
11/F Chinabank Building 8745 Paseo de Roxas
cor. Villar St., Makati City 1226, Philippines

Contact persons:

Atty. Wilfred Francis B. Martinez
Atty. Christine Joy J. Estropia
Mr. Jaime G. Dela Cruz / Ms. Irish Ann H. Penaflorida

Tel.: (+632) 8230-6987; 8885-6890; 8885-5135

Fax: (+632) 8403-5813

Email: wfbmartinez@chinabank.ph
cjjestropia@chinabank.ph
ocsstocks@chinabank.ph

Stock Transfer Service, Inc.

Unit 34-D Rufino Pacific Tower
6784 Ayala Ave. Makati City 1226, Philippines

Contact Persons:

Antonio M. Laviña
Ricardo D. Regala Jr.

Tel.: (+632) 8403-2410; 8403-2412; 5310-3671

Fax: (+632) 8403-2414

INVESTOR INQUIRIES

We welcome inquiries from investors, analysts, and the financial community. For information about the developments at Chinabank, please contact:

Gerald O. Florentino
First Vice President and Head
Investor & Corporate Relations Group

China Banking Corporation
28/F BDO Equitable Tower, 8751 Paseo de Roxas
Makati City 1226, Philippines
Tel.: (+632) 8885-5601
Email: investor-relations@chinabank.ph
Website: www.chinabank.ph

CUSTOMER INFORMATION

We welcome letters or all such communications on matters pertaining to the management of the Bank, stockholders' rights, or any other bank-related issues of importance. Stockholders who wish to communicate with any or all of the members of the Chinabank Board of Directors may send letters to:

Atty. Leilani B. Elarmo
Vice President and Corporate Secretary

China Banking Corporation
11/F Chinabank Building, 8745 Paseo de Roxas
cor. Villar St., Makati City 1226, Philippines
Email: lbelarmo@chinabank.ph
online@chinabank.ph

CUSTOMER ASSISTANCE CHANNELS

Aside from Chinabank branches nationwide, our customers and the public can reach us through the following:

Customer Contact Center Hotline

Metro Manila: 888-55-888
Domestic Toll-Free 1-800-1888-5888 (PLDT)
International Toll-Free: Visit www.chinabank.ph for the list of countries and toll-free numbers

Email

online@chinabank.ph

Viber

+639178814263

Social media

Facebook (ChinabankPH), X/Twitter (@ChinabankPH), and Instagram (@Chinabank.ph)

Mail

Customer Contact Center, Chinabank Building,
8745 Paseo de Roxas corner Villar St.,
Makati City 1226 Philippines

LOOKING FOR US?
SCAN TO FIND THE NEAREST BRANCH



CBC



CBS

POST-CONSUMER RECOVERED FIBER



The cover of this Chinabank Integrated Report is printed on Toccata White 270 gsm. The timeless touch and high print rendering of Toccata paper brings out the best in the design and adds another dimension of beauty, giving bright and vivid life to colors. The paper is certified by the Forest Stewardship Council (FSC) which promotes environmentally appropriate, socially beneficial, and economically viable management of the world's forest.

The inside pages are printed on Magno Plus Silk White 100 gsm, a PEFC Credit material and FSC Mix Credit material certified product made from European mills. By optimizing the use of natural resources, this product achieves environmental sustainability while keeping the highest quality.



CHINA BANKING CORPORATION

Chinabank Building, 8745 Paseo de Roxas
corner Villar Street, Makati City 1226 Philippines



Notes to Financial Statements

Notes to Financial Statements

1. Corporate Information

China Banking Corporation (the Parent Company) is a publicly listed universal bank incorporated in the Philippines. The Parent Company acquired its universal banking license in 1991. It provides expanded commercial banking products and services such as deposit products, loans and trade finance, domestic and foreign fund transfers, treasury products, trust products, foreign exchange, corporate finance and other investment banking services through a network of 478 and 480 local branches as of December 31, 2025 and 2024, respectively.

The Parent Company acquired its original Certification of Incorporation issued by the Securities and Exchange Commission (SEC) on July 20, 1920. By virtue of Section 11 of Republic Act No. 11232 also known as the “Revised Corporation Code of the Philippines,” which took effect on February 23, 2019, the Parent Company has a perpetual existence.

The Parent Company has the following subsidiaries:

Subsidiary	Effective Percentages of Ownership		Country of Incorporation and Place of Business	Principal Activities
	2025	2024		
Chinabank Insurance Brokers, Inc. (CIBI)	100.00%	100.00%	Philippines	Insurance brokerage
CBC Properties and Computer Center, Inc. (CBC-PCCI)	100.00%	100.00%	Philippines	Computer services
China Bank Savings, Inc. (CBSI)	99.67%	99.64%	Philippines	Retail and consumer banking
China Bank Capital Corporation (CBCC)	100.00%	100.00%	Philippines	Investment house
CBC Assets One (SPC) Inc.	100.00%	100.00%	Philippines	Special purpose corporation
China Bank Securities Corporation (CBCSec)	100.00%	100.00%	Philippines	Stock brokerage
Resurgent Capital (FIST-AMC) Inc,	100.00%	100.00%	Philippines	FIST Corporation

The Parent Company has no ultimate parent company. SM Investments Corporation, its significant investor, has effective ownership in the Parent Company of 22.51% as of December 31, 2025 and 2024.

The Parent Company’s principal place of business is at 8745 Paseo de Roxas cor. Villar St., Makati City.

2. Summary of Material Accounting Policy Information

The material accounting policy information that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The accompanying consolidated financial statements include the financial statements of the Parent Company and its subsidiaries (collectively referred to as “the Group”).

The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVTPL), derivative contracts designated as hedges, derivative liabilities, and financial assets at fair value through other comprehensive income (FVOCI). The financial statements are presented in Philippine Peso, and all values are rounded to the nearest thousand except when otherwise indicated.

The financial statements of the Parent Company reflect the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The financial statements of these units are combined after eliminating inter-unit accounts.

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Parent Company and each of the subsidiaries is the Philippine Peso, except for the FCDU of the Parent Company and CBSI whose functional currency is USD.

Statement of Compliance

The financial statements of the Group and the Parent Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Presentation of Financial Statements

The balance sheets of the Group and of the Parent Company are presented in order of liquidity. An analysis regarding recovery of assets or settlement of liabilities within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 23.

Financial assets and financial liabilities are offset and the net amount reported in the balance sheets 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 asset and settle the liability simultaneously.

The Group and the Parent Company assess that they have 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 insolvency or bankruptcy of the Group, the Parent Company, and all of the counterparties.

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

Basis of Consolidation and Investments in Subsidiaries

The consolidated financial statements of the Group are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All significant intra-group balances, transactions and income and expenses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date on which control is obtained by the Parent Company.

The Group controls an investee if and only if the Group has:

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

Non-Controlling Interest

Non-controlling interest represents the portion of profit or loss and net assets not owned, directly or indirectly, by the Parent Company.

Non-controlling interest is presented separately in the consolidated statement of income, consolidated statement of comprehensive income, and within equity in the consolidated balance sheet, separately from parent shareholders' equity. Any losses applicable to the non-controlling interest are allocated against the interests of the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

New Standards, Interpretations and Amendments

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

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

Amendments to PAS 21, Lack of Exchangeability

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

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

Material Accounting Policy Information

Foreign Currency Translation

The consolidated financial statements are presented in Philippine Peso.

Transactions and balances

The books of accounts of the RBU are maintained in Philippine Peso, the RBU's functional currency, while those of the FCDU are maintained in United States (US) dollars (USD), the FCDU's functional currency.

RBU

For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine Peso based on the Bankers Association of the Philippines (BAP) closing rate at the end of the year, and foreign currency-denominated income and expenses at the exchange rates on transaction dates. Foreign exchange differences arising from restatements of foreign currency-denominated assets and liabilities are credited to or charged against operations in the period in which the rates change. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU

As at the reporting date, the assets and liabilities of the FCDU are translated into the Parent Company's presentation currency (the Philippine Peso) at the BAP closing rate at the reporting date, and its income and expenses at the exchange rates on transaction dates. Exchange differences arising on translation are taken directly to the statement of comprehensive income under 'Cumulative translation adjustment'. Upon actual remittance or transfer of the FCDU income to RBU, the related exchange difference arising from translation lodged under 'Cumulative translation adjustment' is recognized in the statement of income of the RBU books.

Fair Value Measurement

The Group measures financial instruments such as financial assets at FVTPL, derivative contracts designated as hedges, derivative liabilities, and financial assets at FVOCI at fair value at each reporting date. Also, fair values of financial instruments measured at amortized cost are disclosed in Note 5.

The methods and assumptions used by the Group and Parent Company in estimating fair values are disclosed in Note 5.

SPURA

Securities purchased under agreements to resell at a specified future date ('reverse repos') are not recognized in the balance sheet. An asset corresponding to the cash paid, including accrued interest, is recognized in the balance sheet as SPURA. The difference between the purchase price and the resale price is treated as interest income and is accrued over the life of the agreement using the EIR method.

Financial Instruments - Initial Recognition

Date of recognition

Purchases or sales of financial assets, except for derivative instruments, that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date. Settlement date accounting refers to (a) the recognition of an asset on the day it is received by the Group, and (b) the derecognition of an asset and recognition of any gain or loss on disposal on the day that such asset is delivered by the Group. Any change in fair value of a financial asset is recognized in the statement of income for assets classified as financial assets at FVTPL, and in equity for assets classified as financial assets at FVOCI. Derivatives are recognized on a trade date basis. Deposits, amounts due from banks, and loans and receivables are recognized when cash is received by the Group or advanced to the borrowers.

Initial recognition of financial instruments

All financial instruments are initially recognized at fair value. Except for financial assets and financial liabilities at FVTPL, the initial measurement of financial instruments includes transaction costs.

Classification and Measurement

Under PFRS 9, the classification and measurement of financial assets is driven by the contractual cash flow characteristics of the financial assets and the entity's business model for managing the financial assets.

As part of its classification process, the Group assesses the contractual terms of financial assets to identify whether they meet the 'solely payments of principal and interest' (SPPI) test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (e.g., if there are repayments of principal or amortization of the premium or discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected); and
- the expected frequency, value, and timing of sales are also important aspects of the Group's assessment.

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

The Group's measurement categories are described below:

Financial Assets at Amortized Cost

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

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise, on specified dates, to cash flows that are SPPI on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest method less any impairment in value. The amortization is included in 'Interest income' in the statement of income. The expected credit losses (ECL) are recognized in the statement of income under 'Provision for impairment and credit losses'. The effects of revaluation of foreign currency-denominated investments are recognized in the statement of income. Gains or losses arising from disposals, if any, and redemptions of these instruments are included in 'Gain (loss) on redemption of investment securities at amortized cost' in the statements of income.

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

The Group's financial assets at amortized cost are presented in the balance sheet as Due from BSP, Due from other banks, Interbank loans receivable and SPURA, Investment securities at amortized cost, Loans and receivables, Accrued interest receivables, and certain financial assets under Other assets.

Financial Assets at FVTPL

Debt instruments that neither meet the amortized cost nor the FVOCI criteria, or that meet the criteria but the Group has chosen to designate as at FVTPL at initial recognition, are classified as financial assets at FVTPL. Equity investments are classified as financial assets at FVTPL, unless the Group irrevocably designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include government securities, corporate bonds, derivatives, and equity securities which are held for trading purposes.

A financial asset is considered as held for trading if:

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

Gains and losses arising from changes in the fair value (mark-to-market) of the financial assets at FVTPL are included in 'Trading and securities gain (loss) - net' account in the statement of income.

Interest recognized based on the contractual interest rate of these investments is reported in the statement of income under 'Interest income' account while dividend income is reported in the statement of income under 'Miscellaneous income' account when the right of payment has been established.

Derivative instruments

The Parent Company is a party to derivative instruments, particularly, forward exchange contracts, interest rate swaps (IRS), cross currency swaps (CCS), futures, and warrants. These contracts are entered into as a service to customers as well as a means of reducing and managing the Parent Company's foreign exchange risk and interest rate risk, and for trading purposes. Such derivative financial instruments, which are not designated as accounting hedges, are carried at fair value through profit or loss.

Any gains or losses arising from changes in fair value of derivative instruments that are not designated as accounting hedges are taken directly to the statement of income under 'Foreign exchange gain (loss) - net' for forward exchange contracts and 'Trading and securities gain (loss) - net' for IRS, CCS, futures, and warrants.

Financial Assets at FVOCI - Equity Investments

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

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in 'Net unrealized gain (loss) on financial assets at FVOCI' in the balance sheet. When the asset is disposed of, the cumulative gain or loss previously recognized in the 'Net unrealized gain (loss) on financial assets at FVOCI' account is not reclassified to profit or loss, but is reclassified directly to Surplus account. Any dividends earned on holding these equity instruments are recognized in profit or loss under 'Miscellaneous income' account.

Financial Assets at FVOCI - Debt Investments

The Group applies the category of debt instruments measured at FVOCI when both of the following conditions are met:

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

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value being recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss. Provision for credit and impairment losses is recognized in the statements of income with the corresponding allowance for ECL recognized in OCI and accumulated in 'Net unrealized gain (loss) on financial assets at FVOCI' in the balance sheets.

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

Impairment of Financial assets

ECL represents credit losses that reflect an unbiased and probability-weighted measure of expected cash shortfalls, discounted at the EIR, which is determined by evaluating a range of possible outcomes, the time value of money, and reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. The credit risk and impairment assessment policy of the Group and Parent Company are disclosed in Note 6.

Hedge Accounting

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

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

- Hedges of a net investment in a foreign operation.

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

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

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognized in OCI as cash flow hedge reserve (Note 26) presented under 'Hedge-related reserve' in the balance sheet, while any ineffective portion is recognized immediately in the statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

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

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

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

As of December 31, 2025 and 2024, the Parent Company has interest rate swaps and foreign exchange forward contracts that have been designated as hedging instruments in cash flow hedges (Note 26).

Financial Liabilities

Financial liabilities which include deposit liabilities, bills payable, derivative liabilities, and other liabilities (except tax-related payables, pre-need reserves, and post-employment defined benefit obligation) are recognized when the Group becomes a party to the contractual terms of the instrument.

Financial liabilities, except derivative liabilities, are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method. All interest-related charges incurred on financial liabilities are recognized as an expense in the statements of income under 'Interest expense'.

Deposit liabilities are stated at amounts in which they are to be paid. Interest is accrued periodically and recognized in a separate liability account before recognizing as part of deposit liabilities.

'Bills payable' and 'Bonds payable' are recognized initially at fair value, which is the issue proceeds (fair value of consideration received) less any issuance costs. These are subsequently measured at amortized cost, any difference between the proceeds net of transaction costs and the redemption value is recognized in the statement of income over the period of the borrowings using the effective interest method.

Securities sold under agreements to repurchase at a specified future date ('repos') are not derecognized from the statement of financial position. The corresponding cash received, including accrued interest, is recognized in the balance sheets as 'Securities sold under repurchase agreement' (SSURA) included in 'Bills payable' and is considered as a loan to the Group, reflecting the economic substance of such transaction.

Derivative liabilities are recognized initially and subsequently measured at fair value with changes in fair value recognized in the statement of income, unless designated as an accounting hedge.

Derecognition of Financial Assets and Liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risks and rewards of the asset but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Modification of financial assets

In certain circumstances, the Group modifies the original terms and conditions of a financial asset or credit exposure to form a new loan agreement or payment schedule. The modifications can be given depending on the borrower's or counterparty's current or expected financial difficulty. The

modifications may include, but are not limited to, change in interest rate and terms, principal amount, maturity date, date and amount of periodic payments, and accrual of interest and charges.

The Group performs a quantitative assessment similar to that being performed for modification of financial liabilities. In performing the quantitative assessment, the Group considers the new terms of a financial asset to be substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the present value of the remaining cash flows of the original financial asset.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Group recalculates the gross carrying amount of the financial asset as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR (or credit-adjusted EIR for purchased or originated credit-impaired financial assets) and recognizes a modification gain or loss in the statement of income. A modified financial asset that does not result in derecognition is classified as Stage 3 if there are indicators of impairment or unlikeliness to pay. Otherwise, the modified financial asset is classified as Stage 1 or Stage 2, depending on whether the asset exhibits significant increase in credit risk (Note 6).

When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of a new financial asset, the modified asset is considered a 'new' financial asset and a gain or loss on derecognition of the 'old' financial asset is recognized in the statements of income, if any. Accordingly, the date of the modification shall be treated as the date of initial recognition of that financial asset when applying the impairment requirements to the modified financial asset. The newly recognized financial asset is classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be purchased or originated as credit impaired (POCI).

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of income.

Financial Guarantees and Undrawn Loan Commitments

The Group issues financial guarantees and loan commitments. Financial guarantees are those issued by the Group to creditors as allowed under existing rules and regulations whereby it guarantees third party obligations by signing as guarantor in the contract/agreement. Undrawn loan commitments and letters of credit are commitments under which the Group is required, over the duration of the commitment, to provide a loan with pre-specified terms to the customer. The nominal contractual value of financial guarantees and undrawn loan commitments, where the loan agreed to be provided is on market terms, are not recorded in the balance sheet. These contracts are in the scope of the ECL requirements where the Group estimates the expected portion of the undrawn loan commitments that will be drawn over their expected life. The ECL related to loan commitments is recognized in 'Other liabilities'.

Write-offs

Financial assets are written off either partially or in their entirety when the Group no longer expects collections or recoveries within a foreseeable future. If the amount to be written off is greater than

the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount.

Investment in Associates

Associates pertain to all entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between 20.00% and 50.00% of the voting rights. In the consolidated and parent company financial statements, investments in associates are accounted for under the equity method of accounting.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. Profits or losses resulting from transactions between the Group and an associate are eliminated to the extent of the interest in the associate.

Dividends earned on this investment are recognized as a reduction from the carrying value of the investment.

The financial statements of the associate are prepared for the same reporting period as the Parent Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

Investment in Subsidiaries

In the parent company financial statements, investment in subsidiaries is accounted for under the equity method of accounting similar to the investment in associates.

Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the aggregate of fair value of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase under 'Miscellaneous income'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate the carrying value may be impaired. For the purpose of impairment testing, goodwill acquired in a business combination is, from the date of acquisition, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or group of units. Each unit or group of units to which the goodwill is allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than an operating segment identified for segment reporting purposes.

Where goodwill forms part of a CGU (or group of CGUs) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount

of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Cash Dividend Distribution to Equity Holders of the Parent Company

The Group recognizes a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorized and the distribution is no longer at the discretion of the Group. A corresponding amount is recognized directly in equity.

Bank Premises, Furniture, Fixtures and Equipment

Land is stated at cost less any impairment in value while depreciable properties such as buildings, leasehold improvements, and furniture, fixtures and equipment are stated at cost less accumulated depreciation and amortization, and any impairment in value. Such cost includes the cost of replacing part of the bank premises, furniture, fixtures and equipment when that cost is incurred and if the recognition criteria are met, but excluding repairs and maintenance costs. Construction-in-progress is stated at cost less any impairment in value. The initial cost comprises its construction cost and any directly attributable costs of bringing the asset to its working condition and location for its intended use, including borrowing costs. Construction-in-progress is not depreciated until such time that the relevant assets are completed and put into operational use.

Depreciation and amortization is calculated using the straight-line method over the estimated useful life (EUL) of the depreciable assets as follows:

	EUL
Buildings	50 years
Furniture, fixtures and equipment	3 to 5 years
Leasehold improvements	Shorter of 6 years or the related lease terms

The depreciation and amortization method and useful life are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of bank premises, furniture, fixtures and equipment, and leasehold improvements.

An item of bank premises, furniture, fixtures and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of income in the year the asset is derecognized.

Investment Properties

Investment properties include real properties acquired in settlement of loans and receivables or from recovery on charged-off assets which are measured initially at cost, including transaction costs. Investment properties acquired through a nonmonetary asset exchange is measured initially at fair value unless (a) the exchange lacks commercial substance or (b) the fair value of neither the asset received nor the asset given up is reliably measurable. The difference between the fair value of the investment property upon foreclosure and the carrying value of the loan (which is nil in the case of recovery on charged-off assets) is recognized under 'Gain on asset foreclosure and dacion transactions' for foreclosure and dacion transactions and under 'Miscellaneous income' for recovery on previously charged-off assets in the statements of income. Subsequent to initial recognition, depreciable investment properties are stated at cost less accumulated depreciation and any accumulated impairment in value, except for land which is stated at cost less impairment in value.

Expenditures incurred after the investment properties have been put into operation, such as repairs and maintenance costs, are normally charged against income in the period in which the costs are incurred.

Depreciation is calculated on a straight-line basis using the remaining EUL of the building and improvement components of investment properties which range from 10 to 30 years from the time of acquisition of the investment properties.

Investment properties are derecognized when they have either been disposed of or when the investment properties are permanently withdrawn from use and no future benefit is expected from their disposal. Any gains or losses on the derecognition of an investment property are recognized as 'Gain on sale of investment properties' in the statement of income in the year of derecognition.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is a change in use evidenced by commencement of owner occupation or commencement of development with a view to sale.

Intangible Assets

Intangible assets include exchange trading right for the Group and software costs and branch licenses resulting from the Parent Company's acquisition of CBSI, Unity Bank, and PDB (Notes 11 and 14).

Software costs

Costs related to software purchased by the Group for use in operations are amortized on a straight-line basis over 3 to 10 years. The amortization method and useful life are reviewed periodically to ensure that the method and period of amortization are consistent with the expected pattern of economic benefits embodied in the asset.

Branch licenses

The branch licenses are initially measured at cost as of the date of acquisition (at fair value if part of assets acquired in a business combination) and are deemed to have an indefinite useful life as there is no foreseeable limit to the period over which they are expected to generate net cash inflows for the Group.

Such intangible assets are not amortized, instead they are tested for impairment annually at the CGU level. Impairment is determined by assessing the recoverable amount of each CGU (or group of CGUs) to which the intangible asset relates. Recoverable amount represents the CGU's value in use. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized.

Exchange trading right

Exchange trading right is a result of the Philippine Stock Exchange (PSE) conversion plan, as discussed in Note 14, to preserve access of CBCSec to the trading facilities and continue transacting business in the PSE. Exchange trading right is carried at original cost less any allowance for impairment loss. CBCSec does not intend to sell the exchange trading right in the near future.

The exchange trading right is an intangible asset that is regarded as having an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Group but is tested annually for any impairment in realizable value.

Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the statement of income when the asset is derecognized.

Impairment of Non-financial Assets

At each reporting date, the Group assesses whether there is any indication that its non-financial assets (e.g., investment in associates, investment properties, bank premises, furniture, fixtures and equipment, goodwill, and intangible assets) may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group makes a formal estimate of recoverable amount.

Recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged to operations in the year in which it arises.

For non-financial assets, excluding goodwill and branch licenses, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed, except for goodwill, only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

Accounting Policy on Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized adjusted by lease payments made at or before the commencement date and lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of

the depreciable assets. The depreciation expense is presented under 'Depreciation and amortization' in the statement of income.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of Non-financial Assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of branch sites (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of ATM sites that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from leased properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Capital Stock

Capital stocks are recorded at par. Proceeds in excess of par value are recognized under equity as 'Capital paid in excess of par value' in the balance sheet. Incremental costs incurred which are directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

Revenue Recognition

Revenues within the scope of PFRS 15, Revenue from Contracts with Customers

Revenue from contract with customers is recognized upon transfer of promised goods or services to customers at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group and the Parent Company exercise judgment, taking into consideration all of the relevant facts and circumstances, when applying each step of the five-step model to contracts with customers.

The following specific recognition criteria must be met before revenue is recognized for contracts within the scope of PFRS 15:

Fee and commission income

The Group earns fee and commission income from a diverse range of services it provides to its customers. Fee income can be divided into the following two categories:

- a. *Fee income earned from services that are provided over a certain period of time*
Fees earned for the provision of services over a period of time are accrued over that period. These fees include bancassurance fees, investment fund fees, custodian fees, fiduciary fees, credit-related fees, asset management fees, portfolio and other management fees, and advisory fees.
- b. *Fee income from providing transactions services*
Fees arising from negotiating or participating in the negotiation of a transaction for a third party - such as commission income, underwriting fees, corporate finance fees, and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses - are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

Loan syndication fees are recognized in the statement of income when the syndication has been completed and the Group retains no part of the loans for itself or retains part at the same EIR as for the other participants.

Service charges and penalties

Service charges and penalties are recognized only upon collection or accrued where there is a reasonable degree of certainty as to their collectability.

Other income

Income from sale of service is recognized upon rendition of the service. Income from sale of properties is recognized when control has been transferred to the counterparty and when the collectability of the sales price is reasonably assured.

Revenues outside the scope of PFRS 15

Interest income

For all interest-bearing financial assets, interest income is recorded either (i) at EIR, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability, or (ii) at rate stated in the contract. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options), includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, as applicable, but not future credit losses. The adjusted carrying amount is calculated based on the

original EIR. The change in carrying amount is recorded as 'Interest income'. Loan commitment fees for loans that are likely to be drawn down are deferred (together with any incremental costs) and recognized as an adjustment to the EIR on the loan. If the commitment expires without the Group making the loan, the commitment fees are recognized as other income on expiry.

Once the recorded value of a financial asset or group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original EIR applied to the new carrying amount.

Dividend income

Dividend income is recognized when the Group's right to receive payment is established.

Gain on asset foreclosure and dacion transactions

Income arising from real properties acquired in settlement of loans and receivables are recognized in the year of foreclosure or dacion in payment.

Recovery on charged-off asset

Income arising from collections on accounts or recoveries from impairment of assets previously written off are recognized in the year of recovery. Any recoveries are credited to the 'Miscellaneous income' account in the statement of income.

Expense Recognition

Interest expense

Interest expense for all interest-bearing financial liabilities are recognized in 'Interest expense' in the statement of income using the EIR of the financial liabilities to which they relate.

Operating expenses

Operating expenses constitute costs which arise in the normal business operation and are recognized when incurred.

Taxes and licenses

This includes all other taxes, local and national, including gross receipts taxes (GRT), documentary stamp taxes, real estate taxes, licenses, and permit fees. Taxes and licenses are recognized when incurred.

Retirement Benefits

Defined benefit plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets and adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The defined benefit obligation is calculated annually by an independent actuary. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates on government bonds that have terms to maturity approximating the terms of the related retirement liability. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs and remeasurements comprise the following:

- (a) service cost;
- (b) net interest on the net defined benefit liability or asset; and
- (c) remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs, and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on Philippine government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. The fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when, and only when, reimbursement is virtually certain. If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Provisions and Contingencies

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of income, net of any reimbursement. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingent liabilities are not recognized in the financial statements but are disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

Income Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted as of the reporting date. Management periodically evaluates positions taken in the tax return with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits from MCIT and unused NOLCO can be utilized. Deferred tax, however, is not recognized on temporary differences that arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

Deferred tax liabilities are not provided on non-taxable temporary differences associated with investments in domestic subsidiaries and associates.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current tax and deferred tax relating to items recognized directly in equity are also recognized in equity and not in the statement of income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

Earnings per Share

Basic earnings per share (EPS) is computed by dividing net income for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock splits, stock dividends declared and stock rights exercised during the year, if any.

The Parent Company computes diluted EPS when there are outstanding dilutive potential common shares. Diluted EPS is computed by adjusting both the net income for the year and the weighted average number of common shares outstanding during the year with the impact of the dilutive potential common stock issuance transaction.

Dividends on Common Shares

Dividends on common shares are recognized as a liability and deducted from equity when approved by the respective shareholders of the Parent Company and its subsidiaries. Dividends declared during the year that are approved after the reporting date are dealt with as an event after the reporting date.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on business segments is presented in Note 32. The Group's revenue-producing assets are located in the Philippines (i.e., one geographical location). Therefore, geographical segment information is no longer presented.

Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Parent Company acts in a fiduciary capacity such as nominee, trustee, or agent.

Events after the Reporting Period

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

Standards Issued but Not Yet Effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

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*
 - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
 - Amendments to PAS 7, *Cost Method*

Effective beginning on or after January 1, 2027

- *PFRS 17, Insurance Contracts*

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FSRSC amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. Thereafter, on February 14, 2025, the FSRSC approved the amendment to PFRS 17 that further defers the date of initial application by an additional two (2) years, to annual periods beginning on or after January 1, 2027. This will provide more time for the insurance industry to fully prepare and assess the impact of adopting the said standard.

The Group's investment in associate (Manulife-China Bank Life Assurance Corp. "MCB Life") is currently assessing the impact of the standard. As the Group accounts for its investment in the associate using the equity method, the adoption of PFRS 17 by the associate is expected to affect the Group's 'Investments in Associate' and its 'Share in Net Income of an Associate' due to changes in the timing of profit recognition and the measurement of insurance liabilities. The MCB Life intends to adopt the standard on its mandatory effective date of January 1, 2027. The full quantitative impact on the Group's equity and net income is currently being evaluated.

- *PFRS 18, Presentation and Disclosure in Financial Statements*

The standard replaces PAS 1, *Presentation of Financial Statements* and responds to investors' demand for better information about companies' financial performance. Entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as the Parent Bank and its banking subsidiary, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

The requirements also include:

- a. Required totals, subtotals and new categories in the statement of profit or loss
- b. Disclosure of management-defined performance measures
- c. Guidance on aggregation and disaggregation

The Group is currently assessing the impacts the standard will have on the primary financial statements and notes to the financial statements. The Parent Company and its banking subsidiary consider their main business activities to include the provision of financing to customers and investing in financial assets. In accordance with PFRS 18, some of the income and expenses related to those activities are classified in the operating category, as an exception to the general requirements that would otherwise have resulted in their classification in the investing or financing categories

- PFRS 19, *Subsidiaries without Public Accountability*
The standard allows eligible entities to elect to apply PFRS 19's reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other PFRS Accounting Standards.

In 2025, PFRS 19 was amended to provide reduced disclosure requirements for new or amended PFRS Accounting Standards adopted by the FSRSC from the issuances of the IASB between February 2021 and May 2024.

The application of the standard is optional for eligible entities.

- Amendments to PAS 21, *Translation to a Hyperinflationary Presentation Currency*
The amendments introduce translation requirements for entities translating their financial statements, or the results and financial position of a foreign operation, from a functional currency that is the currency of a non-hyperinflationary economy to a presentation currency that is the currency of a hyperinflationary economy.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in accordance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income, and expenses and disclosure of contingent assets and contingent liabilities at reporting date. Future events may occur which will cause the judgments and assumptions used in arriving at the estimates to change. The effects of any change in judgments and estimates are reflected in the financial statements as they become reasonably determinable.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

a. Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the balance sheet or disclosed in the notes cannot be derived from active markets, they are determined using discounted cash flow model, incorporating inputs such as current market rates of comparable instruments. The carrying values and corresponding fair values of financial instruments, as well as the manner in which fair values were determined, are discussed in more detail in Note 5.

b. Contingencies

The Group is currently involved in various legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the Group's defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material adverse effect on the financial statements (Note 31).

c. Evaluation of business model in managing financial assets

The Group manages its financial assets based on business models that maintain an adequate level of financial assets to match its expected cash outflows, largely arising from customers' withdrawals and continuing loan disbursements to borrowers, while maintaining a strategic portfolio of financial assets for investment and trading activities consistent with its risk appetite.

The Group developed business models which reflect how it manages its portfolio of financial instruments. In determining the classification of a financial instrument under PFRS 9, the Group evaluates which business model a financial asset or a portfolio of financial assets belong to, taking into consideration the objectives of each business model established by the Group, various risks and key performance indicators being reviewed and monitored by responsible officers, as well as the manner of compensation for them. The Group also considers the frequency, value, reasons, and timing of past sales and expectation of future sales activity in this evaluation.

In addition, PFRS 9 emphasizes that if more than an infrequent and more than an insignificant sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances to assess that an increase in the frequency and value of sales of financial instruments in a particular period is not necessarily inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

In 2025 and 2024, certain investment securities at amortized cost held by the Parent Company were redeemed by their respective issuers. The redemptions were assessed by the Parent Company as not inconsistent with the portfolios' business models considering the conditions and reasons for which the redemptions were made. Further, the redemptions did not result in a change in business model and the remaining securities in the affected portfolios continue to be accounted for at amortized cost. The details of the redemptions are disclosed in Note 9.

d. Testing the cash flow characteristics of financial assets

In determining the classification of financial assets under PFRS 9, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal amount outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk), i.e., cash flows that are non-SPPI, does not meet the amortized cost and FVOCI criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

e. Hedge accounting

In 2020, the Parent Company designated the hedge relationship between its floating rate bond payable and an interest rate swap as a cash flow hedge. In 2021, the Parent Company designated the hedge relationships between (i) the interest rate risk component of its Treasury time deposits and Retail Banking Business (RBB) Segment time deposits and (ii) interest rate swaps as cash flow hedges. In 2022, the Parent Company designated the hedge relationship between (i) the foreign exchange risk component of certain foreign exchange spot transactions and of future interest payments and (ii) and the spot element of certain foreign exchange forward contracts. In 2023, the Parent Company pre-terminated the floating rate bond payable due to existing market conditions. Consequently, this resulted to the discontinuance of the hedge relationship between the floating rate bond payable and the interest rate swap as a cash flow hedge. In 2024, the hedging relationship between the interest rate risk component of the Treasury time deposits and interest rate swap was discontinued due to the maturity of the interest rate swap.

The Parent Company's hedge accounting policies include an element of judgment and estimation, in particular in respect of the existence of highly probable cash flows for inclusion within the cash flow hedge. Estimates of future interest rates and the general economic environment will influence the availability and timing of suitable hedged items, with an impact on the effectiveness of the hedge relationships. Details of the Parent Company's hedging transactions are described in Note 26.

f. *Assessment of the cash generating unit of branch licenses*

Branch licenses are tested for impairment annually at the CGU level. In determining the CGU for non-financial assets, the Group identifies the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets. The Parent Company identified the Retail Business Banking Segment (RBBS) as a whole as the CGU of the branch licenses.

Estimates

a. *Expected credit losses on financial assets and commitments*

The Group reviews its debt financial assets and commitments at each reporting date to determine the amount of ECL to be recognized in the balance sheet and any changes thereto in the statement of income. In particular, judgments and estimates by management are required in determining:

- whether a financial asset has had a significant increase in credit risk since initial recognition;
- whether a default has taken place and what comprises a default;
- macro-economic factors that are relevant in measuring a financial asset's probability of default as well as the Group's forecast of these macro-economic factors;
- probability weights applied over a range of possible outcomes;
- sufficiency and appropriateness of data used and relationships assumed in building the components of the Group's expected credit loss models; and
- the measurement of the exposure at default for unused commitments on which an expected credit loss should be recognized and the applicable loss rate.

The related allowance for credit losses of financial assets and commitments of the Group are disclosed in Notes 16 and 21, respectively.

b. *Impairment of goodwill and branch licenses*

The Group performs impairment review of goodwill and branch licenses with indefinite useful life annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill and branch licenses by assessing the recoverable amount of the RBBS and CBSI to which the goodwill and branch licenses are attributed. The recoverable amount of the RBBS and CBSI is determined based on a value in use (VIU) calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. For VIU, the Group estimates the discount rate used for the computation of the net present value by reference to the weighted cost of equity of comparable banks. The impairment assessment process requires significant judgment and is based on assumptions, specifically loan and deposit growth rates, discount rate, and the long-term growth rates.

Where the recoverable amount is less than the carrying amount of the RBBS to which goodwill and branch licenses have been allocated, an impairment loss is recognized immediately in the statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent

increases in its recoverable amount in future periods. The carrying values of the Group's goodwill and branch licenses are disclosed in Note 14.

c. Present value of defined benefit obligation and retirement expense

The determination of the Group's net present value of defined benefit obligation and annual retirement expense is determined using actuarial valuations. An actuarial valuation involves making assumptions that may differ from actual developments in the future. These assumptions include, among others, discount rates and salary rates.

The assumed discount rates were determined using the market yields on Philippine government bonds with terms consistent with the expected employee benefit payout as of the reporting date. The salary increase rates were based on the Group's expectations of future salary increases, which take into account the inflation, seniority, and promotion.

The present value of the defined benefit obligation, including the details of the assumptions used in the calculation, are disclosed in Note 25.

d. Recognition of deferred income taxes

Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the forecasted level of future taxable profits and the related future tax planning strategies. Key assumptions used in forecast of future taxable income include loan portfolio and deposit growth rates.

The Group believes it will be able to generate sufficient taxable income in the future to utilize its recorded deferred tax assets. Taxable income is sourced mainly from interest income from lending activities and earnings from fees, commissions and other income, and trust activities that are taxable.

The recognized and unrecognized deferred tax assets are disclosed in Note 28.

e. Impairment on other non-financial assets

The Group assesses impairment on its non-financial assets (e.g., investment properties and bank premises, furniture, fixtures and equipment) and considers the following impairment indicators:

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

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Except for investment properties where recoverable amount is determined based on fair value less cost to sell, the recoverable amount of all other non-financial assets is determined based on the asset's value in use whose computation considers the present value of estimated future cash flows expected to be generated from the continued use of the asset. The Group is required to make estimates and assumptions that can materially affect the carrying amount of the asset being assessed.

The carrying values of the Group's non-financial assets are disclosed in Notes 12, 13 and 14.

4. Financial Instrument Categories

The following table presents the total carrying amount of the Group's and the Parent Company's financial instruments per category:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Financial assets				
Cash and other cash items	₱21,768,445	₱18,260,927	₱17,965,862	₱13,230,415
Financial assets at FVTPL	8,192,102	11,302,754	7,558,427	10,251,971
Derivative contracts designated as hedges	3,590,656	2,766,372	3,590,656	2,766,372
Financial assets at FVOCI	168,657,545	134,105,832	139,153,770	121,634,407
Financial assets at amortized cost				
Due from BSP	62,122,674	82,639,923	55,880,687	61,109,605
Due from other banks	12,481,324	12,540,230	10,030,718	11,365,807
Interbank loans receivables and SPURA	12,964,006	20,326,149	7,364,006	20,326,149
Investment securities at amortized cost	381,738,294	394,519,620	372,572,485	386,688,846
Loans and receivables	1,038,027,468	915,229,756	887,660,943	782,913,377
Accrued interest receivable	13,301,431	13,444,829	12,023,893	12,218,823
Other assets (Note 15)	5,561,687	5,171,276	2,735,739	2,419,445
	1,526,196,884	1,443,871,783	1,348,268,471	1,277,042,052
Total financial assets	₱1,728,405,632	₱1,610,307,668	₱1,516,537,186	₱1,424,925,217

	Consolidated		Parent Company	
	2025	2024	2025	2024
Financial liabilities				
Other financial liabilities				
Deposit liabilities	₱1,444,596,720	₱1,331,146,678	₱1,254,152,184	₱1,165,727,988
Bills payable	118,784,445	112,133,138	118,784,445	112,133,138
Accrued interest and other expenses*	7,021,750	8,648,040	5,882,949	7,526,483
Manager's check	1,521,506	1,688,304	1,297,692	1,484,625
Other liabilities (Note 21)	15,038,124	14,145,764	12,181,263	11,027,685
	₱1,586,962,545	1,467,761,924	₱1,392,298,533	1,297,899,919
Financial liabilities at FVTPL				
Derivative liabilities	1,066,556	1,406,274	1,066,556	1,406,274
Derivative contracts designated as hedges	255,117	6,241,405	255,117	6,241,405
Total financial liabilities	₱1,588,284,218	₱1,475,409,603	₱1,393,620,206	₱1,305,547,598

*Accrued interest and other expenses excludes accrued taxes and other licenses (Note 20).

5. Fair Value Measurement

The Group has assets and liabilities in the Group and Parent Company balance sheets that are measured at fair value on a recurring and non-recurring basis after initial recognition. Recurring fair value measurements are those that another PFRS requires or permits to be recognized in the balance sheet at the end of each financial reporting period. These include financial assets and liabilities at FVTPL and financial assets at FVOCI.

As of December 31, 2025 and 2024, except for the following financial instruments, the carrying values of the Group's and the Parent Company's financial assets and liabilities as reflected in the balance sheets and related notes approximate their respective fair values:

	2025			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	₱264,698,965	₱267,047,679	₱255,857,213	₱258,270,528
Private bonds	117,039,329	114,187,666	116,715,272	113,865,939
	381,738,294	381,235,345	372,572,485	372,136,467
Loans and receivables (Note 10)				
Corporate and commercial lending	775,625,252	737,981,287	758,798,462	722,175,795
Consumer lending	251,678,915	210,589,483	118,564,872	101,639,733
Trade-related lending	10,605,309	10,613,268	10,266,959	10,274,656
Others	117,991	154,890	30,650	34,452
	1,038,027,467	959,338,928	887,660,943	834,124,636
Sales contracts receivable (Note 15)	1,593,558	1,276,129	150,006	151,310
	1,039,621,025	960,615,057	887,810,949	834,275,946
	1,421,359,319	1,341,850,402	1,260,383,434	1,206,412,413
Non-financial Assets				
Investment properties (Note 13)				
Land	16,660,514	22,209,200	15,329,245	19,970,859
Buildings and improvements	4,254,770	5,578,265	3,378,309	3,865,043
	20,915,284	27,787,465	18,707,554	23,835,902
Financial Liabilities				
Time deposit liabilities (Note 17)	752,017,078	738,545,906	612,491,424	599,063,838
Bills payable (Note 19)	118,784,445	118,050,759	118,784,445	118,050,759
	₱870,801,523	₱856,596,665	₱731,275,869	₱717,114,597
	2024			
	Consolidated		Parent Company	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets				
Investment securities at amortized cost (Note 9)				
Government bonds	₱266,498,640	₱264,618,780	₱258,995,499	₱257,309,393
Private bonds	128,020,980	123,202,034	127,693,347	122,903,579
	394,519,620	387,820,814	386,688,846	380,212,972
Loans and receivables (Note 10)				
Corporate and commercial lending	690,202,983	648,032,473	676,625,640	632,611,315
Consumer lending	213,739,081	213,148,031	95,475,272	80,390,854
Trade-related lending	11,143,671	11,121,241	10,793,133	10,750,960
Others	144,021	197,636	19,332	20,687
	915,229,756	872,499,381	782,913,377	723,773,816
Sales contracts receivable (Note 15)	1,637,122	1,757,255	230,291	232,309
	916,866,878	874,256,636	783,143,668	724,006,125
	₱1,311,386,498	₱1,262,077,450	₱1,169,832,514	₱1,104,219,097
Non-financial Assets				
Investment properties (Note 13)				
Land	₱4,641,053	₱8,171,852	₱3,246,285	₱5,885,293
Buildings and improvements	2,321,381	3,433,997	1,587,181	1,835,821
	₱6,962,434	₱11,605,849	₱4,833,466	₱7,721,114
Financial Liabilities				
Time deposit liabilities (Note 17)	₱737,518,251	₱720,552,896	₱620,429,470	₱603,521,643
Bills payable (Note 19)	112,133,138	112,125,646	112,133,138	112,125,646
	₱849,651,389	₱832,678,542	₱732,562,608	₱715,647,289

The methods and assumptions used by the Group and Parent Company in estimating the fair values of the financial instruments follow:

Cash and other cash items, due from BSP and other banks, interbank loans receivable and SPURA and accrued interest receivable – The carrying amounts approximate their fair values in view of the relatively short-term maturities of these instruments.

Debt securities – Fair values are generally based on quoted market prices. If the market prices are not readily available, fair values are estimated using directly or indirectly either values obtained from independent parties offering pricing services or adjusted quoted market prices of comparable investments or using the discounted cash flow methodology.

Equity securities – For publicly traded equity securities, fair values are based on quoted prices. For unquoted equity securities, remeasurement to their fair values is not material to the financial statements.

Loans and receivables and sales contracts receivable (SCR) included in other assets – Fair values of loans and receivables and SCR are estimated using the discounted cash flow methodology, where future cash flows are discounted using the Group's current incremental lending rates for similar types of loans and receivables.

Accounts receivable, returned checks and other cash items (RCOCI) and other financial assets included in other assets – Quoted market prices are not readily available for these assets. These are reported at cost and are not significant in relation to the Group's total portfolio of financial assets.

Derivative instruments (included under FVTPL and designated as hedges) – Fair values are estimated based on discounted cash flows, using prevailing interest rate differential and spot exchange rates.

Deposit liabilities (time, demand, and savings deposits) – Fair values of time deposits are estimated using the discounted cash flow methodology, where future cash flows are discounted using the Group's current incremental borrowing rates for similar borrowings and with maturities consistent with those remaining for the liability being valued. For demand and savings deposits, carrying amounts approximate fair values considering that these are currently due and demandable.

Bills payable – Unless quoted market prices are readily available, fair values are estimated using the discounted cash flow methodology, where future cash flows are discounted using the current incremental borrowing rates for similar borrowings and with maturities consistent with those remaining for the liability being valued.

Manager's checks and accrued interest and other expenses – Carrying amounts approximate fair values due to the short-term nature of the accounts.

Other liabilities – Carrying amounts approximate fair values due to the short-term nature of the accounts.

Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of assets and liabilities by valuation technique:

Level 1: quoted prices in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs that are not based on observable market data or unobservable inputs.

As of December 31, 2025 and 2024, the fair value hierarchy of the Group's and the Parent Company's assets and liabilities are presented below:

	Consolidated			
	2025			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱302,600	₱2,225,732	₱–	₱2,528,332
Treasury notes	–	1,279,328	–	1,279,328
Treasury bills	–	2,124,621	–	2,124,621
Private bonds	189,314	–	–	189,314
Quoted equity shares	246,057	–	–	246,057
Financial assets designated at FVTPL	159,285	177,526	–	336,811
Derivative contracts not designated as hedges	–	1,487,639	–	1,487,639
Derivative contracts designated as hedges	–	3,590,656	–	3,590,656
Financial assets at FVOCI				
Government bonds	31,222,115	111,226,042	–	142,448,157
Quoted private bonds	14,352,206	–	–	14,352,206
Quoted equity shares	11,841,575	–	–	11,841,575
	₱58,313,152	₱122,111,544	₱–	₱180,424,696
Derivative liabilities	₱–	₱1,066,556	₱–	₱1,066,556
Derivative contracts designated as hedges	–	255,117	–	255,117
	₱–	₱1,321,673	₱–	₱1,321,673
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱262,294,881	₱4,752,799	₱–	₱267,047,680
Private bonds	60,673,407	–	53,514,258	114,187,665
Loans and receivables	–	–	–	–
Corporate and commercial loans	–	–	737,981,286	737,981,286
Consumer loans	–	–	210,589,482	210,589,482
Trade-related loans	–	–	10,613,269	10,613,269
Others	–	–	154,890	154,890
Sales contracts receivable	–	–	1,276,128	1,276,128
Fair values of non-financial assets carried at cost				
Investment properties	–	–	–	–
Land	–	–	22,209,200	22,209,200
Buildings and improvements	–	–	5,578,265	5,578,265
	₱322,968,288	₱4,752,799	₱1,041,916,778	₱1,369,637,865
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱738,545,906	₱738,545,906
Bills payable	–	–	118,050,759	118,050,759
	₱–	₱–	₱856,596,665	₱856,596,665

Consolidated				
2024				
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱144,753	₱2,618,061	₱–	₱2,762,814
Treasury notes	–	2,784,527	–	2,784,527
Treasury bills	–	2,412,869	–	2,412,869
Private bonds	512,170	–	–	512,170
Quoted equity shares	286,048	–	–	286,048
Financial assets designated at FVTPL	494,422	169,878	–	664,300
Derivative contracts not designated as hedges	–	1,880,026	–	1,880,026
Derivative contracts designated as hedges	–	2,766,372	–	2,766,372
Financial assets at FVOCI				
Government bonds	29,481,028	79,466,595	–	108,947,623
Quoted private bonds	20,587,385	–	–	20,587,385
Quoted equity shares	4,549,299	–	–	4,549,299
	₱56,055,105	₱92,098,328	₱–	₱148,153,433
Derivative liabilities				
	₱–	₱1,406,274	₱–	₱1,406,274
Derivative contracts designated as hedges				
	–	6,241,405	–	6,241,405
	₱–	₱7,647,679	₱–	₱7,647,679
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	₱264,618,780	₱–	₱–	₱264,618,780
Private bonds	68,874,117	–	54,327,917	123,202,034
Loans and receivables				
Corporate and commercial loans	–	–	648,032,473	648,032,473
Consumer loans	–	–	213,148,031	213,148,031
Trade-related loans	–	–	11,121,241	11,121,241
Others	–	–	197,636	197,636
Sales contracts receivable	–	–	1,757,255	1,757,255
Fair values of non-financial assets carried at cost				
Investment properties				
Land	–	–	8,171,852	8,171,852
Buildings and improvements	–	–	3,433,997	3,433,997
	₱333,492,897	₱–	₱940,190,402	₱1,273,683,299
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	₱–	₱–	₱720,552,896	₱720,552,896
Bills payable	–	–	112,125,646	112,125,646
	₱–	₱–	₱832,678,542	₱832,678,542

Parent Company				
2025				
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	251,793	2,225,732	–	2,477,525
Treasury notes	–	1,279,328	–	1,279,328
Treasury bills	–	2,124,621	–	2,124,621
Private bonds	189,314	–	–	189,314
Derivative contracts not designated as hedges	–	1,487,639	–	1,487,639
Derivative contracts designated as hedges	–	3,590,656	–	3,590,656

(Forward)

	Parent Company			
	2025			
	Level 1	Level 2	Level 3	Total
Financial assets at FVOCI				
Government bonds	₱17,520,801	₱95,727,055	₱–	₱113,247,856
Quoted private bonds	14,255,939	–	–	14,255,939
Quoted equity shares	11,642,351	–	–	11,642,351
	₱43,860,198	₱106,435,032	₱–	₱150,295,229
Derivative liabilities	₱–	₱1,066,556	₱–	₱1,066,556
Derivative contracts designated as hedges	–	255,117	–	255,117
	₱–	₱1,321,673	₱–	₱1,321,673

Fair values of financial assets carried at amortized cost

Investment securities at amortized cost				
Government bonds	₱258,270,528	₱–	₱–	₱258,270,528
Private bonds	60,351,681	–	53,514,258	113,865,939
Loans and receivables				
Corporate and commercial loans	–	–	722,175,795	722,175,795
Consumer loans	–	–	101,639,733	101,639,733
Trade-related loans	–	–	10,274,656	10,274,656
Others	–	–	34,452	34,452
Sales contracts receivable	–	–	151,310	151,310

Fair values of non-financial assets carried at cost

Investment properties				
Land	–	–	19,970,859	19,970,859
Buildings and improvements	–	–	3,865,043	3,865,043
	318,622,209	–	911,626,106	1,230,248,315

Fair values of liabilities carried at amortized cost

Time deposit liabilities	–	–	599,063,838	599,063,838
Bills payable	–	–	118,050,759	118,050,759
	–	–	717,114,597	717,114,597

	Parent Company			
	2024			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at FVTPL				
Held-for-trading				
Government bonds	₱44,318	₱2,618,061	₱–	₱2,662,379
Treasury notes	–	2,784,527	–	2,784,527
Treasury bills	–	2,412,869	–	2,412,869
Private bonds	512,170	–	–	512,170
Derivative contracts not designated as hedges	–	1,880,026	–	1,880,026
Derivative contracts designated as hedges	–	2,766,372	–	2,766,372
Financial assets at FVOCI				
Government bonds	17,314,679	79,466,595	–	96,781,274
Quoted private bonds	20,492,318	–	–	20,492,318
Quoted equity shares	4,347,274	–	–	4,347,274
	₱42,710,759	₱91,928,450	₱–	₱134,639,209
Derivative liabilities	₱–	₱1,406,274	₱–	₱1,406,274
Derivative contracts designated as hedges	–	6,241,405	–	6,241,405
	₱–	₱7,647,679	₱–	₱7,647,679

(Forward)

	Parent Company			
	2024			
	Level 1	Level 2	Level 3	Total
Fair values of financial assets carried at amortized cost				
Investment securities at amortized cost				
Government bonds	P257,309,393	P—	P—	P257,309,393
Private bonds	68,575,662	—	54,327,917	122,903,579
Loans and receivables				
Corporate and commercial loans	—	—	632,611,315	632,611,315
Consumer loans	—	—	80,390,854	80,390,854
Trade-related loans	—	—	10,750,960	10,750,960
Others	—	—	20,687	20,687
Sales contracts receivable	—	—	232,309	232,309
Fair values of non-financial assets carried at cost				
Investment properties				
Land	—	—	5,885,293	5,885,293
Buildings and improvements	—	—	1,835,821	1,835,821
	P325,885,055	P—	P786,055,156	P1,111,940,211
Fair values of liabilities carried at amortized cost				
Time deposit liabilities	P—	P—	P603,521,643	P603,521,643
Bills payable	—	—	112,125,646	112,125,646
	P—	P—	P715,647,289	P715,647,289

There were no transfers into and out of Level 3 fair value measurements in 2025 and 2024.

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

Derivative assets and liabilities – fair values are calculated by reference to the prevailing interest differential and spot exchange rate as of the reporting date, taking into account the remaining term to maturity of the derivative assets and liabilities.

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.

The fair values of the Group's and Parent Company's investment properties have been determined by the appraisal method by independent external and in-house appraisers based on highest and best use of the property being appraised. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment properties and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued.

The table below summarizes the valuation techniques used and the significant unobservable inputs used in the valuation for each type of investment properties held by the Group and the Parent Company:

	Valuation Techniques	Significant Unobservable Inputs
Land	Market Data Approach	Price per square meter, size, location, shape, time element, and corner influence
Land and Building	Market Data Approach and Cost Approach	Reproduction Cost New

Descriptions of the valuation techniques and significant unobservable inputs used in the valuation of the Group and the Parent Company's investment properties are as follows:

Valuation Techniques

Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Cost Approach	It is an estimate of the investment required to duplicate the property in its present condition. It is reached by estimating the value of the building "as if new" and then deducting the depreciated cost. Fundamental to the Cost Approach is the estimate of "Reproduction Cost New" of the improvements.

Significant unobservable inputs

Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a main road or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a main road are superior to properties located along a secondary road.
Time Element	An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time. In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

6. Financial Risk Management Objectives and Policies

The Group's activities are principally related to the profitable use of financial instruments. Risks are inherent in these activities but are managed by the Group through a rigorous, comprehensive, and continuous process of identification, measurement, monitoring and mitigation of these risks, partly through the effective use of risk and authority limits and thresholds, process controls and monitoring, and independent controls. As reflected in its corporate actions and organizational improvements, the Group has placed due importance on expanding and strengthening its risk management process and considers it as a vital component to the Group's continuing profitability and financial stability. Central to the Group's risk management process is its adoption of a risk management program intended to avoid unnecessary risks, manage and mitigate inherent risks, and maximize returns from taking acceptable risks necessary to sustain its business viability and good financial position in the market.

The key financial risks that the Group faces are: credit risk, market risk, and liquidity risk. The Group's risk management objective is primarily focused on controlling and mitigating these risks. The Parent Company and its subsidiaries manage their respective financial risks separately. The subsidiaries, particularly CBSI, have their own risk management processes but are structured similar to that of the Parent Company. To a large extent, the respective risk management programs and objectives are the same across the Group. The severity of risk, materiality, and regulations are primary considerations in determining the scope and extent of the risk management processes put in place for the subsidiaries.

Risk Management Structure

The BOD of the Parent Company is ultimately responsible for the oversight of the Parent Company's risk management processes. On the other hand, the risk management processes of the subsidiaries are the separate responsibilities of their respective BODs. The BOD of the Parent Company created a separate board-level independent committee with explicit authority and responsibility for managing and monitoring risks.

The BOD has delegated to the Risk Oversight Committee (ROC) the formulation and supervision of the risk management process which includes, among others, determining the appropriate risk mitigating strategies and operating principles, adoption of industry standards, development of risk metrics, monitoring of key risk indicators, and the imposition of risk parameters. The ROC is composed of three members of the BOD, all of whom are independent directors.

The Risk Management Group (RMG) is the operating unit of the ROC primarily responsible for the implementation of the risk management strategies approved by the Board of Directors. The implementation cuts across all departments of the Parent Company and involves all of the Parent Company's financial instruments, whether "on-books" or "off-books". The RMG is likewise responsible for monitoring the implementation of specific risk control procedures and enforcing compliance thereto. The RMG is also directly involved in the day-to-day monitoring of material risks ensuring that the Parent Company, in its transactions and dealings, engages only in risk-taking activities duly approved by the ROC. The RMG also ensures that relevant information is accurately and completely captured on a timely basis in the management reporting system of the Parent Company. The RMG is headed by the Chief Risk Officer (CRO) who reports the results of risk measurements to the ROC.

Apart from RMG, each business unit has created and put in place various process controls which ensure that all the external and internal transactions and dealings of the unit are in compliance with the unit's risk management objectives. The Internal Audit Group also plays a crucial role in risk management primarily because it is independent of the business units and reports exclusively to the Audit Committee which, in turn, is comprised of independent directors.

The Internal Audit Group focuses on ensuring that adequate controls are in place and on monitoring compliance to controls. The regular audit covers all processes and controls, including those under the risk management framework handled by the RMG. The audit of these processes and controls is undertaken regularly. The audit results and exceptions, including recommendations for their resolution or improvement, are discussed initially with the business units concerned before these are presented to the Audit Committee.

Risk Management Reporting

The CRO reports to the ROC, is a member of the Sustainability Oversight Committee (SOC), and is a resource of the Credit Committee (CreCom), Asset-Liability Committee (ALCO), and Information Technology Steering Committee (ITSC). The CRO reports on key risk indicators and specific risk management issues that would need resolution from top management. This is undertaken after the risk issues and key risk indicators have been discussed with the business units concerned. The RMG's function, particularly, that of the CRO, as well as the Board's risk oversight responsibilities are articulated in the risk management manual based on the requirements of BSP Circular No. 971, *Guidelines on Risk Governance*.

The key risk indicators were formulated on the basis of the financial risks faced by the Parent Company. These indicators contain information from all business units that provide measurements on the level of the risks taken by the Parent Company in its products, transactions, and financial structure. Among others, the report on key risk indicators includes information on the Parent Company's aggregate credit exposure, Value-at-Risk (VaR), utilization of market and credit limits and thresholds, liquidity risk limits and ratios, earnings-based and economic value-based measures with thresholds, overall loan loss provisioning, and risk profile changes. Loan loss provisioning and credit limit utilization are, however, discussed in more detail in the Credit Committee. On a monthly basis, detailed reporting of industry, customer, and geographic risks is included in the discussion with the ROC. A comprehensive risk report is presented to the BOD on a periodic basis for an overall assessment of the level of risks taken by the Parent Company. On the other hand, the Chief Audit Executive reports to the Audit Committee on a monthly basis on the results of branch or business unit audits and for the resolution of pending but important internal audit issues.

Risk Mitigation

The Parent Company uses derivatives to manage exposures to financial instruments resulting from changes in interest rates and foreign currencies exposures. However, the nature and extent of use of these financial instruments to mitigate risks are limited to those allowed by the BSP for the Parent Company and its subsidiaries.

To further mitigate risks throughout its different business units, the Parent Company formulates risk management policies and continues to improve its existing policies. These policies further serve as the framework and set of guidelines in the creation or revisions of operating policies and manuals for each business unit. In the process design and implementation, preventive controls are preferred over detection controls. Clear delineation of responsibilities and separation of incompatible duties among officers and staff, as well as among business units are reiterated in these policies. To the extent possible, reporting and accounting responsibilities are segregated from units directly involved in operations and frontline activities (i.e., players must not be scorers). This is to improve the credibility

and accuracy of management information. Any inconsistencies in the operating policies and manuals with the risk framework created by the RMG are taken up and resolved in the ROC.

The Group maintains operational risk and IT risk management frameworks aligned with global standards, embedding risk awareness into governance and decision-making while strengthening controls and transparency. Through risk and control self-assessments, key risk indicators, incident and event management, and root cause analyses, the Group proactively safeguards customer trust, supports investor confidence, upholds regulatory expectations, and reinforces the stability of the Group and the financial system.

Monitoring and controlling risks are primarily performed based on various limits and thresholds established by the top management covering the Group's transactions and dealings. These limits and thresholds reflect the Group's business strategies and market environment, as well as the levels of risks that the Group is willing to tolerate, with additional emphasis on selected industries. In addition, the Group monitors and measures the overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities. Liquidity risk, interest rate risk, and market risk exposures are measured and monitored through the reports generated by a cloud-based automated system.

As part of monitoring and controlling risks, the Bank conducts the Internal Capital Adequacy Assessment Process (ICAAP) to determine its minimum required capital relative to its business risk exposures. This assessment is performed annually.

Similar to prior years' submission, the Bank used the Pillar 1 Plus approach, with the Pillar 1 capital as the baseline. The process of allocating capital for all types of risks above the Pillar 1 capital levels includes quantification of capital buffer for Pillar 2 risks under normal business cycle/condition. In addition, the document included the quantification based on the results of the Integrated Stress Test (IST). The adoption of the IST allows the Group to quantify its overall vulnerability to market shocks and operational losses on the aggregate rather than in silo referring to a range of plausible events. The capital assessment in the document discloses that the Group and the Parent Company has appropriate and sufficient level of internal capital.

The Parent Company submitted to the BSP its annually-updated ICAAP document, on March 31, 2025.

Complementing its capital adequacy assessment exercise, the Bank maintains robust, forward-looking recovery, and resilience measures. As a Domestic Systemically Important Bank (D-SIB), it is subject to existing regulations requiring high loss absorbency and effective risk management to mitigate the risk of failure. Its Recovery Plan, aligned with the ICAAP, supports BSP's intensified supervision of D-SIBS and underscores the Bank's commitment to resilience as a fundamental aspect of risk management, extending beyond prevention.

The latest Recovery Plan document was presented and approved in the Joint Meeting of the ROC and Excom on June 16, 2025, confirmed by the Board of Directors on July 2, 2025, and submitted to the BSP on June 30, 2025.

Business Continuity Management

The Group operates in increasingly complex ecosystems of digital platforms, supply chains, and third-party providers. This interconnectedness provides efficiency and scale but exposes systemic vulnerabilities. Volatile, uncertain, complex, and ambiguous circumstances can cascade and ripple across business functions, halting operations and eroding customer trust. Hidden dependencies on third- and fourth-party relationships leave blind spots that increase exposure to external shocks.

Interconnected environments result in downtime not isolated – it affects customers, regulators, and partners simultaneously, raising reputational and compliance risks. The Group embed operational resilience by conducting business impact analyses, applying affinity analyses, and driving recovery planning so the Group can withstand shocks and adapt dynamically to the volatile, brittle, and nonlinear realities of modern interconnected operations.

Credit Risk

Credit risk is the risk the Group faces when an obligor (borrower or counterparty) fails to meet its financial obligations according to agreed terms. This may include the inability to repay a loan or honor any other forms of credit extended by the Group.

Credit risk is a major type of risk for all banks, as it permeates a wide range of exposures, products, and services. The Group faces potential credit risks whenever it extends loans to borrowers, commits funds to counterparties, guarantees the paying performance of its clients, invests funds in various private or sovereign entities, or enters into either market-traded or over-the-counter derivatives. In essence, credit risk arises in all contractual commitments where fulfillment depends on the borrower's or counterparty's ability to perform.

The Group has established credit risk limits and thresholds, which are approved by the Board of Directors and reflect its risk appetite and strategic direction. These limits and thresholds are regularly monitored to ensure the risks remain within the Bank's defined risk appetite. Furthermore, the Group continuously monitors and measures its overall risk-bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Credit Risk Rating and Scoring Models

The Parent Company employs four credit risk rating models for diverse segments, covering corporate borrowers, retail small and medium entities and individual accounts (non-consumer), financial institutions, and sovereign counterparties. Additionally, it utilizes bureau credit scores for consumer loan products, including housing loans, auto loans, Contract-to-Sell (CTS) without recourse, and credit cards, to assess credit risk comprehensively.

The assessment of credit risk for corporate borrowers with total assets, total facilities, or total credit exposures amounting to at least ₱15 million is conducted using the Internal Credit Risk Rating System (ICRRS). This model adheres to the technical specifications outlined in BSP MORB 143, *Credit Risk Management*. The ICRRS comprises two components, namely: a) Borrower Risk Rating (BRR), providing an evaluation of the creditworthiness of the borrower, without considering the proposed facility and security arrangements, and b) Loan Exposure Rating, offering an assessment of the proposed facilities as mitigated or enhanced by security/collateral arrangements.

For retail small and medium entities and individual non-consumer loan accounts, credit risk is evaluated through the Borrower Credit Score (BCS). In addition, the Parent Company has implemented a risk rating system designed to specifically assess Philippine universal, commercial, thrift, digital, rural, and cooperative banks as well as foreign financial institutions. Furthermore, it has introduced a Sovereign Risk Rating scorecard to gauge a country's strength, considering factors such as economic fundamentals, fiscal policy, institutional strength, and vulnerability to extreme events.

For consumer loans, the Parent Company is using Transunion (TU) credit score as the primary scorecard for assessing applications for credit cards, auto loans, housing loans, and CTS without recourse. Additionally, a secondary model complementing the TU credit score for housing loan applications has been implemented, specifically for applications with no TU footprint.

The Group regularly monitors the performance of its rating models and scorecards to ensure their continued effectiveness in the credit evaluation process. Over the years, it has partnered with reputable third-party consultants, such as Moody's Analytics, for model validation, recalibration, and knowledge transfer projects. Internally, a comprehensive review of the performance of the models is conducted, subjecting them to a range of statistical metrics, to verify the reliability and robustness of these models. The outcomes of the validation activities are reported to the Risk Oversight Committee. Any identified weaknesses in the models are addressed through targeted enhancements aimed at improving their discriminatory power and predictive accuracy. Furthermore, the models undergo independent validation, with Internal Audit acting as the primary resource for ensuring the integrity and independence of the process.

To manage model risks effectively, the Group has crafted a Model Risk Policy for Credit Risk. This policy closely aligns with the principles laid out in the "Supervisory Guidance on Model Risk Management" issued by the Office of the Comptroller of the Currency (OCC), an independent bureau of the U.S. Department of the Treasury, and satisfies the validation requirements set by the BSP for internal rating systems outlined in BSP Circular 855. The framework is designed to manage risks associated with the use of models within the organization, promoting confidence and reliability of model outputs, and supporting effective risk management practices. It serves as a guiding document to ensure models are developed, validated, implemented, and monitored in a consistent, transparent, and controlled manner. Moreover, it establishes a governance framework that clearly defines the roles, responsibilities, and accountabilities of the stakeholders involved in the model life cycle.

Concentration of Assets and Liabilities and Off-Balance Sheet Items

Concentration risk refers to the risk resulting from having a high level of exposures to a single borrower, sector, geographic region, or group of borrowers or counterparties which are legally or economically connected, or whose default probabilities depend on the same risk factors. Credit concentration risk typically arises when groups of counterparties with similar characteristics – such as belonging to the same industry, having similar sizes, operating in the same geographical location, or connected due to direct or indirect control – default or fail to meet their obligations. A highly concentrated portfolio increases the likelihood of large-scale losses if the specific area, sector, or group experiences a downturn. Without diversification, it can lead to higher volatility in the Group's earnings and capital, making its financial performance more unpredictable and the associated risk exposures harder to manage.

In order to avoid excessive concentrations of risk, the Parent Company's policies and procedures include specific guidelines focusing on maintaining a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The distribution of the Group's and Parent Company's financial instruments by geographic region as of December 31, 2025 and 2024 (in millions) follows:

	Consolidated					
	2025			2024		
	Assets*	Liabilities	Commitments**	Assets*	Liabilities	Commitments**
Geographic Region						
Philippines	₱1,698,709	₱1,506,091	₱104,866	₱1,531,076	₱1,422,634	₱58,977
Asia	11,911	58,335	5,883	20,949	28,466	5,646
Europe	8,156	3,029	1,272	38,827	23,391	1,147
United States	9,555	9,869	235	19,438	919	106
Others	75	10,960	70	18	–	63
	₱1,728,406	₱1,588,284	₱112,326	₱1,610,308	₱1,475,410	₱65,939

*Amounts are net of related allowance for credit losses

**Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued, and Standby credit commitments (Note 31)

	Parent Company					
	2025			2024		
	Assets*	Liabilities	Commitments**	Assets*	Liabilities	Commitments**
Geographic Region						
Philippines	₱1,486,840	₱1,311,427	₱102,303	₱1,345,693	₱1,252,772	₱56,644
Asia	11,911	58,335	5,883	20,949	28,466	5,646
Europe	8,156	3,029	1,272	38,827	23,391	1,147
United States	9,555	9,869	235	19,438	919	106
Others	75	10,960	70	18	—	63
	₱1,516,537	₱1,393,620	₱109,763	₱1,424,925	₱1,305,548	₱63,606

*Amounts are net of related allowance for credit losses

**Consists of Committed credit lines, Unused commercial letters of credit, Credit card lines, Outstanding guarantees issued, and Standby credit commitments (Note 31)

Information on credit concentration as to industry of financial assets (gross of unearned discount and allowance for credit losses) is presented below:

	Consolidated				
	2025				
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Commitments (Note 31)	Total
Financial intermediaries	₱133,416,953	₱435,588,814	₱87,568,004	₱3,992,463	₱660,566,234
Real estate, renting and business services	279,161,310	35,983,146	—	1,908,930	317,053,386
Electricity, gas and water	117,543,717	42,651,034	—	22,389,878	182,584,629
Transportation, storage and communication	86,881,253	3,508,859	—	7,095,826	97,485,938
Manufacturing	85,062,169	8,788,859	—	1,958,051	95,809,079
Arts, entertainment and recreation	76,164,910	34,350	—	117,952	76,317,212
Wholesale and retail trade	68,268,770	244,546	—	7,326,063	75,839,379
Accommodation and food service activities	20,924,027	2,488,343	—	3,388,980	26,801,350
Construction	12,688,911	1,035	—	8,501,793	21,191,739
Professional, scientific and technical activities	2,132,826	10,334,885	—	787,025	13,254,736
Mining and quarrying	12,503,831	9,335	—	55,118	12,568,284
Agriculture	11,848,098	—	—	335,124	12,183,222
Education	4,306,182	450,000	—	429,692	5,185,874
Public administration and defense	281,738	—	—	397,875	679,613
Others***	147,681,143	17,859,886	—	53,641,190	219,182,217
	₱1,058,865,838	₱557,943,092	₱87,568,004	₱112,325,958	₱1,816,702,892

* Includes financial assets at FVTPL, FVOCI and AC

** Includes Due from BSP, Due from other banks and Interbank loans receivables and SPURA

*** Others consist of administrative and support service, health, household, and other activities

	Consolidated				
	2024				
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Commitments (Note 31)	Total
Financial intermediaries	₱130,270,720	₱407,562,178	₱115,506,302	₱616,860	₱653,956,060
Real estate, renting and business services	242,363,048	62,107,488	—	4,371,192	308,841,728
Electricity, gas and water	104,305,696	25,531,086	—	8,495,599	138,332,381
Wholesale and retail trade	57,044,333	—	—	38,131,403	95,175,736
Arts, entertainment and recreation	81,706,197	2,638,331	—	58,455	84,402,983
Manufacturing	81,513,606	984,371	—	582,386	83,080,363
Transportation, storage and communication	67,213,834	4,507,796	—	7,228,197	78,949,827
Accommodation and food service activities	15,015,108	5,332,485	—	268,997	20,616,590
Mining and quarrying	12,416,050	—	—	1,070,989	13,487,039
Professional, scientific and technical activities	2,633,548	10,192,095	—	362,023	13,187,666
Construction	12,446,023	—	—	55,421	12,501,444
Agriculture	11,475,821	—	—	136,731	11,612,552
Education	4,054,507	450,000	—	406,571	4,911,078
Public administration and defense	205,322	—	—	236,309	441,631
Others***	110,410,287	19,180,248	—	3,917,827	133,508,362
	₱933,074,100	₱538,486,078	₱115,506,302	₱65,938,960	₱1,653,005,440

* Includes financial assets at FVTPL, FVOCI and AC

** Includes Due from BSP, Due from other banks and Interbank loans receivables and SPURA

*** Others consist of administrative and support service, health, household, and other activities

Parent Company					
2025					
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Commitments (Note 31)	Total
Financial intermediaries	₱133,379,266	₱397,146,920	₱73,275,412	₱3,991,503	₱607,793,101
Real estate, renting and business services	242,584,807	35,425,494	—	1,667,849	279,678,150
Electricity, gas and water	116,245,452	42,577,046	—	22,386,378	181,208,876
Transportation, storage and communication	85,514,119	8,788,859	—	1,929,851	96,232,829
Manufacturing	83,363,594	243,006	—	7,075,327	90,681,927
Arts, entertainment and recreation	76,142,331	—	—	117,952	76,260,283
Wholesale and retail trade	64,811,602	3,325,000	—	6,792,394	74,928,996
Accommodation and food service activities	20,370,636	2,488,343	—	3,388,980	26,247,959
Construction	11,647,981	—	—	8,434,493	20,082,474
Professional, scientific and technical activities	2,063,088	10,334,885	—	787,025	13,184,998
Mining and quarrying	12,499,820	—	—	55,118	12,554,938
Agriculture	7,411,414	—	—	193,176	7,604,590
Education	3,765,764	450,000	—	347,230	4,562,994
Public administration and defense	281,738	—	—	397,875	679,613
Others***	43,658,048	17,855,515	—	52,197,861	113,711,424
	₱903,739,660	₱518,635,068	₱73,275,412	₱109,763,012	₱1,605,413,152

* Includes financial assets at FVTPL, FVOCI and AC

** Includes Due from BSP, Due from other banks and Interbank loans receivables and SPURA

***Others consist of administrative and support service, health, household, and other activities

Parent Company					
2024					
	Loans and Receivables	Financial Investments*	Loans and Advances to Banks**	Commitments (Note 31)	Total
Financial intermediaries	₱130,068,284	₱388,052,886	₱92,801,561	₱377,830	₱611,300,561
Real estate, renting and business services	207,431,806	61,678,395	—	4,366,192	273,476,393
Electricity, gas and water	102,823,187	25,369,131	—	38,130,355	166,322,673
Manufacturing	79,463,275	984,371	—	8,329,483	88,777,129
Arts, entertainment and recreation	81,669,821	2,600,631	—	58,455	84,328,907
Transportation, storage and communication	65,969,078	4,499,332	—	7,058,149	77,526,559
Wholesale and retail trade	54,488,997	—	—	578,382	55,067,379
Accommodation and food service activities	14,435,122	5,327,142	—	268,997	20,031,261
Mining and quarrying	12,411,896	—	—	1,014,306	13,426,202
Professional, scientific and technical activities	2,553,742	10,192,095	—	354,023	13,099,860
Construction	11,792,173	—	—	55,421	11,847,594
Agriculture	7,968,860	—	—	406,571	8,375,431
Education	3,562,977	450,000	—	136,281	4,149,258
Public administration and defense	205,322	—	—	236,309	441,631
Others***	21,277,644	17,966,859	—	2,235,718	41,480,221
	₱796,122,184	₱517,120,842	₱92,801,561	₱63,606,472	₱1,469,651,059

* Includes financial assets at FVTPL, FVOCI and AC

** Includes Due from BSP, Due from other banks and Interbank loans receivables and SPURA

***Others consist of administrative and support service, health, household, and other activities

Maximum exposure to credit risk

The tables below provide the analysis of the maximum exposure to credit risk of the Group's and the Parent Company's financial instruments, excluding those where the carrying values as reflected in the balance sheets and related notes already represent the financial instrument's maximum exposure to credit risk, before and after taking into account collateral held or other credit enhancements:

Consolidated			
2025			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows:			
Loans and receivables	₱1,038,027,468	₱681,962,251	₱356,065,217
Interbank loans receivable and SPURA	12,964,006	7,364,006	5,600,000
Sales contracts receivable	1,593,558	–	1,593,558
	₱1,052,585,032	₱689,326,257	₱363,258,775

Consolidated			
2024			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows:			
Loans and receivables	₱915,229,756	₱579,917,074	₱335,312,682
Interbank loans receivable and SPURA	20,326,149	20,326,149	–
Sales contracts receivable	1,637,122	–	1,637,122
	₱937,193,027	₱600,243,223	₱336,949,804

Parent Company			
2025			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows:			
Loans and receivables	₱887,660,943	₱593,926,201	₱293,734,742
Interbank loans receivable and SPURA	7,364,006	7,364,006	–
Sales contracts receivable	150,006	–	150,006
	₱895,174,955	₱601,290,207	₱293,884,748

Parent Company			
2024			
	Gross maximum exposure	Net exposure	Financial effect of collateral or credit enhancement
Credit risk exposure relating to on-balance sheet items are as follows:			
Loans and receivables	₱782,913,377	₱502,753,982	₱280,159,395
Interbank loans receivable and SPURA	20,326,149	20,326,149	–
Sales contracts receivable	230,291	–	230,291
	₱803,469,817	₱523,080,131	₱280,389,686

For the Group, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱492.36 billion and ₱3.23 billion, respectively, as of December 31, 2025 and ₱483.22 billion and ₱3.47 billion, respectively, as of December 31, 2024.

For the Parent Company, the fair values of collateral held for loans and receivables and sales contracts receivable amounted to ₱430.03 billion and ₱0.52 billion, respectively, as of December 31, 2025 and 428.07 billion and ₱0.76 billion, respectively, as of December 31, 2024.

The fair values of the financial collaterals held for SPURA are disclosed in Note 35.

Credit risk, in respect of derivative financial products, is limited to those with positive fair values, which are included under financial assets at FVTPL (Note 9). As a result, the maximum credit risk, without taking into account the fair value of any collateral and netting agreements, is limited to the amounts on the balance sheet plus commitments to customers such as unused commercial letters of credit, outstanding guarantees and others as disclosed in Note 31.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are implemented with regards to the acceptability of types of collateral and valuation parameters.

The main types of collateral obtained are as follows:

- For securities lending and reverse repurchase transactions – cash or securities
- For consumer lending – real estate and chattel over vehicle
- For corporate lending and commercial lending – real estate, chattel over properties, assignment of deposits, shares of stocks, bonds, and guarantees

Management requests additional collateral in accordance with the underlying agreement and takes into consideration the market value of collateral during its review of the adequacy of allowance for credit losses.

It is the Group's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In most cases, the Group does not occupy repossessed properties for business use.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's balance sheet. However, the fair value of collateral affects the calculation of loss allowances. It is generally assessed, at a minimum, at inception and re-assessed on an annual basis. To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by internal or external appraisers.

Credit quality per class of financial assets

Loans and Receivables

The credit quality of financial assets is managed by the Group using an internal credit rating system for the purpose of measuring credit risk in a consistent manner as accurately as possible. The model on risk ratings is assessed regularly because the Group uses this information as a tool for business and financial decision making.

It is the Parent Company's policy to apply the appropriate risk rating model across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions, and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Parent Company's rating policy. The attributable risk ratings are assessed and monitored regularly.

The rating categories are further described below, where the overall credit scores are translated into the BRR, which is a 14-notch rating system.

High Grade

This includes all borrowers whose ratings are considered as Low Risk, indicating a very low probability of going into default in the coming year. In terms of borrower credit ratings, these include the following:

ICRRS and BCS-Covered

- BRR 1 (Exceptional)
- BRR 2 (Excellent)
- BRR 3 (Strong)
- BRR 4 (Good)

Generally, a Low Risk (High Grade) rating is indicative of a high capacity to fulfill its debt obligations supported by robust financials (i.e., highly profitable, with returns considerably higher than the industry, sufficient liquidity, adequate cash flow, elevated capacities to service its liabilities), gainful positioning in growing industries (i.e., participation in industries where conditions are very favorable and in which they are able to get a good share of the market), and very strong leadership providing clear strategic direction, effective business strategies, clear organizational structure, clear succession plan, and/or good labor relations.

Standard Grade

This includes all borrowers whose ratings are considered as Moderate Risk and are seen to withstand typical swings in the economic cycle without going into default. However, any prolonged unfavorable economic period would create deterioration that may already be beyond acceptable levels. In terms of borrower credit ratings, these include the following:

ICRRS and BCS-Covered

- BRR 5 (Satisfactory)
- BRR 6 (Acceptable)
- BRR 7 (Fair)

Generally, a Moderate Risk (Standard Grade) rating signifies a borrower whose financial performance is sufficient to service obligations and is at par with competitors in the industry. In terms of management, it is run by executives with adequate personal and professional qualifications, along with and sufficient experience in similar companies, supported by a sound management structure and reasonable business strategies. In terms of growth potential, it operates in an industry with stable outlook, supportive of continuing operations.

Sub-Standard Grade

In terms of borrower credit ratings, this includes the following:

Unclassified (ICRRS and BCS-Covered)

- BRR 8 (Watchlist)
- BRR 9 (Speculative)
- BRR 10 (Highly Speculative)

Adversely Classified (ICRRS and BCS-Covered)

- BRR 11 (Especially Mentioned)
- BRR 12 (Substandard)

For accounts that are Unclassified, a High Risk (Sub-Standard Grade) rating is indicative of borrowers where there are unfavorable industry or company-specific factors. This may be financial in nature (i.e., marginal operating performance, returns that are lower than those of the industry, and/or diminished capacity to pay off obligations that are due), related to management quality (including negative information regarding the company or specific executives) and/or unfavorable industry conditions. The borrower might find it difficult to cope with any significant economic downturn and a default in such a case is more than a possibility. These accounts require a closer monitoring for any signs of further deterioration that can trigger review for possible downgrade to adverse classification.

Adversely Classified accounts are automatically considered as High Risk and generally includes past due accounts. However, in some cases, even accounts that are neither past due nor impaired qualifies for adverse classification. Reasons for this include among others the following: consecutive net losses, emerging weaknesses in terms of cash flow, negative equity, and/or breach in the covenants per term loan agreement.

Impaired

This includes borrowers that are Adversely Classified (refer to the description in the preceding paragraph) and whose ratings are either BRR 13 (Doubtful) or BRR 14 (Loss), which generally pertain to accounts in default or those demonstrating objective evidence of impairment. In addition, this includes accounts which are considered impaired or stage 3 under the applicable accounting standards, regardless of the risk rating or past due status.

For the Parent Company's consumer lending exposures rated using the ICRRS and BCS models, the BRR classification described in the preceding paragraphs serves as the basis for determining credit quality. In contrast, for consumer lending exposures assessed via the application scorecard, credit quality is determined by considering factors such as account status and ECL stage classification, which adheres to the BSP credit classification rules for collectively assessed loans. Exposures classified as stage 3 for ECL purposes are categorized as Impaired, while those classified as stage 2 are categorized as Sub-Standard Grade. Accounts that are neither stage 2 nor stage 3 are categorized as Standard Grade. For the Group, the consumer loans of CBSI covered by application scorecard with score ranks of 1-4, and which are Current and Unclassified, are classified as High Grade while the remaining consumer loans are classified consistent with the Parent Company's.

The financial assets are also grouped according to stage whose description is explained as follows:

Stage 1 – those that are considered current and up to 30 days past due, and based on change in rating, delinquencies and payment history, do not demonstrate significant increase in credit risk.

Stage 2 – those that, based on change in rating, delinquencies and payment history, demonstrate significant increase in credit risk, and/or are considered more than 30 days past due but does not demonstrate objective evidence of impairment as of reporting date.

Stage 3 – those that are considered in default or demonstrate objective evidence of impairment as of reporting date.

The following tables illustrate the Group's and the Parent Company's credit exposures (amounts in millions):

Consolidated	2025			
	ECL Staging			Total
Corporate and commercial lending	Stage 1	Stage 2	Stage 3	
Neither past due nor impaired				
High grade	₱59,001	₱2,880	₱—	₱61,881
Standard grade	522,960	2,955	—	525,915
Sub-Standard	169,266	30,573	—	199,839
Unrated	574	38	—	612
Past due but not impaired	—	453	—	453
Impaired	—	—	10,300	10,300
Gross carrying amount	₱751,801	₱36,899	₱10,300	₱799,000

Consolidated	2025			
	ECL Staging			Total
Consumer Lending	Stage 1	Stage 2	Stage 3	
Neither past due nor impaired				
High grade	₱36,827	₱—	₱—	₱36,827
Standard grade	185,203	468	—	185,671
Sub-Standard	4,114	7,067	—	11,181
Unrated	1,221	1,747	—	2,968
Past due but not impaired	—	5,240	—	5,240
Impaired	—	—	7,104	7,104
Gross carrying amount	₱227,365	₱14,522	₱7,104	₱248,991

Consolidated		2025		
Trade-related Lending	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Neither past due nor impaired				
High grade	₱30	₱—	₱—	₱30
Standard grade	6,340	—	—	6,340
Sub-Standard	3,778	516	—	4,294
Unrated	—	—	—	—
Past due but not impaired	—	44	—	44
Impaired	—	—	25	25
Gross carrying amount	₱10,148	₱560	₱25	₱10,733

Consolidated		2025		
Others	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Neither past due nor impaired				
High grade	₱87	₱—	₱—	₱87
Standard grade	9	—	—	9
Sub-Standard	—	5	—	5
Unrated	30	—	—	30
Past due but not impaired	—	6	—	6
Impaired	—	—	5	5
Gross carrying amount	₱126	₱11	₱5	₱142

Consolidated		2025		
Loans and receivables – total	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Neither past due nor impaired				
High grade	₱95,945	₱2,880	₱—	₱98,825
Standard grade	714,512	3,423	—	717,935
Sub-Standard	177,158	38,161	—	215,319
Unrated	1,825	1,785	—	3,610
Past due but not impaired	—	5,743	—	5,743
Impaired	—	—	17,434	17,434
Gross carrying amount	₱989,440	₱51,992	₱17,434	₱1,058,866

Consolidated		2024		
Corporate and commercial lending	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Neither past due nor impaired				
High grade	₱56,829	₱89	₱—	₱56,918
Standard grade	416,456	3,125	—	419,581
Sub-Standard	178,236	43,905	—	222,141
Unrated	367	41	—	408
Past due but not impaired	—	469	—	469
Impaired	—	—	9,671	9,671
Gross carrying amount	₱651,888	₱47,629	₱9,671	₱709,188

Consolidated		2024		
Consumer Lending	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Neither past due nor impaired				
High grade	₱33,573	₱—	₱—	₱33,573
Standard grade	156,093	337	—	156,430
Sub-Standard	10,381	668	—	11,049
Unrated	779	1,648	—	2,427
Past due but not impaired	—	3,100	—	3,100
Impaired	—	—	5,864	5,864
Gross carrying amount	₱200,826	₱5,753	₱5,864	₱212,443

Consolidated	2024			
	ECL Staging			
Trade-related Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	P320	P—	P—	P320
Standard grade	5,378	—	—	5,378
Sub-Standard	5,452	105	—	5,557
Unrated	—	—	—	—
Past due but not impaired	—	3	—	3
Impaired	—	—	—	—
Gross carrying amount	P11,150	P108	P—	P11,258

Consolidated	2024			
	ECL Staging			
Others	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	P133	P—	P—	P133
Standard grade	27	—	—	27
Sub-Standard	—	1	—	1
Unrated	20	—	—	20
Past due but not impaired	—	1	—	1
Impaired	—	—	3	3
Gross carrying amount	P180	P2	P3	P185

Consolidated	2024			
	ECL Staging			
Loans and receivables – total	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	P90,855	P89	P—	P90,944
Standard grade	577,954	3,462	—	581,416
Sub-Standard	194,069	44,679	—	238,748
Unrated	1,166	1,689	—	2,855
Past due but not impaired	—	3,573	—	3,573
Impaired	—	—	15,538	15,538
Gross carrying amount	P864,044	P53,492	P15,538	P933,074

Parent Company	2025			
	ECL Staging			
Corporate and commercial lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	P57,892	P2,880	P—	P60,772
Standard grade	510,459	2,955	—	513,414
Sub-Standard	169,267	28,130	—	197,397
Unrated	574	38	—	612
Past due but not impaired	—	101	—	101
Impaired	—	—	9,281	9,281
Gross carrying amount	P738,192	P34,104	P9,281	P781,577

Parent Company	2025			
	ECL Staging			
Consumer Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	P169	P—	P—	P169
Standard grade	92,184	468	—	92,652
Sub-Standard	4,114	7,067	—	11,181
Unrated	1,221	1,747	—	2,968
Past due but not impaired	—	1,024	—	1,024
Impaired	—	—	3,744	3,744
Gross carrying amount	P97,688	P10,306	P3,744	P111,738

Parent Company		2025		
		ECL Staging		
Trade-related Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱25	₱—	₱—	₱25
Standard grade	6,005	—	—	6,005
Sub-Standard	3,778	516	—	4,294
Unrated	—	—	—	—
Past due but not impaired	—	44	—	44
Impaired	—	—	25	25
Gross carrying amount	₱9,808	₱560	₱25	₱10,393

Parent Company		2025		
		ECL Staging		
Others	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱—	₱—	₱—	₱—
Standard grade	—	—	—	—
Sub-Standard	—	—	—	—
Unrated	30	—	—	30
Past due but not impaired	—	—	—	—
Impaired	—	—	1	1
Gross carrying amount	₱30	₱—	₱1	₱31

Parent Company		2025		
		ECL Staging		
Loans and receivables – total	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱58,086	₱2,880	₱—	₱60,966
Standard grade	608,648	3,423	—	612,071
Sub-Standard	177,159	35,713	—	212,872
Unrated	1,825	1,785	—	3,610
Past due but not impaired	—	1,169	—	1,169
Impaired	—	—	13,051	13,051
Gross carrying amount	₱845,718	₱44,970	₱13,051	₱903,739

Parent Company		2024		
		ECL Staging		
Corporate and commercial lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱56,063	₱88	₱—	₱56,151
Standard grade	406,184	3,125	—	409,309
Sub-Standard	178,236	42,835	—	221,071
Unrated	366	41	—	407
Past due but not impaired	—	164	—	164
Impaired	—	—	7,539	7,539
Gross carrying amount	₱640,849	₱46,253	₱7,539	₱694,641

Parent Company		2024		
		ECL Staging		
Consumer Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱114	₱—	₱—	₱114
Standard grade	72,757	337	—	73,094
Sub-Standard	10,381	668	—	11,049
Unrated	779	1,648	—	2,427
Past due but not impaired	—	549	—	549
Impaired	—	—	3,322	3,322
Gross carrying amount	₱84,031	₱3,202	₱3,322	₱90,555

Parent Company	2024			
	ECL Staging			
Trade-related Lending	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱320	₱—	₱—	₱320
Standard grade	5,026	—	—	5,026
Sub-Standard	5,452	105	—	5,557
Unrated	—	—	—	—
Past due but not impaired	—	3	—	3
Impaired	—	—	—	—
Gross carrying amount	₱10,798	₱108	₱—	₱10,906

Parent Company	2024			
	ECL Staging			
Others	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱—	₱—	₱—	₱—
Standard grade	—	—	—	—
Sub-Standard	—	—	—	—
Unrated	20	—	—	20
Past due but not impaired	—	—	—	—
Impaired	—	—	—	—
Gross carrying amount	₱20	₱—	₱—	₱20

Parent Company	2024			
	ECL Staging			
Loans and receivables – total	Stage 1	Stage 2	Stage 3	Total
Neither past due nor impaired				
High grade	₱56,497	₱88	₱—	₱56,585
Standard grade	483,967	3,462	—	487,429
Sub-Standard	194,069	43,608	—	237,677
Unrated	1,165	1,689	—	2,854
Past due but not impaired	—	716	—	716
Impaired	—	—	10,861	10,861
Gross carrying amount	₱735,698	₱49,563	₱10,861	₱796,122

Depository accounts with the BSP and counterparty banks, Trading and Investment Securities

For these financial assets, the outstanding exposure is rated primarily based on credit ratings from internationally recognized external credit rating agencies, accessed through the Group's Bloomberg terminal or other publicly available sources. In cases where such external ratings are unavailable, the exposures are rated using credit rating risk grades from PhilRatings. Additionally, Philippine Peso (PHP)-denominated exposures to the Philippine National Government and the Bangko Sentral ng Pilipinas are automatically classified as High Grade, in line with the treatment in the Capital Adequacy Ratio (CAR) Report, where these exposures are assigned a 0% risk weight.

For counterparties without an external rating, the credit quality is assessed using the Group's internal risk rating system. Exposures with neither external nor internal ratings are categorized as "Unrated."

The external risk rating of the Group's depository accounts with the BSP and counterparty banks, and trading and investment securities, is grouped as follows:

Credit Quality Rating	Credit Rating Agency		
	Moody's	S&P	Fitch
High Grade	Aaa Aa1/Aa2/Aa3	AAA AA+/AA /AA-	AAA AA+/AA /AA-
Standard Grade	A1/A2/A3 Baa1/Baa2/Baa3	A+/A/A- BBB+/BBB/BBB-	A+/A/A- BBB+/BBB/BBB-
Substandard Grade	Ba1/Ba2/Ba3 B1/B2/B3 Caa1/Caa2/Caa3	BB+/BB/BB- B+/B/B- CCC+/CCC /CCC- CC	BB+/BB/BB- B+/B/B- CCC+/CCC /CCC- CC
Impaired	Ca/C	C/D	C/RD/D

Rating Description

High Grade

AAA – An obligor has exceptionally strong capacity for payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events. This denotes the lowest expectation of default risk.

AA – An obligor has very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. It differs from the highest-rated obligors at a minimal degree. This denotes expectation of very low default risk.

Standard Grade

A – An obligor has strong capacity for payment of financial commitments. It is more likely to fulfill its debt obligations but carries a slightly higher risk compared to higher ratings. Its capacity may be more vulnerable to adverse business or economic conditions than obligors in higher ratings. This denotes expectation of low default risk.

BBB – An obligor has adequate capacity for payment of financial commitments, but adverse business or economic conditions are more likely to impair this capacity.

Sub-Standard Grade

BB – An obligor exhibits elevated vulnerability to default risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments.

B – An obligor has the capacity to meet its current financial commitments; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment. This indicates that material default risk is present, but a limited margin of safety remains.

CCC – An obligor is currently vulnerable and its capacity to meet its financial commitments relies on favorable business, financial and economic conditions. This indicates that default is a real possibility with very low margin for safety.

CC – An obligor is highly vulnerable to defaulting on its debt obligations. Although default has not yet occurred, it is anticipated and considered probable (or extremely likely to happen). This denotes expectation of greater likelihood of default risk.

Impaired

C – An obligor has started experiencing default or is at high risk of facing nonpayment and is nearing default, with little prospect for recovery of principal and interest.

RD (Restrictive Default) – An obligor is experiencing financial difficulties and has failed to meet some of its debt payments, but has also taken certain actions to prevent a more severe default situation. It has not entered into bankruptcy filings, administration, receivership, liquidation, or other formal winding-up procedure, and has not otherwise ceased operating. This signifies an elevated level of risk and uncertainty related to the obligor's ability to fulfill its financial commitments.

D (Default) – An obligor is experiencing financial distress and has defaulted on its debt, which means that it has failed to make timely payments or has not fulfilled its financial commitments as agreed upon. It has entered into bankruptcy filings, administration, receivership, liquidation or other formal winding-up procedure or that has otherwise ceased business and debt is still outstanding.

For PHP-denominated securities that are not rated by S&P, Moody's, or Fitch, but have an external rating from PhilRatings, the following credit quality classification applies.

Credit Quality Rating	External Credit Risk Rating
High Grade	PRSAaa, PRSAa+, PRSAa, PRSAa–
Standard Grade	PRSA+, PRSA, PRSA–, PRSBaa+, PRSBaa, PRSBaa–
Sub-Standard Grade	PRSBa+, PRSBa, PRSBa–, PRSB+, PRSB, PRSB–, PRSCaa+, PRSCaa, PRSCaa–, PRSCa+, PRSCa, PRSCa–, PRSC
Impaired	

Rating Description

High Grade

PRSAaa – Obligations are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is Extremely Strong. It is the highest rating assigned by PhilRatings.

PRSAa – Obligations are of high quality and are subject to very low credit risk. The obligor's capacity to meet its financial commitment on the obligation is Very Strong.

Standard Grade

PRSA – With favorable investment attributes and are considered as upper-medium grade obligations. Although obligations are somewhat more susceptible to the adverse effects of changes in economic conditions, the obligor's capacity to meet its financial commitments on the obligation is still Strong.

PRSBaa – An obligation exhibits adequate protection parameters. Adverse economic conditions and changing circumstances are more likely to lead to a weakened capacity of the company to meet its financial commitments on the obligation. Issues may possess certain speculative characteristics.

Sub-Standard Grade

PRSBa – An obligation is less vulnerable to nonpayment than other speculative issues. However, it faces ongoing uncertainties or exposure to adverse business, financial or economic conditions, which could lead to the company's inadequate capacity to meet its financial commitment on the obligation.

PRSB – An obligation is more vulnerable to nonpayment than obligations rated ‘PRS Ba’, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse economic conditions will likely impair the obligor’s capacity to meet its financial commitment on the obligation. The issue is characterized by high credit risk.

PRSCaa – An obligation is presently vulnerable to nonpayment and is dependent upon favorable business, financial and economic conditions for the obligor to meet its financial commitments on the obligation. In the event of adverse economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation. The issue is considered to be of poor standing and is subject to very high credit risk.

PRSCa – An obligation is presently highly vulnerable to nonpayment. Likely already in and very near default with some prospect for partial recovery of principal or interest.

Impaired

PRSC – An obligation is already in default with very little prospect for any recovery of principal or interest. ‘PRS C’ is the lowest rating assigned by PhilRatings.

For counterparty banks with no external rating but rated under the Bank’ Camelot Rating System, the following grouping was applied:

Credit Quality Rating	Camelot Rating
High Grade	A1, A2, A3, B1, B2, B3
Standard Grade	C1, C2, C3, C4
Sub-Standard Grade	D1, D2, D3, D4, E1, E2
Impaired	E3, E4

Rating Description

High Grade

A – Exceptional Bank with strong business franchise, financials and prospects

B – Bank with good fundamentals; some minor weaknesses may exist but should be resolved in due course

Standard Grade

C – Bank with adequate fundamentals; some aspects raise concerns that prevent it from achieving a higher rating

Sub-Standard Grade

D – Bank with weaknesses; capability / ability to resolve such weaknesses is put into question

Impaired

E – Bank with very serious problems / negative fundamentals

For corporate issuers with no external rating but are rated under the Bank’s ICRRS, the grouping used for corporate borrowers will apply.

The succeeding tables show the credit exposures of the Group and the Parent Company related to these financial assets (amounts in millions):

Consolidated	2025				2024			
	ECL Staging				ECL Staging			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Investment securities at amortized cost								
Neither past due nor impaired								
High grade	₱252,904	₱13,503	₱—	₱266,407	₱268,488	₱—	₱—	₱268,488
Standard grade	113,932	—	—	113,932	118,472	1,505	—	119,977
Sub-Standard	294	—	—	294	4,281	—	—	4,281
Unrated	—	—	—	—	—	—	—	—
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	—	—	—	—	—	—
Gross carrying amount	₱367,130	₱13,503	₱—	₱380,633	₱391,241	₱1,505	₱—	₱392,746

Consolidated	2025				2024			
	ECL Staging				ECL Staging			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets at FVOCI (debt securities)								
Neither past due nor impaired								
High grade	₱117,688	₱552	₱—	₱118,240	₱96,471	₱—	₱—	₱96,471
Standard grade	38,560	—	—	38,560	32,496	—	—	32,496
Sub-Standard	—	—	—	—	568	—	—	568
Unrated	—	—	—	—	—	—	—	—
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	—	—	—	—	—	—
Gross carrying amount	₱156,248	₱552	₱—	₱156,800	₱129,535	₱—	₱—	₱129,535

Parent Company	2025				2024			
	ECL Staging				ECL Staging			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Investment securities at amortized cost								
Neither past due nor impaired								
High grade	₱244,352	₱13,503	₱—	₱257,855	₱261,213	₱—	₱—	₱261,213
Standard grade	113,608	—	—	113,608	118,144	1,505	—	119,649
Sub-Standard	294	—	—	294	4,281	—	—	4,281
Unrated	—	—	—	—	—	—	—	—
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	—	—	—	—	—	—
Gross carrying amount	₱358,254	₱13,503	₱—	₱371,757	₱383,638	₱1,505	₱—	₱385,143

Parent Company	2025				2024			
	ECL Staging				ECL Staging			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Financial assets at FVOCI (debt securities)								
Neither past due nor impaired								
High grade	₱97,130	₱552	₱—	₱97,682	₱85,399	₱—	₱—	₱85,399
Standard grade	29,822	—	—	29,822	31,307	—	—	31,307
Sub-Standard	—	—	—	—	568	—	—	568
Unrated	—	—	—	—	—	—	—	—
Past due but not impaired	—	—	—	—	—	—	—	—
Impaired	—	—	—	—	—	—	—	—
Gross carrying amount	₱126,952	₱552	₱—	₱127,504	₱117,274	₱—	₱—	₱117,274

Consolidated	2025				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP*	₱62,123	₱—	₱—	₱—	₱62,123
Due from other banks*	4,318	8,152	—	11	12,481
Interbank loans receivable and SPURA*	7,364	5,600	—	—	12,964
Financial assets at FVTPL	6,428	1,574	190	—	8,192
	₱80,233	₱15,326	₱190	₱11	₱95,760

* These financial assets are classified as Stage 1.

Parent Company	2025				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP*	P55,881	P–	P–	P–	P55,881
Due from other banks*	3,533	6,498	–	–	10,031
Interbank loans receivable and SPURA*	7,364	–	–	–	7,364
Financial assets at FVTPL	5,845	1,523	190	–	7,558
	P72,623	P8,021	P190	P–	P80,834

*These financial assets are classified as Stage 1.

Consolidated	2024				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP*	P82,640	P–	P–	P–	P82,640
Due from other banks*	1,691	10,840	–	9	12,540
Interbank loans receivable and SPURA*	9,468	10,858	–	–	20,326
Financial assets at FVTPL	9,393	1,418	492	–	11,303
	P103,192	P23,116	P492	P9	P126,809

*These financial assets are classified as Stage 1.

Parent Company	2024				
	High Grade	Standard Grade	Sub-Standard Grade	Unrated	Total
Due from BSP*	P61,110	P–	P–	P–	P 61,110
Due from other banks*	1,159	10,207	–	–	11,366
Interbank loans receivable and SPURA*	9,467	10,859	–	–	20,326
Financial assets at FVTPL	8,443	1,317	492	–	10,252
	P80,179	P22,383	P492	P–	P103,054

*These financial assets are classified as Stage 1.

Restructured Loans

The following table presents the carrying amount of restructured loans (gross of allowance for impairment and credit losses) of the Group and Parent Company as of December 31, 2025 and 2024:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Loans and advances to customers				
Corporate and commercial lending	11,996,859	P18,633,032	10,921,608	P17,632,573
Consumer lending	377,235	836,401	334,567	788,529
Total restructured loans	12,374,094	P19,469,433	11,256,175	P18,421,102

Impairment Assessment

The Group recognizes a credit loss allowance on a financial asset based on whether it has had a significant increase in credit risk since initial recognition. Accordingly, the Group categorizes its financial assets into three categories: stage 1 – financial asset that has not had a significant increase in credit risk; stage 2 – financial asset that has had a significant increase in credit risk; and stage 3 – financial asset in default.

Generally, the Group assesses the presence of a significant increase in credit risk based on the number of notches that a financial asset's credit risk rating has declined since origination. When applicable, the Group also applies a rebuttable presumption that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due. In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a SICR since initial recognition, the Group shall revert it to stage 1.

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit impaired, when (a) the borrower becomes at least 90 days past due on its contractual payments (unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate), (b) it is classified as doubtful or loss under prudential reporting;

(c) it is in litigation; and/or (d) full repayment of principal and interest is unlikely without foreclosure of collateral, if any. As a part of a qualitative assessment of whether a customer is in default, the Group also considers a variety of instances or loss events that may indicate unlikelihood to pay. When such events occur, the Group carefully considers whether the event should result in treating the customer as defaulted. An instrument is considered to be no longer in default (i.e., to have cured) when it no longer meets any of the default criteria for a consecutive period of 180 days (i.e., consecutive payments from the borrowers for 180 days).

The Group then measures the credit loss allowance on a financial instrument at an amount equal to 12-month expected credit losses for items categorized as stage 1 and lifetime credit losses for items categorized as stage 2 and stage 3.

The Group modeled the following inputs to the expected credit loss formula separately. The formula is applied to each financial asset, with certain exceptions wherein a collective or other general approach is applied:

Exposure at Default (EAD)

The Group defines EAD as the principal and interests that would not be collected assuming the borrower defaults during a future point in time. The Group computes for a financial asset's EAD using the expected contractual cash flows during the contractual life of the financial instrument. A financial asset's EAD is defined as the sum of EAD from principal and EAD from interest.

Probability of default (PD)

The Group uses forward-looking PD estimates that are unbiased and probability-weighted using a range of possible outcomes. The PD for each individual instrument is modelled based on historical data and is estimated based on current market conditions and reasonable and supportable information about future economic conditions. The Group segmented its credit exposures based on homogenous risk characteristics and developed a corresponding PD methodology for each portfolio. The PD methodology for each relevant portfolio is determined based on the underlying nature or characteristic of the portfolio, behavior of the accounts, and materiality of the segment as compared to the total portfolio. The Group's PDs are mainly categorized into three: (a) corporate; (b) sovereign; and (c) retail.

Loss given default (LGD)

The Group's LGD model considers certain factors such as the historical cash flow recovery and reasonable and supportable information about future economic conditions, where appropriate. Generally, the model utilizes the Group's existing loan exposure rating system which is designed to capture these factors as well as the characteristics of collaterals related to an exposure. In cases wherein this does not apply, the Group looks into the standard characteristics of collaterals (e.g., auto and housing loans) in order to estimate an LGD factor. In the case of exposures without collaterals (e.g., securities), the Group uses internationally-accepted standard LGD factors.

Credit Review

In accordance with BSP Circular 855, credit reviews are conducted on loan accounts to evaluate whether loans are granted in accordance with the Parent Company's policies and to assess loan quality and appropriateness of classification. Results of credit reviews are promptly reported to management to apprise them of any significant findings for proper corrective actions.

Market Risk

Market risk is the risk of loss that may result from changes in the value of a financial product. The Parent Company's market risk originates from its holdings of domestic and foreign-denominated debt securities, foreign exchange instruments, equities, foreign exchange derivatives, and interest rate derivatives.

The RMG of the Parent Company is responsible for assisting the ROC with its responsibility for identifying, measuring, managing, and controlling market risk. Market risk management measures the Parent Company market risk exposures through the use of VaR. VaR is a statistical measure that estimates the maximum potential loss from a portfolio over a holding period, within a given confidence level.

VaR assumptions

The Parent Company calculates the VaR in trading activities. The Parent Company uses the Historical Simulation Full Valuation approach to measure VaR for all treasury traded instruments, using a 99.00% confidence level and a 1-day holding period.

The use of a 99.00% confidence level means that, within a one day horizon, losses exceeding the VaR figure should occur, on average, not more than once every hundred days. The validity of the VaR model is verified through back testing, which examines how frequently actual and hypothetical daily losses exceeds daily VaR. The Parent Company measures and monitors the VaR and profit and loss on a daily basis.

Since VaR is an integral part of the Parent Company's market risk management, VaR limits have been established for all trading positions and exposures are reviewed daily against the limits by management. Further, stress testing is performed for monitoring extreme events.

Limitations of the VaR Methodology

The VaR models are designed to measure market risk in a normal market environment using equally weighted historical data. The use of VaR has limitations because it is based on historical correlations and volatilities in market prices and assumes that future price movements will follow the same distribution. Due to the fact that VaR relies heavily on historical data to provide information and may not clearly predict the future changes and modifications of the risk factors, the probability of large market moves may be underestimated if changes in risk factors fail to align with the assumptions. VaR may also be under- or over-estimated due to the assumptions placed on risk factors and the relationship between such factors for specific instruments. Even though positions may change throughout the day, the VaR only represents the risk of the portfolios at the close of each business day, and it does not account for any losses that may occur beyond the 99.00% confidence level.

In practice, the actual trading results will differ from the VaR calculation and, in particular, the calculation does not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored regularly to test the validity of the assumptions and the parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Group would withstand an extreme market event.

A summary of the VaR position of the trading portfolio of the Parent Company is as follows (in millions):

	Interest Rate ¹	Foreign Exchange ²	Interest Rate ³	Interest Rate ⁵
2025				
31 December	₱9.66	₱9.42	₱7.02	₱1.87
Average daily	46.15	28.50	11.31	6.03
Highest	160.13	153.16	25.96	13.67
Lowest	5.97	5.61	1.72	1.79
2024				
31 December	₱60.69	₱28.15	₱11.18	₱13.75
Average daily	92.01	30.98	14.80	1.99
Highest	188.07	110.61	31.55	14.21
Lowest	24.68	3.77	5.03	0.06

¹ Interest rate VaR for debt securities including futures (Interest rate VaR for foreign currency denominated debt securities are translated to PHP using daily closing rate)

² FX VaR is the bankwide foreign exchange risk

³ Interest rate VaR for FX swaps and FX forwards

⁴ Interest rate VaR for IRS

Interest Rate Risk

The Group's interest rate risk originates from its holdings of interest rate sensitive assets and interest rate sensitive liabilities. The Parent Company follows prudent policies in managing its exposures to interest rate fluctuations, and constantly monitors and discusses its exposure in Asset and Liability Committee (ALCO) meetings held every week.

As of December 31, 2025 and 2024, 66.27% and 62.41% of the Group's total loan portfolio, respectively, comprise of floating rate loans which are repriced periodically by reference to the transfer pool rate which reflects the Group's internal cost of funds. As of December 31, 2025 and 2024, 72.96% and 68.12% of the Parent Company's total loan portfolio, respectively, were subject to interest repricing. In keeping with banking industry practice, the Group aims to achieve stability and lengthen the term structure of its deposit base, while providing adequate liquidity to cover transactional banking requirements of customers.

Savings account interest rates are set by reference to prevailing market rates, while interest rates on time deposits and special savings accounts are usually priced by reference to prevailing rates of short-term government bonds and other money market instruments or, in the case of foreign currency deposits, inter-bank deposit rates and other benchmark deposit rates in international money markets with similar maturities.

The Group is likewise exposed to fair value interest rate risk due to its holdings of fixed rate government bonds as part of its financial assets at FVOCI and FVTPL portfolios. Market values of these investments are sensitive to fluctuations in interest rates. The following table provides for the average effective interest rates of the Group and of the Parent Company as of December 31, 2025 and 2024:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Peso				
Assets				
Due from BSP	1.87%	1.22%	0.78%	0.48%
Due from banks	0.07%	0.08%	0.04%	0.04%
Interbank loans receivable and SPURA	4.02%	4.26%	4.02%	4.26%
Investment securities*	5.79%	5.76%	5.81%	5.74%

	Consolidated		Parent Company	
	2025	2024	2025	2024
Loans and receivables	7.61%	7.63%	7.08%	7.16%
Liabilities				
Deposit liabilities	2.51%	2.53%	2.10%	2.17%
Bills payable	5.65%	7.50%	5.65%	7.50%
USD				
Assets				
Due from banks	3.24%	1.70%	3.39%	1.66%
Interbank loans receivable and SPURA	4.43%	5.21%	4.43%	5.21%
Investment securities*	4.44%	4.36%	4.46%	4.38%
Loans and receivables	6.06%	5.42%	6.06%	5.42%
Liabilities				
Deposit liabilities	0.97%	1.17%	0.97%	1.17%
Bills payable	4.71%	3.99%	4.71%	3.99%

* Consists of financial assets at FVTPL, Financial assets at FVOCI, and Investment securities at amortized cost

The repricing gap analysis method is used by the Group to measure the sensitivity of its assets and liabilities to interest rate fluctuations. This analysis measures the Group's susceptibility to changes in interest rates. The repricing gap is calculated by first distributing the assets and liabilities contained in the Group's balance sheet into tenor buckets according to the time remaining to the next repricing date (or the time remaining to maturity if there is no repricing), and then obtaining the difference between the total of the repricing (interest rate sensitive) assets and the total of repricing (interest rate sensitive) liabilities.

A gap is considered negative when the amount of interest rate sensitive liabilities exceeds the amount of interest rate sensitive assets. A gap is considered positive when the amount of interest rate sensitive assets exceeds the amount of interest rate sensitive liabilities.

Accordingly, during a period of rising interest rates, a bank with a positive gap would be in a position to invest in higher yielding assets earlier than it would need to refinance its interest rate sensitive liabilities. During a period of falling interest rates, a bank with a positive gap would tend to see its interest rate sensitive assets repricing earlier than its interest rate sensitive liabilities, restraining the growth of its net income or resulting in a decline in net interest income.

The following tables set forth the repricing gap position of the Group and the Parent Company as of December 31, 2025 and 2024 (in millions):

	Consolidated							
	2025				2024			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP (Note 7)	₱61,420	₱—	₱703	₱62,123	₱80,828	₱—	₱1,812	₱82,640
Due from other banks (Note 7)	12,481	—	—	12,481	12,540	—	—	12,540
Interbank loans receivable and SPURA (Note 8)	12,964	—	—	12,964	20,326	—	—	20,326
Investment securities (Note 9)	27,146	64,017	471,015	562,178	30,668	33,180	478,846	542,694
Loans and receivables (Note 10)	377,742	320,117	340,168	1,038,027	355,548	245,920	313,762	915,230
Total financial assets	491,753	384,134	811,886	1,687,773	499,910	279,100	794,420	1,573,430
Financial Liabilities								
Deposit liabilities	640,886	98,157	705,554	1,444,597	577,992	146,171	606,983	1,331,147
Bills payable (Note 19)	27,083	32,817	58,884	118,784	65,181	46,662	290	112,133
Total financial liabilities	667,969	130,974	764,438	1,563,381	643,173	192,833	607,274	1,443,280
Hedge Receive	360,491	23,779	—	384,270	284,228	69,850	985	355,063
Hedge Pay	322,786	59,222	—	382,008	252,875	73,033	35,777	361,685
Repricing gap	(₱138,511)	₱217,717	₱47,448	₱126,654	(₱111,910)	₱83,084	₱152,356	₱123,528

	Parent							
	2025				2024			
	Up to 3 Months	>3 to 12 Months	>12 Months	Total	Up to 3 Months	>3 to 12 Months	>12 Months	Total
Financial Assets								
Due from BSP (Note 7)	₱55,881	₱–	₱–	₱55,881	₱61,110	₱–	₱–	₱61,110
Due from other banks (Note 7)	10,031	–	–	10,031	11,366	–	–	11,366
Interbank loans receivable and SPURA (Note 8)	7,364	–	–	7,364	20,326	–	–	20,326
Investment securities (Note 9)	17,150	52,961	452,764	522,875	26,987	27,628	466,727	521,342
Loans and receivables (Note 10)	366,323	219,800	301,538	887,661	347,783	168,178	266,952	782,913
Total financial assets	456,749	272,761	754,302	1,483,812	467,572	195,806	733,679	1,397,057
Financial Liabilities								
Deposit liabilities	571,978	39,927	642,247	1,254,152	₱526,057	₱92,514	₱547,157	₱1,165,728
Bills payable (Note 19)	27,083	32,817	58,884	118,784	65,181	46,662	290	112,133
Total financial liabilities	599,061	72,744	701,131	1,372,936	591,238	139,176	547,447	1,277,861
Hedge Receive	360,491	23,779	–	384,270	284,228	69,850	985	355,063
Hedge Pay	322,786	59,222	–	382,008	252,875	73,033	35,777	361,685
Repricing gap	(₱104,607)	₱164,574	₱53,171	₱113,138	(₱92,313)	₱53,447	₱151,440	₱112,574

The Group monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its interest income. This is done by modeling the impact to the Group's interest income and interest expenses to parallel changes in the interest rate curve in a given 12-month period. Interest rate risk exposure is managed through approved limits.

The following tables set forth the estimated change in the Group's and the Parent Company's annualized net interest income due to a parallel change in the interest rate curve as of December 31, 2025 and 2024 (in millions):

	Consolidated			
	2025			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱256	₱128	(₱128)	(₱256)
As a percentage of the Group's net interest income for the year ended December 31, 2025	0.35%	0.18%	(0.18%)	(0.35%)
	Consolidated			
	2024			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	(₱497)	(₱248)	₱248	₱497
As a percentage of the Group's net interest income for the year ended December 31, 2024	(0.78%)	(0.39%)	0.39%	0.78%

	Parent Company			
	2025			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	₱197	₱98	(₱98)	(₱197)
As a percentage of the Parent Company's net interest income for the year ended December 31, 2025	0.31%	0.16%	(0.16%)	(0.31%)
	Parent Company			
	2024			
	Change in interest rates (in basis points)			
	100bp rise	50bp rise	50bp fall	100bp fall
Change in annualized net interest income	(₱527)	(₱263)	₱263	₱527
As a percentage of the Parent Company's net interest income for the year ended December 31, 2024	(0.96%)	(0.48%)	0.48%	0.96%

The following tables set forth the estimated change in the Group's and Parent Company's income before tax and equity due to a reasonably possible change in the market prices of quoted bonds classified under financial assets at FVTPL and financial assets at FVOCI, brought about by movement in the interest rate curve as of December 31, 2025 and 2024 (in millions):

	Consolidated			
	2025			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱38)	(₱15)	₱15	₱38
Change in equity	(2,172)	(869)	869	2,172
	Consolidated			
	2024			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱128)	(₱51)	₱51	₱128
Change in equity	(1,953)	(781)	781	1,953
	Parent Company			
	2025			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱38)	(₱15)	₱15	₱38
Change in equity	(2,041)	(816)	816	2,041
	Parent Company			
	2024			
	Change in interest rates (in basis points)			
	25bp rise	10bp rise	10bp fall	25bp fall
Change in income before tax	(₱126)	(₱50)	₱50	₱126
Change in equity	(1,796)	(718)	718	1,796

Foreign Currency Risk

The Group's foreign exchange risk originates from its holdings of foreign currency-denominated assets (foreign exchange assets) and foreign currency-denominated liabilities (foreign exchange liabilities).

Foreign exchange liabilities generally consist of foreign currency-denominated deposits in the Group's FCDU account made in the Philippines or generated from remittances to the Philippines by persons overseas who retain for their own benefit or for the benefit of a third party, foreign currency deposit accounts with the Group.

Foreign currency liabilities are generally used to fund the Group's foreign exchange assets which generally consist of foreign currency-denominated loans and investments in the FCDU. Banks are required by the BSP to match the foreign currency-denominated liabilities with assets held in the FCDU that are denominated in the same foreign currency.

The Group's policy is to maintain foreign currency exposure within existing regulations, and within acceptable risk limits. The Group believes in ensuring its foreign currency is at all times within limits prescribed for financial institutions who are engaged in the same types of businesses in which the Group and its subsidiaries are engaged.

The table below summarizes the Group's and Parent Company's exposure to foreign exchange risk, excluding the US Dollar denominated assets and liabilities under FCDU with functional currency also in US Dollars. Included in the table are the Group's and Parent Company's assets and liabilities at carrying amounts (stated in US Dollars), categorized by currency, with its PHP equivalent:

	Consolidated							
	2025				2024			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	\$1,402	\$5,876	\$7,278	₱427,817	\$5,544	\$5,804	\$11,348	₱670,494
Due from other banks	33,268	8,834	42,102	2,475,195	100,264	9,009	109,273	6,320,886
Financial assets at FVTPL	32	39	71	4,208	171	70	241	13,946
Investment securities at amortized cost	—	28,330	28,330	1,665,536	—	25,057	25,057	1,449,424
Loans and receivables	34,834	45,285	80,119	4,710,191	24,995	22,751	47,746	2,761,879
Accrued interest receivable	351	390	741	43,575	314	389	703	40,684
Other assets	2,785	—	2,785	163,740	29	—	29	1,672
	72,672	88,754	161,426	9,490,262	131,317	63,080	194,397	11,258,985
Liabilities								
Deposit liabilities	—	5,886,514	5,886,514	346,068,158	—	35,130	35,130	2,032,104
Bills payables	164,850	156,024	320,874	18,864,185	483,780	7,130	490,910	28,396,680
Accrued interest and other expenses	344	1,950	2,294	134,891	2,058	7	2,065	119,457
Other liabilities	18,029	556	18,585	1,092,570	13,928	522	14,450	835,870
	183,223	6,044,044	6,228,267	366,159,804	499,766	42,789	542,555	31,384,111
Currency spot	105,026	—	105,026	6,174,503	103,550	—	103,550	5,989,850
Currency forwards	421,512	5,957,152	6,378,664	375,001,651	5,710,007	(20,163)	5,689,844	329,129,045
Net Exposure	\$415,987	\$862	\$416,849	₱24,506,612	\$5,445,108	\$128	\$5,445,236	₱314,993,769

*Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD, KRW, INR, TWD, THB, MYR, SAR and BND

	Parent Company							
	2025				2024			
	USD	Other Currencies*	Total in USD	PHP	USD	Other Currencies*	Total in USD	PHP
Assets								
Cash and other cash items	\$326	\$5,876	\$6,202	₱364,604	\$487	\$5,804	\$6,291	₱363,914
Due from other banks	25,620	8,834	34,454	2,025,581	96,954	9,009	105,963	6,129,463
Financial assets at FVTPL	32	39	71	4,208	171	70	241	13,946
Investment securities at amortized cost	—	28,330	28,330	1,665,536	—	25,057	25,057	1,449,424
Loans and receivables	34,834	45,285	80,119	4,710,191	24,995	22,751	47,746	2,761,879
Accrued interest receivable	351	390	741	43,575	314	389	703	40,684
Other assets	2,765	—	2,765	162,583	1	—	1	84
	63,928	88,754	152,682	8,976,278	122,922	63,080	186,002	10,759,394
Liabilities								
Deposit liabilities	—	5,886,514	5,886,514	346,068,158	—	35,130	35,130	2,032,104
Bills payables	164,850	156,024	320,874	18,864,185	483,780	7,130	490,910	28,396,680
Accrued interest and other expenses	344	1,950	2,294	134,891	2,058	7	2,065	119,457
Other liabilities	10,382	55	10,437	643,019	10,619	522	11,141	644,493
	175,576	6,044,543	6,220,119	365,710,253	496,457	42,789	539,246	31,192,734
Currency spot	105,026	—	105,026	6,174,503	103,550	—	103,550	5,989,850
Currency forwards	421,512	5,957,152	6,378,664	375,001,651	5,710,007	(20,163)	5,689,844	329,129,045
Net Exposure	\$414,890	\$1,363	\$416,253	₱24,442,179	\$5,440,022	\$128	\$5,440,150	₱314,685,555

*Other currencies include EUR, CNY, JPY, GBP, AUD, SGD, CHF, CAD, NZD, AED, HKD, KRW, INR, TWD, THB, MYR, SAR and BND

The following table sets forth, for the period indicated, the impact of the range of reasonably possible changes in the US dollars exchange rate and other currencies per Philippine Peso on the pre-tax income and equity (in millions).

Consolidated					
		2025		2024	
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity	Sensitivity of Pretax Income	Sensitivity of Equity
USD	1%	₱3	₱421	₱2	₱411
Other	1%	—	—	—	—
USD	(1%)	(3)	(421)	(2)	(411)
Other	(1%)	—	—	—	—

Parent Company					
		2025		2024	
	Change in Foreign Exchange Rate	Sensitivity of Pretax Income	Sensitivity of Equity	Sensitivity of Pretax Income	Sensitivity of Equity
USD	1%	₱3	₱411	₱2	₱403
Other	1%	—	—	—	—
USD	(1%)	(3)	(411)	(2)	(403)
Other	(1%)	—	—	—	—

The impact in pre-tax income and equity is due to the effect of foreign currency behaviour to Philippine Peso.

Equity Price Risk

Equity price risk is the risk that the fair values of equities change as a result of movements in both the level of equity indices and the value of individual stocks. The non-trading equity price risk exposure arises from the Group's investment portfolio.

The effect on the Group and Parent Company's equity as a result of a change in the fair value of equity instruments held as at FVOCI due to a reasonably possible change in equity indices, with all other variables held constant, is as follows (in millions):

	Consolidated		Parent Company	
	Change in equity index	Effect on Equity	Change in equity index	Effect on Equity
2025	+10%	₱32.4	+10%	₱33.4
	-10%	(42.5)	-10%	(35.5)
2024	+10%	₱5.8	+10%	₱5.8
	-10%	(0.8)	-10%	(0.8)

Liquidity Risk and Funding Management

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they become due without incurring unacceptable losses or costs.

The Group's liquidity management involves maintaining funding capacity to accommodate fluctuations in asset and liability levels due to changes in the Group's business operations or unanticipated events created by customer behavior or capital market conditions. The Group seeks to ensure liquidity through a combination of active management of liabilities, a liquid asset portfolio composed of deposits reserves and high quality securities, the securing of money market lines, and the maintenance of repurchase facilities to address any unexpected liquidity situations.

The tables below show the maturity profile of the Group's and the Parent Company's assets and liabilities, based on contractual undiscounted cash flows (in millions):

	Consolidated					Total
	December 31, 2025					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Financial Assets						
Cash and other cash items	₱21,768	₱–	₱–	₱–	₱–	₱21,768
Due from BSP	62,123	–	–	–	–	62,123
Due from other banks	12,481	–	–	–	–	12,481
Interbank loans receivable and SPURA	–	12,964	–	–	–	12,964
Derivative contracts designated as hedges	–	3,869	–	–	–	3,869
Financial assets at FVTPL	–	3,275	713	290	2,982	7,260
Financial assets at FVOCI	–	13,230	14,346	7,822	123,703	159,101
Financial assets at AC	–	39,245	116,803	84,306	194,749	435,103
Loans and receivables	–	371,045	149,461	166,820	587,320	1,274,646
	96,372	443,628	281,323	259,238	908,754	1,989,315
Financial Liabilities						
Deposit liabilities						
Demand	321,081	–	–	–	–	321,081
Savings	371,498	–	–	–	–	371,498
Time	–	744,618	3,010	3,556	5,697	756,881
Bills payable	227	47,200	40,176	9,876	21,806	119,285
Manager’s checks	–	1,522	–	–	–	1,522
Accrued interest and other expenses	–	7,577	–	–	–	7,577
Derivative contracts designated as hedges	–	270	–	–	–	270
Derivative liabilities	–	1,067	–	–	–	1,067
Other liabilities:						
Lease payable	–	147	810	790	992	2,739
Accounts payable	–	7,312	–	–	–	7,312
Acceptances payable	–	593	–	–	–	593
Due to PDIC	–	1,249	–	–	–	1,249
Other credits – dormant	–	542	–	–	–	542
Due to the Treasurer of the Philippines	–	1,012	–	–	–	1,012
Miscellaneous	–	844	–	–	–	844
Total liabilities	692,806	813,953	43,996	14,222	28,495	1,593,472
Net Position	(₱596,434)	(₱370,325)	₱237,327	₱245,016	₱880,259	₱395,843

	Consolidated					Total
	December 31, 2024					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Financial Assets						
Cash and other cash items	₱18,261	₱—	₱—	₱—	₱—	₱ 18,261
Due from BSP	82,640	—	—	—	—	82,640
Due from other banks	12,540	—	—	—	—	12,540
Interbank loans receivable and SPURA	—	20,326	—	—	—	20,326
Derivative contracts designated as hedges	—	—	3,524	—	—	3,524
Financial assets at FVTPL	950	8,234	443	388	6,027	16,042
Financial assets at FVOCI	164	14,810	13,436	15,069	116,271	159,750
Financial assets at AC	—	33,111	35,452	105,117	222,981	396,661
Loans and receivables	—	317,291	142,920	132,591	483,046	1,075,848
	114,555	393,772	195,775	253,165	828,325	1,785,592
Financial Liabilities						
Deposit liabilities						
Demand	298,229	—	—	—	—	298,229
Savings	295,399	—	—	—	—	295,399
Time	—	729,873	1,513	2,535	7,644	741,565
Bills payable	5,165	92,995	7,543	3,530	2,900	112,133
Manager's checks	—	1,688	—	—	—	1,688
Accrued interest and other expenses	—	9,173	—	—	—	9,173
Derivative contracts designated as hedges	—	2,764	17	—	—	2,781
Derivative liabilities	—	1,406	—	—	—	1,406
Other liabilities:						
Lease payable	—	61	952	789	1,208	3,010
Accounts payable	—	7,039	—	—	—	7,039
Acceptances payable	—	572	—	—	—	572
Due to PDIC	—	1,164	—	—	—	1,164
Other credits – dormant	—	489	—	—	—	489
Due to the Treasurer of the Philippines	—	844	—	—	—	844
Miscellaneous	—	61	952	789	1,208	3,010
Total liabilities	598,793	848,554	10,025	6,854	11,752	1,475,978
Net Position	(₱484,238)	(₱454,782)	₱185,750	₱246,311	₱816,573	₱309,614

	Parent Company					Total
	December 31, 2025					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Financial Assets						
Cash and other cash items	₱17,966	₱–	₱–	₱–	₱–	₱17,966
Due from BSP	55,881	–	–	–	–	55,881
Due from other banks	10,031	–	–	–	–	10,031
Interbank loans receivable and SPURA	–	7,364	–	–	–	7,364
Derivative contracts designated as hedges	–	3,869	–	–	–	3,869
Financial assets at FVTPL	–	2,690	711	288	2,931	6,620
Financial assets at FVOCI	–	13,230	14,346	7,822	123,420	158,818
Financial assets at AC	–	35,473	105,289	66,600	160,692	368,054
Loans and receivables	–	347,043	129,367	140,810	433,971	1,051,191
	83,878	793,917	249,713	215,520	721,014	2,064,042
Financial Liabilities						
Deposit liabilities						
Demand	292,678	–	–	–	–	292,678
Savings	348,982	–	–	–	–	348,982
Time	–	614,531	132	141	386	615,190
Bills payable	227	47,200	40,176	9,876	21,306	118,785
Manager's checks	–	1,298	–	–	–	1,298
Accrued interest and other expenses	–	6,227	–	–	–	6,227
Derivative contracts designated as hedges	–	270	–	–	–	270
Derivative liabilities	–	1,067	–	–	–	1,067
Other liabilities:	–	–	–	–	–	–
Lease payable	–	135	511	552	867	2,065
Accounts payable	–	5,369	–	–	–	5,369
Acceptances payable	–	593	–	–	–	593
Due to PDIC	–	1,249	–	–	–	1,249
Other credits – dormant	–	530	–	–	–	530
Due to the Treasurer of the Philippines	–	946	–	–	–	946
Miscellaneous	–	682	–	–	–	682
Total liabilities	641,887	756,253	40,819	10,569	22,559	1,472,087
Net Position	(₱558,009)	₱37,664	₱208,894	₱204,951	₱698,455	₱591,955

	Parent Company					Total
	December 31, 2024					
	On demand	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	
Financial Assets						
Cash and other cash items	₱13,230	₱–	₱–	₱–	₱–	₱13,230
Due from BSP	61,110	–	–	–	–	61,110
Due from other banks	11,366	–	–	–	–	11,366
Interbank loans receivable and SPURA	–	20,326	–	–	–	20,326
Derivative contracts designated as hedges	–	–	3,524	–	–	3,524
Financial assets at FVTPL	–	8,234	443	388	5,926	14,991
Financial assets at FVOCI	–	11,065	13,127	13,749	109,337	147,278
Financial assets at AC	–	30,046	35,160	104,717	219,909	389,832
Loans and receivables	–	284,369	116,296	107,848	435,019	943,532
	85,706	354,040	168,550	226,702	770,191	1,605,189
Financial Liabilities						
Deposit liabilities						
Demand	271,622	–	–	–	–	271,622
Savings	273,676	–	–	–	–	273,676
Time	–	622,906	1,020	128	421	624,475
Bills payable	5,165	92,995	7,543	3,530	2,900	112,133
Manager's checks	–	1,485	–	–	–	1,485
Accrued interest and other expenses	–	7,874	–	–	–	7,874
Derivative contracts designated as hedges	–	2,764	17	–	–	2,781
Derivative liabilities	–	1,406	–	–	–	1,406
Other liabilities:						
Lease payable	–	54	672	513	944	2,183
Accounts payable	–	4,885	–	–	–	4,885
Acceptances payable	–	572	–	–	–	572
Due to PDIC	–	1,164	–	–	–	1,164
Other credits – dormant	–	473	–	–	–	473
Due to the Treasurer of the						
Philippines	–	801	–	–	–	801
Miscellaneous	–	359	–	–	–	359
Total liabilities	550,463	737,738	9,252	4,171	4,265	1,305,889
Net Position	(₱464,757)	(₱383,698)	₱159,298	₱222,531	₱765,926	₱299,300

Liquidity risk is monitored and controlled primarily by a gap analysis of maturities of relevant assets and liabilities reflected in the MCO report, as well as an analysis of available liquid assets. Instead of relying solely on contractual maturities profile, the Parent Company uses Behavioral MCO to capture a going concern view. Furthermore, internal liquidity ratios and monitoring of large fund providers have been set to determine sufficiency of liquid assets over deposit liabilities. Liquidity is managed by the Parent Company and its subsidiaries on a daily basis, while scenario stress tests and sensitivity analysis are conducted periodically.

7. Due From BSP and Other Banks

Due from BSP

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Demand deposit account (Note 17)	₱43,422,659	₱52,059,908	₱ 42,580,672	₱50,109,590
Special deposit account	18,700,000	30,580,000	13,300,000	11,000,000
Others	15	15	15	15
	₱62,122,674	₱82,639,923	₱55,880,687	₱61,109,605

Due from Other Banks

This consists of deposit accounts with:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Local banks	₱3,839,057	₱6,523,431	₱ 1,837,204	₱5,584,130
Foreign banks	8,642,267	6,016,799	8,193,514	5,781,677
	₱12,481,324	₱12,540,230	₱10,030,718	₱11,365,807

As of December 31, 2025 and 2024, 'Due from other banks' includes margin deposits with various counterparties amounting to ₱1.36 billion and ₱5.34 billion, respectively, to meet the collateral requirements for the Parent Company's derivative transactions.

Interest Income on Due from BSP and Other Banks

This account consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Due from BSP	₱561,758	₱773,284	₱1,400,165	₱333,747	₱303,827	₱607,793
Due from other banks	641,618	298,088	370,832	228,011	176,068	265,178
	₱1,203,376	₱1,071,372	₱1,770,997	₱561,758	₱479,895	₱872,971

The average interest rates on Due from BSP and Other Banks are disclosed in Note 6.

8. **Interbank Loans Receivable and Securities Purchased Under Resale Agreements**

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Interbank loans receivable	₱7,364,006	₱20,326,149	₱7,364,006	₱20,326,149
SPURA	5,600,000	—	—	—
	₱12,964,006	₱20,326,149	₱7,364,006	₱20,326,149

Interbank Loans Receivable

As of December 31, 2025 and 2024, interbank loans receivable includes short-term foreign currency-denominated loans granted to other banks.

In 2025, 2024, and 2023, the interest rates of foreign currency-denominated interbank loans receivable range from 3.80% to 4.04%, from 4.20 to 4.50%, and from 5.35% to 5.45%, respectively.

Securities Purchased Under Resale Agreement

This account represents overnight placements with the BSP where the underlying securities cannot be sold or pledged to parties other than the BSP.

Interest rates of SPURA for the Group range from 4.49% to 5.75% in 2025, 5.73% to 6.54% in 2024, and from 5.50% to 6.39% in 2023. Interest rates of SPURA for the Parent Company range from nil in 2025, 5.73% to 6.54% in 2024, and from 5.50% to 6.39% in 2023.

Interest Income on Interbank Loans Receivable and SPURA

This account consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Interbank loans receivable	₱16,108	₱13,897	₱8,451	₱16,108	₱13,897	₱8,451
SPURA	1,470,276	1,408,961	1,646,228	1,287,117	1,242,297	1,477,049
	₱1,486,384	₱1,422,858	₱1,654,679	₱1,303,225	₱1,256,194	₱1,485,500

9. **Trading and Investment Securities**

Financial Assets at FVTPL

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Held for trading				
Government bonds	₱2,528,332	₱2,762,814	2,477,525	₱2,662,379
Treasury notes	1,279,328	2,784,527	1,279,328	2,784,527
Treasury bills	2,124,621	2,412,869	2,124,621	2,412,869
Private bonds	189,314	512,170	189,314	512,170
Quoted equity shares	246,057	286,048	—	—
	6,367,652	8,758,428	6,070,788	8,371,945
Financial assets designated at FVTPL	336,811	664,300	—	—
Derivative contracts not designated as hedges (Note 26)	1,487,639	1,880,026	1,487,639	1,880,026
Total	₱8,192,102	₱11,302,754	₱7,558,427	₱10,251,971

As of December 31, 2025 and 2024, HFT securities include fair value loss of ₱7.85 million and fair value gain of ₱47.55 million, respectively, for the Group. As of December 31, 2025 and 2024, HFT securities include fair value loss of ₱7.81 million and ₱53.83 million, respectively, for the Parent Company.

Effective interest rates for peso-denominated financial assets at FVTPL for both the Group and the Parent Company range from 1.83% to 9.47% in 2025, from 0.23% to 8.64% in 2024, and from 0.32% to 9.08% in 2023. Effective interest rates for foreign currency-denominated financial assets at FVTPL for the Group and Parent Company range from 1.98% to 6.33% in 2025, from 1.65% to 9.40% in 2024, and from 2.10% to 10.16% in 2023.

Financial Assets at FVOCI

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Debt Securities				
Government bonds (Note 29)	₱142,448,158	₱108,947,623	₱113,247,857	₱96,781,274
Private bonds	14,352,206	20,587,385	14,255,939	20,492,318
	156,800,364	129,535,008	127,503,796	117,273,592
Equity Securities				
Quoted equity securities	11,841,575	4,549,299	11,642,351	4,347,274
Unquoted equity securities	15,606	21,525	7,623	13,541
	11,857,181	4,570,824	11,649,974	4,360,815
Total	₱168,657,545	₱134,105,832	₱139,153,770	₱121,634,407

Unquoted equity securities

This account consists of shares of stocks of various unlisted private corporations. The Group has designated these equity securities as at FVOCI as these will not be sold in the foreseeable future.

Net unrealized gains (losses)

As of December 31, 2025 and 2024, financial assets at FVOCI include fair value losses of ₱0.75 billion and ₱2.15 billion, respectively, for the Group and fair value losses of ₱0.58 billion and ₱1.90 billion, respectively, for the Parent Company. The fair value losses are recognized in OCI. As of December 31, 2025 and 2024, the accumulated credit losses on debt financial assets at FVOCI recognized in OCI amounted to ₱29.25 million and ₱95.67 million, respectively, for the Group and ₱29.21 million and ₱95.63 million, respectively, for the Parent Company.

Effective interest rates for peso-denominated financial assets at FVOCI for both the Group and Parent Company range from 1.68% to 5.17% in 2025, from 2.10% to 6.17% in 2024, and from 2.08% to 8.58% in 2023.

Effective interest rates for foreign currency-denominated financial assets at FVOCI for both the Group and Parent Company range from 0.83% to 6.16% in 2025, 1.37% to 9.08% in 2024 and from 1.37% to 7.95% in 2023.

Investment Securities at Amortized Cost

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Government bonds (Note 19)	₱262,194,996	₱263,651,966	₱253,643,824	₱256,376,847
Private bonds	118,437,555	129,093,934	118,113,485	128,766,284
	380,632,551	392,745,900	371,757,309	385,143,131
Unamortized premium – net	1,948,533	2,211,618	1,653,203	1,971,359
Allowance for credit losses (Note 16)	(842,790)	(437,898)	(838,027)	(425,644)
	₱381,738,294	₱394,519,620	₱372,572,485	₱386,688,846

Effective interest rates for peso-denominated investment securities at amortized cost for the Group and the Parent Company range from 3.08% to 11.61% in 2025, from 2.10% to 7.47% in 2024, and from 1.85% to 7.14% in 2023. Effective interest rates for foreign currency-denominated investment securities at amortized cost for the Group and the Parent Company range from 2.10% to 14.22% in 2025, from 0.57% to 10.34% in 2024 and 2023.

Redemption of Investment Securities at Amortized Cost

In 2025, 2024, and 2023, investment securities at amortized cost held by the Parent Company with carrying values prior to redemption of ₱5.94 billion, ₱4.30 billion, and ₱1.65 billion, respectively, were redeemed by their respective counterparty issuers in accordance with the terms and conditions in the bond indentures which resulted in a gain of ₱89.58 million, loss of ₱0.47 million, and a gain of ₱0.08 million, respectively.

These redemptions of investment securities at amortized cost were assessed by the Parent Company as not inconsistent with the portfolios' business models considering the conditions and reasons for which the redemptions were made (see Note 3).

Interest Income on Investment Securities at Amortized Cost and at FVOCI

This account consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Investment securities at amortized cost	₱20,560,185	₱20,864,834	₱19,148,548	₱20,085,733	₱20,540,962	₱18,845,660
Financial assets at FVOCI	8,463,336	7,567,997	4,087,792	7,336,884	6,545,787	3,885,167
	₱29,023,521	₱28,432,831	₱23,236,340	₱27,422,617	₱27,086,749	₱22,730,827

10. Loans and Receivables

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Loans and discounts				
Corporate and commercial lending	₱798,999,985	₱709,187,846	₱781,576,984	₱694,641,267
Consumer lending	248,990,361	212,443,288	111,738,460	90,554,992
Trade-related lending	10,733,279	11,258,013	10,393,254	10,906,396
Others*	142,213	184,953	30,962	19,529
	1,058,865,838	933,074,100	903,739,660	796,122,184
Unearned discounts	(2,002,142)	(2,066,221)	(156,476)	(437,394)
	1,056,863,696	931,007,879	903,583,184	795,684,790
Allowance for impairment and credit losses (Note 16)	(18,836,228)	(15,778,123)	(15,922,241)	(12,771,413)
	₱1,038,027,468	₱915,229,756	₱887,660,943	₱782,913,377

*Others include employee loans and foreign bills purchased

Information on the amounts of secured and unsecured loans and receivables (gross of unearned discounts and allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Loans secured by								
Real estate	159,151,007	15.03	₱155,808,442	16.70	₱114,985,016	12.72	₱115,604,790	14.52
Chattel mortgage	29,086,868	2.75	28,134,839	3.02	4,945,056	0.55	5,389,225	0.68
Guarantee by the Republic of the Philippines	–	–	55,300	0.01	–	–	55,300	0.01
Deposit hold out	5,869,664	0.55	8,387,597	0.90	5,161,745	0.57	8,072,020	1.01
Shares of stock of other banks	5,976,000	0.56	5,982,000	0.64	5,976,000	0.66	5,982,000	0.75
Others*	162,719,777	15.37	145,127,890	15.54	162,666,925	18.00	145,056,060	18.22
	362,803,316	34.26	343,496,068	36.81	293,734,742	32.50	280,159,395	35.19
Unsecured loans	696,062,522	65.74	589,578,032	63.19	610,004,918	67.50	515,962,789	64.81
	₱1,058,865,838	100.00	₱933,074,100	100.00	₱903,739,660	100.00	₱796,122,184	100.00

*Others includes loans secured by shares of stocks of other firms, deed of assignment of accounts receivable, assignment/pledge of government securities, mortgage trust indenture, and other collaterals.

Interest Income on Loans and Receivables

As of December 31, 2025 and 2024, 66.27% and 62.41%, respectively, of the total receivables from customers of the Group and 72.96% and 68.12%, respectively, of the total receivables from customers of the Parent Company were subject to interest repricing.

Remaining receivables of the Group carry annual fixed interest rates ranging from 1.38% to 37.24% in 2025, from 1.50% to 37.24% in 2024, and from 2.00% to 39.42% in 2023 for peso-denominated receivables, from 2.95% to 7.51% in 2025, from 3.40% to 8.28% in 2024, and from 3.00% to 10.50% in 2023 for foreign currency-denominated receivables.

Remaining receivables of the Parent Company carry annual fixed interest rates ranging from 1.90% to 26.62% in 2025 from 1.50% to 20.52% in 2024, and from 2.00% to 30.00% in 2023 for peso-denominated receivables and from 2.95% to 7.51% in 2025, from 3.40% to 8.28% in 2024, and from 3.00% to 10.50% in 2023 for foreign currency-denominated receivables.

11. Equity Investments

This account consists of investments in:

A. Subsidiaries

	2025	2024
Balance at beginning of the year		
CBSI	₱20,777,767	₱18,553,395
CBCC	4,007,231	3,551,095
CBC-PCCI	60,051	53,746
CIBI	529,524	458,730
	25,374,573	22,616,966
Share in net income (losses)		
CBSI	2,423,988	2,188,027
CBCC	369,779	453,362
CBC-PCCI	1,453	(31)
CIBI	129,842	120,993
	2,925,062	2,762,351
Share in Other Comprehensive Income		
<i>Items that recycle to profit or loss in subsequent periods:</i>		
Net unrealized gain (loss) on debt financial assets FVOCI		
CBSI	102,858	(17,424)
CBCC	4,524	(75,224)
	107,382	(92,648)
Cumulative translation adjustments		
CBSI	25,665	30,306
	25,665	30,306
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Net unrealized gain (loss) on equity financial assets at FVOCI		
CBSI	(3,338)	13,162
CBCC	549	82,650
	(2,789)	95,812
Remeasurement gains (losses) on defined benefit assets/obligations		
CBSI	(79,900)	10,301
CBCC	1,274	(4,652)
CBC-PCCI	(19,065)	6,336
CIBI	(1,329)	(199)
	(99,020)	11,786
Additional investments		
CBSI	1,000,000	—
	1,000,000	—

(Forward)

	2025	2024
Cash dividends		
CBCC	(₱2,000,000)	₱—
CBC-PCCI	—	—
CIBI	(110,000)	(50,000)
	(2,110,000)	(50,000)
Balance at end of the year		
CBSI	24,247,040	20,777,767
CBCC	2,383,357	4,007,231
CBC-PCCI	42,439	60,051
CIBI	548,037	529,524
	₱27,220,873	₱25,374,573

B. Associates:

	2025	2024
Balance at beginning of the year	₱1,978,893	₱1,389,952
Share in net income	1,500,741	757,363
Share in OCI:		
<i>Item that recycle to profit or loss in subsequent periods:</i>		
Net unrealized loss on FVOCI	(16,707)	(3,375)
<i>Items that do not recycle to profit or loss in subsequent periods:</i>		
Remeasurement gain (loss) on life insurance reserves	219	(13,596)
Remeasurement gain (loss) on defined benefit plan	(390)	8,549
Cash dividends	(240,000)	(160,000)
Balance at end of the year	₱3,222,756	₱1,978,893

CBSI

Cost of investment includes the original amount incurred by the Parent Company from its acquisition of CBSI in 2007 amounting to ₱1.07 billion.

On August 2, 2023, the BOD of the Parent Company took up and approved, confirmed, and ratified the capital infusion amounting to ₱2.00 billion to CBSI, in order to support CBSI's sustained loan expansion and enhance its ability to cover and serve more segments of the banking and unbanked population. The additional capital is to be infused to CBSI in tranches and is based on certain conditions. On December 22, 2023, the Parent Company infused additional capital to CBSI amounting to ₱1.00 billion. On July 2, 2025, the Parent Company infused additional capital to CBSI amounting to ₱1.00 billion.

Merger of CBSI with PDB

The BOD of both CBSI and PDB, in their meeting held on June 26, 2014, approved the proposed merger of PDB with CBSI, with the latter as the surviving bank. On November 6, 2015, the BSP issued the Certificate of Authority on the Articles of Merger and the Plan of Merger, as amended, of CBSI and PDB. On December 17, 2015, CBSI obtained SEC's approval of its merger with PDB, whereby the entire assets and liabilities of PDB shall be transferred to and absorbed by CBSI.

Acquisition of PDB

In 2014, the Parent Company made tender offers to non-controlling stockholders of PDB. As of December 31, 2014, the Parent Company owns 99.85% and 100.00% of PDB's outstanding common and preferred stocks, respectively.

The consideration transferred for the acquisition of PDB amounted to:

Acquisition of majority of PDB's capital stock	₱1,421,346
Tender offers	255,354
	<u>₱1,676,700</u>

In 2014 and 2015, the Parent Company made additional capital infusion to PDB amounting to ₱1.30 billion and ₱1.70 billion, respectively.

In 2015, the Monetary Board (MB) of the BSP granted to the Group investment and merger incentives in the form of waiver of special licensing fees for 67 additional branch licenses in restricted areas. This is in addition to the initial investment and merger incentives of 30 new branches in restricted areas and 35 branches to be transferred from unrestricted to restricted areas granted to the Parent Company by the MB in 2014. These branch licenses were granted under the Strengthening Program for Rural Bank (SPRB) Plus Framework.

On April 6, 2016, the Parent Company's BOD approved the allocation of the 67 additional branch licenses in restricted areas as follows: 49 to the Parent Company and 18 to CBSI.

The branch licenses have the following fair values:

114 Commercial Bank branch licenses	₱2,280,000
18 Thrift Bank branch licenses	270,000
	<u>2,550,000</u>
Deferred tax liability	(765,000)
	<u>₱1,785,000</u>

Goodwill from acquisition of PDB is computed as follows:

Consideration transferred	₱1,676,700
Less: Fair value of identifiable assets and liabilities acquired	
Net liabilities of PDB*	(₱725,207)
Branch licenses, net of deferred tax liability (Note 14)	1,785,000
	<u>1,059,793</u>
	<u>₱616,907</u>

**inclusive of the existing branch licenses of PDB with an aggregate fair value of ₱289.50 million (Note 14)*

CIBI

On February 21, 2023, the BOD of CIBI declared and approved cash dividends amounting to ₱60.00 million for stockholders on record as of declaration date, payable on March 1, 2023.

On February 13, 2024, the BOD of CIBI declared and approved cash dividends amounting to ₱50.00 million for stockholders on record as of declaration date, payable on March 1, 2024.

On January 17, 2025, the BOD of CIBI declared and approved cash dividends amounting to ₱60.00 million for stockholders on record as of December 31, 2024, payable on February 17, 2025.

On November 11, 2025, the BOD of CIBI declared and approved cash dividends amounting to ₱50.00 million for stockholders on record as of September 30, 2025, payable on November 25, 2025.

On February 10, 2026, the BOD of CIBI declared and approved cash dividends amounting to ₱60.00 million for stockholders on record as of December 31, 2025, payable on February 27, 2026.

CBC-PCCI

On June 14, 2023, the BOD of CBC-PCCI declared and approved cash dividends amounting to ₱15.00 million for stockholders on record as of July 31, 2023, payable on August 15, 2023.

CBCC

On April 1, 2015, the BOD approved the investment of the Parent Company in an investment house subsidiary, CBCC, up to the amount of ₱500.00 million. On April 30, 2015, the BSP approved the Parent Company's investment of up to 100% or up to ₱500.00 million common shares in CBCC. On November 27, 2015, the SEC approved the Articles of Incorporation and By-Laws of CBCC and granted CBCC the license to operate as an investment house.

CBCC acquisition of CBCSec (formerly ATC Securities, Inc.)

On May 19, 2016, the BOD of CBCC approved the acquisition of ATC Securities, Inc. (ATC).

On June 29, 2016, CBCC and the shareholders of ATC (the Original Shareholders) entered into an Agreement for the Purchase of Shares whereby CBCC agreed to buy, and the Original Shareholders agreed to sell, 3,800,000 shares representing 100% of the issued and outstanding shares of ATC.

On July 6, 2017, the SEC approved the change of name from ATC Securities, Inc. to China Bank Securities Corporation.

On May 15, 2025, the BOD of CBCC declared and approved cash dividends amounting to ₱2.0 billion for stockholders on record as of April 30, 2025, payable on June 30, 2025.

CBC Assets One (SPC), Inc.

CBC Assets One (SPC), Inc. was incorporated on June 15, 2016 as a wholly-owned special purpose company of CBCC for asset-backed securitization. It has not yet commenced commercial operations.

Resurgent Capital (FIST-AMC), Inc.

Resurgent Capital (FIST-AMC), Inc. was incorporated on September 6, 2021 as a wholly-owned FIST Corporation of CBCC. The primary purpose is to invest in, or acquire, Non-Performing Assets ("NPAs") of any financial institution. It has not yet commenced commercial operations.

Investment in Associates

Investment in associates in the consolidated and the parent company financial statements pertain to investment in MCB Life and CBC-PCCI's investment in Urban Shelters (accounted for by CBC-PCCI in its financial statements as an investment in an associate). Investment in Urban Shelters is carried at nil amount as of December 31, 2025 and 2024.

MCB Life

On January 5, 2007, the Manufacturers Life Insurance Company (Manulife) and the Parent Company entered into the Bancassurance Alliance Agreement. On August 23, 2007, Manulife China Bank Life Assurance Corporation (MCB Life) and the Parent Company entered into the Cooperation Agreement. These agreements (collectively, the 2007 Agreements) set out the initial terms of cooperation between the Parent Company and MCB Life in connection with the promotion and sale of life insurance products for an initial term of 15 years.

The Parent Company acquired 5.00% interest in MCB Life on August 8, 2007. This investment is accounted for as an investment in an associate by virtue of the Bancassurance Alliance Agreement which provides the Parent Company with the right to be represented in MCB Life's BOD and, thus, exercise significant influence over the latter.

On September 12, 2014, the BSP approved the request of the Parent Company to raise its capital investment from 5.00% to 40.00% of MCB Life's authorized capital through purchase of 1.75 million common shares. On September 29, 2014, Manulife, MCB Life and the Parent Company (the Parties) signed the Bancassurance Agreement with an effective start date of July 1, 2014. The term of the Bancassurance Agreement shall be ten (10) years (from July 1, 2014 to June 30, 2024), during which time MCB Life, in exchange for the Parent Company's increase in equity stake in MCB Life and other considerations, will have exclusive rights to the Parent Company's distribution network and customers.

On June 19, 2024, the Parties signed and submitted the first extension letter to the Insurance Commission to extend the Bancassurance Agreement from July 1, 2024 by a period of three (3) months to October 1, 2024. The Parties submitted subsequent extension letters, the most recent of which extends the Bancassurance Agreement until the earlier between March 31, 2025 and the date on which the Insurance Commission approves a new bancassurance agreement.

In April 2025, the Parties agreed to the renewal of the joint venture for another 15 years. The terms of the renewal include the payment by MCB Life of an access fee over the 15-year period to the Parent Company amounting to ₱3.25 billion. Manulife will fund the access fee through a capital infusion into MCB Life in the form of additional paid-in capital. This capital infusion will not result in the issuance of any new shares, allowing the current ownership structure to remain unchanged and preserving existing ownership percentages among shareholders (i.e., Manulife holding 60% and the Parent Company holding 40%). As a result, the Parent Company recognized a one-time gain amounting to ₱1.3 billion representing its share in the increase in net assets of MCB Life, which is included in the 'Share in net income of an associate' in the statements of income.

The Parent Company received cash dividends from MCB Life of ₱240.00 million and ₱160.00 million on December 10, 2025 and November 29, 2024, respectively.

The following tables show the summarized financial information of MCB Life:

	2025	2024
Total assets	₱88,000,329	₱71,449,802
Total liabilities	79,943,446	66,502,576
Equity	8,056,883	4,947,226

	2025	2024
Revenues	₱17,116,411	₱11,744,141
Benefits, claims and operating expenses	15,726,161	9,212,251
Income before income tax	1,390,250	2,531,890
Net income	1,093,838	1,893,407

Commission income earned by the Group from its bancassurance agreement is included under 'Miscellaneous income' in the statements of income (Note 22).

12. Bank Premises, Furniture, Fixtures and Equipment and Right-of-use Assets

The composition of and movements in this account follow:

Consolidated								
2025								
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱4,057,449	₱8,499,870	₱2,553,760	₱2,910,174	₱517,935	₱332,358	₱5,172,060	₱24,043,606
Additions	2,111,111	604,008	44,509	72,827	307,120	130,634	119,690	3,389,899
Disposals/transfers	—	(226,679)	(35,103)	14,415	(62,340)	(121,565)	(42,316)	(473,588)
Balance at end of year	6,168,560	8,877,199	2,563,166	2,997,416	762,715	341,427	5,249,434	26,959,917
Accumulated Depreciation and Amortization								
Balance at beginning of year	—	7,291,112	1,550,358	2,388,405	—	156,041	2,862,584	14,248,500
Depreciation and amortization	—	626,495	121,747	202,666	—	264,678	720,505	1,936,091
Disposals/transfers	—	(195,471)	(35,706)	(69,000)	—	(118,013)	(532,953)	(951,143)
Balance at end of year	—	7,722,136	1,636,399	2,522,071	—	302,706	3,050,136	15,233,448
Net Book Value at End of Year	₱6,168,560	₱1,155,063	₱926,767	₱475,345	₱762,715	₱38,721	₱2,199,298	₱11,726,469

Consolidated								
2024								
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱4,041,755	₱8,413,003	₱2,352,309	₱2,762,452	₱338,174	₱332,358	₱5,043,267	₱23,283,318
Additions	15,694	522,353	56,274	124,188	345,023	—	666,762	1,730,294
Disposals/transfers (Note 14)	—	(435,486)	145,177	23,534	(165,262)	—	(537,969)	(970,006)
Balance at end of year	4,057,449	8,499,870	2,553,760	2,910,174	517,935	332,358	5,172,060	24,043,606
Accumulated Depreciation and Amortization								
Balance at beginning of year	—	7,070,671	1,438,018	2,160,914	—	123,731	2,411,140	13,204,474
Depreciation and amortization	—	546,432	114,330	212,268	—	32,310	979,177	1,884,517
Disposals/transfers (Note 14)	—	(325,991)	(1,990)	15,223	—	—	(527,733)	(840,491)
Balance at end of year	—	7,291,112	1,550,358	2,388,405	—	156,041	2,862,584	14,248,500
Net Book Value at End of Year	₱4,057,449	₱1,208,758	₱1,003,402	₱521,769	₱517,935	₱176,317	₱2,309,476	₱9,795,106

	Parent Company							
	2025							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱3,659,480	₱6,895,346	₱1,752,533	₱1,919,178	₱339,824	₱340,437	₱3,812,040	₱18,718,838
Additions	2,111,111	424,004	35,183	32,737	244,125	–	101,767	2,948,927
Disposals/transfers		(170,006)	(35,103)	(47,925)	-	–	(40,170)	(293,204)
Balance at end of year	5,770,591	7,149,344	1,752,613	1,903,990	583,949	340,437	3,873,637	21,374,561
Accumulated Depreciation and Amortization								
Balance at beginning of year	–	6,085,092	998,248	1,583,833	–	156,041	2,193,487	11,016,701
Depreciation and amortization	–	458,202	93,612	106,859	–	28,422	710,237	1,397,332
Disposals/transfers	–	(144,275)	(35,469)	(68,999)	–	–	(532,953)	(781,696)
Balance at end of year	–	6,399,019	1,056,391	1,621,693	–	184,463	2,370,771	11,632,337
Net Book Value at End of Year	₱5,770,591	₱750,325	₱696,222	₱282,297	₱583,949	₱155,974	₱1,502,866	₱9,742,224

	Parent Company							
	2024							
	Land (Note 24)	Furniture, Fixtures and Equipment	Buildings	Leasehold Improvements	Construction- in-Progress	Right-of-use Assets Land	Right-of-use Assets Building	Total
Cost								
Balance at beginning of year	₱3,643,786	₱6,921,580	₱1,571,541	₱1,853,791	₱215,095	₱340,437	₱3,815,089	₱18,361,319
Additions	15,694	288,617	35,815	41,304	254,566	—	421,919	1,057,915
Disposals/transfers (Note 14)	—	(314,851)	145,177	24,083	(129,837)	—	(424,968)	(700,396)
Balance at end of year	3,659,480	6,895,346	1,752,533	1,919,178	339,824	340,437	3,812,040	18,718,838
Accumulated Depreciation and Amortization								
Balance at beginning of year	—	5,922,163	913,913	1,440,969	—	123,731	1,874,424	10,275,200
Depreciation and amortization	—	398,571	86,088	127,642	—	32,310	736,872	1,381,483
Disposals/transfers (Note 14)	—	(235,642)	(1,753)	15,222	—	—	(417,809)	(639,982)
Balance at end of year	—	6,085,092	998,248	1,583,833	—	156,041	2,193,487	11,016,701
Net Book Value at End of Year	₱3,659,480	₱810,254	₱754,285	₱335,345	₱339,824	₱184,396	₱1,618,553	₱7,702,137

The Group adopted the deemed cost model on January 1, 2004 and considered the carrying value of the land determined under its previous accounting method (revaluation method) as the deemed cost of the asset as of January 1, 2005. Accordingly, revaluation increment amounting to ₱1.28 billion was closed to surplus (Note 24) in 2011.

On July 7, 2025, the Parent Company acquired additional interest in the VGP Condominium at a purchase price amounting to ₱2.10 billion, inclusive of transaction costs. The acquisition brings the Group's total ownership interest in the condominium to 94.47%. The condominium is significantly occupied by the Group's employees.

As of December 31, 2025 and 2024, the gross carrying amount of fully depreciated furniture, fixtures and equipment still in use amounted to ₱3.89 billion and ₱3.83 billion, respectively, for the Group and ₱2.88 billion and ₱2.86 billion, respectively, for the Parent Company.

Gains on sale of furniture, fixtures and equipment amounting to ₱0.2 million, ₱12.32 million, and ₱2.10 million in 2025, 2024, and 2023, respectively, for the Group and ₱0.2 million, ₱7.79 million, and ₱1.50 million in 2025, 2024, and 2023, respectively, for the Parent Company are included in the statements of income under 'Miscellaneous income' account (Note 22).

In 2023, depreciation and amortization amounting to ₱1.70 billion and ₱1.28 billion for the Group and Parent Company, respectively, are included in the statements of income under ‘Depreciation and amortization’ account.

13. Investment Properties

The composition of and movements in this account follow:

	Consolidated		
	2025		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱4,923,290	₱3,513,144	₱8,436,434
Additions	12,277,361	2,392,654	14,670,015
Disposals/write-off/transfers	(319,360)	(248,797)	(568,157)
Balance at end of year	16,881,291	5,657,001	22,538,292
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	1,105,800	1,105,800
Depreciation and amortization	–	312,818	312,818
Disposals/write-off/transfers	–	(113,520)	(113,520)
Balance at end of year	–	1,305,098	1,305,098
Allowance for Impairment Losses			
(Note 16)			
Balance at beginning of year	282,237	85,963	368,200
Provisions (reversals) during the year	(14,770)	35,166	20,396
Disposals/write-off/transfers	(46,690)	(23,996)	(70,686)
Balance at end of year	220,777	97,133	317,910
Net Book Value at End of Year	₱16,660,514	₱4,254,770	₱20,915,284

	Consolidated		
	2024		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱2,519,617	₱2,910,163	₱5,429,780
Additions	2,854,492	990,085	3,844,577
Disposals/write-off/transfers	(450,819)	(387,104)	(837,923)
Balance at end of year	4,923,290	3,513,144	8,436,434
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	1,069,332	1,069,332
Depreciation and amortization	–	170,381	170,381
Disposals/write-off/transfers	–	(133,913)	(133,913)
Balance at end of year	–	1,105,800	1,105,800
Allowance for Impairment Losses			
(Note 16)			
Balance at beginning of year	99,896	324,440	424,336
Reversals during the year	(42,026)	26,634	(15,392)
Disposals/write-off/transfers	224,367	(265,111)	(40,744)
Balance at end of year	282,237	85,963	368,200
Net Book Value at End of Year	₱4,641,053	₱2,321,381	₱6,962,434

	Parent Company		
	2025		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱3,474,708	₱2,273,063	₱5,747,771
Additions	12,126,428	2,111,699	14,238,127
Disposals/write-off/transfers	(60,959)	(100,878)	(161,837)
Balance at end of year	15,540,177	4,283,884	19,824,061
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	637,496	637,496
Depreciation and amortization	–	265,491	265,491
Disposals/write-off/transfers	–	(80,958)	(80,958)
Balance at end of year	–	822,029	822,029
Allowance for Impairment Losses (Note 16)			
Balance at beginning of year	228,423	48,386	276,809
Provisions (reversals) during the year	(14,770)	35,167	20,397
Disposals/write-off/transfers	(2,721)	(7)	(2,728)
Balance at end of year	210,932	83,546	294,478
Net Book Value at End of Year	₱15,329,245	₱3,378,309	₱18,707,554

	Parent Company		
	2024		
	Land	Buildings and Improvements	Total
Cost			
Balance at beginning of year	₱958,392	₱1,637,106	₱2,595,498
Additions	2,647,261	799,708	3,446,969
Disposals/write-off/transfers	(130,945)	(163,751)	(294,696)
Balance at end of year	3,474,708	2,273,063	5,747,771
Accumulated Depreciation and Amortization			
Balance at beginning of year	–	599,332	599,332
Depreciation and amortization	–	119,829	119,829
Disposals/write-off/transfers	–	(81,665)	(81,665)
Balance at end of year	–	637,496	637,496
Allowance for Impairment Losses (Note 16)			
Balance at beginning and end of year	248,226	10,370	258,596
Reversals during the year	(11,318)	48,075	36,757
Disposals/write-off/transfers	(8,485)	(10,059)	(18,544)
Balance at end of year	228,423	48,386	276,809
Net Book Value at End of Year	₱3,246,285	₱1,587,181	₱4,833,466

In 2025, in view of the expiration and non-exercise of the repurchase option by the borrower or assignor-lessee, the Parent Company recognized as Investment Properties a real estate property which was subject to an assignment and leaseback transaction with option to repurchase entered into in 2023 as settlement of a loan receivable. The recognition resulted to a gain on asset foreclosure and dacion transactions amounting to ₱6.88 billion.

In 2023, depreciation and amortization amounting to ₱158.48 million and ₱103.59 million for the Group and Parent Company, respectively, are included in the statements of income under ‘Depreciation and amortization’ account.

Details of rental income earned and direct operating expenses incurred on investment properties follow:

	Consolidated		
	2025	2024	2023
Rent income on investment properties	₱96,219	₱99,138	₱98,876
Direct operating expenses on investment properties generating rent income	1,941	1,338	1,320
Direct operating expenses on investment properties not generating rent income	67,854	73,763	95,856
	Parent Company		
	2025	2024	2023
Rent income on investment properties	₱44,004	₱49,283	₱51,313
Direct operating expenses on investment properties generating rent income	1,035	432	414
Direct operating expenses on investment properties not generating rent income	28,899	23,350	31,909

Rent income earned from leasing out investment properties is included under 'Miscellaneous income' in the statements of income (Note 22).

Direct operating expenses include occupancy cost, repairs and maintenance, and taxes and licenses related to the investment properties.

14. Goodwill and Intangible Assets

Goodwill

Goodwill represents the excess of the acquisition costs over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

The goodwill arising from the acquisitions of CBSI and PDB has been allocated to RBB and CBSI as the CGU, respectively. The goodwill is attributed to the factors such as an increase in geographical presence and customer base due to the branches acquired.

Following the acquisition of CBSI, certain assets and liabilities (including branch licenses) were transferred to the Parent Company. As the economic value of goodwill arising from the CBSI acquisition can be attributed to the branches transferred, such goodwill was transferred to the books of the Parent Company.

As of December 31, 2025 and 2024, the amount of goodwill per CGU follows:

	Consolidated	Parent Company
RBB	₱222,841	₱222,841
CBSI	616,907	—
Total	₱839,748	₱222,841

The recoverable amount of the CGUs has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period, which do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset base of the CGU being tested. Other than loans and deposits growth rates, the significant and most sensitive assumptions used in computing for the recoverable values of the CGUs follow:

	2025		2024	
	RBB	CBSI	RBB	CBSI
Discount rate	11.18%	8.84%	12.99%	15.72%
Long-term growth rate	4.58%	1.00%	1.00%	2.00%

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount as of December 31, 2025 and 2024.

Intangible Assets

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Branch licenses	₱3,677,100	₱3,677,100	₱ 455,000	₱455,000
Capitalized software costs	1,672,014	1,010,924	1,612,806	956,898
Exchange trading right	12,000	12,000	—	—
	5,361,114	4,700,024	2,067,806	1,411,898
Allowance for impairment losses (Note 16)	(293,802)	(293,502)	(57,000)	(57,000)
	₱5,067,312	₱4,406,522	₱2,010,806	₱1,354,898

Branch Licenses

Branch licenses of the Group arose from the acquisitions of CBSI, Unity Bank, and PDB. As of December 31, 2025 and 2024, details of branch licenses in the Group's and the Parent Company's financial statements follow:

	Consolidated	Parent Company
Branch license from CBSI acquisition	₱477,600	₱455,000
Branch license from Unity Bank acquisition	360,000	—
Branch license from PDB acquisition*	2,839,500	—
	3,677,100	455,000
Allowance for impairment losses	(289,502)	(57,000)
	₱3,387,598	₱398,000

*mostly attributable to the Parent Company

As of December 31, 2025 and 2024, the carrying amount of branch licenses per CGU follows:

	Consolidated	Parent Company
RBB	₱2,735,000	₱455,000
CBSI	942,100	—
	₱3,667,100	₱455,000

Other than loans and deposits growth rates, the significant and most sensitive assumptions used in computing for the recoverable values of the CGUs follow:

	2025		2024	
	RBB	CBSI	RBB	CBSI
Discount rate	11.18%	8.84%	12.99%	15.72%
Long-term growth rate	4.58%	1.00%	1.00%	2.00%

Capitalized Software Costs

The movements in the account follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Cost				
Balance at beginning of year	₱3,091,354	₱2,247,248	₱3,015,110	₱2,175,475
Additions	1,073,110	857,616	1,052,015	839,658
Disposals/write-off/reclassification (Note 12)	(14,402)	(13,510)	(159)	(23)
Balance at end of year	4,150,062	3,091,354	4,066,966	3,015,110
Accumulated Depreciation and Amortization				
Balance at beginning of year	2,080,430	1,866,197	2,058,212	1,847,158
Depreciation and amortization	397,810	214,736	396,106	211,581
Disposals/write-off/reclassification (Note 12)	(192)	(503)	(159)	(527)
Balance at end of year	2,478,048	2,080,430	2,454,159	2,058,212
Net Book Value at End of Year	₱1,672,014	₱1,010,924	₱1,612,807	₱956,898

Exchange Trading Right

As of December 31, 2025 and 2024, the Group has an exchange trading right with the following carrying values:

	2025	2024
Cost	₱12,000	₱12,000
Allowance for impairment losses	(4,300)	(4,000)
	₱7,700	₱8,000

The trading right has an indefinite useful life and, thus, is not amortized but is subject for impairment at every reporting date. In 2025, 2024, and 2023, the Group recognized an impairment loss amounting to ₱0.30 million, nil, and ₱0.50 million, respectively.

Under the PSE rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts to other members of the exchange arising out of or in connection with the present or future members' contracts.

15. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Financial assets				
Accounts receivable	₱4,119,587	₱4,117,344	₱2,505,374	₱2,487,095
Sales contract receivable	1,633,451	1,691,896	177,082	262,860
RCOCI	369,596	128,654	336,188	88,068
Others	43,232	41,275	10,874	10,856
	6,165,866	5,979,169	3,029,518	2,848,879
Non-financial assets				
Net plan assets (Note 25)	1,329,327	1,885,859	1,329,327	1,836,058
Prepaid expenses	1,133,996	751,978	951,941	624,542
Sundry debits	428,994	533,790	445,404	498,079
Documentary stamps	426,208	383,071	298,764	272,983
Security deposit	427,880	346,187	350,654	346,114
Creditable withholding taxes	563,352	39,766	531,001	—
Miscellaneous	2,449,240	2,352,626	1,273,541	1,321,818
	6,758,997	6,293,277	5,180,632	4,899,594
	12,924,863	12,272,446	8,210,150	7,748,473
Allowance for impairment losses (Note 16)	(604,179)	(807,893)	(293,779)	(429,434)
	₱12,320,684	₱11,464,553	₱7,916,371	₱7,319,039

Accounts receivable

Accounts receivable includes non-interest-bearing advances to officers and employees, with terms ranging from 1 to 30 days, and receivables of the Parent Company from automated teller machine (ATM) transactions of clients of other banks that transacted through any of the Parent Company's ATM terminals.

Sales contract receivable

This refers to the amortized cost of receivables arising from the subsequent sale of assets acquired in settlement of loans through foreclosure or dation in payment where the sale is on installment basis and the title to the said property is transferred to the buyers only upon full payment of the agreed selling price.

SCR bears fixed interest rates per annum ranging from 6.00% to 18.00% in 2025, from 6.00% to 18.00% in 2024, and from 3.50% to 18.00% in 2023 for the Group and from 6.00% to 9.00% in 2025, from 6.00% to 10.00% in 2024 and 2023 for the Parent Company.

Miscellaneous

Miscellaneous consists mainly of unissued stationery and supplies, inter-office float items, and deposits for various services.

16. Allowance for Impairment and Credit Losses

Changes in the allowance for impairment and credit losses are as follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Balances at beginning of year				
Loans and receivables	₱15,778,123	₱17,380,998	₱12,771,413	₱14,325,851
Investment securities at amortized cost	437,898	541,516	425,644	535,447
Financial assets at FVOCI *	95,673	134,809	95,631	134,776
Investment properties	368,200	424,336	276,809	258,596
Accrued interest receivable	569,010	502,132	179,765	131,270
Intangible assets	293,502	293,502	57,000	57,000
Investment in subsidiaries	—	—	59,902	59,902
Other assets	807,893	968,878	429,434	521,489
Off-balance sheet exposures *	542,135	507,602	542,135	507,602
	18,892,434	20,753,773	14,837,733	16,531,933
Provisions charged to operations	7,034,453	3,314,707	6,107,105	2,531,461
Accounts charged off and others	(3,537,829)	(5,176,046)	(2,359,287)	(4,225,661)
	3,496,624	(1,861,339)	3,747,818	(1,694,200)
Balances at end of year				
Loans and receivables (Note 10)	18,836,228	15,778,123	15,922,241	12,771,413
Investment securities at amortized cost (Note 9)	842,790	437,898	838,027	425,644
Financial assets at FVOCI * (Note 9)	29,254	95,673	29,211	95,631
Investment properties (Note 13)	317,910	368,200	294,478	276,809
Accrued interest receivable	716,457	569,010	342,475	179,765
Intangible assets (Note 14)	293,802	293,502	57,000	57,000
Investment in subsidiaries	—	—	59,902	59,902
Other assets (Note 15)	604,179	807,893	293,779	429,434
Off-balance sheet exposures * (Note 21)	748,438	542,135	748,438	542,135
	₱22,389,058	₱18,892,434	₱18,585,551	₱14,837,733

* The allowance for credit and impairment losses in the above table are presented as contra-asset in determining the carrying amount of the related asset accounts, except for the expected credit losses on "Financial assets at FVOCI" and "Off-balance sheet exposures" which are presented under "Net unrealized gain (loss) on financial assets at FVOCI" (Equity) and "Other Liabilities" (Liability), respectively.

At the current level of allowance for impairment and credit losses, management believes that the Group has sufficient allowance to cover any losses that may be incurred from the non-collection or non-realization of its loans and receivables and other risk assets.

Below is the breakdown of provision for credit losses in 2025, 2024, and 2023.

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Loans and receivables						
Corporate and commercial lending	₱4,531,778	₱2,295,310	₱930,730	₱4,662,910	₱2,403,771	₱679,626
Consumer lending	1,634,897	972,618	744,560	576,126	49,600	(41,352)
Trade-related lending	11,326	83,852	136,317	10,729	94,684	138,415
Others	1,287	(293)	(258)	—	—	—
	6,179,288	3,351,487	1,811,349	5,249,765	2,548,055	776,689
Investment securities at amortized cost	402,204	(111,133)	5,100	409,695	(117,318)	5,080
Financial assets at FVOCI (debt securities)	(67,531)	(36,498)	11,623	(67,531)	(36,507)	11,659
Off-balance sheet exposures	206,303	34,532	(263,419)	206,303	34,532	(263,419)
Other assets	314,189	76,319	(318,650)	308,873	102,699	(321,998)
Provisions charged to operations	₱7,034,453	₱3,314,707	₱1,246,003	₱6,107,105	₱2,531,461	₱208,011

The tables below illustrate the movements of the allowance for impairment and credit losses during 2025 (effect of movements in ECL due to transfers between stages are shown in the total column):

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱4,966,396	₱3,512,728	₱4,642,125	₱13,121,249
Transfers:				
Transfer from Stage 1 to Stage 2	(128,744)	157,461	–	28,717
Transfer from Stage 1 to Stage 3	(41,720)	–	2,953,915	2,912,195
Transfer from Stage 2 to Stage 1	18,990	(117,213)	–	(98,223)
Transfer from Stage 2 to Stage 3	–	(2,739,946)	2,808,080	68,134
Transfer from Stage 3 to Stage 1	360	–	(80,554)	(80,194)
Transfer from Stage 3 to Stage 2	–	263,112	(653,748)	(390,636)
New financial assets originated *	3,272,870	514,221	603,312	4,390,403
Changes in PDs / LGDs / EADs	229,270	226,710	910,419	1,366,399
Financial assets derecognized during the period	(1,800,902)	(368,588)	(1,495,527)	(3,665,017)
Provision for credit losses during the period	1,550,124	(2,064,243)	5,045,897	4,531,778
Write-offs, foreclosures, and other movements	10,945	8,462	(2,203,157)	(2,183,750)
Loss allowance at December 31, 2025	₱6,527,465	₱1,456,947	₱7,484,865	₱15,469,277

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱625,008	₱158,653	₱1,816,226	₱2,599,887
Transfers:				
Transfer from Stage 1 to Stage 2	(14,587)	99,002	–	84,415
Transfer from Stage 1 to Stage 3	(5,230)	–	617,859	612,629
Transfer from Stage 2 to Stage 1	2,083	(19,925)	–	(17,842)
Transfer from Stage 2 to Stage 3	–	(20,753)	251,601	230,848
Transfer from Stage 3 to Stage 1	366	–	(48,608)	(48,242)
Transfer from Stage 3 to Stage 2	–	2,585	(41,002)	(38,417)
New financial assets originated *	237,085	101,317	300,024	638,426
Changes in PDs / LGDs / EADs	(117,266)	22,032	995,104	899,870
Financial assets derecognized during the period	(148,095)	(50,009)	(528,686)	(726,790)
Provision for credit losses during the period	(45,644)	134,249	1,546,292	1,634,897
Write-offs, foreclosures, and other movements	(3)	–	(937,490)	(937,493)
Loss allowance at December 31, 2025	₱579,361	₱292,902	₱2,425,028	₱3,297,291

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱52,114	₱2,983	₱1	₱55,098
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	42,462	6,905	17,792	67,159
Changes in PDs / LGDs / EADs	—	—	—	—
Financial assets derecognized during the period	(52,850)	(2,983)	—	(55,833)
Provision for credit losses during the period	(10,388)	3,922	17,792	11,326
Write-offs, foreclosures, and other movements	60	—	—	60
Loss allowance at December 31, 2025	₱41,786	₱6,905	₱17,793	₱66,484

* Stage classification of new financial assets originated pertains to the stage as of end of year

Others	Consolidated			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2025	₱1	₱–	₱1,888	₱1,889
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	643	643
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	–	575	–	575
Changes in PDs / LGDs / EADs	–	–	69	69
Financial assets derecognized during the period	–	–	–	–
Provision for credit losses during the period	–	575	712	1,287
Write-offs, foreclosures, and other movements	–	–	–	–
Loss allowance at December 31, 2025	₱1	₱575	₱2,600	₱3,176

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱5,643,519	₱3,674,364	₱6,460,240	₱15,778,123
Transfers:				
Transfer from Stage 1 to Stage 2	(143,331)	256,463	–	113,132
Transfer from Stage 1 to Stage 3	(46,950)	–	3,572,417	3,525,467
Transfer from Stage 2 to Stage 1	21,073	(137,138)	–	(116,065)
Transfer from Stage 2 to Stage 3	–	(2,760,699)	3,059,681	298,982
Transfer from Stage 3 to Stage 1	726	–	(129,162)	(128,436)
Transfer from Stage 3 to Stage 2	–	265,697	(694,750)	(429,053)
New financial assets originated *	3,552,417	623,018	921,128	5,096,563
Changes in PDs / LGDs / EADs	112,004	248,742	1,905,592	2,266,338
Financial assets derecognized during the period	(2,001,847)	(421,580)	(2,024,213)	(4,447,640)
Provision for credit losses during the period	1,494,092	(1,925,497)	6,610,693	6,179,288
Write-offs, foreclosures, and other movements	11,002	8,462	(3,140,647)	(3,121,183)
Loss allowance at December 31, 2025	₱7,148,613	₱1,757,329	₱9,930,286	₱18,836,228

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱431,498	₱6,400	₱–	₱437,898
Transfers:				
Transfer from Stage 1 to Stage 2	(78,533)	611,481	–	532,948
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	3,850	(6,400)	–	(2,550)
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	9,770	–	–	9,770
Changes in PDs / LGDs / EADs	(81,169)	–	–	(81,169)
Financial assets derecognized during the period	(56,794)	–	–	(56,794)
Provision for credit losses during the period	(202,876)	605,081	–	402,205
Write-offs, foreclosures, and other movements	2,682	5	–	2,687
Loss allowance at December 31, 2025	₱231,304	₱611,486	₱–	₱842,790

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱95,673	₱–	₱–	₱95,673
Transfers:				
Transfer from Stage 1 to Stage 2	(253)	1,610	–	1,357
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	2,309	–	–	2,309
Changes in PDs / LGDs / EADs	(19,798)	–	–	(19,798)
Financial assets derecognized during the period	(51,399)	–	–	(51,399)
Provision for credit losses during the period	(69,141)	1,610	–	(67,531)
Write-offs, foreclosures, and other movements	1,101	10	–	1,111
Loss allowance at December 31, 2025	₱27,633	₱1,620	₱–	₱29,253

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			Total
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	
Loss allowance at January 1, 2025	₱4,903,308	₱3,504,060	₱3,746,675	₱12,154,043
Transfers:				
Transfer from Stage 1 to Stage 2	(121,125)	149,059	–	27,934
Transfer from Stage 1 to Stage 3	(41,699)	–	2,952,379	2,910,680
Transfer from Stage 2 to Stage 1	17,876	(115,984)	–	(98,108)
Transfer from Stage 2 to Stage 3	–	(2,739,531)	2,780,410	40,879
Transfer from Stage 3 to Stage 1	35	–	(56,682)	(56,647)
Transfer from Stage 3 to Stage 2	–	258,173	(324,727)	(66,554)
New financial assets originated *	3,241,002	495,948	586,283	4,323,233
Changes in PDs / LGDs / EADs	223,258	143,336	486,631	853,225
Financial assets derecognized during the period	(1,787,450)	(367,124)	(1,117,158)	(3,271,732)
Provision for credit losses during the period	1,531,897	(2,176,123)	5,307,136	4,662,910
Write-offs, foreclosures, and other movements	10,945	8,462	(1,960,391)	(1,940,984)
Loss allowance at December 31, 2025	₱6,446,150	₱1,336,399	₱7,093,420	₱14,875,969

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱109,445	₱52,508	₱401,398	₱563,351
Transfers:				
Transfer from Stage 1 to Stage 2	(4,861)	7,332	–	2,471
Transfer from Stage 1 to Stage 3	(561)	–	29,319	28,758
Transfer from Stage 2 to Stage 1	171	(1,903)	-	(1,732)
Transfer from Stage 2 to Stage 3	–	(2,252)	4,175	1,923
Transfer from Stage 3 to Stage 1	38	–	(7,348)	(7,310)
Transfer from Stage 3 to Stage 2	–	420	(12,052)	(11,632)
New financial assets originated *	25,806	7,779	12,308	45,893
Changes in PDs / LGDs / EADs	30,476	68,537	441,604	540,617
Financial assets derecognized during the period	(9,138)	(861)	(12,863)	(22,862)
Provision for credit losses during the period	41,931	79,052	455,143	576,126
Write-offs, foreclosures, and other movements	(3)	–	(158,010)	(158,013)
Loss allowance at December 31, 2025	₱151,373	₱131,560	₱698,531	₱981,464

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱51,036	₱2,983	₱–	₱54,019
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	40,787	6,905	17,792	65,484
Changes in PDs / LGDs / EADs	–	–	–	–
Financial assets derecognized during the period	(51,772)	(2,983)	–	(54,755)
Provision for credit losses during the period	(10,985)	3,922	17,792	10,729
Write-offs, foreclosures, and other movements	60	–	–	60
Loss allowance at December 31, 2025	₱40,111	₱6,905	₱17,792	₱64,808

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱5,063,789	₱3,559,551	₱4,148,073	₱12,771,413
Transfers:				
Transfer from Stage 1 to Stage 2	(125,986)	156,391	–	30,405
Transfer from Stage 1 to Stage 3	(42,260)	–	2,981,698	2,939,438
Transfer from Stage 2 to Stage 1	18,047	(117,887)	–	(99,840)
Transfer from Stage 2 to Stage 3	–	(2,741,783)	2,784,585	42,802
Transfer from Stage 3 to Stage 1	73	–	(64,030)	(63,957)
Transfer from Stage 3 to Stage 2	–	258,593	(336,779)	(78,186)
New financial assets originated *	3,307,595	510,632	616,383	4,434,610
Changes in PDs / LGDs / EADs	253,734	211,873	928,235	1,393,842
Financial assets derecognized during the period	(1,848,360)	(370,968)	(1,130,021)	(3,349,349)
Provision for credit losses during the period	1,562,843	(2,093,149)	5,780,071	5,249,765
Write-offs, foreclosures, and other movements	11,002	8,462	(2,118,401)	(2,098,937)
Loss allowance at December 31, 2025	₱6,637,634	₱1,474,864	₱7,809,743	₱15,922,241

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱419,244	₱6,400	₱—	₱425,644
Transfers:				
Transfer from Stage 1 to Stage 2	(78,533)	611,481	—	532,948
Transfer from Stage 1 to Stage 3	—	—	—	-
Transfer from Stage 2 to Stage 1	3,850	(6,400)	—	(2,550)
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	7,276	—	—	7,276
Changes in PDs / LGDs / EADs	(76,258)	—	—	(76,258)
Financial assets derecognized during the period	(51,720)	—	—	(51,720)
Provision for credit losses during the period	(195,385)	605,081	—	409,696
Write-offs, foreclosures, and other movements	2,682	5	—	2,687
Loss allowance at December 31, 2025	₱226,541	₱611,486	₱—	₱838,027

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2025	₱95,631	₱–	₱–	₱95,631
Transfers:				
Transfer from Stage 1 to Stage 2	(253)	1,610	–	1,357
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	2,309	–	–	2,309
Changes in PDs / LGDs / EADs	(19,798)	–	–	(19,798)
Financial assets derecognized during the period	(51,399)	–	–	(51,399)
Provision for credit losses during the period	(69,141)	1,610	–	(67,531)
Write-offs, foreclosures, and other movements	1,101	10	–	1,111
Loss allowance at December 31, 2025	₱27,591	₱1,620	₱–	₱29,211

* Stage classification of new financial assets originated pertains to the stage as of end of year

Comparative figures for the movement of allowance for credit and impairment losses for 2024 are shown below:

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL	Lifetime ECL		
Corporate and commercial lending				
Loss allowance at January 1, 2024	₱5,561,409	₱1,733,757	₱7,390,316	₱14,685,482
Transfers:				
Transfer from Stage 1 to Stage 2	(229,129)	337,439	–	108,310
Transfer from Stage 1 to Stage 3	(2,959)	–	118,481	115,522
Transfer from Stage 2 to Stage 1	181,583	(592,011)	–	(410,428)
Transfer from Stage 2 to Stage 3	–	(68,832)	810,118	741,286
Transfer from Stage 3 to Stage 1	463	–	(22,241)	(21,778)
Transfer from Stage 3 to Stage 2	–	468,047	(620,757)	(152,710)
New financial assets originated *	2,341,232	2,303,606	1,554,173	6,199,011
Changes in PDs / LGDs / EADs	(1,539,806)	(145,324)	1,350,688	(334,442)
Financial assets derecognized during the period	(1,355,430)	(565,101)	(2,028,930)	(3,949,461)
Provision for credit losses during the period	(604,046)	1,737,824	1,161,532	2,295,310
Write-offs, foreclosures, and other movements	9,033	41,147	(3,909,723)	(3,859,543)
Loss allowance at December 31, 2024	₱4,966,396	₱3,512,728	₱4,642,125	₱13,121,249

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱925,608	₱216,312	₱1,308,731	₱2,450,651
Transfers:				
Transfer from Stage 1 to Stage 2	(10,624)	52,063	–	41,439
Transfer from Stage 1 to Stage 3	(7,150)	–	420,394	413,244
Transfer from Stage 2 to Stage 1	9,192	(66,088)	–	(56,896)
Transfer from Stage 2 to Stage 3	–	(20,857)	219,299	198,442
Transfer from Stage 3 to Stage 1	784	–	(49,430)	(48,646)
Transfer from Stage 3 to Stage 2	–	2,271	(30,484)	(28,213)
New financial assets originated *	307,972	47,481	234,694	590,147
Changes in PDs / LGDs / EADs	(347,669)	5,866	1,014,342	672,539
Financial assets derecognized during the period	(253,105)	(78,395)	(477,938)	(809,438)
Provision for credit losses during the period	(300,600)	(57,659)	1,330,877	972,618
Write-offs, foreclosures, and other movements	–	–	(823,382)	(823,382)
Loss allowance at December 31, 2024	₱625,008	₱158,653	₱1,816,226	₱2,599,887

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱38,068	₱11,319	₱193,296	₱242,683
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	(318)	—	318	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	52,097	2,928	—	55,025
Changes in PDs / LGDs / EADs	3	28	129,937	129,968
Financial assets derecognized during the period	(38,161)	(11,292)	(51,688)	(101,141)
Provision for credit losses during the period	13,621	(8,336)	78,567	83,852
Write-offs, foreclosures, and other movements	425	—	(271,862)	(271,437)
Loss allowance at December 31, 2024	₱52,114	₱2,983	₱1	₱55,098

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱1	₱—	₱2,181	₱2,182
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	(32)	(32)
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	—	—	—	—
Changes in PDs / LGDs / EADs	—	—	(261)	(261)
Financial assets derecognized during the period	—	—	—	—
Provision for credit losses during the period	—	—	(293)	(293)
Write-offs, foreclosures, and other movements	—	—	—	—
Loss allowance at December 31, 2024	₱1	₱—	₱1,888	₱1,889

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱6,525,086	₱1,961,388	₱8,894,524	₱17,380,998
Transfers:				
Transfer from Stage 1 to Stage 2	(239,753)	389,502	–	149,749
Transfer from Stage 1 to Stage 3	(10,427)	–	539,193	528,766
Transfer from Stage 2 to Stage 1	190,775	(658,099)	–	(467,324)
Transfer from Stage 2 to Stage 3	–	(89,689)	1,029,417	939,728
Transfer from Stage 3 to Stage 1	1,247	–	(71,703)	(70,456)
Transfer from Stage 3 to Stage 2	–	470,318	(651,241)	(180,923)
New financial assets originated *	2,701,301	2,354,015	1,788,867	6,844,183
Changes in PDs / LGDs / EADs	(1,887,472)	(139,430)	2,494,706	467,804
Financial assets derecognized during the period	(1,646,696)	(654,788)	(2,558,556)	(4,860,040)
Provision for credit losses during the period	(891,025)	1,671,829	2,570,683	3,351,487
Write-offs, foreclosures, and other movements	9,458	41,147	(5,004,967)	(4,954,362)
Loss allowance at December 31, 2024	₱5,643,519	₱3,674,364	₱6,460,240	₱15,778,123

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱484,928	₱56,588	₱—	₱541,516
Transfers:				
Transfer from Stage 1 to Stage 2	(2,049)	4,267	—	2,218
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	15,259	(52,961)	—	(37,702)
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	40,660	—	—	40,660
Changes in PDs / LGDs / EADs	(92,498)	(1,465)	—	(97,963)
Financial assets derecognized during the period	(18,346)	—	—	(18,346)
Provision for credit losses during the period	(60,974)	(50,159)	—	(111,133)
Write-offs, foreclosures, and other movements	7,544	(29)	—	7,515
Loss allowance at December 31, 2024	₱431,498	₱6,400	₱—	₱437,898

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱132,694	₱2,115	₱–	₱134,809
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	864	(2,093)	–	(1,229)
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	24,725	–	–	24,725
Changes in PDs / LGDs / EADs	(40,195)	–	–	(40,195)
Financial assets derecognized during the period	(19,799)	–	–	(19,799)
Provision for credit losses during the period	(34,405)	(2,093)	–	(36,498)
Write-offs, foreclosures, and other movements	(2,616)	(22)	–	(2,638)
Loss allowance at December 31, 2024	₱95,673	₱–	₱–	₱95,673

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL	Lifetime ECL	
Corporate and commercial lending				
Loss allowance at January 1, 2024	₱5,495,186	₱1,697,348	₱6,322,218	₱13,514,752
Transfers:				
Transfer from Stage 1 to Stage 2	(227,519)	335,316	–	107,797
Transfer from Stage 1 to Stage 3	(2,780)	–	109,887	107,107
Transfer from Stage 2 to Stage 1	171,046	(578,115)	–	(407,069)
Transfer from Stage 2 to Stage 3	–	(67,752)	770,829	703,077
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	463,797	(466,078)	(2,281)
New financial assets originated *	2,310,027	2,301,284	1,323,065	5,934,376
Changes in PDs / LGDs / EADs	(1,520,886)	(136,130)	1,241,910	(415,106)
Financial assets derecognized during the period	(1,330,799)	(552,835)	(1,740,496)	(3,624,130)
Provision for credit losses during the period	(600,911)	1,765,565	1,239,117	2,403,771
Write-offs, foreclosures, and other movements	9,033	41,147	(3,814,660)	(3,764,480)
Loss allowance at December 31, 2024	₱4,903,308	₱3,504,060	₱3,746,675	₱12,154,043

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱163,793	₱107,861	₱308,673	₱580,327
Transfers:				
Transfer from Stage 1 to Stage 2	(1,579)	4,590	–	3,011
Transfer from Stage 1 to Stage 3	(440)	–	10,960	10,520
Transfer from Stage 2 to Stage 1	4,425	(41,071)	–	(36,646)
Transfer from Stage 2 to Stage 3	–	(2,908)	10,643	7,735
Transfer from Stage 3 to Stage 1	127	–	(9,318)	(9,191)
Transfer from Stage 3 to Stage 2	–	569	(10,697)	(10,128)
New financial assets originated *	17,846	2,717	3,880	24,443
Changes in PDs / LGDs / EADs	(61,137)	16,174	168,648	123,685
Financial assets derecognized during the period	(13,590)	(35,424)	(14,815)	(63,829)
Provision for credit losses during the period	(54,348)	(55,353)	159,301	49,600
Write-offs, foreclosures, and other movements	–	–	(66,576)	(66,576)
Loss allowance at December 31, 2024	₱109,445	₱52,508	₱401,398	₱563,351

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱37,015	₱461	₱193,296	₱230,772
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	(318)	—	318	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	51,019	2,928	—	53,947
Changes in PDs / LGDs / EADs	—	28	129,937	129,965
Financial assets derecognized during the period	(37,105)	(435)	(51,688)	(89,228)
Provision for credit losses during the period	13,596	2,521	78,567	94,684
Write-offs, foreclosures, and other movements	425	—	(271,862)	(271,437)
Loss allowance at December 31, 2024	₱51,036	₱2,982	₱1	₱54,019

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL	Lifetime ECL		
Loans and receivables – total				
Loss allowance at January 1, 2024	₱5,695,994	₱1,805,670	₱6,824,187	₱14,325,851
Transfers:				
Transfer from Stage 1 to Stage 2	(229,098)	339,906	–	110,808
Transfer from Stage 1 to Stage 3	(3,538)	–	121,165	117,627
Transfer from Stage 2 to Stage 1	175,471	(619,186)	–	(443,715)
Transfer from Stage 2 to Stage 3	–	(70,660)	781,472	710,812
Transfer from Stage 3 to Stage 1	127	–	(9,318)	(9,191)
Transfer from Stage 3 to Stage 2	–	464,366	(476,775)	(12,409)
New financial assets originated *	2,378,892	2,306,929	1,326,945	6,012,766
Changes in PDs / LGDs / EADs	(1,582,023)	(119,927)	1,540,494	(161,456)
Financial assets derecognized during the period	(1,381,494)	(588,694)	(1,806,999)	(3,777,187)
Provision for credit losses during the period	(641,663)	1,712,734	1,476,984	2,548,055
Write-offs, foreclosures, and other movements	9,458	41,147	(4,153,098)	(4,102,493)
Loss allowance at December 31, 2024	₱5,063,789	₱3,559,551	₱4,148,073	₱12,771,413

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Investment securities at amortized cost				
Loss allowance at January 1, 2024	₱478,859	₱56,588	₱—	₱535,447
Transfers:				
Transfer from Stage 1 to Stage 2	(2,049)	4,267	—	2,218
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	15,259	(52,961)	—	(37,702)
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	38,756	—	—	38,756
Changes in PDs / LGDs / EADs	(101,087)	(1,465)	—	(102,552)
Financial assets derecognized during the period	(18,038)	—	—	(18,038)
Provision for credit losses during the period	(67,159)	(50,159)	—	(117,318)
Write-offs, foreclosures, and other movements	7,544	(29)	—	7,515
Loss allowance at December 31, 2024	₱419,244	₱6,400	₱—	₱425,644

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Loss allowance at January 1, 2024	₱132,661	₱2,115	₱—	₱134,776
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	864	(2,093)	—	(1,229)
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	24,725	—	—	24,725
Changes in PDs / LGDs / EADs	(40,204)	—	—	(40,204)
Financial assets derecognized during the period	(19,799)	—	—	(19,799)
Provision for credit losses during the period	(34,414)	(2,093)	—	(36,507)
Write-offs, foreclosures, and other movements	(2,616)	(22)	—	(2,638)
Loss allowance at December 31, 2024	₱95,631	₱—	₱—	₱95,631

* Stage classification of new financial assets originated pertains to the stage as of end of year

The corresponding movement of the gross carrying amount of the financial assets during 2025 are shown below:

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱651,887,830	₱47,628,759	₱9,671,257	₱709,187,846
Transfers:				
Transfer from Stage 1 to Stage 2	(7,384,751)	7,384,751	–	–
Transfer from Stage 1 to Stage 3	(3,321,739)	–	3,321,739	–
Transfer from Stage 2 to Stage 1	6,868,286	(6,868,286)	–	–
Transfer from Stage 2 to Stage 3	–	(8,939,997)	8,939,997	–
Transfer from Stage 3 to Stage 1	141,581	–	(141,581)	–
Transfer from Stage 3 to Stage 2	–	2,131,958	(2,131,958)	–
New financial assets originated *	339,060,451	13,532,687	1,322,188	353,915,326
Changes in EADs	(32,441,274)	(2,131,581)	(635,527)	(35,208,382)
Financial assets derecognized during the period	(203,009,756)	(15,839,233)	(1,986,269)	(220,835,258)
Write-offs, foreclosures, and other movements	–	–	(8,059,547)	(8,059,547)
Total movements of carrying amount	99,912,798	(10,729,701)	629,042	89,812,139
Gross carrying amount at December 31, 2025	₱751,800,628	₱36,899,058	₱10,300,299	₱798,999,985

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱200,825,670	₱5,753,377	₱5,864,241	₱212,443,288
Transfers:				
Transfer from Stage 1 to Stage 2	(8,109,440)	8,109,440	–	–
Transfer from Stage 1 to Stage 3	(1,685,424)	–	1,685,424	–
Transfer from Stage 2 to Stage 1	1,088,579	(1,088,579)	–	–
Transfer from Stage 2 to Stage 3	–	(670,358)	670,358	–
Transfer from Stage 3 to Stage 1	269,170	–	(269,170)	–
Transfer from Stage 3 to Stage 2	–	432,979	(432,979)	–
New financial assets originated *	103,457,613	4,576,815	708,735	108,743,163
Changes in EADs	(14,836,994)	(1,369,371)	1,179,095	(15,027,270)
Financial assets derecognized during the period	(53,644,529)	(1,222,828)	(1,183,579)	(56,050,936)
Write-offs, foreclosures, and other movements	–	–	(1,117,884)	(1,117,884)
Total movements of carrying amount	26,538,975	8,768,098	1,240,000	36,547,073
Gross carrying amount at December 31, 2025	₱227,364,645	₱14,521,475	₱7,104,241	₱248,990,361

* Stage classification of new financial assets originated pertains to the stage as of end of year

Trade-related lending	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
12-month ECL	Lifetime ECL	Lifetime ECL		
Gross carrying amount at January 1, 2025	₱11,149,579	₱108,434	₱–	₱11,258,013
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	10,148,605	560,161	24,513	10,733,279
Changes in EADs	–	–	–	–
Financial assets derecognized during the period	(11,149,579)	(108,434)	–	(11,258,013)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(1,000,974)	451,727	24,513	(524,734)
Gross carrying amount at December 31, 2025	₱10,148,605	₱560,161	₱24,513	₱10,733,279

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱180,160	₱1,498	₱3,295	₱184,953
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	(1,122)	—	1,122	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	78,870	11,072	—	89,942
Changes in EADs	(131,805)	(1,498)	661	(132,642)
Financial assets derecognized during the period	(40)	—	—	(40)
Write-offs, foreclosures, and other movements	—	—	—	—
Total movements of carrying amount	(54,097)	9,574	1,783	(42,740)
Gross carrying amount at December 31, 2025	₱126,063	₱11,072	₱5,078	₱142,213

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱864,043,239	₱53,492,068	₱15,538,793	₱933,074,100
Transfers:				
Transfer from Stage 1 to Stage 2	(15,494,191)	15,494,191	–	–
Transfer from Stage 1 to Stage 3	(5,008,285)	–	5,008,285	–
Transfer from Stage 2 to Stage 1	7,956,865	(7,956,865)	–	–
Transfer from Stage 2 to Stage 3	–	(9,610,355)	9,610,355	–
Transfer from Stage 3 to Stage 1	410,751	–	(410,751)	–
Transfer from Stage 3 to Stage 2	–	2,564,937	(2,564,937)	–
New financial assets originated *	452,745,539	18,680,735	2,055,436	473,481,710
Changes in EADs	(47,410,073)	(3,502,450)	544,229	(50,368,294)
Financial assets derecognized during the period	(267,803,904)	(17,170,495)	(3,169,848)	(288,144,247)
Write-offs, foreclosures, and other movements	–	–	(9,177,431)	(9,177,431)
Total movements of carrying amount	125,396,702	(1,500,302)	1,895,338	125,791,738
Gross carrying amount at December 31, 2025	₱989,439,941	₱51,991,766	₱17,434,131	₱1,058,865,838

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱391,240,972	₱1,504,928	₱–	₱392,745,900
Transfers:				
Transfer from Stage 1 to Stage 2	(12,840,677)	12,840,677	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,504,928	(1,504,928)	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	11,610,298	–	–	11,610,298
Changes in EADs	(982,787)	662,093	–	(320,694)
Financial assets derecognized during the period	(23,402,953)	–	–	(23,402,953)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(24,111,191)	11,997,842	–	(12,113,349)
Gross carrying amount at December 31, 2025	₱367,129,781	₱13,502,770	₱–	₱380,632,551

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱129,535,008	₱–	₱–	₱129,535,008
Transfers:				
Transfer from Stage 1 to Stage 2	(516,421)	516,421	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	132,382,813	–	–	132,382,813
Changes in EADs	(5,512,140)	35,622	–	(5,476,518)
Financial assets derecognized during the period	(99,645,446)	–	–	(99,645,446)
Write-offs, foreclosures, and other movements	4,507	–	–	4,507
Total movements of carrying amount	26,713,313	552,043	–	27,265,356
Gross carrying amount at December 31, 2025	₱156,248,321	₱552,043	₱–	₱156,800,364

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱640,849,163	₱46,253,490	₱7,538,614	₱694,641,267
Transfers:				
Transfer from Stage 1 to Stage 2	(6,051,717)	6,051,717	–	–
Transfer from Stage 1 to Stage 3	(3,318,080)	–	3,318,080	–
Transfer from Stage 2 to Stage 1	6,673,281	(6,673,281)	–	–
Transfer from Stage 2 to Stage 3	–	(8,874,095)	8,874,095	–
Transfer from Stage 3 to Stage 1	84,728	–	(84,728)	–
Transfer from Stage 3 to Stage 2	–	1,348,347	(1,348,347)	–
New financial assets originated *	329,787,382	13,053,359	1,244,792	344,085,533
Changes in EADs	(31,178,314)	(1,698,246)	(635,527)	(33,512,087)
Financial assets derecognized during the period	(198,655,127)	(15,357,035)	(1,808,786)	(215,820,948)
Write-offs, foreclosures, and other movements	–	–	(7,816,781)	(7,816,781)
Total movements of carrying amount	97,342,153	(12,149,234)	1,742,798	86,935,717
Gross carrying amount at December 31, 2025	₱738,191,316	₱34,104,256	₱9,281,412	₱781,576,984

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱84,031,167	₱3,202,237	₱3,321,588	₱90,554,992
Transfers:				
Transfer from Stage 1 to Stage 2	(5,906,221)	5,906,221	–	–
Transfer from Stage 1 to Stage 3	(627,732)	–	627,732	–
Transfer from Stage 2 to Stage 1	655,448	(655,448)	–	–
Transfer from Stage 2 to Stage 3	–	(225,696)	225,696	–
Transfer from Stage 3 to Stage 1	195,021	–	(195,021)	–
Transfer from Stage 3 to Stage 2	–	380,952	(380,952)	–
New financial assets originated *	34,552,094	3,077,933	163,315	37,793,342
Changes in EADs	47,834	(1,095,577)	499,846	(547,897)
Financial assets derecognized during the period	(15,259,602)	(284,365)	(179,607)	(15,723,574)
Write-offs, foreclosures, and other movements	–	–	(338,403)	(338,403)
Total movements of carrying amount	13,656,842	7,104,020	422,606	21,183,468
Gross carrying amount at December 31, 2025	₱97,688,009	₱10,306,257	₱3,744,194	₱111,738,460

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱10,797,962	₱108,434	₱–	₱10,906,396
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	9,808,580	560,161	24,513	10,393,254
Changes in EADs	–	–	–	–
Financial assets derecognized during the period	(10,797,962)	(108,434)	–	(10,906,396)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	(989,382)	451,727	24,513	(513,142)
Gross carrying amount at December 31, 2025	₱9,808,580	₱560,161	₱24,513	₱10,393,254

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Others				
Gross carrying amount at January 1, 2025	₱19,527	₱—	₱2	₱19,529
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	—	—	—	—
Changes in EADs	10,684	—	789	11,473
Financial assets derecognized during the period	(40)	—	—	(40)
Write-offs, foreclosures, and other movements	—	—	—	—
Total movements of carrying amount	10,644	—	789	11,433
Gross carrying amount at December 31, 2025	₱30,171	₱—	₱791	₱30,962

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Loans and receivables – total				
Gross carrying amount at January 1, 2025	₱735,697,819	₱49,564,161	₱10,860,204	₱796,122,184
Transfers:				
Transfer from Stage 1 to Stage 2	(11,957,938)	11,957,938	—	—
Transfer from Stage 1 to Stage 3	(3,945,812)	—	3,945,812	—
Transfer from Stage 2 to Stage 1	7,328,729	(7,328,729)	—	—
Transfer from Stage 2 to Stage 3	—	(9,099,791)	9,099,791	—
Transfer from Stage 3 to Stage 1	279,749	—	(279,749)	—
Transfer from Stage 3 to Stage 2	—	1,729,299	(1,729,299)	—
New financial assets originated *	374,148,056	16,691,453	1,432,620	392,272,129
Changes in EADs	(31,119,796)	(2,793,823)	(134,892)	(34,048,511)
Financial assets derecognized during the period	(224,712,731)	(15,749,834)	(1,988,393)	(242,450,958)
Write-offs, foreclosures, and other movements	—	—	(8,155,184)	(8,155,184)
Total movements of carrying amount	110,020,257	(4,593,487)	2,190,706	107,617,476
Gross carrying amount at December 31, 2025	₱845,718,076	₱44,970,674	₱13,050,910	₱903,739,660

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	
Investment securities at amortized cost				
Gross carrying amount at January 1, 2025	₱383,638,203	₱1,504,928	₱—	₱385,143,131
Transfers:				
Transfer from Stage 1 to Stage 2	(12,840,677)	12,840,677	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	1,504,928	(1,504,928)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	7,246,381	—	—	7,246,381
Changes in EADs	(963,391)	662,093	—	(301,298)
Financial assets derecognized during the period	(20,330,905)	—	—	(20,330,905)
Write-offs, foreclosures, and other movements	—	—	—	—
Total movements of carrying amount	(25,383,664)	11,997,842	—	(13,385,822)
Gross carrying amount at December 31, 2025	₱358,254,539	₱13,502,770	₱—	₱371,757,309

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2025	₱117,273,592	₱–	₱–	₱117,273,592
Transfers:				
Transfer from Stage 1 to Stage 2	(516,421)	516,421	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	64,848,732	–	–	64,848,732
Changes in EADs	(3,288,355)	35,623	–	(3,252,732)
Financial assets derecognized during the period	(51,365,796)	–	–	(51,365,796)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	9,678,160	552,044	–	10,230,204
Gross carrying amount at December 31, 2025	₱126,951,752	₱552,044	₱–	₱127,503,796

* Stage classification of new financial assets originated pertains to the stage as of end of year

Comparative figures for the movement of gross carrying amount for 2024 are shown below:

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱528,065,643	₱54,083,232	₱15,763,340	₱597,912,215
Transfers:				
Transfer from Stage 1 to Stage 2	(11,994,560)	11,994,560	–	–
Transfer from Stage 1 to Stage 3	(897,207)	–	897,207	–
Transfer from Stage 2 to Stage 1	14,079,818	(14,079,818)	–	–
Transfer from Stage 2 to Stage 3	–	(2,296,072)	2,296,072	–
Transfer from Stage 3 to Stage 1	56,927	–	(56,927)	–
Transfer from Stage 3 to Stage 2	–	1,346,504	(1,346,504)	–
New financial assets originated *	297,141,420	25,416,871	4,117,751	326,676,042
Changes in EADs	(28,696,562)	(4,416,322)	12,846	(33,100,038)
Financial assets derecognized during the period	(145,867,649)	(24,420,196)	(6,946,559)	(177,234,404)
Write-offs, foreclosures, and other movements	–	–	(5,065,969)	(5,065,969)
Total movements of carrying amount	123,822,187	(6,454,473)	(6,092,083)	111,275,631
Gross carrying amount at December 31, 2024	₱651,887,830	₱47,628,759	₱9,671,257	₱709,187,846

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱158,152,686	₱17,426,251	₱5,204,625	₱180,783,562
Transfers:				
Transfer from Stage 1 to Stage 2	(2,282,846)	2,282,846	–	–
Transfer from Stage 1 to Stage 3	(1,245,183)	–	1,245,183	–
Transfer from Stage 2 to Stage 1	8,962,869	(8,962,869)	–	–
Transfer from Stage 2 to Stage 3	–	(870,875)	870,875	–
Transfer from Stage 3 to Stage 1	268,872	–	(268,872)	–
Transfer from Stage 3 to Stage 2	–	240,348	(240,348)	–
New financial assets originated *	87,549,194	1,174,991	657,253	89,381,438
Changes in EADs	(17,104,373)	(693,064)	541,746	(17,255,691)
Financial assets derecognized during the period	(33,475,549)	(4,844,251)	(1,160,892)	(39,480,692)
Write-offs, foreclosures, and other movements	–	–	(985,329)	(985,329)
Total movements of carrying amount	42,672,984	(11,672,874)	659,616	31,659,726
Gross carrying amount at December 31, 2024	₱200,825,670	₱5,753,377	₱5,864,241	₱212,443,288

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱11,797,809	₱139,017	₱260,588	₱12,197,414
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	(75,065)	—	75,065	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	11,149,579	94,580	—	11,244,159
Changes in EADs	690	(10,775)	—	(10,085)
Financial assets derecognized during the period	(11,723,434)	(114,388)	(60,259)	(11,898,081)
Write-offs, foreclosures, and other movements	—	—	(275,394)	(275,394)
Total movements of carrying amount	(648,230)	(30,583)	(260,588)	(939,401)
Gross carrying amount at December 31, 2024	₱11,149,579	₱108,434	₱—	₱11,258,013

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱80,102	₱4,548	₱17,397	₱102,047
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	1,589	(1,589)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	254	—	(254)	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	147,417	1,498	—	148,915
Changes in EADs	(49,202)	(2,959)	(13,848)	(66,009)
Financial assets derecognized during the period	—	—	—	—
Write-offs, foreclosures, and other movements	—	—	—	—
Total movements of carrying amount	100,058	(3,050)	(14,102)	82,906
Gross carrying amount at December 31, 2024	₱180,160	₱1,498	₱3,295	₱184,953

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱698,096,240	₱71,653,048	₱21,245,950	₱790,995,238
Transfers:				
Transfer from Stage 1 to Stage 2	(14,277,406)	14,277,406	–	–
Transfer from Stage 1 to Stage 3	(2,217,455)	–	2,217,455	–
Transfer from Stage 2 to Stage 1	23,044,276	(23,044,276)	–	–
Transfer from Stage 2 to Stage 3	–	(3,166,947)	3,166,947	–
Transfer from Stage 3 to Stage 1	326,053	–	(326,053)	–
Transfer from Stage 3 to Stage 2	–	1,586,852	(1,586,852)	–
New financial assets originated *	395,987,610	26,687,940	4,775,004	427,450,554
Changes in EADs	(45,849,447)	(5,123,120)	540,744	(50,431,823)
Financial assets derecognized during the period	(191,066,632)	(29,378,835)	(8,167,710)	(228,613,177)
Write-offs, foreclosures, and other movements	–	–	(6,326,692)	(6,326,692)
Total movements of carrying amount	165,946,999	(18,160,980)	(5,707,157)	142,078,862
Gross carrying amount at December 31, 2024	₱864,043,239	₱53,492,068	₱15,538,793	₱933,074,100

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱372,885,088	₱5,274,289	₱—	₱378,159,377
Transfers:				
Transfer from Stage 1 to Stage 2	(1,039,213)	1,039,213	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	4,754,624	(4,754,624)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	57,800,161	—	—	57,800,161
Changes in EADs	404,901	(53,950)	—	350,951
Financial assets derecognized during the period	(43,564,589)	—	—	(43,564,589)
Write-offs, foreclosures, and other movements	—	—	—	—
Total movements of carrying amount	18,355,884	(3,769,361)	—	14,586,523
Gross carrying amount at December 31, 2024	₱391,240,972	₱1,504,928	₱—	₱392,745,900

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Consolidated			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱103,860,602	₱1,051,346	₱—	₱104,911,948
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	—	—	—	—
Transfer from Stage 2 to Stage 1	1,051,346	(1,051,346)	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	138,641,215	—	—	138,641,215
Changes in EADs	(2,758,015)	—	—	(2,758,015)
Financial assets derecognized during the period	(111,267,011)	—	—	(111,267,011)
Write-offs, foreclosures, and other movements	6,871	—	—	6,871
Total movements of carrying amount	25,674,406	(1,051,346)	—	24,623,060
Gross carrying amount at December 31, 2024	₱129,535,008	₱—	₱—	₱129,535,008

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Corporate and commercial lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱519,930,887	₱50,691,708	₱13,029,491	₱583,652,086
Transfers:				
Transfer from Stage 1 to Stage 2	(11,796,772)	11,796,772	–	–
Transfer from Stage 1 to Stage 3	(875,208)	–	875,208	–
Transfer from Stage 2 to Stage 1	12,785,425	(12,785,425)	–	–
Transfer from Stage 2 to Stage 3	–	(2,195,511)	2,195,511	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	950,597	(950,597)	–
New financial assets originated *	291,681,454	25,048,478	3,567,334	320,297,266
Changes in EADs	(28,034,669)	(3,975,495)	871	(32,009,293)
Financial assets derecognized during the period	(142,841,954)	(23,277,634)	(6,208,298)	(172,327,886)
Write-offs, foreclosures, and other movements	–	–	(4,970,906)	(4,970,906)
Total movements of carrying amount	120,918,276	(4,438,218)	(5,490,877)	110,989,181
Gross carrying amount at December 31, 2024	₱640,849,163	₱46,253,490	₱7,538,614	₱694,641,267

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Consumer lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱64,301,420	₱14,880,846	₱3,185,516	₱82,367,782
Transfers:				
Transfer from Stage 1 to Stage 2	(1,168,629)	1,168,629	–	–
Transfer from Stage 1 to Stage 3	(418,540)	–	418,540	–
Transfer from Stage 2 to Stage 1	8,375,707	(8,375,707)	–	–
Transfer from Stage 2 to Stage 3	–	(449,600)	449,600	–
Transfer from Stage 3 to Stage 1	187,885	–	(187,885)	–
Transfer from Stage 3 to Stage 2	–	200,397	(200,397)	–
New financial assets originated *	21,824,671	99,114	242,446	22,166,231
Changes in EADs	(5,102,628)	(485,742)	(131,858)	(5,720,228)
Financial assets derecognized during the period	(3,968,719)	(3,835,700)	(225,850)	(8,030,269)
Write-offs, foreclosures, and other movements	–	–	(228,524)	(228,524)
Total movements of carrying amount	19,729,747	(11,678,609)	136,072	8,187,210
Gross carrying amount at December 31, 2024	₱84,031,167	₱3,202,237	₱3,321,588	₱90,554,992

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Trade-related lending	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱11,521,649	₱130,812	₱260,588	₱11,913,049
Transfers:				
Transfer from Stage 1 to Stage 2	—	—	—	—
Transfer from Stage 1 to Stage 3	(75,065)	—	75,065	—
Transfer from Stage 2 to Stage 1	—	—	—	—
Transfer from Stage 2 to Stage 3	—	—	—	—
Transfer from Stage 3 to Stage 1	—	—	—	—
Transfer from Stage 3 to Stage 2	—	—	—	—
New financial assets originated *	10,797,962	94,580	—	10,892,542
Changes in EADs	—	(10,775)	—	(10,775)
Financial assets derecognized during the period	(11,446,584)	(106,183)	(60,259)	(11,613,026)
Write-offs, foreclosures, and other movements	—	—	(275,394)	(275,394)
Total movements of carrying amount	(723,687)	(22,378)	(260,588)	(1,006,653)
Gross carrying amount at December 31, 2024	₱10,797,962	₱108,434	₱—	₱10,906,396

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Others	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱15,795	₱–	₱203	₱15,998
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	–	–	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	3,732	–	–	3,732
Changes in EADs	–	–	(201)	(201)
Financial assets derecognized during the period	–	–	–	–
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	3,732	–	(201)	3,531
Gross carrying amount at December 31, 2024	₱19,527	₱–	₱2	₱19,529

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Loans and receivables – total	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱595,769,751	₱65,703,366	₱16,475,798	₱677,948,915
Transfers:				
Transfer from Stage 1 to Stage 2	(12,965,401)	12,965,401	–	–
Transfer from Stage 1 to Stage 3	(1,368,813)	–	1,368,813	–
Transfer from Stage 2 to Stage 1	21,161,132	(21,161,132)	–	–
Transfer from Stage 2 to Stage 3	–	(2,645,111)	2,645,111	–
Transfer from Stage 3 to Stage 1	187,885	–	(187,885)	–
Transfer from Stage 3 to Stage 2	–	1,150,994	(1,150,994)	–
New financial assets originated *	324,307,819	25,242,172	3,809,780	353,359,771
Changes in EADs	(33,137,297)	(4,472,012)	(131,188)	(37,740,497)
Financial assets derecognized during the period	(158,257,257)	(27,219,517)	(6,494,407)	(191,971,181)
Write-offs, foreclosures, and other movements	–	–	(5,474,824)	(5,474,824)
Total movements of carrying amount	139,928,068	(16,139,205)	(5,615,594)	118,173,269
Gross carrying amount at December 31, 2024	₱735,697,819	₱49,564,161	₱10,860,204	₱796,122,184

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Investment securities at amortized cost	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱366,187,938	₱5,274,289	₱–	₱371,462,227
Transfers:				
Transfer from Stage 1 to Stage 2	(1,039,213)	1,039,213	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	4,754,624	(4,754,624)	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	56,269,842	–	–	56,269,842
Changes in EADs	611,601	(53,950)	–	557,651
Financial assets derecognized during the period	(43,146,589)	–	–	(43,146,589)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	17,450,265	(3,769,361)	–	13,680,904
Gross carrying amount at December 31, 2024	₱383,638,203	₱1,504,928	₱–	₱385,143,131

* Stage classification of new financial assets originated pertains to the stage as of end of year

	Parent Company			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	
Financial assets at FVOCI (debt securities)	12-month ECL	Lifetime ECL	Lifetime ECL	Total
Gross carrying amount at January 1, 2024	₱91,259,914	₱1,051,346	₱ –	₱92,311,260
Transfers:				
Transfer from Stage 1 to Stage 2	–	–	–	–
Transfer from Stage 1 to Stage 3	–	–	–	–
Transfer from Stage 2 to Stage 1	1,051,346	(1,051,346)	–	–
Transfer from Stage 2 to Stage 3	–	–	–	–
Transfer from Stage 3 to Stage 1	–	–	–	–
Transfer from Stage 3 to Stage 2	–	–	–	–
New financial assets originated *	59,134,365	–	–	59,134,365
Changes in EADs	(1,634,857)	–	–	(1,634,857)
Financial assets derecognized during the period	(32,537,176)	–	–	(32,537,176)
Write-offs, foreclosures, and other movements	–	–	–	–
Total movements of carrying amount	26,013,678	(1,051,346)	–	24,962,332
Gross carrying amount at December 31, 2024	₱117,273,592	₱–	₱–	₱117,273,592

* Stage classification of new financial assets originated pertains to the stage as of end of year

While the Group recognizes through the statement of income the movements in the expected credit losses computed using the models, the Group also complies with BSP's regulatory requirement to appropriate a portion of its retained earnings at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 24).

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Provision for Impairment and Credit Losses	₱7,034,453	₱3,314,707	₱1,246,003	₱6,107,105	₱2,531,461	₱208,011
Appropriation (Un-appropriation) of Retained Earnings*	517,796	965,728	21,946	469,348	831,715	(77,472)
	₱7,552,249	₱4,280,435	₱1,267,949	₱6,576,453	₱3,363,176	₱130,539

*The Parent Company figures exclude the amounts appropriated by CBSI.

17. Deposit Liabilities

As of December 31, 2025 and 2024, 42.30% and 46.51% respectively, of the total deposit liabilities of the Group and 48.84 % and 53.22% of the Parent Company are subject to periodic interest repricing. The remaining deposit liabilities bear annual fixed interest rates ranging from 0.05% to 5.69% in 2025, from 0.05% to 5.97% in 2024, and from 0.06% to 5.98% in 2023 for the Group and the Parent Company.

Interest Expense on Deposit Liabilities

This account consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Demand	₱370,924	₱362,703	₱348,300	₱338,307	₱330,128	₱317,113
Savings	6,411,738	4,793,578	4,407,218	6,355,007	4,732,519	4,337,101
Time	20,237,061	20,838,232	16,985,051	12,984,750	14,656,167	12,497,657
	₱27,019,723	₱25,994,513	₱21,740,569	₱19,678,064	₱19,718,814	₱17,151,871

BSP Circular No. 830 requires reserves against deposit liabilities. As of December 31, 2025 and 2024, due from BSP amounting to ₱43.14 billion and ₱52.06 billion, respectively, for the Group and ₱42.30 billion and ₱50.11 billion, respectively, for the Parent Company were set aside as reserves for deposit liabilities per latest report submitted to BSP.

As of December 31, 2025 and 2024, the Group is in compliance with the reserve requirement.

Long Term Negotiable Certificates of Deposits (LTNCD)

On March 7, 2018, the Board of Directors approved the Bank's Peso funding program of up to ₱50.00 billion via a combination of Long-Term Negotiable Certificate of Time Deposit and/or Retail Bonds and/or Commercial Papers. Part of the funding program is a ₱20.00 billion LTNCD program which was approved by BSP on June 14, 2018.

On July 12, 2018, the Parent Company issued at par LTNCDs with aggregate principal amount of ₱10.25 billion due January 12, 2024, representing the first tranche of the ₱20 billion LTNCD program. The LTNCDs bear a fixed coupon rate of 4.55% per annum, payable quarterly in arrears. The Parent Company settled the LTNCDs on January 12, 2024.

18. Bonds Payable

The Parent Company held the following bonds payable:

₱20.00 Billion Peso Fixed Rate Bonds

On February 18, 2021, the Parent Company issued ₱20.00 billion Peso fixed rate bonds, which bear a fixed coupon rate of 2.50% per annum, payable monthly, and matured on February 18, 2024.

\$150.00 Million Bonds Payable to IFC

On June 18, 2019, the Parent Company issued a \$150.00 million, seven-year bond to International Finance Corporation (IFC). The bond reprices semi-annually and carries an interest margin of 120 basis points over 6-month LIBOR.

Shortly thereafter, the Parent Company entered into a seven-year pay-fixed, receive-floating IRS with the same principal terms to hedge the exposure to interest rate risk attributable to variable cash flow payments on the floating-rate bonds payable. This transaction was designated as an accounting hedge with the bond payable as the hedged item and the IRS as the hedging instrument.

On May 11, 2023, the Parent Company informed IFC of its decision to pre-terminate the \$150 million bonds payable with the latter. The pretermination of the bonds took effect on June 15, 2023, and resulted in a loss of ₱17.98 million. On May 18, 2023, the Parent Company pre-terminated the IRS. The pretermination of the IFC bonds payable resulted in the discontinuance of the cash flow hedge and the recycling of the corresponding hedge reserve of the IRS from the OCI to profit or loss. Realized gains from the pre-termination of the IRS amounted to ₱468.35 million in 2023.

The Parent Company recognized an amortization of the discount and debt issue cost on the above bonds payable amounting to nil, ₱10.69 million, and ₱57.32 million in 2025, 2024, and 2023 respectively.

19. Bills Payable

The Parent Company's bills payable consists of:

	2025	2024
Securities sold under repurchase agreement	₱118,557,890	₱106,968,339
Interbank loans payable	226,555	5,164,800
	₱118,784,445	₱112,133,139

Securities sold under repurchase agreement consists of foreign currency-denominated borrowings of the Parent Company with annual interest ranging from 1.00% to 5.25%, from 0.39% to 6.20%, and from 0.39% to 6.08%, in 2025, 2024, and 2023, respectively.

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱94.25 billion and ₱92.96 billion as of December 31, 2025 and 2024, respectively.

The carrying amount of foreign currency-denominated investment securities at FVOCI pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱8.82 billion and ₱4.06 billion as of December 31, 2025 and 2024, respectively.

The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱16.00 billion and ₱2.00 billion as of December 31, 2025 and 2024, respectively.

The carrying amount of the peso-denominated investment securities at FVOCI pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱7.21 billion and ₱0.50 billion as of December 31, 2025 and 2024, respectively.

The aggregate fair value of investment securities at amortized cost pledged as collateral amounted to ₱108.44 billion and ₱89.08 billion as of December 31, 2025 and 2024, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to ₱16.28 billion and ₱4.69 billion as of December 31, 2025 and 2024, respectively.

20. Accrued Interest and Other Expenses

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Accrued interest payable	₱3,294,714	₱4,640,566	₱2,416,255	₱3,751,169
Accrued payable for employee benefits	2,952,730	2,916,021	2,929,330	2,916,021
Accrued taxes and other licenses	555,026	525,103	344,300	347,345
Accrued other expenses payable	774,306	1,091,453	537,365	859,293
	₱7,576,776	₱9,173,143	₱6,227,250	₱7,873,828

21. Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Financial liabilities				
Accounts payable	₱7,311,924	₱7,038,905	₱5,368,912	₱4,885,368
Lease liabilities (Note 27)	2,738,921	3,010,314	2,065,206	2,232,817
Due to PDIC	1,248,548	1,163,656	1,248,548	1,163,656
Due to the Treasurer of the Philippines	1,011,631	844,133	945,650	800,502
Acceptances payable	592,577	571,978	592,577	571,978
Expected credit losses on off-balance sheet exposures (Note 16)	748,438	542,135	748,438	542,135
Other credits – dormant	542,374	488,888	530,285	472,508
Miscellaneous	843,710	485,755	681,648	358,721
	15,038,123	14,145,764	12,181,264	11,027,685
Non-financial liabilities				
Withholding taxes payable	491,830	538,618	352,681	414,748
Retirement liabilities (Note 25)	120,912	30,266	–	–
	612,742	568,884	352,681	414,748
	₱15,650,865	₱14,714,648	₱12,533,945	₱11,442,433

Accounts payable include payables to suppliers and service providers, and loan payments, and other charges received from customers in advance.

Miscellaneous mainly includes sundry credits, inter-office float items, and dormant deposit accounts.

22. Other Operating Income and Miscellaneous Expenses

Service Charges, Fees and Commissions

Details of this account are as follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Service and collection charges:						
Deposits	₱869,734	₱809,656	₱789,316	₱827,429	₱767,351	₱708,979
Remittances	180,589	160,890	175,000	180,589	160,890	175,000
Loans	104,515	100,033	212,432	19,724	15,242	14,943
Others	447,773	518,735	392,059	248,928	315,980	303,693
	1,602,611	1,589,314	1,568,807	1,276,670	1,259,463	1,202,615
Fees and commissions	2,163,074	1,868,542	1,731,362	1,252,411	885,612	719,321
	₱3,765,685	₱3,457,856	₱3,300,169	₱2,529,081	₱2,145,075	₱1,921,936

Trading and Securities Gain – Net

This account consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Financial assets at FVOCI	₱384,616	₱908,639	₱326,063	₱383,902	₱909,820	₱326,063
Held-for-trading	163,628	364,764	232,021	127,654	363,557	141,052
Derivatives	(68,749)	(164,607)	570,948	(68,749)	(164,607)	570,948
	₱479,495	₱1,108,796	₱1,129,032	₱442,807	₱1,108,770	₱1,038,063

Miscellaneous Income

Details of this account are as follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Bancassurance (Note 11)	₱482,358	₱409,255	₱337,123	₱432,854	₱357,939	₱294,583
Dividends (Note 8)	268,163	123,788	93,764	249,780	107,673	85,989
Rental on investment properties	126,040	130,549	90,428	69,887	73,843	79,735
Fund transfer fees	32,166	40,702	23,730	32,166	40,702	23,730
Rental of safety deposit boxes	27,472	29,359	29,537	27,472	29,359	29,537
Miscellaneous income (Notes 10, 12, 13, and 30)	2,789,059	8,186,728	871,015	2,531,664	7,964,773	662,888
	₱3,725,258	₱8,920,381	₱1,445,597	₱3,343,823	₱8,574,289	₱1,176,462

Miscellaneous income includes recovery of charged-off assets, upfront fees, loan modification gains, and gain on sale of certain assets.

Miscellaneous Expenses

Details of this account are as follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Information technology	₱1,662,781	₱1,642,793	₱1,121,290	₱2,014,036	₱1,914,465	₱1,381,030
Litigations	502,096	395,221	325,189	195,867	176,494	147,700
Freight	193,382	95,438	86,391	155,125	60,753	59,133
Clearing and processing fee	69,860	54,836	25,305	66,337	51,329	25,305
Broker's fee	66,744	40,636	27,780	66,744	40,636	27,780
Service charges	52,623	97,087	108,559	52,623	97,087	105,081
Membership fees and dues	33,358	24,945	27,269	32,016	23,393	26,015
Miscellaneous expense	1,786,476	1,361,331	1,201,834	1,288,074	931,343	885,229
	₱4,367,320	₱3,712,287	₱2,923,617	₱3,870,822	₱3,295,500	₱2,657,273

23. Maturity Analysis of Assets and Liabilities

The following tables present both the Group's and the Parent Company's assets and liabilities as of December 31, 2025 and 2024 analyzed according to whether they are expected to be recovered or settled within one year or beyond one year from the respective reporting date:

	Consolidated					
	2025			2024		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	₱21,768,445	₱–	₱21,768,445	₱18,260,927	₱–	₱18,260,927
Due from BSP	62,122,674	–	62,122,674	82,639,923	–	82,639,923
Due from other banks	12,481,324	–	12,481,324	12,540,230	–	12,540,230
Interbank loans receivable and SPURA	12,964,006	–	12,964,006	20,326,149	–	20,326,149
Financial assets at FVTPL	8,129,815	62,288	8,192,103	11,191,023	111,731	11,302,754
Derivative contracts designated as hedges	–	3,590,656	3,590,656	831	2,765,541	2,766,372
Financial assets at FVOCI	25,224,355	141,412,148	166,636,503	7,425,887	124,997,149	132,423,036
Investment securities at amortized cost	26,954,110	353,678,441	380,632,551	20,480,724	372,265,176	392,745,900
Loans and receivables – gross	414,205,455	644,660,383	1,058,865,838	349,718,324	583,355,776	933,074,100
Accrued interest receivable – gross	14,017,887	–	14,017,887	14,013,839	–	14,013,839
Other assets – gross	4,532,415	1,633,451	6,165,866	4,287,273	1,691,896	5,979,169
	602,400,486	1,145,037,367	1,747,437,853	540,885,130	1,085,187,269	1,626,072,399
Non-financial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	–	11,726,469	11,726,469	–	9,795,106	9,795,106
Investment properties – net of accumulated depreciation	–	21,233,195	21,233,195	–	7,330,634	7,330,634
Deferred tax assets	–	4,751,542	4,751,542	–	5,509,764	5,509,764
Investments in associates	–	3,222,753	3,222,753	–	1,978,893	1,978,893
Intangible assets	–	5,361,114	5,361,114	–	4,700,024	4,700,024
Goodwill	–	839,748	839,748	–	839,748	839,748
Other assets – gross	4,339,695	2,419,306	6,759,001	4,407,418	1,885,859	6,293,277
	4,339,695	49,554,127	53,893,822	4,407,418	32,040,028	36,447,446
Allowance for impairment and credit losses (Note 16)			(21,611,365)			(18,254,626)
Unearned premium (Notes 9 and 10)			1,967,433			1,828,193
			(19,643,932)			(16,426,433)
			₱1,781,687,743			₱1,646,093,412
Financial liabilities						
Deposit liabilities	₱1,433,360,109	₱11,236,610	₱1,444,596,719	₱1,319,562,854	₱11,583,824	₱1,331,146,678
Bills payable	68,901,727	49,882,718	118,784,445	111,842,107	291,031	112,133,138
Manager's checks	1,521,506	–	1,521,506	1,688,304	–	1,688,304
Accrued interest and other expenses*	7,021,750	–	7,021,750	8,648,040	–	8,648,040
Derivative liabilities	1,066,556	–	1,066,556	947,654	458,620	1,406,274
Derivative contracts designated as hedges	255,117	–	255,117	6,224,371	17,034	6,241,405
Other liabilities	15,038,122	–	15,038,122	14,145,764	–	14,145,764
	1,527,164,887	61,119,328	1,588,284,215	1,463,059,094	12,350,509	1,475,409,603
Non-financial liabilities						
Accrued interest and other expenses	555,026	–	555,026	525,103	–	525,103
Deferred tax liabilities	–	791,376	791,376	–	791,376	791,376
Income tax payable	146,607	–	146,607	218,806	–	218,806
Other liabilities	491,830	120,912	612,742	538,618	30,266	568,884
	1,193,463	912,288	2,105,751	1,282,527	821,642	2,104,169
	₱1,528,358,350	₱62,031,616	₱1,590,389,966	₱1,464,341,621	₱13,172,151	₱1,477,513,772

*Accrued interest and other expenses include accrued interest payable, accrued payable for employee benefits, and accrued other expenses payable (Note 20).

	Parent Company					
	2025			2024		
	Within Twelve Months	Over Twelve Months	Total	Within Twelve Months	Over Twelve Months	Total
Financial assets						
Cash and other cash items	₱17,965,862	₱–	₱17,965,862	₱13,230,415	₱–	₱13,230,415
Due from BSP	55,880,687	–	55,880,687	61,109,605	–	61,109,605
Due from other banks	10,030,718	–	10,030,718	11,365,807	–	11,365,807
Interbank loans receivable and SPURA	7,364,006	–	7,364,006	20,326,149	–	20,326,149
Financial assets at FVTPL	7,546,946	11,481	7,558,427	10,240,674	11,297	10,251,971
Derivative contracts designated as hedges	–	3,590,656	3,590,656	–	2,766,372	2,766,372
Financial assets at FVOCI	6,753,415	130,305,133	137,058,548	3,652,967	116,434,313	120,087,280
Investment securities at amortized cost	26,478,858	345,278,451	371,757,309	17,693,439	367,449,692	385,143,131
Loans and receivables – gross	259,079,278	644,660,383	903,739,661	212,766,409	583,355,775	796,122,184
Accrued interest receivable – gross	12,366,369	–	12,366,369	12,398,588	–	12,398,588
Other assets – gross	2,852,436	177,082	3,029,518	2,586,019	262,860	2,848,879
	406,318,575	1,124,023,186	1,530,341,761	365,370,072	1,070,280,309	1,435,650,381
Non-financial assets						
Bank premises, furniture, fixtures and equipment – net of accumulated depreciation and amortization	–	9,742,224	9,742,224	–	7,702,137	7,702,137
Investment properties – net of accumulated depreciation	–	19,002,032	19,002,032	–	5,110,275	5,110,275
Deferred tax assets	–	2,796,103	2,796,103	–	3,720,959	3,720,959
Investments in subsidiaries	–	27,280,775	27,280,775	–	25,434,475	25,434,475
Investment in associates	–	3,222,753	3,222,753	–	1,978,893	1,978,893
Intangible assets	–	2,067,806	2,067,806	–	1,411,898	1,411,898
Goodwill	–	222,841	222,841	–	222,841	222,841
Other assets – gross	3,851,308	1,329,327	5,180,635	3,063,536	1,836,058	4,899,594
	3,851,308	65,663,861	69,515,169	3,063,536	47,417,536	50,481,072
Allowance for impairment and credit losses (Note 16)			(17,807,902)			(14,199,967)
Unearned premium (Notes 9 and 10)			3,591,948			3,081,092
			(14,215,954)			(11,118,875)
			₱1,585,640,976			₱1,475,012,578
Financial liabilities						
Deposit liabilities	₱1,253,566,944	₱585,240	₱1,254,152,184	₱1,164,261,251	₱1,466,737	₱1,165,727,988
Bills payable	68,901,727	49,882,718	118,784,445	111,842,107	291,031	112,133,138
Manager's checks	1,297,692	–	1,297,692	1,484,625	–	1,484,625
Accrued interest and other expenses*	5,882,949	–	5,882,949	7,526,483	–	7,526,483
Derivative liabilities	1,066,556	–	1,066,556	1,406,274	–	1,406,274
Derivative contracts designated as hedges	255,117	–	255,117	6,224,371	17,034	6,241,405
Other liabilities	12,181,263	–	12,181,263	11,027,685	–	11,027,685
	1,343,152,248	50,467,958	1,393,620,206	1,303,772,526	1,774,802	1,305,547,598
Non-financial liabilities						
Accrued interest and other expenses	344,300	–	344,300	347,345	–	347,345
Income tax payable	118,482	–	118,482	207,544	–	207,544
Other liabilities	352,681	–	352,681	414,748	–	414,748
	815,463	–	815,463	969,637	–	969,637
	₱1,343,967,711	₱50,467,958	₱1,394,435,669	₱1,304,742,433	₱1,774,802	₱1,306,517,235

*Accrued interest and other expenses include accrued interest payable, accrued payable for employee benefits, and accrued other expenses payable (Note 20).

24. Equity

The Parent Company's capital stock consists of (amounts in thousands, except for number of shares):

	2025		2024	
	Shares	Amount	Shares	Amount
Common stock – ₱10.00 par value				
Authorized – shares	3,300,000,000		3,300,000,000	
Issued and outstanding				
Balance at beginning of year	2,691,343,012	₱26,913,430	2,691,340,312	₱26,913,403
Issuance through stock grant	–	–	2,700	27
Balance at end of year	2,691,343,012	₱26,913,430	2,691,343,012	₱26,913,430

The Parent Company shares are listed in the Philippine Stock Exchange.

The summarized information on the Parent Company's registration of securities under the Securities Regulation Code follows:

<u>Date of SEC Approval</u>	<u>Authorized Shares*</u>
April 12, 1991	100,000,000
October 7, 1993	150,000,000
August 30, 1994	200,000,000
July 26, 1995	250,000,000
September 12, 1997	500,000,000
September 5, 2005	1,000,000,000
September 14, 2007	1,600,000,000
September 5, 2008	2,000,000,000
August 29, 2014	2,500,000,000
September 29, 2018	3,300,000,000

* Restated to show the effects of the ten-for-one stock split in 2012

As reported by the Parent Company's transfer agent, Stock Transfer Service, Inc., the total number of stockholders is 1,718 and 1,790 as of December 31, 2025 and 2024, respectively.

Centennial Stock Grant

In light of the Parent Company's 100th anniversary, the Board of Directors approved on August 5, 2020 a Centennial Stock Grant Plan to issue common shares to eligible grantees.

The Centennial Stock Grant Plan was approved and ratified by the stockholders on October 1, 2020 and the approvals of the relevant regulatory agencies were completed in 2021. New shares were issued from the Parent Company's authorized but unissued shares in favor of the Group's regular employees and certain other officers and contractual employees as of August 16, 2020, numbering around 8,400.

Dividends

Details of the Parent Company's cash dividend payments follow:

Cash Dividends

<u>Date of Declaration</u>	<u>Date of Record</u>	<u>Date of Payment</u>	<u>Cash Dividend Per Share</u>
April 23, 2025	May 9, 2025	May 22, 2025	2.50
April 17, 2024	May 3, 2024	May 16, 2024	2.20
April 19, 2023	May 5, 2023	May 18, 2023	1.90
May 5, 2022	May 20, 2022	June 3, 2022	1.50
May 6, 2021	May 21, 2021	June 4, 2021	1.00
June 18, 2020	July 3, 2020	July 17, 2020	1.00
May 2, 2019	May 17, 2019	May 31, 2019	0.88
May 3, 2018	May 17, 2018	June 1, 2018	0.83
May 4, 2017	May 18, 2017	June 2, 2017	0.80
May 5, 2016	May 23, 2016	June 3, 2016	1.00
May 7, 2015	August 12, 2015	September 9, 2015	1.00
May 8, 2014	September 19, 2014	October 15, 2014	1.00
May 2, 2013	July 19, 2013	August 14, 2013	1.20

Stock Dividends

Date of Declaration	Date of Record	Date of Payment	Stock Dividend Per Share
March 15, 2017	October 20, 2017	November 03, 2017	8%
May 05, 2016	May 23, 2016	June 03, 2016	8%
May 07, 2015	August 12, 2015	September 09, 2015	8%
May 08, 2014	September 19, 2014	October 15, 2014	8%
May 02, 2013	July 19, 2013	August 14, 2013	10%

Surplus

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.

As of December 31, 2025 and 2024, surplus includes the amount of ₱1.37 billion, net of deferred tax effect of ₱456.17 million, representing transfer of revaluation increment on land which was carried at deemed cost when the Group transitioned to PFRS in 2005 (Note 12). This amount will be available to be declared as dividends upon sale of the underlying land.

In the consolidated financial statements, a portion of the Group's surplus corresponding to the net earnings of the subsidiaries and associates amounting to ₱18.35 billion and ₱13.93 billion as of December 31, 2025 and 2024, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

Reserves

In compliance with BSP regulations, 10.00% of the Parent Company's profit from trust business is appropriated to surplus reserve. This annual appropriation is required until the surplus reserves for trust business equals 20.00% of the Parent Company's authorized capital stock.

Upon adoption of PFRS 9, BSP requires appropriation of a portion of the Group's Surplus at an amount necessary to bring to at least 1% the allowance for credit losses on loans (Note 16).

Capital Management

The primary objectives of the Group's capital management are to ensure that it complies with externally imposed capital requirements and that it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies, and processes as of December 31, 2025 and 2024.

Regulatory Qualifying Capital

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

In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets (RWA), should not be less than 10.00% for both solo basis (head office and branches) and consolidated basis (Parent Company and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and RWA are computed based on BSP regulations. RWA consists 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 August 4, 2006, the BSP, under BSP Circular No. 538, issued the prescribed guidelines implementing the revised risk-based capital adequacy framework for the Philippine banking system to conform to Basel II capital adequacy framework. The BSP guidelines took effect on July 1, 2007. Thereafter, banks were required to compute their CAR using these guidelines.

Standardized credit risk weights were used in the credit assessment of asset exposures. Third party credit assessments were based on ratings by international credit assessment agencies – Standard & Poor's, Moody's, and Fitch, and BSP-recognized domestic credit assessment agencies such as PhilRatings. Per BSP guidelines, domestic debt issuances may be rated by BSP-recognized domestic credit assessment agencies or by international credit assessment agencies which have developed a national rating system acceptable to the BSP. Internationally-issued debt obligations shall be rated by BSP-recognized international credit assessment agencies only.

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

The Circular sets out a minimum Common Equity Tier 1 (CET1) ratio of 6.00% and Tier 1 capital ratio of 7.50%. It also introduces a capital conservation buffer of 2.50% comprised of CET1 capital. The BSP's existing requirement for Total CAR remains unchanged at 10.00% and this ratio shall be maintained at all times.

Further, existing capital instruments as of December 31, 2010 which do not meet the eligibility criteria for capital instruments under the revised capital framework shall no longer be recognized as capital upon the effectivity of Basel III. Capital instruments issued under BSP Circular Nos. 709 and 716 (the circulars amending the definition of qualifying capital particularly on Hybrid Tier 1 and Lower Tier 2 capitals), starting January 1, 2011 and before the effectivity of BSP Circular No. 781, shall be recognized as qualifying capital until December 31, 2017. In addition to changes in minimum capital requirements, this Circular also requires various regulatory adjustments in the calculation of qualifying capital.

The CAR of the Group and the Parent Company as of December 31, 2025 and 2024 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2025	2024	2025	2024
	(Amounts in Million Pesos)			
CET 1 Capital	₱177,422	₱161,948	₱174,603	₱159,121
Less: Regulatory Adjustments	16,062	14,626	34,360	31,791
	161,360	147,322	140,243	127,330
Additional Tier 1 Capital	—	—	—	—
Less: Regulatory Adjustments	—	—	—	—
	—	—	—	—
Net Tier 1 Capital	161,360	147,322	140,243	127,330
Tier 2 Capital	9,395	8,504	7,981	7,256
Less: Regulatory Adjustments	—	—	—	—
Net Tier 2 Capital	9,395	8,504	7,981	7,256
Total Qualifying Capital	₱170,755	₱155,826	₱148,224	₱134,586

	Consolidated		Parent Company	
	2025	2024	2025	2024
	(Amounts in Million Pesos)			
Credit RWA	₱938,425	₱850,365	₱796,163	₱724,866
Market RWA	22,398	18,645	21,723	19,102
Operational RWA	102,234	93,172	85,998	78,892
Total RWA	₱1,063,057	₱962,182	₱903,884	₱822,860

CET 1 capital ratio	15.18%	15.31%	15.52%	15.47%
Tier 1 capital ratio	15.18%	15.31%	15.52%	15.47%
Total capital ratio	16.06%	16.20%	16.40%	16.36%

The Group and the Parent Company have complied with all externally imposed capital requirements throughout the period.

The issuance of BSP Circular No. 639 covering the ICAAP in 2009 supplements BSP's risk-based capital adequacy framework under Circular No. 538. In compliance with this circular, the Parent Company 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 Parent Company. The level and structure of capital are assessed and determined in light of the Parent Company's business environment, plans, performance, risks, and budget, as well as regulatory edicts.

On April 16, 2021, the BSP issued Circular No. 1113, which requires that the recovery plan shall be distinct and separate from the ICAAP document. It should be submitted every June 30, beginning in 2022. On October 18, 2022, the BSP issued Circular No. 1158, which enumerates the new guidelines on recovery plan of banks. The Group has complied with the requirements for the 2025 submission.

Leverage Ratio

On June 9, 2015, BSP issued circular No. 881, which approved the guidelines for the implementation of the Basel III Leverage Ratio in the Philippines. The Basel III Leverage Ratio is designed to act as a supplementary measure to the risk-based capital requirements. The leverage ratio intends to restrict the build-up of leverage in the banking sector to avoid destabilizing deleveraging processes which can damage the broader financial system and the economy. Likewise, it reinforces the risk-based

requirements with a simple, non-risk based “backstop” measure. The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator). The monitoring of the leverage ratio was implemented as a Pillar 1 minimum requirement effective on 1 July 2018. The Basel III leverage ratio of the banks shall not be less than 5.00%.

The BLR of the Group and the Parent Company as of December 31, 2025 and 2024 as reported to the BSP are shown in the table below.

	Consolidated		Parent Company	
	2025	2024	2025	2024
	(Amounts in Millions)			
Tier 1 Capital	₱161,360	₱147,322	₱140,243	₱127,330
Exposure Measure	1,699,926	1,578,677	1,481,496	1,386,390
Leverage Ratio	9.49%	9.33%	9.47%	9.18%

Liquidity Coverage Ratio

On 18 February 2016, BSP issued Circular No. 905 which approved the attached liquidity standards, which include guidelines on liquidity coverage ratio (LCR) and LCR disclosure standards that are consistent with the Basel III framework. Banks are required to adopt Basel III's LCR aimed at strengthening the short-term liquidity position of banks. This requires banks to have available High Quality Liquid Assets (HQLA) to meet anticipated net cash outflow for a 30-day period under stress conditions. The standard prescribes that, under a normal situation, the value of the liquidity ratio be no lower than 100% on a daily basis because the stock of unencumbered HQLA is intended to serve as a defense against potential onset of liquidity stress. Beginning January 1, 2019, the prescribed minimum ratio of LCR is 100.00%. As of December 31, 2025 and 2024, the LCR in single currency is 121.64% and 110.67%, respectively, for the Group and 120.88% and 108.67%, respectively, for the Parent Company.

Net Stable Funding Ratio

On 24 May 2018, BSP issued Circular No. 1007 which approved the implementing guidelines on the adoption of the Basel III Framework on Liquidity Standards - Net Stable Funding Ratio (NSFR). Banks are required to adopt Basel III's NSFR aimed to promote long-term resilience of banks against liquidity risk. Banks shall maintain a stable funding profile in relation to the composition of its assets and off-balance sheet activities. The NSFR complements the LCR, which promotes short-term resilience of a Bank's liquidity profile. The Group started monitoring and reporting NSFR to the BSP in 2019. The banks shall maintain a NSFR of at least 100.00% at all times. As of December 31, 2025 and 2024, the NSFR is 113.40% and 112.92%, respectively, for the Group and 111.88% and 110.82%, respectively, for the Parent Company.

25. Retirement Plan

The Group has separate funded noncontributory defined benefit retirement plans covering substantially all its officers and regular employees. The retirement plans are administered by the Parent Company's Trust Group which acts as the trustee of the plans. Under these retirement plans, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The latest actuarial valuation studies of the retirement plans were made as of December 31, 2025.

The Group's annual contribution to the retirement plan consists of a payment covering the current service cost, unfunded actuarial accrued liability, and interest on such unfunded actuarial liability.

The amounts of net defined benefit asset in the balance sheets follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Net plan assets (Note 15)	₱1,329,327	₱1,885,859	₱1,329,327	₱1,836,058
Retirement liabilities (Note 21)	(120,912)	(30,266)	—	—
	₱1,208,415	₱1,855,593	₱1,329,327	₱1,836,058

The movements in the net defined benefit asset, present value of defined benefit obligation, and fair value of plan assets follow:

	Consolidated												
	Net benefit cost				Remeasurements in OCI						Total remeasurements in OCI	Contribution by employer	December 31, 2025
					Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions					
	January 1, 2025	Current service cost	Net interest	Net pension expense*	Benefits paid								
(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k		
Fair value of plan assets	P8,085,995	P–	P477,184	P477,184	(P464,927)	(P281,469)	P–	P–	P–	(P281,469)	P222,005	P8,038,788	
Present value of defined benefit obligation	6,230,402	612,940	367,726	980,666	(464,927)	–	110,356	190	(26,314)	84,232	–	6,830,373	
Net defined benefit asset	P1,855,593	(P612,940)	P109,458	(P503,482)	P–	(P281,469)	(P110,356)	(P190)	P26,314	(P365,700)	P222,005	P1,208,415	

*Presented under Compensation and fringe benefits in the statements of income.

Consolidated												
January 1, 2024	Net benefit cost				Benefits paid	Remeasurements in OCI					Contribution by employer	December 31, 2024
	Current service cost	Net interest	Net pension expense*	Return on plan assets (excluding amount included in net interest)		Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI			
(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j) = f + g + h + i	(k)	(l) = a + d + e + j + k	
Fair value of plan assets	P6,599,522	P–	P394,566	P394,566	(P568,068)	P1,349,225	P–	P–	P–	P1,349,225	P310,750	P8,085,995
Present value of defined benefit obligation	5,894,942	578,411	352,453	930,864	(568,068)	–	(24,804)	13,377	(15,909)	(27,336)	–	6,230,402
Net defined benefit asset	P704,580	(P578,411)	P42,113	(P536,298)	P–	P1,349,225	P24,804	(P13,377)	P15,909	P1,376,561	P310,750	P1,855,593

*Presented under Compensation and fringe benefits in the statements of income.

	Parent Company													
						Remeasurements in OCI						Total remeasurements in OCI	Contribution by employer	December 31, 2025
	Net benefit cost				Transfer from Affiliates	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions				
	January 1, 2025	Current service cost	Net interest	Net pension expense ^a										
	(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j)	(k) = g + h + i + j	(l)	(m) = a + d + e + f + k + l	
Fair value of plan assets	₱7,191,682	₱–	₱424,309	₱424,309	₱–	(₱407,890)	(₱228,363)	₱–	₱–	₱–	(₱228,363)	₱120,000	₱7,099,738	
Present value of defined benefit obligation	5,355,624	487,103	316,640	803,743	11,053	(407,890)	–	28,867	1,411	(22,397)	7,881	–	5,770,411	
Net defined benefit asset	₱1,836,058	(₱487,103)	₱107,669	(₱379,434)	(₱11,053)	₱–	(₱228,363)	(₱28,867)	(₱1,411)	₱22,397	(₱236,244)	₱120,000	₱1,329,327	

*Presented under Compensation and fringe benefits in the statements of income.

	Parent Company												
	Remeasurements in OCI												
	January 1, 2024	Net benefit cost			Transfer from Affiliates	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in demographic assumptions	Total remeasurements in OCI	Contribution by employer	December 31, 2024
		Current service cost	Net interest	Net pension expense*									
(a)	(b)	(c)	(d) = b + c	(e)	(f)	(g)	(h)	(i)	(j)	(k) = g + h + i + j	(l)	(m) = a + d + e + f + k + l	
Fair value of plan assets	₱5,815,208	₱–	₱347,749	₱347,749	₱–	(₱522,774)	₱1,311,499	₱–	₱–	₱–	₱1,311,499	₱240,000	₱7,191,682
Present value of defined benefit obligation	5,149,620	469,019	307,947	776,966	–	(522,774)	–	(28,058)	11,209	(31,339)	(48,188)	–	5,355,624
Net defined benefit asset	₱665,588	(₱469,019)	₱39,802	(₱429,217)	₱–	₱–	₱1,311,499	₱28,058	(₱11,209)	₱31,339	₱1,359,687	₱240,000	₱1,836,058

*Presented under Compensation and fringe benefits in the statements of income.

The Group and the Parent Company are recommended to contribute to its defined benefit pension plan in 2026 amounting to ₱166 million and nil, respectively.

In 2025 and 2024, the major categories of plan assets and its percentage of the fair value of total plan assets are as follows:

	Consolidated			
	2025		2024	
	Amount	%	Amount	%
Deposits in banks	₱14,354	0.18%	₱604	0.01%
Financial assets at FVTPL				
Quoted debt securities	4,116,258	51.20%	4,093,508	50.63%
Quoted equity securities	216,123	2.69%	217,240	2.69%
Parent Company shares	2,832,662	35.24%	2,783,541	34.42%
Investments in unit investment trust fund	824,498	10.26%	833,218	10.30%
Loans and receivable	69	0.00%	116	0.00%
Investment properties*	23	0.00%	3,023	0.04%
Other assets	34,801	0.43%	154,745	1.91%
	₱8,038,788	100.00%	₱8,085,995	100.00%

* Investment properties comprise properties located in Manila

	Parent Company			
	2025		2024	
	Amount	%	Amount	%
Deposits in banks	₱13,678	0.19%	₱503	0.01%
Financial assets at FVTPL				
Quoted debt securities	3,584,468	50.49%	3,569,074	49.62%
Quoted equity securities	71,187	1.00%	62,621	0.87%
Parent Company shares	2,832,662	39.90%	2,783,541	38.71%
Investments in unit investment trust fund	564,247	7.95%	670,945	9.33%
Loans and receivable	69	0.00%	116	0.00%
Investment properties*	—	—	3,000	0.04%
Other assets	33,427	0.47%	101,882	1.42%
	₱7,099,738	100.00%	₱7,191,682	100.00%

* Investment properties comprise properties located in Manila

The principal actuarial assumptions used in 2025 and 2024 in determining the retirement liability for the Group's and Parent Company's retirement plans are shown below:

	2025					
	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate	5.89%	5.89%	6.11%	6.05%	6.08%	6.11%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
	2024					
	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate	5.90%	5.91%	6.00%	5.91%	5.96%	6.02%
Salary increase rate	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%

The sensitivity analysis below has been determined based on the impact of reasonably possible changes of each significant assumption on the defined benefit liability as of the end of the reporting period, assuming all other assumptions were held constant:

December 31, 2025	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate						
(+1%)	(P112,540)	(P24,120)	(P2,755)	(P6,327)	(P1,967)	(P948)
(-1%)	152,200	28,935	3,463	7,586	2,434	1,181
Salary increase rate						
(+1%)	139,914	28,081	3,328	7,189	2,356	1,141
(-1%)	(105,239)	(23,989)	(2,706)	(6,142)	(1,947)	(936)
December 31, 2024	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC
Discount rate						
(+1%)	(P109,121)	(P29,687)	(P2,610)	(P5,099)	(P3,585)	(P1,154)
(-1%)	148,396	34,628	3,311	6,133	4,269	1,445
Salary increase rate						
(+1%)	135,074	33,177	3,187	5,744	4,113	1,400
(-1%)	(100,850)	(29,165)	(2,570)	4,951	(3,534)	(1,142)

The weighted average durations (in years) of the defined benefit obligation are presented below:

	December 31, 2025	December 31, 2024
Parent Company	7	8
CBSI	7	7
CIBI	13	15
CBC-PCCI	11	11
CBCC	12	13
CBSC	13	16

The maturity analyses of the undiscounted benefit payments as of December 31, 2025 and 2024 are as follows:

December 31, 2025	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC	Total
1 year and less	P2,169,219	P30,153	P-	P6,487	P-	P-	P2,205,859
More than 1 year to 5 years	1,933,976	260,648	10,721	23,164	-	1,746	2,230,255
More than 5 years to 10 years	2,759,861	753,330	8,986	162,004	4,338	12,167	3,700,686
More than 10 years to 15 years	4,648,625	737,375	40,612	243,391	46,515	-	5,716,518
More than 15 years to 20 years	6,023,483	1,757,993	98,874	370,145	71,009	-	8,321,504
More than 20 years	29,476,070	15,384,239	915,463	1,913,789	549,651	246,195	48,458,407
December 31, 2024	Parent	CBSI	CIBI	CBC-PCCI	CBCC	CBSC	Total
1 year and less	P1,953,994	P26,805	P-	P3,678	P-	P-	P1,984,477
More than 1 year to 5 years	1,968,492	212,374	10,649	25,670	-	1,510	2,218,695
More than 5 years to 10 years	2,428,602	657,260	8,811	123,972	4,338	8,323	3,231,306
More than 10 years to 15 years	4,093,740	682,982	17,095	192,590	107,701	2,448	5,096,556
More than 15 years							

The defined benefit plan exposes the Group and the Parent Company to actuarial risks such as longevity risk, investment risk, market risk, and salary risk.

26. Derivative Financial Instruments

Derivative Contracts not Designated as Hedges

The Parent Company is a party to derivative instruments. These contracts are entered into as a service to customers as well as a means of reducing and managing the Parent Company's foreign exchange risk and interest rate risk, and for trading purposes. These derivatives are not designated as accounting hedges. As of December 31, 2025 and 2024, the fair values of these derivatives follow:

	2025		2024	
	Derivative Asset*	Derivative Liability	Derivative Asset*	Derivative Liability
Currency forwards	₱1,284,328	₱886,745	₱1,368,655	₱861,726
Interest rate swaps (IRS)	190,712	179,811	485,011	459,699
Futures	—	—	1,858	13
Cross currency swaps	1,119	—	13,205	84,836
Warrants	11,480	—	11,297	—
	₱1,487,639	₱1,066,556	₱1,880,026	₱1,406,274

*Reported under "Financial Assets at Fair Value through Profit or Loss" in the balance sheets

Currency forwards

As of December 31, 2025 and 2024, the aggregate notional amount of outstanding currency forwards and its weighted average rate are as follows:

		2025				2024			
		Notional Amount	Weighted Average Rate	Derivative Assets	Derivative Liability	Notional Amount	Weighted Average Rate	Derivative Assets	Derivative Liability
US Dollar	Buy	\$1,287,217	₱57.94	₱1,203,159	₱16,593	\$1,358,351	₱57.04	₱621,380	₱675,229
	Sell	\$968,921	₱59.64	78,853	629,763	\$1,105,249	₱58.71	720,316	160,645
Euro	Buy	€ 6,550	₱68.91	16	-	—	—	—	—
	Sell	€ 21,110	68.49	-	15,992	€2,000	₱61.59	14,840	—
Japanese Yen	Buy	¥24,443,625	₱0.41	-	220,231	¥1,118,378	₱0.3912	8,406	—
	Sell	—	—	—	—	¥100,500	0.3689	—	23,225
Chinese Yuan	Buy	CNY12,500	₱8.32	1,102	-	CNY45,000	₱7.98	44	—
	Sell	CNY82,500	8.37	-	2,401	29,000	₱7.93	—	2,627
Singaporean Dollar	Buy	—	—	—	—	\$1,300	₱42.52	124	—
	Sell	—	—	—	—	—	—	—	—
Swiss Franc	Sell	—	—	—	—	CHF220	₱63.77	55	—
Korean Won	Buy	—	—	—	—	—	—	—	—
	Sell	₩ 3,000,000	₱0.04	—	658	₩5,000,000	₱0.0399	3,490	—
Indian Rupee	Buy	₹ 150,000,000	₱0.66	1,197	—	—	—	—	—
	Sell	₹ 150,000,000	0.65	—	1,105	—	—	—	—
Hong Kong Dollar	Buy	—	—	—	—	—	—	—	—
	Sell	\$300	₱7.56	—	2	—	—	—	—
				₱1,284,327	₱886,745			₱1,368,655	₱861,726

Interest rate swaps

The aggregate notional amounts of the outstanding IRS as of December 31, 2025 and 2024 are as follows:

		2025			2024		
		Notional Amount	Derivative Asset	Derivative Liability	Notional Amount	Derivative Asset	Derivative Liability
Peso-denominated	Fixed Receiver	₱3,000,000	₱21	₱2,067	₱–	₱–	₱–
	Fixed Receiver	350,000	305	–			
US dollar-denominated	Fixed Receiver	273,698	181,243	1,822	\$169,198	485,011	–
	Fixed Payer	356,175	9,142	175,922	\$170,000	–	459,699
			₱190,712	₱179,811		₱485,011	₱459,699

Futures

The aggregate notional amounts of the outstanding futures are as follows:

		2025			2024		
		Notional Amount	Derivative Asset	Derivative Liability	Notional Amount	Derivative Asset	Derivative Liability
US Dollar-denominated							
	Sell	\$–	₱–	₱–	\$3,300	₱1,858	₱13
						₱1,858	₱13

Cross currency swaps

The aggregate notional amounts of the outstanding CCS amounted to US\$50.00 million as of December 31, 2025.

		2025			2024		
		Notional Amount	Derivative Asset	Derivative Liability	Notional Amount	Derivative Asset	Derivative Liability
US Dollar-denominated							
	Fixed Payer				\$200,000	₱–	₱84,836
	Fixed Receive	\$50,000	₱1,119		55,000	13,205	–
			₱1,119			₱13,205	₱84,836

Fair Value Changes of Derivatives

The table below shows the rollforward of derivative asset net of derivative liability:

	2025	2024
Balance at beginning of year	₱473,752	(₱165,282)
Fair value changes during the year	(11,263,688)	(3,971,574)
Net settled transactions	11,211,019	4,610,608
Balance at end of year	₱421,083	₱473,752

The net movements in the value of the derivatives are presented in the statements of income under the following accounts:

	2025	2024	2023
Foreign exchange losses	(₱11,194,939)	(₱3,806,967)	(₱2,702,998)
Trading and securities gain (loss)*			
(Note 22)	(68,749)	(164,607)	570,948
	(₱11,263,688)	(₱3,971,574)	(₱2,132,050)

*Net movements in the value related to IRS and futures

Interest income on IRS in 2025, 2024, and 2023 amounted to ₱543.80 million, ₱491.11 million, and ₱280.61 million, respectively, while interest expense on IRS in 2025, 2024, and 2023 amounted to ₱438.97 million, ₱613.04 million, and ₱290.57 million, respectively.

Derivative Contracts Designated as Hedges

The Parent Company enters into hedging transactions, particularly cash flow hedges, to hedge its exposure to variability in future cash flows associated with its assets, liabilities, or highly probable forecast transactions. The following table shows the summary of the hedging transactions of the Parent Company designated as cash flow hedges and the related balances as of December 31, 2025 and 2024, respectively:

Hedged Item	Hedging Instrument	Notional Amount	Date of Hedge Designation	2025				
				Derivative Asset	Derivative Liability	Cash Flow Hedge Reserve, net of tax	Cost of Hedge Reserve, net of tax	Total Hedge-related Reserve, net of tax
Current and forecasted issuance of RBB time deposits	Receive float/Pay fix IRS	\$600,000	October 20, 2021	₱797,293	₱85,234	₱580,458	₱—	₱580,458
Cash short position in the RBU books and future interest payments pertaining to certain FX spot transactions	Spot element of FX forward contract	5,537,679	July 20, 2022	2,793,363	169,883	—	102,902	102,902
Total		\$6,137,679		₱3,590,656	₱255,117	₱580,458	₱102,902	₱683,360

Hedged Item	Hedging Instrument	Notional Amount	Date of Hedge Designation	2024				
				Derivative Asset	Derivative Liability	Cash Flow Hedge Reserve	Cost of Hedge Reserve, net of tax	Total Hedge-related Reserve, net of tax
Current and forecasted issuance of RBB time deposits	Receive float/Pay fix IRS	\$600,000	October 20, 2021	₱1,935,740	₱—	₱1,806,255	₱—	₱1,806,255
Cash short position in the RBU books and future interest payments pertaining to certain FX spot transactions	Spot element of FX forward contract	5,537,679	July 20, 2022	830,632	6,241,405	—	(1,440,980)	(1,440,980)
Total		\$6,137,679		₱2,766,372	₱6,241,405	₱1,806,355	(₱1,440,980)	₱365,275

As of December 31, 2025 and 2024, the Parent Company assessed that the hedging relationships are expected to be highly effective.

The aggregate net interest income on the IRS designated as hedge amounted to ₱1.18 billion, ₱302.73 million, and ₱2.78 billion in 2025, 2024, and 2023, respectively. The ineffective portion of the hedging relationships recognized under 'Trading and securities gain (loss) - net' in the statements of income is a gain amounting to nil, nil, and ₱124.52 million for 2025, 2024, and 2023, respectively (Note 22).

The amortization of the forward element pertaining to the cost of hedging presented under ‘Foreign exchange loss – net’ in the statements of income amounted to ₱15.01 billion, ₱14.01 billion, and ₱7.90 billion for 2025, 2024, and 2023, respectively.

27. Lease Contracts

The lease contracts are for periods ranging from one (1) to 15 years from the dates of the contracts and are renewable under certain terms and conditions. Various lease contracts include escalation clauses, most of which bear an annual rent increase of 5.00% to 10.00%.

Movements in the lease liabilities account are as follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Beginning Balance	₱3,010,314	₱3,347,987	₱2,232,817	₱2,578,292
Additions	250,324	666,762	101,767	421,919
Interest expense	220,644	249,750	168,977	187,662
Payments	(742,361)	(1,254,185)	(438,355)	(955,056)
Ending Balance	₱2,738,921	₱3,010,314	₱2,065,206	₱2,232,817

Expenses related to short-term leases amounting to ₱731.23 million and ₱506.23 million for the Group and Parent Company in 2025, respectively, ₱603.82 million and ₱423.13 million for the Group and Parent Company in 2024, respectively, ₱604.55 million and ₱484.38 million for the Group and Parent Company in 2023, respectively, are included in the ‘Occupancy cost’ in the statements of income.

Total cash outflows for leases amounted to ₱1.47 billion and ₱944.59 million for the Group and Parent Company in 2025, respectively, and ₱1.86 billion and ₱1.38 billion for the Group and Parent Company in 2024, respectively.

The Group and the Parent Company have also entered into commercial property leases on its investment properties (Note 13).

Future minimum rentals receivable under noncancellable operating leases follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Within one year	₱19,582	₱51,661	₱5,952	₱7,662
After one year but not more than five years	26,970	24,315	4,464	9,921
	₱46,552	₱75,976	₱10,416	₱17,583

Future minimum rentals payable under noncancellable leases follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Within one year	₱726,236	₱653,351	₱699,450	₱635,942
After one year but not more than five years	1,844,811	2,289,787	1,317,408	1,737,075
After more than five years	537,144	919,710	412,241	705,159
	₱3,108,191	₱3,862,848	₱2,429,099	₱3,078,176

28. Income and Other Taxes

Income taxes include corporate income tax and FCDU final taxes, as discussed below, and final tax paid at the rate of 20.00% on gross interest income from government securities and other deposit substitutes. These income taxes, as well as the deferred tax benefits and provisions, are presented as 'Provision for income tax' in the statements of income.

Republic Act (RA) No. 9337, *An Act Amending National Internal Revenue Code*, as amended by RA 10963 otherwise known as the Tax Reform for Acceleration and Inclusion (TRAIN) and RA 11534 otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE), provides that Regular Corporate Income Tax (RCIT) rate shall be 25.00% while interest expense allowed as a deductible expense is reduced to 20.00% of interest income subject to final tax.

CREATE Law reduced the rate of Minimum Corporate Income Tax (MCIT) from 2.00% to 1.00%, however, Revenue Memorandum Circular (RMC) No. 69-2023 reverted MCIT to 2.00% starting July 1, 2023. An MCIT of 2.00% on gross income is computed and compared with the RCIT. Any excess MCIT over RCIT is deferred and can be used as a tax credit against future income tax liability for the next three years. In addition, the NOLCO is allowed as a deduction from taxable income in the next three years from the year of inception.

Effective in May 2004, RA No. 9294 restored the tax exemption of FCDUs and offshore banking units (OBUs). Under such law, the income derived by the FCDU from foreign currency transactions with nonresidents, OBUs, local commercial banks including branches of foreign banks is tax-exempt while interest income on foreign currency loans from residents other than OBUs or other depository banks under the expanded system is subject to 10.00% gross income tax. All other income of the FCDU is subject to the 25.00% corporate tax under the CREATE Law.

CMEPA Law

RA No. 12214 otherwise known as Capital Markets Efficiency Promotion Act (CMEPA) was signed into law last May 29, 2025. The law took effect on July 1, 2025.

The key changes to the Philippine tax law pursuant to the CMEPA Law which have an impact to the Group are the following:

- Standardization of 20.00% final tax on any currency deposits, regardless of tenure (i.e., removing the previous tax exemption on interest income from long-term deposits), except for non-resident alien not engaged in trade or business (NRANETB) and non-resident foreign corporation (NRFC), whose interest income will still be subject to 25.00% final withholding tax (FWT);
- Gains realized from long-term bonds, debentures, or other certificate of indebtedness are now part of gross income, therefore, subject to 25.00% RCIT;
- Exclusion from gross income of gains from redemption of shares of units of participation in mutual fund and unit investment trust fund (UITF), thus, exempt from 25.00% RCIT, provided that prior to such redemption, final taxes due on realized gains have been withheld at the level of the underlying assets;
- Revised Documentary Stamp Tax (DST) rate of 75.00% of 1.00% on original issuance of shares and debt instruments while original issuances of UITFs and mutual funds are now exempt from DST, as well as the sale, exchange, redemption or other disposition of shares of stock listed and traded through a foreign stock exchange.
- Exclusion of Reverse Repurchase Agreements with BSP under the definition of deposit substitute. Interest income from reverse repurchase transaction is now subject to 25.00% RCIT, which was previously subject to final withholding tax.

The provision for income tax consists of:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Current						
Final tax	₱4,719,151	₱4,012,622	₱3,295,280	₱4,264,612	₱3,979,777	₱3,269,539
MCIT	112,507	680	411	—	—	—
RCIT	1,108,252	2,123,093	1,802,343	982,140	1,526,795	1,208,582
	5,939,910	6,136,395	5,098,034	5,246,752	5,506,572	4,478,121
Deferred	323,008	477,427	(1,308,131)	460,101	727,977	(1,179,583)
	₱6,262,918	₱6,613,822	₱3,789,903	₱5,706,853	₱6,234,549	₱3,298,538

The details of net deferred tax assets follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Deferred tax assets (liabilities) on:				
Allowance for impairment and credit losses	₱5,296,426	₱4,387,180	₱3,966,334	₱3,000,531
Fair value adjustments on asset foreclosure and dacion transactions - net of depreciated portion	(1,401,014)	(442,466)	(1,474,310)	(372,375)
Derivative contracts designated as hedges	(655,870)	1,352,693	(655,870)	1,352,693
Revaluation increment on land (Notes 12 and 24)	(456,171)	(456,171)	(456,171)	(456,171)
Net defined benefit asset	(316,460)	(459,741)	(332,332)	(459,015)
Others	2,284,631	1,128,269	1,748,452	655,296
	₱4,751,542	₱5,509,764	₱2,796,103	₱3,720,959

Others pertain primarily to the deferred tax assets on derivatives not designated as hedges, leases, and foreign exchange revaluation.

The details of net deferred tax liabilities follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Deferred tax liabilities (assets) on:				
Branch licenses arising from acquisition of PDB	₱697,995	₱697,995	₱—	₱—
Fair value adjustments on net assets/ liabilities of PDB and Unity Bank, and others	93,381	93,381	—	—
	₱791,376	₱791,376	₱—	₱—

In 2025, deferred tax debited to OCI amounted to ₱435.22 million and ₱464.75 million for the Group and the Parent Company, respectively. In 2024, deferred tax debited to OCI amounted ₱518.08 million and ₱512.14 million for the Group and the Parent Company, respectively.

The Group did not set up deferred tax assets on other temporary differences amounting to nil and ₱270.09 million as of December 31, 2025 and 2024, respectively, as it believes that it is highly probable that these temporary differences will not be realized in the near foreseeable future.

The reconciliation of the statutory income tax to the provision for income tax follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Statutory income tax	₱8,562,224	₱7,856,250	₱6,452,032	₱8,421,201	₱7,759,457	₱6,327,332
Tax effects of						
FCDU income	(202,472)	75,197	(815,421)	(194,804)	82,006	(813,259)
Non-taxable income	(4,903,850)	(2,579,515)	(1,525,269)	(4,800,362)	(2,332,067)	(1,357,900)
Interest income						
subjected to final tax	(1,278,193)	(1,021,768)	(821,950)	(959,143)	(904,944)	(743,943)
Nondeductible						
expenses	3,879,821	2,196,068	538,939	3,477,022	1,868,190	182,417
Others	205,388	87,590	(38,428)	(237,061)	(238,093)	(296,109)
Provision for income tax	₱6,262,918	₱6,613,822	₱3,789,903	₱5,706,853	₱6,234,549	₱3,298,538

29. Trust Operations

Securities and other properties (other than deposits) held by the Parent Company in fiduciary or agency capacities for clients and beneficiaries are not included in the accompanying balance sheets since these are not assets of the Parent Company (Note 31).

In compliance with the requirements of current banking regulations relative to the Parent Company's trust functions: (a) government bonds included under financial assets at FVOCI with total face value of ₱3.35 billion and ₱3.16 billion as of December 31, 2025 and 2024, respectively, are deposited with the BSP as security for the Parent Company's faithful compliance with its fiduciary obligations (Note 9); and (b) a certain percentage of the Parent Company's trust fee income is transferred to surplus reserve. This yearly transfer is required until the surplus reserve for trust function equals 20.00% of the Parent Company's authorized capital stock.

30. Related Party Transactions

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

- key management personnel, close family members of key management personnel and entities which are controlled, significantly influenced by or for which significant voting power is held by key management personnel or their close family members,
- significant investors,
- subsidiaries, joint ventures and associates and their respective subsidiaries, and
- post-employment benefit plans for the benefit of the Group's employees.

The Group has several business relationships with related parties. Transactions with such parties are normally made in the ordinary course of business and based on the terms and conditions discussed below. Transactions with related parties are settled in cash, unless otherwise indicated.

Transactions with Retirement Plans

Under PFRS, certain post-employment benefit plans are considered as related parties. The Group has business relationships with a number of its retirement plans pursuant to which it provides trust and management services to these plans. Income earned by the Group and Parent Company from such services amounted to ₱83.69 million and ₱75.94 million, respectively, in 2025, ₱67.71 million and ₱59.84 million, respectively, in 2024, and ₱56.74 million and ₱49.77 million, respectively, in 2023. The Group's retirement funds may hold or trade the Parent Company's shares or securities. Significant transactions of the retirement fund, particularly with related parties, are approved by the Trust Investment Committee (TIC) and the Related Party Transaction (RPT) Committee of the Parent Company. The members of the TIC are directors and key management personnel of the Parent Company.

A summary of transactions with related party retirement plans follows:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Deposits in banks	₱111	₱604	₱1	₱503
Financial assets at FVTPL	3,111,016	3,465,781	3,111,016	3,465,781
Dividend income	136,448	120,074	136,448	120,074
Interest income	10	65	8	62
Total market value of shares	3,111,016	3,465,781	3,111,016	3,465,781
Number of shares held (in thousands)	54,579	54,579	54,579	54,579

In 2023, dividend income and interest income of the retirement plan from investments and placements amounted to ₱103.70 million and ₱0.10 million, respectively, for the Group, and ₱103.70 million and ₱0.10 million, respectively, for the Parent Company.

Financial assets at FVTPL represent shares of stock of the Parent Company. Voting rights over the Parent Company's shares are exercised by an authorized trust officer.

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 Group, directly or indirectly. The Group considers the members of the Management Committee (ManCom) to constitute key management personnel for purposes of PAS 24.

Total remunerations of key management personnel are as follows:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Short-term employee benefits	₱1,338,482	₱1,188,263	₱1,081,311	₱1,207,895	₱1,057,231	₱959,263
Post-employment benefits	9,174	4,156	4,864	4,055	1,068	1,907
	₱1,347,656	₱1,192,419	₱1,086,175	₱1,211,950	₱1,058,299	₱961,170

Members of the BOD are entitled to a per diem up to ₱10,000.00 for attendance at each meeting of the Board or of any committees and to four percent (4.00%) of the Parent Company's net earnings, with certain deductions in accordance with BSP regulation.

Non-executive directors do not receive any performance-related compensation. Directors' remuneration covers all Parent Company's Board activities and membership of committees and subsidiary companies.

The Group also provides banking services to directors and other key management personnel and persons connected to them. These transactions are presented in the succeeding tables.

Other Related Party Transactions

Transactions between the Parent Company and its subsidiaries meet the definition of related party transactions. Transactions between the Group and its associated companies also qualify as related party transactions. Details of the Parent Company's subsidiaries and associate are disclosed in Notes 1 and 11.

Group

Related party transactions of the Group by category of related party are presented below.

Category	December 31, 2025		
	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables		₱5,976,000	Secured shares of stocks; with interest rates ranging from 4.00% to 4.18%; with remaining term to maturity between 0.44 years to 2.85 years; with allowance for credit losses of ₱3.25 million
Issuances	₱–		
Repayments	(6,000)		
Associate			
Deposit liabilities		1,467	These are checking accounts with annual average rate of 0.13%.
Deposits	380		
Withdrawals	(2,758)		
Key Management Personnel			
Loans and receivables		6,200	Unsecured officer's credit card accounts with interest of 3.00% and loan accounts with average 5.00% rate.
Issuances	5,685		
Repayments	(5,425)		
Deposit liabilities		244,200	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	381,872		
Withdrawals	(286,188)		
Other Related Parties			
Loans and receivables		73,943,549	Secured and unsecured loans with interest rates ranging from 3.00% to 10.14% and with remaining term to maturity between 0.05 years to 18 years. Allowance for probable losses amounted to ₱553.61 million.
Issuances	32,623,140		
Repayments	(10,413,181)		
Deposit liabilities		335,328	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	446,883		
Withdrawals	(561,419)		

Category	December 31, 2024		
	Amount / Volume	Outstanding Balance	Terms and Conditions
Significant Investor			
Loans and receivables		₱5,982,000	Secured with shares of stocks; with interest rates ranging from 4.00% to 4.18%; with remaining term to maturity between 1.46 years to 3.86 years; with allowance for credit losses of ₱2.72 million.
Issuances	₱–		
Repayments	(2,341,900)		
Associate			
Deposit liabilities		3,845	These are checking accounts with annual average rate of 0.13%.
Deposits	2,906		
Withdrawals	(720)		
Key Management Personnel			
Loans and receivables		5,940	Unsecured officer's credit card accounts with interest of 3.00% and loan accounts with average 5.00% rate.
Issuances	4,795		
Repayments	(2,511)		
Deposit liabilities		148,516	These are checking, savings and time deposits with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	360,838		
Withdrawals	(326,645)		
Other Related Parties			
Loans and receivables		51,733,590	Secured and unsecured loans amounting to ₱3.81 billion and ₱47.85 billion, respectively, with interest rates ranging from 3.41% to 10.14%; with remaining term to maturity between 0.01 years to 19.01 years; with allowance for credit losses of ₱576.2 million.
Issuances	17,969,453		
Repayments	(26,204,844)		
Deposit liabilities		449,864	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	9,156,118		
Withdrawals	(9,248,055)		

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2025, 2024, and 2023 follow:

	Significant Investor			Associate		
	2025	2024	2023	2025	2024	2023
Interest income	₱206,542	₱247,304	₱340,142	₱–	₱–	₱–
Interest expense	–	–	–	1	1	1

	Key Management Personnel			Other Related Parties		
	2025	2024	2023	2025	2024	2023
Interest income	₱233	₱205	₱161	₱3,490,488	₱2,595,031	₱2,725,039
Interest expense	46	5,592	4,566	229	1,329	1,200

Related party transactions of the Group with significant investor, associate, and other related parties pertain to transactions of the Parent Company with these related parties.

Parent Company

Related party transactions of the Parent Company by category of related party are presented below.

December 31, 2025			
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱5,976,000	Secured with shares of stocks; with interest rates ranging from 4.00% to 4.18%; with remaining term to maturity between 0.44 years to 2.85 years; with allowance for credit losses of ₱3.25 million.
Issuances	₱–		
Repayments	(6,000)		
Subsidiaries			
Deposit liabilities		590,472	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	27,190,941		
Withdrawals	(27,248,308)		
Associate			
Deposit liabilities		1,467	These are checking accounts with annual average rate of 0.13%.
Deposits	380		
Withdrawals	(2,758)		
Key Management Personnel			
Loans and receivables		4,411	Unsecured officer's credit card accounts with interest of 3.00%.
Issuances	5,685		
Repayments	(4,978)		
Deposit liabilities		33,047	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	288,158		
Withdrawals	(280,731)		
Other Related Parties			
Loans and receivables		73,943,549	Secured and unsecured loans with interest rates ranging from 3.00% to 10.14% and with remaining term to maturity between 0.05 years to 18 years. Allowance for probable losses amounted to ₱553.61 million.
Issuances	32,623,140		
Repayments	(10,413,181)		
Deposit liabilities		148,667	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	430,271		
Withdrawals	(474,294)		

December 31, 2024			
Category	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Significant Investor			
Loans and receivables		₱5,982,000	Secured with shares of stocks; with interest rates ranging from 4.00% to 4.18%; with remaining term to maturity between 1.46 years to 3.86 years; with allowance for credit losses of ₱2.72 million.
Issuances	₱–		
Repayments	(2,341,900)		
Subsidiaries			
Deposit liabilities		647,839	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	30,047,362		
Withdrawals	(29,989,616)		
Associate			
Deposit liabilities		3,845	These are checking accounts with annual average rate of 0.13%.
Deposits	2,906		
Withdrawals	(720)		
Key Management Personnel			
Loans and receivables		3,704	Unsecured officer's credit card accounts with interest of 3.00%.
Issuances	4,795		
Repayments	(2,087)		

(Forward)

Category	December 31, 2024		
	Amount / Volume	Outstanding Balance	Nature, Terms and Conditions
Deposit liabilities		25,620	These are checking, savings and time deposit account with annual average interest rates ranging from 0.25% to 1.00%.
Deposits	323,765		
Withdrawals	(320,087)		
Other Related Parties			
Loans and receivables		P51,733,590	Secured and unsecured loans with interest rates ranging from 3.41 % to 10.14%; with remaining term to maturity between .01 years to 19.01 years; with allowance for credit losses of P576.2 million.
Issuances	P17,969,453		
Repayments	(26,204,844)		
Deposit liabilities		192,690	These are checking and savings accounts with annual average interest rates ranging from 0.13% to 1.00%.
Deposits	9,111,321		
Withdrawals	(9,186,086)		

The related party transactions shall be settled in cash.

Interest income earned and interest expense incurred from the above loans and deposit liabilities in 2025, 2024, and 2023 follow:

	Subsidiaries			Associate		
	2025	2024	2023	2025	2024	2023
Interest income	P—	P—	P—	P—	P—	P—
Interest expense	879	797	935	1	1	1

	Key Management Personnel			Other Related Parties		
	2025	2024	2023	2025	2024	2023
Interest income	P132	P111	P18	P1,126,919	P2,595,031	P2,725,039
Interest expense	46	31	30	229	565	282

	Significant Investor		
	2025	2024	2023
Interest income	P62,068	P247,304	P340,142
Interest expense	—	—	—

Outright sales and purchases of debt securities of the Parent Company with China Bank Savings amounted to P626.59 million and P258.61 million in 2025 and P21.27 billion and nil in 2024, respectively.

The following table shows the amount and outstanding balance of other related party transactions included in the financial statements:

	Subsidiaries		
	2025	2024	Nature, Terms and Conditions
Balance Sheet			
Accounts receivable	P4,358	P1,627	This pertains to various expenses advanced by CBC in behalf of various subsidiaries.
Security deposits	11,755	11,297	This pertains to the rental deposits with CBSI and CBCC for office space leased out to the Parent Company

	Subsidiaries		
	2025	2024	2023
Income Statement			
Trust fee income	P408	P607	P528
Rent income	2,577	3,503	3,351
Miscellaneous income	3,502	4,860	3,850

Trust Fee earned by Parent Company from CBCC
Rent Income from CBCC
Certain functions provided by the Parent Company to its subsidiaries such as accounting, human resources, audit, treasury operations, administrative, corporate marketing, and financial control services. Under the agreement between the Parent Company and its subsidiaries, the subsidiaries shall pay the Parent Company an annual fee

(Forward)

	Subsidiaries			Nature, Terms and Conditions
	2025	2024	2023	
Interest Income	3,833	476	1,078	Interest earned from cash in bank and short-term investment of Parent Company
Other Income	–	5,748	23,776	Unrealized gain on money market funds of Parent Company
Occupancy cost	43,063	41,041	39,168	Certain units of the condominium owned by CBSI are being leased to the Parent Company for a term of five years, with no escalation clause.
Deferred charges	–	–	307	Arranger fees paid by the Parent Company to CBCC for the issuance of its fixed rate bonds.
Information technology	481,618	381,708	340,908	This pertains to the computer and general banking services provided by CBC-PCCI to the Parent Company to support its reporting requirements.
Miscellaneous expenses	2,379	2,090	3,248	Brokerage fees paid by the Parent Company to CBSec

31. Commitments and Contingent Assets and Liabilities

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. Management does not anticipate any material losses as a result of these transactions.

There are several suits, assessments or notices and claims that remain contested. Management believes, based on the opinion of its legal counsels, that the ultimate outcome of such suits, assessments and claims will not have a material effect on the Group's and the Parent Bank's financial position and results of operations.

The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent Peso contractual amounts:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Foreign exchange bought	P434,783,963	P406,093,820	P434,783,963	P406,093,820
Trust department accounts	327,741,700	318,595,935	327,741,700	318,595,935
IRS receivable	93,435,699	74,862,900	93,435,699	74,862,900
Credit card lines	62,077,488	37,045,774	62,077,488	37,045,774
Foreign exchange sold	58,807,500	83,797,174	58,807,500	83,797,174
Committed credit lines	28,764,126	5,322,938	28,764,126	5,322,938
Unused commercial letters of credit	15,093,311	16,237,162	15,040,487	16,183,487
Spot exchange bought	7,591,888	11,747,435	7,591,888	11,747,435
Standby credit commitment	5,077,260	3,891,238	2,567,137	3,891,238
Spot exchange sold	1,416,475	5,751,617	1,416,475	5,751,617
Outstanding guarantees issued	1,313,775	3,441,848	1,313,775	1,163,035
Late deposits/payments received	295,955	387,904	291,044	384,242
Inward bills for collection	279,817	3,539,872	279,817	3,539,872
Deficiency claims receivable	223,504	223,504	223,504	223,504
Outward bills for collection	11,314	12,495	9,163	10,378
Others	2,503	151,252	2,304	151,020

32. Segment Information

The Group's operating businesses are recognized and managed separately according to the nature of services provided and the markets served, with each segment representing a strategic business unit. The businesses are organized to cater to the banking needs of market segments, facilitate customer engagement, ensure timely delivery of products and services as well as achieve cost efficiency and economies of scale. In 2022, the Lending Business Segment was split into two separate segments,

namely, Institutional Banking Segment and Consumer Banking Segment to integrate various business units for synergy and maximization of potential value in terms of market share, product line, customer base and operational efficiency. Corresponding segment information for all periods presented herein are restated to reflect such change.

The Group's business segments are as follows:

- a. Institutional Banking – principally handles lending, trade finance and related banking products and services for corporate, institutional, and selected middle market clients. This segment also manages retail and commercial loan portfolios progressively transferred from the Retail Banking Business Segment as part of the Parent Company's business realignment strategy;
- b. Consumer Banking – principally handles home loans, contract-to-sell receivables, loans to developers, auto loans and credit cards for individual and/or corporate customers;
- c. Retail Banking Business – principally handles deposits products, overdrafts and funds transfer facilities, trade services and other banking services for retail customers. Retail and commercial loan portfolios are being progressively transferred to Institutional Banking Segment under the Parent Company's business realignment strategy;
- d. Financial Markets – principally provides money market, trading and treasury services, manages the Parent Company's funding operations through the use of government securities, placements and acceptances with other banks as well as offers advisory and capital-raising services to corporate clients and remittance transactions;
- e. Others – handles other services including but not limited to trust and investment management services, wealth management services to high net-worth customers, asset management, credit management, operations and financial control, cash management services and other support services; and
- f. Subsidiaries – handles services of the subsidiaries and affiliates such as thrift banking business, investment house, insurance brokerage, bancassurance business, stock brokerage and computer-related services.

The Group reports its primary segment information to the Chief Operating Decision Maker (CODM) on the basis of the above-mentioned segments. The CODM of the Group is the President and Chief Executive Officer of the Parent Company.

Segment assets are those operating assets that are employed by a segment in its operating activities that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment liabilities are those operating liabilities that result from the operating activities of a segment and that either are directly attributable to the segment or can be allocated to the segment on a reasonable basis.

Interest income is reported net as management primarily relies on the net interest income as a measure of performance, instead of gross income and expense.

The segment results include internal transfer pricing adjustments across business units as deemed appropriate by management. Transactions between segments are conducted at estimated market rates on an arm's length basis. Interest is charged/credited to the business units based on a pool of funds rate which approximates the marginal cost of funds.

Other operating income mainly consists of trading and securities gain (loss) - net, service charges, fees and commissions, trust fee income and foreign exchange gain - net. Other operating expense mainly consists of compensation and fringe benefits, provision for impairment and credit losses, taxes and licenses, occupancy, depreciation and amortization, stationery, supplies and postage and insurance. Other operating income and expense are allocated between segments based on equitable sharing arrangements.

The Group has no significant customers which contribute 10% or more of the consolidated revenues.

The Group's asset-producing revenues are located in the Philippines (i.e., one geographical location); therefore, geographical segment information is not presented.

The following tables present relevant information regarding business segments as of December 31, 2025:

	Institutional Banking			Consumer Banking		
	2025	2024	2023	2025	2024	2023
Results of Operations						
Net interest income						
Third party	₱47,453,151	₱39,873,177	₱33,129,532	₱8,674,650	₱7,022,679	₱5,845,803
Intersegment	(37,949,132)	(30,800,122)	(25,423,785)	(5,711,533)	(5,211,201)	(3,823,910)
Other operating income	9,308,800	8,288,562	907,815	1,864,672	1,679,347	652,923
Total revenue	18,812,819	17,361,617	8,613,562	4,827,789	3,490,825	2,674,816
Other operating expense	(3,706,504)	(2,878,919)	(2,134,842)	(3,774,887)	(3,029,002)	(2,118,133)
Income before provisions and taxes	15,106,315	14,482,698	6,478,720	1,052,903	461,823	556,683
Reversal from (provision for) impairment and credit losses	(5,306,118)	(2,435,081)	19,714	(776,500)	(91,865)	132,471
Income before income tax	9,800,197	12,047,617	6,498,434	276,403	369,958	689,154
Provision for income tax	(785,604)	(1,457,445)	(118,365)	301,889	252,198	192,931
Net income	₱9,014,593	₱10,590,172	₱6,380,069	₱578,292	₱622,156	₱882,085
Total assets	₱769,106,267	₱656,310,829	₱534,327,778	₱122,389,243	₱98,667,475	₱87,575,351
Total liabilities	₱1,325,614	₱1,199,048	₱1,282,440	₱2,190,426	₱3,335,086	₱1,056,689
Depreciation and amortization	₱60,387	₱100,974	₱32,274	₱104,952	₱275,025	₱83,272
Capital expenditures	₱27,783	₱20,386	₱11,214	₱42,936	₱57,166	₱28,819

	Retail Banking Business			Financial Markets		
	2025	2024	2023	2025	2024	2023
Results of Operations						
Net interest income						
Third party	(₱4,801,305)	(₱2,317,929)	(₱899,965)	₱11,247,649	₱10,562,284	₱8,218,160
Intersegment	29,550,231	25,376,743	23,537,023	14,111,758	10,473,434	5,776,475
Other operating income	24,748,926	23,058,814	22,637,058	25,359,407	21,035,718	13,994,635
Total revenue	27,143,716	25,296,903	25,590,992	11,615,445	8,184,712	7,474,004
Other operating expense	(14,105,692)	(13,768,265)	(12,926,729)	(4,760,369)	(4,366,458)	(3,989,905)
Income before provisions and taxes	13,038,024	11,528,638	12,664,263	6,855,076	3,818,254	3,484,099
Reversal from (provision for) impairment and credit losses	(63,345)	(78,278)	(462,358)	38,857	86,649	102,129
Income before income tax	12,974,679	11,450,360	12,201,905	6,893,933	3,904,903	3,586,228
Provision for income tax	(1,029,980)	(1,384,621)	(218,363)	(3,868,157)	(3,644,680)	(3,154,741)
Net income	₱11,944,699	₱10,065,739	₱11,983,542	₱3,025,776	₱260,223	₱431,487
Total assets	₱691,775,469	₱642,463,095	₱651,728,414	₱530,484,726	₱538,442,015	₱510,301,559
Total liabilities	₱717,247,064	₱649,118,794	₱639,647,311	₱1,043,032,855	₱953,921,457	₱742,577,884
Depreciation and amortization	₱1,261,867	₱1,295,679	₱1,358,704	₱31,512	₱59,637	₱53,190
Capital expenditures	₱227,446	₱123,675	₱185,393	₱14,123	₱10,416	₱16,756

	Other Business and Support Units			Subsidiaries		
	2025	2024	2023	2025	2024	2023
Results of Operations						
Net interest income						
Third party	₱1,105	₱98,739	₱1,011	₱10,019,517	₱8,299,652	₱7,233,264
Intersegment	(1,324)	161,146	(65,803)	—	—	—
	(219)	259,885	(64,792)	10,019,517	8,299,652	7,233,264
Other operating income	1,356,838	34,485	(73,502)	1,923,760	2,682,087	2,643,111
Total revenue	1,356,619	294,370	(138,294)	11,943,277	10,981,739	9,876,375
Other operating expense	—	(206)	(130,545)	(8,068,865)	(6,827,608)	(5,737,171)
Income before provisions and taxes	1,356,619	294,164	(268,839)	3,874,412	4,154,131	4,139,204
Reversal from (provision for) impairment and credit losses	—	(12,882)	(474)	(927,347)	(783,251)	(1,037,485)
Income before income tax	1,356,619	281,282	(269,313)	2,947,065	3,370,880	3,101,719
Provision for income tax	(325,000)	—	—	(556,066)	(379,274)	(491,365)
Net income	₱1,031,619	₱281,282	(₱269,313)	₱2,390,999	₱2,991,606	₱2,610,354
Total assets	(₱528,115,902)	(₱460,870,833)	(₱447,403,654)	₱196,047,937	₱171,080,834	₱141,513,774
Total liabilities	(₱369,361,461)	(₱301,057,147)	(₱198,257,025)	₱195,955,469	₱170,996,536	₱141,437,522
Depreciation and amortization	₱609,505	₱—	(₱1,406)	₱587,790	₱556,739	₱480,112
Capital expenditures	₱1,058,292	₱889,662	₱384,936	₱136,825	₱129,105	₱60,990

	Total		
	2025	2024	2023
Results of Operations			
Net interest income			
Third party	₱72,594,767	₱63,538,602	₱53,527,805
Intersegment	—	—	—
	72,594,767	63,538,602	53,527,805
Other operating income	3,104,898	2,071,565	563,650
Total revenue	75,699,665	65,610,167	54,091,455
Other operating expense	(34,416,317)	(30,870,459)	(27,037,325)
Income before provisions and taxes	41,283,348	34,739,708	27,054,130
Reversal from (provision for) impairment and credit losses	(7,034,453)	(3,314,707)	(1,246,003)
Income before income tax	34,248,895	31,425,001	25,808,127
Provision for income tax	(6,262,918)	(6,613,822)	(3,789,903)
Net income	₱27,985,977	₱24,811,179	₱22,018,224
Total assets	₱1,781,687,740	₱1,646,093,412	₱1,478,043,222
Total liabilities	₱1,590,389,967	₱1,477,513,772	₱1,327,744,821
Depreciation and amortization	₱2,656,013	₱2,288,054	₱2,006,146
Capital expenditures	₱1,507,405	₱1,230,410	₱688,108

The Group's share in net income of an associate included in other operating income amounting to ₱1.50 billion, ₱757.36 million, and ₱435.08 million in 2025, 2024 and 2023, respectively, are reported under 'Other Business and Support Units'.

33. Earnings Per Share

Basic EPS amounts are calculated by dividing the net income for the year by the weighted average number of common shares outstanding during the year.

The following reflects the income and share data used in the basic earnings per share computations:

	2025	2024	2023
a. Net income attributable to equity holders of the parent	₱27,977,951	₱24,803,274	₱22,010,790
b. Weighted average number of common shares outstanding (Note 24)	2,691,343	2,691,341	2,691,340
c. Earnings per share – basic and diluted (a/b)	₱10.40	₱9.22	₱8.18

As of December 31, 2025, 2024 and 2023, there were no outstanding dilutive potential common shares.

34. Supplementary Information for Cash Flow Analysis

The following is a summary of certain non-cash investing activities that relate to the analysis of the statements of cash flows:

	Consolidated		
	2025	2024	2023
Addition to investment properties from settlement of loans	₱14,670,015	₱3,844,577	₱1,116,442
Fair value gain on FVOCI financial assets	1,737,001	273,372	3,066,480
Addition to right-of-use assets	119,690	666,762	1,042,997
Cumulative translation adjustment	55,431	(116,124)	162,871
Addition to chattel mortgage from settlement of loans	1,248,991	978,159	481,175
Parent Company			
	2025	2024	2023
Addition to investment properties from settlement of loans	₱14,238,127	₱3,446,969	₱528,951
Fair value gain (loss) in FVOCI financial assets	1,731,957	271,368	3,009,732
Addition to right-of-use assets	101,767	421,919	629,477
Cumulative translation adjustment	55,431	(146,521)	81,494
Addition to chattel mortgage from settlement of loans	17,934	12,557	43,690

The following table shows the reconciliation analysis of bonds payable, bills payable, and lease liability under financing activities for both the Group and Parent Company for the years ended December 31, 2025 and 2024:

	Consolidated			
	2025			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱112,133,138	₱—	₱3,010,314	₱115,143,452
Cash flows during the year				
Proceeds	694,879,185	—	—	694,879,185
Settlement/payment*	(689,993,430)	—	(742,361)	(690,735,791)
Non-cash changes				
Additions	—	—	250,324	250,324
Accretion of interest/pretermination	—	—	220,644	220,644
Foreign exchange movement	1,765,551	—	—	1,765,551
Balance at end of year	₱118,784,444	₱—	₱2,738,921	₱121,523,365

*For lease liability, payment refers to both principal and interest components

	Consolidated			
	2024			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱84,798,489	₱19,989,307	₱3,347,987	₱108,135,783
Cash flows during the year				
Proceeds	568,797,606	—	—	568,797,606
Settlement/payment*	(545,158,967)	(20,000,000)	(1,254,185)	(566,413,152)
Non-cash changes				
Additions	—	—	666,762	666,762
Accretion of interest	—	10,693	249,750	260,443
Foreign exchange movement	3,696,010	—	—	3,696,010
Balance at end of year	₱112,133,138	₱—	₱3,010,314	₱115,143,452

*For lease liability, payment refers to both principal and interest components

	Parent Company			
	2025			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱112,133,138	₱—	₱2,232,817	₱114,365,955
Cash flows during the year				
Proceeds	694,879,185	—	—	694,879,185
Settlement/payment*	(689,993,430)	—	(438,355)	(690,431,785)
Non-cash changes				
Additions	—	—	101,767	101,767
Accretion of interest/pretermination	—	—	168,977	168,977
Foreign exchange movement	1,765,551	—	—	1,765,551
Balance at end of year	₱118,784,444	₱—	₱2,065,206	₱120,849,650

*For lease liability, payment refers to both principal and interest components

	Parent Company			
	2024			
	Bills Payable	Bonds Payable	Lease Liability	Total
Balance at beginning of year	₱84,798,489	₱19,989,307	₱2,578,292	₱107,366,088
Cash flows during the year				
Proceeds	568,797,606	—	—	568,797,606
Settlement/payment*	(545,158,967)	(20,000,000)	(955,056)	(566,114,023)
Non-cash changes				
Additions	—	—	421,919	421,919
Accretion of interest	—	10,693	187,662	260,443
Foreign exchange movement	3,696,010	—	—	3,696,010
Balance at end of year	₱112,133,138	₱—	₱2,232,817	₱114,365,955

*For lease liability, payment refers to both principal and interest components

35. Offsetting of Financial Assets and Liabilities

The amendments to PFRS 7 require the Group to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.

Consolidated and Parent Company						
December 31, 2025						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a-b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
Currency forwards	₱2,636,062	₱–	₱2,636,062	₱2,636,062	₱–	₱–
IRS	18,120	–	18,120	5,916	–	12,204
	₱2,654,182	₱–	₱2,654,182	₱2,641,978	₱–	₱12,204
Financial liabilities						
Bills payable	₱118,784,445	₱–	₱118,784,445	₱126,281,840	₱124,712,908	₱–
Currency forwards	6,700,663	–	6,700,663	2,636,062	–	4,064,601
IRS	5,916	–	5,916	5,916	–	–
	₱125,491,024	₱–	₱125,491,024	₱128,923,818	₱124,712,908	₱4,064,601

Consolidated and Parent Company						
December 31, 2024						
Financial instruments recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial position [a-b]	Effects of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Fair value of financial collateral	Net exposure [c-d]
	[a]	[b]	[c]	[d]		[e]
Financial assets						
Currency forwards	₱2,622,365	₱–	₱2,622,365	₱2,306,815	₱–	₱315,550
IRS	53,139	–	53,139	19,237	–	33,902
	₱2,675,505	₱–	₱2,675,505	₱2,326,053	₱–	₱349,452
Financial liabilities						
Bills payable	₱112,133,138	₱–	₱112,133,138	₱97,018,091	₱93,765,159	₱18,367,979
Currency forwards	4,251,581	–	4,251,581	2,306,815	–	1,944,766
IRS	19,237	–	19,237	19,237	–	–
	₱116,403,957	₱–	₱116,403,957	₱99,344,143	₱93,765,159	₱20,312,745

The amounts disclosed in column (d) include those rights to set-off amounts that are only enforceable and exercisable in the event of default, insolvency or bankruptcy. These include amounts related to financial collateral both received and pledged, whether cash or non-cash collateral, excluding the extent of over-collateralization.

36. Approval of the Financial Statements

The accompanying consolidated and parent company financial statements were authorized for issue by the Parent Company's BOD on February 25, 2026.

37. Supplementary Information Required Under Section 174 of the MORB

Presented below is the supplementary information required by BSP under Appendix 55 of BSP Circular 1074 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

Basic quantitative indicators of financial performance

The following basic ratios measure the financial performance of the Group and the Parent Company:

	Consolidated			Parent Company		
	2025	2024	2023	2025	2024	2023
Return on average equity	15.56%	15.56%	15.46%	15.56%	15.56%	15.46%
Return on average assets	1.63%	1.59%	1.57%	1.83%	1.76%	1.72%
Net interest margin	4.60%	4.45%	4.24%	4.49%	4.35%	4.07%

Description of capital instruments issued

The Group and the Parent Company consider its common stock as capital instruments eligible as Tier 1 capital.

Significant credit exposures

Information on the significant credit exposures (gross of unearned discounts and allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated			
	2025		2024	
	Amounts	%	Amounts	%
Real estate, renting and business services	P279,161,310	26.36	P242,363,048	25.97
Financial intermediaries	133,416,953	12.60	130,270,720	13.96
Electricity, gas and water	117,543,717	11.00	104,305,696	11.18
Transportation, storage and communication	86,881,253	8.21	67,213,834	7.20
Manufacturing	85,062,169	8.03	81,513,606	8.75
Arts, entertainment and recreation	76,164,910	7.19	81,706,197	8.77
Wholesale and retail trade	68,268,770	6.45	57,044,333	6.11
Accommodation and food service activities	20,924,027	1.98	15,015,108	1.61
Construction	12,688,911	1.20	12,446,023	1.33
Mining and quarrying	12,503,831	1.18	12,416,050	1.33
Agriculture	11,848,098	1.12	11,475,821	1.23
Education	4,306,182	0.41	4,054,507	0.43
Professional, scientific and technical activities	2,132,826	0.20	2,633,548	0.28
Public administration and defense	281,738	0.03	205,322	0.02
Others*	147,681,143	13.95	110,410,287	11.83
	P1,058,865,838	100.00	P933,074,100	100.00

*Others consist of industry/sector under administrative and support service, health, household and other activities which, individually, is not a significant credit exposure.

	Parent Company			
	2025		2024	
	Amounts	%	Amounts	%
Real estate, renting and business services	P242,584,807	26.84	P207,431,806	26.06
Financial intermediaries	133,379,266	14.76	130,068,284	16.34
Electricity, gas and water	116,245,452	12.87	102,823,187	12.91
Transportation, storage and communication	85,514,119	9.46	65,969,078	8.29
Manufacturing	83,363,594	9.22	79,463,275	9.98
Arts, entertainment and recreation	76,142,331	8.43	81,669,821	10.26
Wholesale and retail trade	64,811,602	7.17	54,488,997	6.84
Accommodation and food service activities	20,370,636	2.25	14,435,122	1.81
Mining and quarrying	12,499,820	1.38	12,411,896	1.56
Construction	11,647,981	1.29	11,792,173	1.48
Agriculture	7,411,414	0.82	7,968,860	1.00
Education	3,765,764	0.42	3,562,977	0.45
Professional, scientific and technical activities	2,063,088	0.23	2,553,742	0.32
Public administration and defense	281,738	0.03	205,322	0.03
Others*	43,658,048	4.83	21,277,644	2.67
	P903,739,660	100.00	P796,122,184	100.00

*Others consist of industry/sector under administrative and support service, health, household and other activities which, individually, is not a significant credit exposure.

The BSP considers significant credit exposures when the total loan exposure to a particular industry or economic sector exceeds 30.00% of total loan portfolio or 10.00% of Tier 1 capital (see Note 24).

Status of loans

Information on the amounts of performing and non-performing loans and receivables (gross of allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated					
	2025			2024		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	₱788,666,220	₱10,195,229	₱798,861,449	₱700,232,238	₱8,821,499	₱709,053,737
Consumer lending:	240,058,417	7,089,070	247,147,487	204,766,684	5,783,337	210,550,021
Housing	122,092,034	3,369,382	125,461,416	108,295,362	3,319,522	111,614,884
Automatic Payroll Deduction	77,146,309	1,835,607	78,981,916	64,234,548	1,540,184	65,774,732
Auto	27,978,498	1,074,617	29,053,115	26,190,760	634,074	26,824,834
Credit Card	11,652,903	707,284	12,360,187	4,904,857	215,092	5,119,949
Others	1,188,673	102,180	1,290,853	1,141,157	74,465	1,215,622
Trade-related lending	10,708,766	24,513	10,733,279	11,258,012	—	11,258,012
Others	116,689	4,792	121,481	142,823	3,286	146,109
	₱1,039,550,092	₱17,313,604	₱1,056,863,696	₱916,399,757	₱14,608,122	₱931,007,879

	Parent Company					
	2025			2024		
	Performing	Non-Performing	Total	Performing	Non-Performing	Total
Loans and discounts						
Corporate and commercial lending	₱772,159,706	₱9,281,645	₱781,441,351	₱686,971,213	₱7,537,975	₱694,509,188
Consumer lending:	107,974,569	3,743,047	111,717,616	86,930,369	3,319,309	90,249,678
Housing	91,142,826	2,937,474	94,080,300	77,370,222	3,029,808	80,400,030
Auto	5,175,221	97,157	5,272,378	4,648,460	73,441	4,721,901
Credit Card	11,652,903	707,284	12,360,187	4,904,857	215,092	5,119,949
Others	3,619	1,132	4,751	6,830	968	7,798
Trade-related lending	10,368,741	24,513	10,393,254	10,906,396	—	10,906,396
Others	30,449	514	30,963	19,526	2	19,528
	₱890,533,465	₱13,049,719	₱903,583,184	₱784,827,504	₱10,857,286	₱795,684,790

Loans per security

As of December 31, 2025 and 2024, secured and unsecured non-performing loans (NPLs) of the Group and the Parent Company follow:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Secured	₱10,354,156	₱9,209,970	₱8,263,218	₱7,508,800
Unsecured	6,959,448	5,398,152	4,786,501	3,348,486
	₱17,313,604	₱14,608,122	₱13,049,719	₱10,857,286

According to BSP Circular 941, *Amendments to the Regulations on Past Due and Non-Performing Loans*, loans shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards, classified as doubtful or loss, in litigation, and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any. All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual due date, or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement.

Information on the amounts of secured and unsecured loans and receivables (gross of unearned discounts and allowance for impairment and credit losses) of the Group and Parent Company are as follows:

	Consolidated				Parent Company			
	2025		2024		2025		2024	
	Amounts	%	Amounts	%	Amounts	%	Amounts	%
Loans secured by								
Real estate	₱159,151,007	15.03	₱155,808,442	16.70	114,985,016	12.72	₱115,604,790	14.52
Chattel mortgage	29,086,868	2.75	28,134,839	3.02	4,945,056	0.55	5,389,225	0.68
Guarantee by the Republic of the Philippines	–	–	55,300	0.01	–	–	55,300	0.01
Deposit hold out	5,869,664	0.55	8,387,597	0.90	5,161,745	0.57	8,072,020	1.01
Shares of stock of other banks	5,976,000	0.56	5,982,000	0.64	5,976,000	0.66	5,982,000	0.75
Others*	162,719,777	15.37	145,127,890	15.54	162,666,925	18.00	145,056,060	18.22
	362,803,316	34.26	343,496,068	36.81	293,734,742	32.50	280,159,395	35.19
Unsecured loans	696,062,522	65.74	589,578,032	63.19	610,004,918	67.50	515,962,789	64.81
	₱1,058,865,838	100.00	₱933,074,100	100.00	₱903,739,660	100.00	₱796,122,184	100.00

*Others includes loans secured by shares of stocks of other firms, deed of assignment of accounts receivable, assignment/pledge of government securities, mortgage trust indenture, and other collaterals.

Secured liability and assets pledged as security

The carrying amount of interbank borrowings of the Parent Company secured by collaterals amount to ₱118.56 billion and ₱106.97 billion, as of December 31, 2025 and 2024, respectively.

The carrying amount of foreign currency-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱94.25 billion and ₱92.96 billion as of December 31, 2025 and 2024, respectively.

The carrying amount of foreign currency-denominated investment securities at FVOCI pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱8.82 billion and ₱4.06 billion as of December 31, 2025 and 2024, respectively.

The carrying amount of the peso-denominated investment securities at amortized cost pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱16.00 billion and ₱2.00 billion as of December 31, 2025 and 2024, respectively.

The carrying amount of the peso-denominated investment securities at FVOCI pledged by the Parent Company as collateral for its interbank borrowings amounted to ₱7.21 billion and ₱0.50 billion as of December 31, 2025 and 2024, respectively.

The aggregate fair value of investment securities at amortized cost pledged as collateral amounted to ₱108.44 billion and ₱89.08 billion as of December 31, 2025 and 2024, respectively. The aggregate fair value of financial assets at FVOCI pledged as collateral amounted to ₱16.28 billion and ₱4.69 billion as of December 31, 2025 and 2024, respectively.

Related party loans

As required by the BSP, the Group discloses loan transactions with its and affiliates and investees and with certain directors, officers, stockholders, and related interests (DOSRI). Under existing banking regulations, the limit on the amount of individual loans to DOSRI, of which 70.00% must be secured, should not exceed the regulatory capital or 15.00% of the total loan portfolio, whichever is lower. These limits do not apply to loans secured by assets considered as non-risk as defined in the regulations.

BSP Circular No. 423, dated March 15, 2004, amended the definition of DOSRI accounts. The following table shows information relating to the loans, other credit accommodations, and guarantees classified as DOSRI accounts under regulations existing prior to said Circular, and new DOSRI loans, other credit accommodations granted under said Circular:

	Consolidated			
	2025		2024	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Total outstanding DOSRI loans	₱7,799,250	₱79,925,749	₱12,800,168	₱57,721,529
Percent of DOSRI/Related Party loans to total loan portfolio	0.63%	7.55%	1.37%	6.19%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	5.18%	76.02%	0.78%	82.90%
Percent past due DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	—	—	—	—
Percent of non-performing DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	—	—	—	—
	Parent Company			
	2025		2024	
	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)	DOSRI Loans	Related Party Loans (inclusive of DOSRI Loans)
Outstanding DOSRI loans	₱6,610,301	₱79,925,749	₱6,459,983	₱57,719,293
Percent of DOSRI/Related Party loans to total loan portfolio	0.73%	8.84%	0.81%	7.25%
Percent of unsecured DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	5.01%	76.02%	1.39%	82.90%
Percent past due DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	—	—	—	—
Percent of non-performing DOSRI/Related Party loans to total outstanding DOSRI/Related Party loans	—	—	—	—

The amounts of loans disclosed for related parties above differ with the amounts disclosed for key management personnel since the composition of DOSRI is more expansive than that of key management personnel.

BSP Circular No. 560 provides that the total outstanding loans, other credit accommodations, and guarantees to each of the bank's/quasi-bank's subsidiaries and affiliates shall not exceed 10.00% of the net worth of the lending bank/quasi-bank, provided that the unsecured portion of which shall not exceed 5.00% of such net worth. Further, the total outstanding loans, credit accommodations, and guarantees to all subsidiaries and affiliates shall not exceed 20.00% of the net worth of the lending bank/quasi-bank; and the subsidiaries and affiliates of the lending bank/quasi-bank are not related interest of any director, officer, and/or stockholder of the lending institution, except where such director, officer, or stockholder sits in the BOD or is appointed officer of such corporation as representative of the bank/quasi-bank.

On May 12, 2009, BSP issued Circular No. 654 allowing a separate individual limit of twenty-five (25.00%) of the net worth of the lending bank/quasi-bank to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation.

Commitments and contingencies

The following is a summary of contingencies and commitments of the Group and the Parent Company with the equivalent Peso contractual amounts:

	Consolidated		Parent Company	
	2025	2024	2025	2024
Foreign exchange bought	₱434,783,963	₱406,093,820	₱434,783,963	₱406,093,820
Trust department accounts	327,741,700	318,595,935	327,741,700	318,595,935
IRS receivable	93,435,699	74,862,900	93,435,699	74,862,900
Credit card lines	62,077,488	37,045,774	62,077,488	37,045,774
Foreign exchange sold	58,807,500	83,797,174	58,807,500	83,797,174
Committed credit lines	28,764,126	5,322,938	28,764,126	5,322,938
Unused commercial letters of credit	15,093,311	16,237,162	15,040,487	16,183,487
Spot exchange bought	7,591,888	11,747,435	7,591,888	11,747,435
Standby credit commitment	5,077,260	3,891,238	2,567,137	3,891,238
Spot exchange sold	1,416,475	5,751,617	1,416,475	5,751,617
Outstanding guarantees issued	1,313,775	3,441,848	1,313,775	1,163,035
Late deposits/payments received	295,955	387,904	291,044	384,242
Inward bills for collection	279,817	3,539,872	279,817	3,539,872
Deficiency claims receivable	223,504	223,504	223,504	223,504
Outward bills for collection	11,314	12,495	9,163	10,378
Others	2,503	151,252	2,304	151,020

38. Supplementary Information Required Under RR No. 15-2010

In compliance with the requirements set forth by RR No. 15-2010, hereunder are the details of percentage and other taxes paid or accrued by the Parent Company in 2025.

Gross receipts tax	₱3,666,901
Documentary stamps tax	1,300,338
Local taxes	116,063
Fringe benefit tax	20,376
Others	36,828
Total for the year	₱5,140,506

Withholding Taxes

Details of total remittances of withholding taxes in 2025 and amounts outstanding as of December 31, 2025 are as follows:

	Total remittances	Amounts outstanding
Final withholding taxes	₱4,405,728	₱397,778
Withholding taxes on compensation and benefits	1,072,190	59,593
Expanded withholding taxes	327,872	26,823
	₱5,805,790	₱484,194

Tax Assessment

As of December 31, 2025, the Parent Company has no pending tax assessment from the BIR.



CHINA BANKING CORPORATION

Chinabank Building, 8745 Paseo de Roxas
corner Villar Street, Makati City 1226 Philippines